



The International Maritime Transport and Logistics Conference  
Towards Global Competitiveness in Maritime Industry



“INVESTING IN PORTS”

The Trends, The Future

# Aqaba: A Proven Record of Success in Sustainable Investment Projects

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## Aqaba as Jordan's Model For Sustainable Development

- **Aqaba** has been a **significant crossroads** for centuries connecting trade routes linking Asia, the Middle East and Europe.
- In 2001, **Aqaba Special Economic Zone (ASEZ)** was established as one of the most important initiatives by the Jordanian Government, creating:
  - A developed investment zone with multiple economic activities that is distinguished by reduced customs and taxes exemptions.
  - A driving force for Jordan's development that improves the quality of life and prosperity for the community through sustainable development.



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## Aqaba as Jordan's Model For Sustainable Development

- In 2004, **Aqaba Development Corporation (ADC)** was launched to:
  - Develop and manage ASEZ's strategic assets (ports, airports).
  - Maximize private sector participation.
  - Enhance ASEZ's performance, economic growth and development.



**AQABA** ... a prime trade hub and touristic destination

# A Leading Investment Environment

**1**

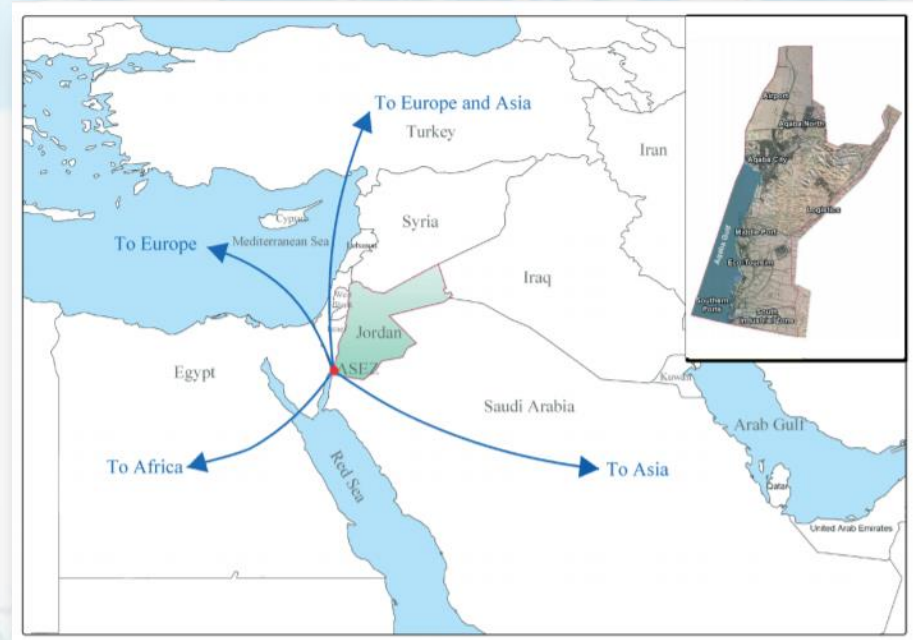
## Strategic Location

Strategically located at the intersection of three continents and crossroads of four countries.

**2**

## Effective Law & Regulations

Aqaba Special Economic Zone was established by a special law that resulted in several flexible and efficient legislations, which easily organizes the investments environment and all the economic activities in Aqaba.



# A Leading Investment Environment

## 3 Political & Social Stability

Perfect example of political and legislative stability, which guarantees the durability and stability of the investments in all sectors, along with good living conditions like health, education, residential and entertainment services.

## 4 Free Trade Agreements

Utilize the special trade relations and agreements that connects Jordan with a lot of countries in North America, Europe, East Asia, and other parts of the world, facilitating the introduction of the Jordanian goods and services to these markets.

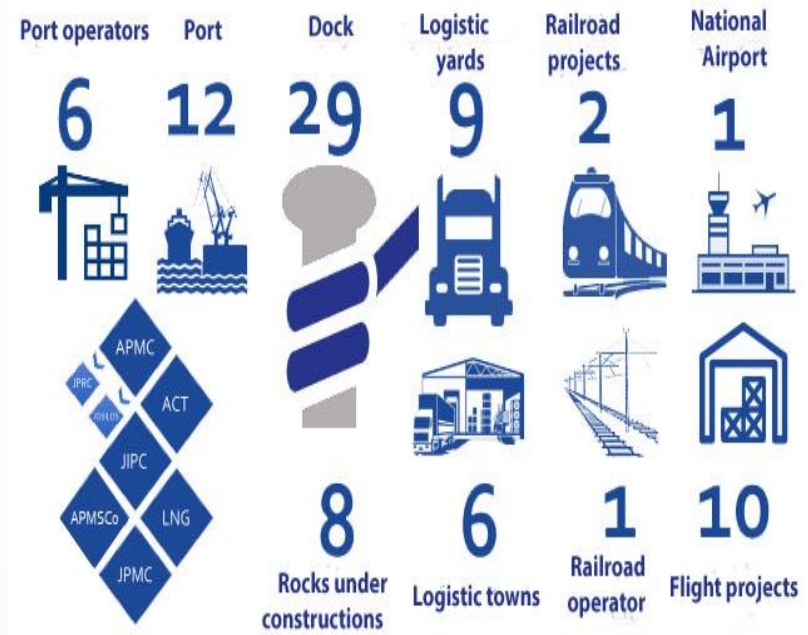
# A Leading Investment Environment

## 5 Integrated Infrastructure

Aqaba forms a regional logistic center for the multimodal transport that has an integrated port services and an international airport as well as a modern and developed logistic facilities.

## 6 Qualified Industrial Cities

Qualified industrial cities gives Jordanian products manufactured within these industrial zones the advantage of entering global markets with exemption of custom duties and taxes.





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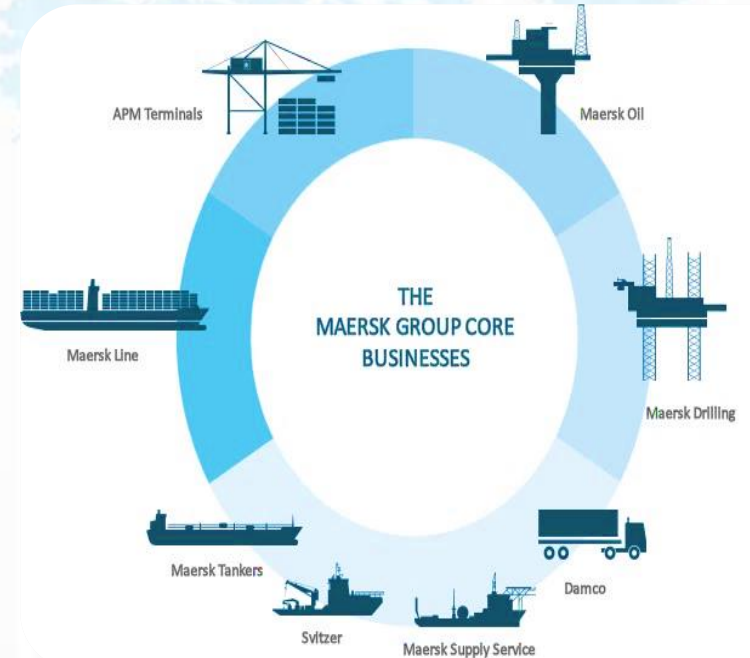
# Aqaba Container Terminal: A Model of Success





## Aqaba Container Terminal: A Model of Success

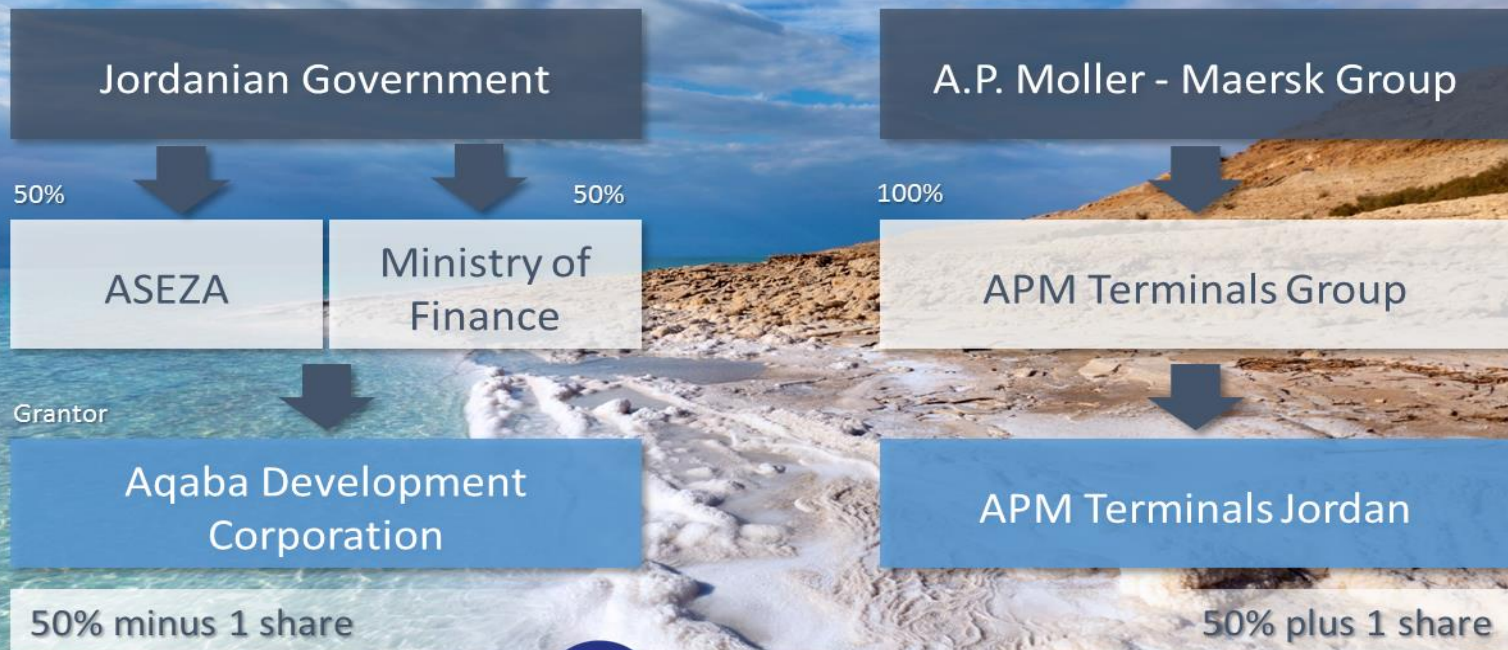
- Aqaba Container Terminal (ACT) is a joint venture between **ADC** and **APM Terminals**, of the AP Møller-Maersk Group (one of the world's largest port and terminal operators), operating a 25-year BOT agreement signed in 2006.
- The terminal forms the logistical and economic backbone of the Aqaba Special Economic Zone (ASEZ), serving as the preferred gateway to the world markets.



AP Møller-Maersk Group was established in 1904, where it employs roughly 70,000 people in 130 countries and generates about 30 billion US dollars in revenue.

# Aqaba Container Terminal: A Model of Success

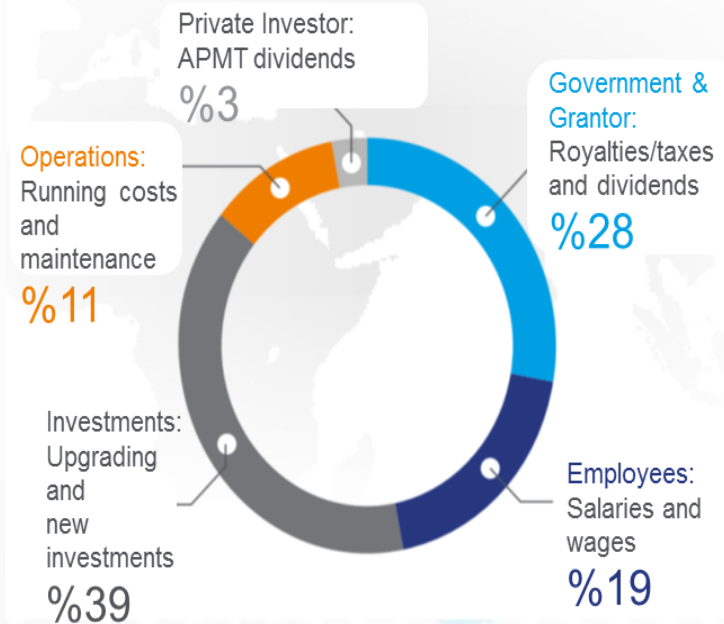
## PPP Structure



APMT: Develop, Manage & Operate

## Aqaba Container Terminal: A Model of Success

- ACT plays a crucial role in the Jordanian economy, enabling growth and development regionally, where 97% of the profits generated by the terminal since 2006 were reinvested in Jordan.
- Over the last 10 years, ACT has invested over USD 300 M in the terminal, expanding its capacity, and improving its operations.
- In 2014, the Jordan Privatization Committee acknowledged ACT as a model privatization project based on its solid operational structure, performance monitoring, sustainability and operational management.



Source: ACT Sustainability Report 2017

# Aqaba Container Terminal: A Model of Success

## 2017 Performance highlights

1,075

Total workforce

796,087

TEUs Total throughput

18% 

Reduction in waste level

99.63%

Nationalism rate

5%

Turnover

18% 

Drop in electricity consumption

29%

Youth representation in workforce

92.4m+ 

In revenues

27% 

Improvement on Water intensity

15,213

Training hours

8%

Drop in operating costs

831 

Volunteer participants

Received the most Sustainable Port Development Award

Zero

Fatalities

Generated more than JOD

266,000

of revenues by transforming waste into consumable products since 2014



# Aqaba Container Terminal: A Model of Success

What triggered ADC to adopt PPP ...

Take advantage of expertise and efficiencies, where APMT offered a significant capability of transferring knowledge and know-how that has increased capacity 3-4 times and productivity by 40% providing better service quality.

Transfers business risk while payback is still secured through taxes, royalties and dividends, where the risk/reward balance is enhanced for both parties.

Limits its capital investment and maintains quality services despite budget limitations, where APMT is willing to invest where it adds value to the country.

# The New Outlook of Aqaba's Ports Community

The Aqaba Ports Community is witnessing major **investment projects** that are implemented by ADC (stand-alone basis or PPP's) to increase ASEZ's competitiveness, including:

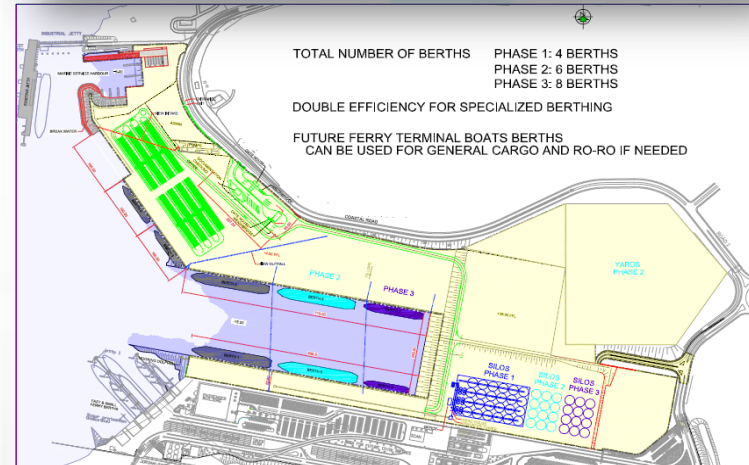
- Building new port facilities such as Aqaba New Port, LPG and LNG Terminals.
- Development and expansion of existing facilities such as the Oil Terminal, New Phosphate Terminal, Industrial Port, Miscellaneous Liquids Jetty and the Passenger Terminal:



# The New Outlook of Aqaba's Ports Community

## 1. Aqaba New Port:

- A master plan for Aqaba has been developed in which all port operations (General Cargo, Dry Bulk, Ro-Ro) will be relocated to the south.
- Al-Maabar International Company will develop a (USD 10 Billion) real estate project of the old main port over 20 years.
- Expected number of berths are (8) of total capacity 1,000,000 Ton.



# The New Outlook of Aqaba's Ports Community

## 2. Liquefied Natural Gas Terminal (LNG):

- To accommodate floating storage and regasification unit facility to convert the LNG to natural gas again to meet kingdom's needs of energy.
- Consisting of 1 berth (2 berthing dolphins and 4 mooring dolphins), unloading & gas processing equipment and connections.

## 3. Liquefied Petroleum Gas Terminal (LPG):

- A comprehensive permanent terminal in accordance with the modern operational aspects in the field to import LPG in sufficient quantities meeting kingdom's needs.
- Consisting of 1 Berth, unloading equipment and transport lines.

## 4. Oil Terminal

- To maximize the Aqaba Oil Terminal handling capacity for crude oil and refined products.



# The New Outlook of Aqaba's Ports Community

## 5. Miscellaneous Liquids Jetty:

- A **BOT** agreement between ADC and the investors of crude oil light products and miscellaneous liquids.
- Consisting of 1 berth for loading and unloading, top side jetty equipment and buffer storage and piping lines.

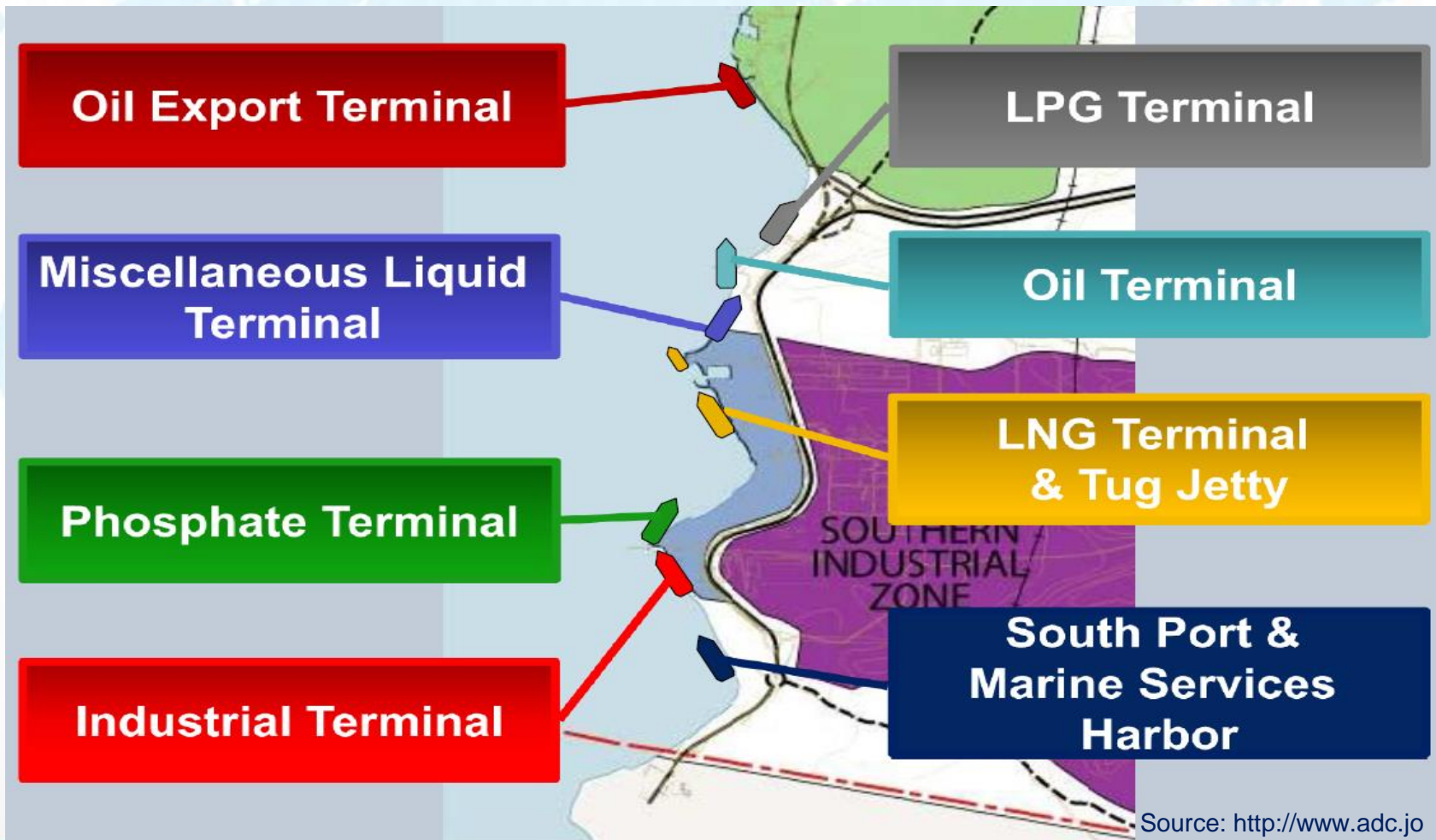
## 6. New Phosphate Terminal:

- A 30-year **BOT** agreement between ADC & JPMC.
- A new dry bulk jetty export and dust and spillage controls facilities.

## 7. Industrial Terminal

- A 30-year **BOT** agreement between ADC & JIPC.
- Increase handling capacity of dry bulk potash.
- Expansion of current terminal by adding a new industrial jetty.
- Rehabilitation of the existing industrial terminal.

# The New Outlook of Aqaba's Ports Community



# The New Outlook of Aqaba's Ports Community

- 12 terminals stretching over 32 specialized berths (12 - 14 m.)
- Equipped with state-of-the-art handling equipment.
- Includes serviced storage spaces that are connected via modern road networks with logistics centers and industrial estates.



# The New Outlook of Aqaba's Ports Community

- Paves the way to address ASEZ's strategic goals for the year 2025:
- ✓ Increase the No. of containers handled at ACT from 797,000 TEU in 2017 to **2 M TEU**.
- ✓ Increase the general cargo handled at Aqaba ports from 20 M tons in 2017 to **40 M tons**.
- ✓ Increase the No. of logistics villages from 5 to **10** and the No. of industrial estates from 3 to **6**.



# Conclusions

**Investor  
Concerns / Targets**

**Government - ASEZ  
Concerns / Targets**

**Political  
Commitment**

Transparent legislatives  
Enabling environment  
Investment incentives

**Risk  
Balance**

Clear distribution of  
risk between public  
& private partners

**Bankability**

Commercially attractive

**Clear  
Agreement**

Needs of public partner  
well defined & harmonized  
during the project cycle

**Deliverables**

Competent  
facilities

**Legal  
Framework**

indemnity & legal  
contractual set up

**Strategic  
Course of  
Action**

Capabilities of  
future expansions  
& developments

**Financial  
Plan**

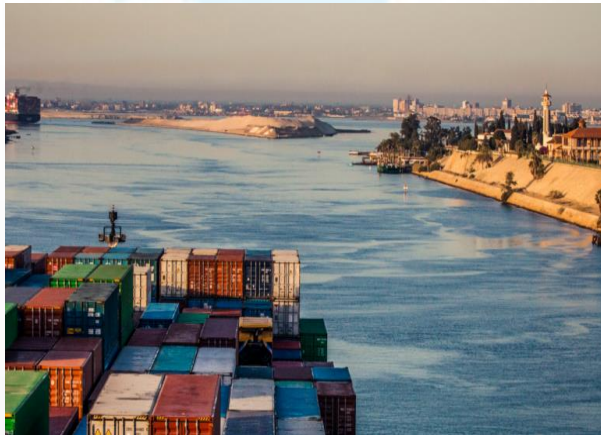
Fair cost /return  
model



# Recommendation

## To launch an annual conference for Arab Special Economic Zones to:

- ✓ Exchange different experiences and lessons learned
- ✓ Peruse further efforts to enhance mutual cooperation in several aspects
- ✓ Discuss potential opportunities to achieve integration between these zones





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# Thank You

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