

GULFTAINER ACQUIRES 51% SHARE IN GULF STEVEDORING

Maritime & Ports Middle East looks at the impact of the Gulftainer group's majority acquisition of the Gulf Stevedoring Contracting Company

About Gulftainer

Established in 1976, the Gulftainer group is headquartered in Sharjah, UAE, and is a subsidiary of Crescent Enterprises. Gulftainer operates three main UAE ports: two on behalf of the Sharjah Port Authority – Sharjah Container Terminal (SCT) and Khorfakkan Container Terminal (KCT); and one in Ruwais, Abu Dhabi, on behalf of the international plastics solutions company, Borouge. Gulftainer launched the first dedicated container terminal in the UAE's Port Khaled in Sharjah and it also operates international freight forwarding and project logistics.

1976
The year
Gulftainer was
established

About Gulf Stevedoring Contracting Company

Founded in 1985, the Gulf Stevedoring Contracting Company (GSCCO) currently operates two of the largest port projects in the Kingdom of Saudi Arabia. After 16 years of steady growth the company now employs more than 5000 personnel of diverse nationalities and skills.

Tell me more details about the deal...

Last month Gulftainer acquired a 51% stake in Saudi Arabia's GSCCO, allowing it to assume the full management of three Saudi terminals, located in Jeddah and Jubail. The acquisition makes Gulftainer the largest port operator in the Middle East with regard to the number of terminals operated in the region. The company manages 40% of all the major container terminal facilities in the Middle East that have the capacity to handle ships of 12,000 TEU or greater in size, and 45% of all major port capacity outside of the Strait of Hormuz.

What will Gulftainer now operate?

At the Jeddah Islamic Port, Gulftainer will operate the Northern Container Terminal (NCT) on the west coast of Saudi Arabia and also operate Jubail Commercial Port (JCP) and Jubail Industrial Port (JIP) on the east coast. Both Jeddah and Jubail are key growth areas in the country with



← The Khorfakkan Container Terminal is one of the three UAE ports that Gulftainer operates.

“The road ahead is one that we look to with optimism and ensure that we are well prepared to stay ahead of the trends and deliver exceptional results for our clients.”

GULFTAINER GROUP MANAGING DIRECTOR PETER RICHARDS



➤ The Northern Container Terminal at the Jeddah Islamic Port has recently undergone significant expansion.

AT A GLANCE: GULFTAINER

- Established in 1976 in Sharjah
- The group operates and manages ports and logistics businesses in several countries, including the UAE, Iraq, Pakistan, Russia, Brazil, Lebanon and Turkey
- It recorded a 24% overall increase on trade volumes in 2012 when compared with 2011. Its Sharjah ports saw the greatest volumes throughout the year, with Khorfakkan Container Terminal seeing growth of 28% on its 2011 figures with a throughput of more than 3.3 million TEU.

strong, positive economic forecasts, following massive government investments in infrastructure.

Jeddah's NCT has recently undergone significant expansion which will substantially improve the capability of Jeddah Islamic Port. The facility currently consists of a 1654m quay and 11 cranes – seven of which are super post panamax cranes, with an annual capacity of three million TEUs. Almost 75% of all container traffic to the Kingdom is currently handled through the Port of Jeddah, and it is a major trade gateway for the Kingdom's container traffic.

Jubail is seen as critical to economic development within the Kingdom, and the government has recently invested US\$215 million in its two facilities to increase its capacity and cope with the growing flow of cargo. In recent years, the government has also confirmed investments in excess of US\$129 billion in energy and infrastructure projects in the surrounding region, which in turn is expected to spur massively increasing terminal activity.

What do the companies say?

HRH Prince Abdulaziz Bin Ahmed Bin Abdulaziz Al Saud, chairman of GSCCO: “We are delighted to be partnering with Gulftainer and look forward to continuing to strengthen the relationship in the coming years. The Saudi economy is one of the strongest in the world and these three ports will be expanding significantly and the expertise that Gulftainer brings with it to Gulf Stevedoring and Contracting Company will be invaluable.”

Badr Jafar, CEO of Crescent Enterprises and vice-chairman of the Gulftainer group: “We are very proud of our Sharjah and UAE heritage and home-grown expertise. Saudi Arabia's growth makes it an extremely fast-paced, exciting market and I am confident that Gulftainer's proven track record in this sector will further serve and support the evolution and development of the port and logistics sector in the Kingdom in the coming years. Together we can offer a genuinely objective approach towards port management and logistics in the country.” ●