

محطة بوابة البحر الأحمر
RED SEA GATEWAY TERMINAL

RIPPLES talk

Issue No. 1

Successful Story

- RSGT
- A growth engine of Kingdom's economy
- Equipment delivery is on the way to boost efficiency

Leading Story

- A Promise Made is a Promise Kept
- RSGT In a nutshell



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CEO Message



"Welcome to the first issue of RSGT's newsletter in 2013. I am proud to inform you of the outstanding results achieved in 2012. RSGT once again delivered a notable overall performance that we are all proud of."

I am pleased to report a volume increase of 34%. The accomplishment undoubtedly resonates with RSGT's vision – to be the engine of growth for the economy and business by providing world class integrated logistics solutions, as well as port development and operation. RSGT has been spearheading change among Saudi ports. Due to our capability and capacity in handling the next generation vessels (18000 TEU + class), Jeddah Islamic Port was placed among the top 16 port of calls for these type of vessels in the world.

We have been continuously spearheading innovation; our latest was introducing double stacking trailers. This will increase

the container yard turn-around time and overall terminal productivity.

In addition to our innovation in productivity and efficiency, we strive to implement new strategies in terms of health and safety coupled with client satisfaction. We have successfully launched a new phone application technology which enables consumers to follow up on their business from anywhere in the world.

These results would not have been possible without the hard work of our teams whom I would like to thank and salute for their exceptional efforts and work ethic. Our operational capabilities have never been better. With dedicated and well-trained teams, new infrastructure, and new equipment arrivals, I am optimistic that 2013 will be our best year yet.

Aamer Alireza
CEO



A Promise Made is a Promise Kept



"As Saudi Arabia's latest state-of-the-art container terminal radically boosts trade flow through a traditional gateway into the Kingdom."

In September 1976, the Kingdom of Saudi Arabia established the Seaport Authority and developed Jeddah Islamic Port (also known as King Saud International Seaport), which is conveniently located right in the middle of the international shipping route between east and west. Beginning with just 10 operational docks, Jeddah Islamic Port now serves up to 58 international docks. Jeddah Islamic Port has developed throughout the years, and this rapid development led to the launch of the Red Sea Gateway Terminal (RSGT), which has been commercially operating since 2009.

RSGT is the newest flagship container terminal at Jeddah Islamic Port, the Kingdom of Saudi Arabia's principal port. A world-class terminal spearheaded by the Saudi Industrial Services Group (SISCO), is also the first privately funded Build Operate and Transfer (BOT) port development agreement in Saudi Arabia.

Covering over 750,000 square meters, the

facility was constructed to set a benchmark advancing other port terminals around the region, exploit approaches such as intelligent design and layout, implementing cutting-edge technologies and value-added logistics capabilities, ensure efficiency within whole supply chain and meet the demands of modern day trade. It also adds 45% annually to the existing port's capacity allowing increase in volume and efficiency in handling.

RSGT has set out to redefine standards of efficiency, capacity, and capability by incorporating a mix of the best in class equipment and cutting-edge technology in the logistics industry. The terminal boasts a dedicated deep water navigation channel able to take vessels with a draft up to 16.5m,



can handle the next generation of Triple E Class of mega vessels of 18,000+ TEU -The standard unit for describing a ship's cargo carrying capacity- (Twenty foot equivalent) soon to be deployed.

Worth noting RSGT is next to Tusdeer Saudis' first export and re-export zone 'affiliation' provides a thriving integrated logistics hub on the coasts of the Red Sea, adding to the capacity and capabilities of Jeddah Islamic Port, as well as creating new opportunities for economic growth in the region.

The accomplishment undoubtedly resonates with RSGT's vision - to be 'an engine of growth for the economy and business' by providing world class integrated logistics solutions, as well as port development and operations.

RSGT has been spearheading development at the port. In May 2010, five months after trial operations, JIP was ranked as '4 stars' in the same league as many of the world's leading ports in terms of efficiency of cargo handling, port fees, information services, problem-solving and application of global standards.

One year after opening its doors to business, RSGT announced its 500,000TEU's milestone. After the Official inauguration in April 2012, the terminal celebrated the handling of over



900,000 TEU's. Overall the new terminal will open opportunities for customers around the world through the provision of cutting edge solutions to fulfill their business needs, furthermore seeking to provide shipping lines with high-quality services enabling great improvements in container handling productivity and turnaround times.

The biggest contributing factor to RSGT's success is its talents. RSGT has driven forward

the nationalization of numerous jobs in the port by training and qualifying Saudis, both male and female with the aim of maximizing the number of Saudis who are subject matter experts in the port industry. Saudi employees add value to the company all the way from administration to engineering and planning.

Successful Stories

RSGT A growth engine for the Kingdom's economy

RSGT is right on track for its vision to become a growth engine for the Kingdom's economy. RSGT is keeping its promises to deliver the highest productivity to the international shipping lines calling Jeddah Islamic Port through its most capable equipment, cutting edge technology and skilled manpower to the industry, moreover successfully promoting Saudi employees and bringing them to leading positions while ensuring that opportunities are available for both men and women.

Over 91 mega vessels, we are pleased to share our achievements over the year 2012 and the performance during the first five months of this year. As RSGT is a well designed terminal to accommodate the new generation of mega vessels, over one hundred sixty (13000TEU plus class vessels) have been handled positioning Saudi Arabia as one of the most important hub for mega vessels. RSGT is the most capable international terminal with its giant quay cranes equipped with tandem lift to achieve the highest efficiency,

RSGT successfully handled 1.34 MTEU in 2012, exceeding the volume handled a year ago by 34% and increasing the yearly market share to 29%, positioning RSGT as the second largest in terms of volume at Jeddah Islamic Port.

Due to the double-digit increase in volume and the liner's vessel upsize trend, new equipment has been added to the existing fleet in order to enhance our capability to provide sustainable



productivity. Moreover, RSGT introduced new IT solutions to the market via web-based and mobile phone applications to build up direct communication channels with its clients and facilitate the access to real time database.

The Saudi Arabian economy is expected to remain stable and relatively strong compared to the other countries over the next few years, even though GDP is estimated to slow down from previous years, to 4-6% growth this year. The Kingdom's healthy economy is expected to bolster the growth of JIP as well as RSGT which as a leading innovative terminal will be well prepared to support the growth of the Kingdom's economy.

Interview



Capt. Wang Song
Managing Director of China
Shipping West Asia Holding

China Shipping has grown tremendously over the years in Jeddah, with 2012 year-on-year growth of 191%. What is the key factor for CSCL in increasing volume in Jeddah? And how do you prospect about the Saudi Arabian market in terms of container business?

The key factor is that the trade between China and Saudi Arabia reached the highest level of 73.4 billion U.S. dollars in 2012, an increase by 14 percent as compared with the previous year comprising of both imports and exports and this is reflecting on the volumes in containers from China to Saudi Arabia. China Shipping has focused themselves into developing the Red Sea trade sector and have dedicated their 14,000 TEU vessels to call at Jeddah and serve the other Red Sea ports while the east coast is served feeders via Jebel Ali. The Saudi government has announced several multibillion dollar projects for the development of infrastructure, railways, cities, ports and free zones, all of which will result in increased trade. We are confident in the Saudi market and the region. The trade in containers will increase in the coming years.

How do you see JEDDAH as the regional hub for China Shipping?

Jeddah is presently also being used as the regional hub of the Red Sea region, and we only see the growing importance of Jeddah due to good port and feeder infrastructure connecting Red Sea ports. The regional countries also consider Saudi as a major trading partner.

How can a container terminal contribute to the shipping lines business positively shipping lines by?

1. Ensuring good productivity on the vessel's loading and discharging.
2. Ensuring that the pilotage in and out time is reduced to the bare minimum.
3. Good yard planning, storage of empty containers in the terminal.
4. Coordinating with the customs to ensure that there are no delays in inspection and scanning of the containers.

China Shipping and RSGT grew together in the past three years of operations, with most of the CSC Jeddah volume handled in RSGT. How do you see RSGT and CSCL partnership to

progress further in the future?

RSGT is a state of art container terminal and CSCL are happy with the proactive actions of RSGT. We have also understood the expansion plans of RSGT for the year 2014. The partnership between RSGT and China Shipping is strong and can lead to further development.

CSCL currently deploys mega vessels (14,000TEUs) on the Asia-Europe service calling Jeddah/RSGT. Are there any plans to further add / cascade more mega vessels or bigger mega vessels calling Jeddah in the future?

There are certainly bigger vessels of 18000 TEUs on the order book, but we cannot say if they would be calling Jeddah Port as the markets and vessel economics would decide the ports of calls.

What can Jeddah, and especially RSGT improve in terms of capability, performance, and services for the customers?

We are satisfied with the present services of RSGT, but there is always room for improvement in the field of vessel productivity, yard planning, market intelligence, statistics on imports and exports on the basis commodity/ TEU/POL/POD. All would be welcomed not only by CSCL but by the entire shipping industry in Saudi Arabia.

How do you see CSCL future in Saudi Arabia?

The trade between Saudi Arabia and China is growing at record levels and the Inter Sea trade is also growing. Steady oil revenues for Saudi Arabia, new project announcements, make us feel confident of the Saudi Arabia market and the Red Sea Trade sector. CSCL already has increased its presence in Saudi Arabia by operating three service:

1. RESI Service
2. AEX 7 service
3. AMX1 service.

CSCL is a stock-listed company in Hong Kong which owns and operates 150 vessels with total capacity of over 600,000 TEUs and CSCL is ranking within top 10 largest carrier in the world and one of the fastest growing container shipping companies in the world. CSCL has a network of over 60 offices in China with its own feeder network.

CSCL operates more than 80 domestic and international services with agency network covering 100 countries worldwide. China Shipping (West Asia) Holding is the regional head office of China Shipping Group in the Middle East. We are serving not only for container business but also tanker and break bulk vessels and group investment in this region. Our business is covering 17 countries and more than 30 ports in Middle East. Saudi Arabia is the center of the region with key port of Jeddah.

Boosting Efficiency

Terminal operations heavily depend on efficiency, reliability, and proper deployment of equipment. Part of a terminal's strength relies on its equipment capability which can handle not only the most advanced vessels available in the world, but also different types of cargo in the terminal. With this in mind, RSGT has consistently looked for ways to improve its efficiency and productivity in order to meet the growing demands of the shipping lines and the logistics industry.

In 2013, RSGT has invested in procuring additional Yard Cranes (YC), Terminal Tractors (TT), Reach Stackers (RS), Empty Handlers (EH), and Double Stacking Trailers (DST) which is a first in the Saudi Market.





RSGT

In a Nutshell

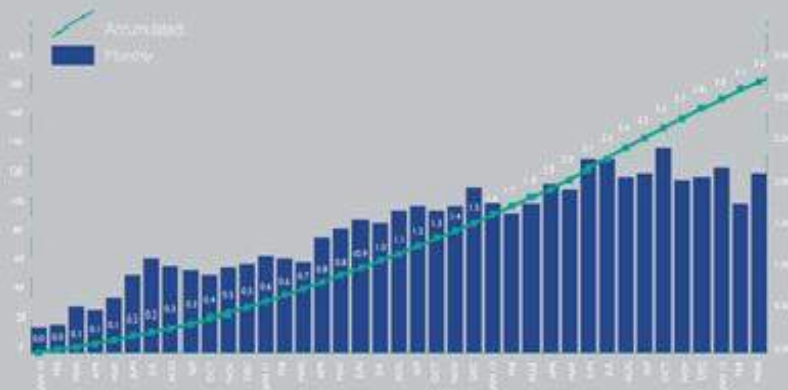
- RSGT achieved 1,344,064 million TEUs in 2012.
- RSGT was able to achieve 580,000 TEUs for the first five months of the year.
- Achieved an excellent gross crane rate of 30.92 per hour.
- RSGT family size increase to 1,000 members including 15 Saudi females.
- RSGT achieved the highest record in the Middle East for vessel moves at 320 per hour.

- RSGT launches its first online application for container inquiries, now available for all smart phones.
- RSGT implements the self-service kiosks for consignees and business owners.
- RSGT is operating the vessel under the full compliance of port safety and security.
- RSGT now is a fully compliant ISPS port (International Ship and Port Facility Security Code).
- Major safety awareness initiatives in and

- around the terminal.
- RSGT Innovation Day 2013; the innovation project of RSGT is designed to lookout for new and innovative ideas to carry RSGT to the pinnacle of the container terminal service industry. The re-launching event took place on March 20, 2013.
- RSGT engineering team purchases additional equipment to boost productivity & efficiency.

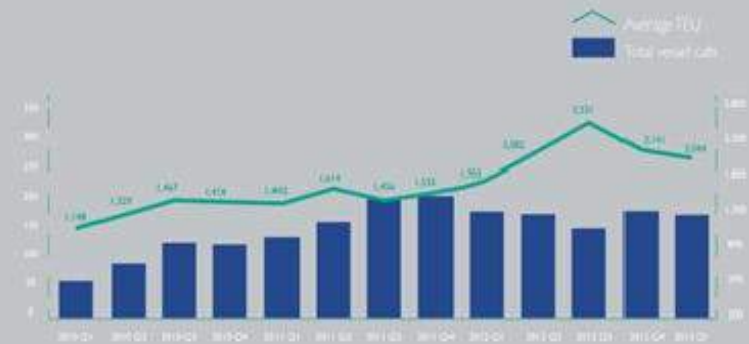
RSGT In Numbers

RSGT Volume Growth



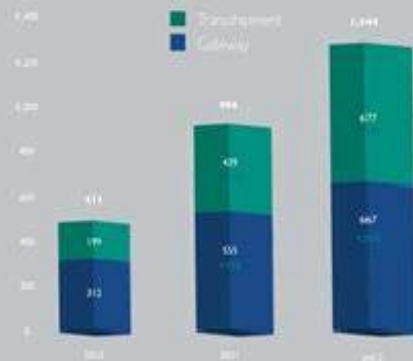
- Since the start of commercial operation in December 2009, RSGT has handled an accumulated throughput of 3.2M TEUs (March 2013 YTD).
- Highest monthly throughput handled is in October 2012, with 133K TEUs.

RSGT Vessel Calls



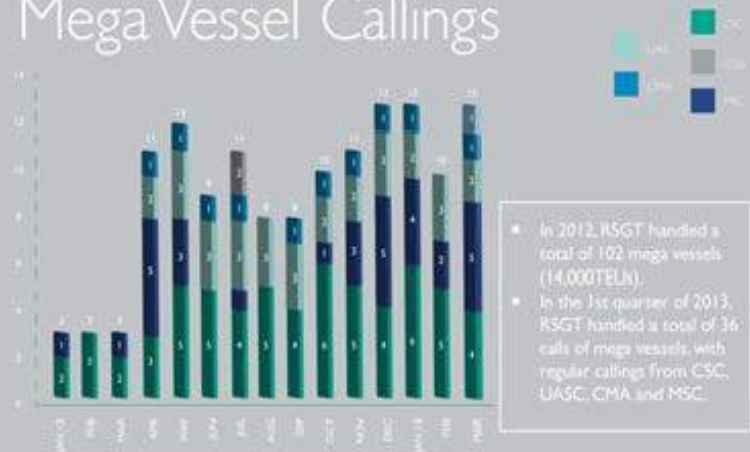
- In 2010, RSGT handled a total of 372 vessel calls, and in 2011 handled an increase of 77% of vessel call with 457 vessels.
- With larger vessels cascading into the Jeddah route, RSGT handled lesser number of calls in 2012, i.e. 641 vessels, but with higher average volume per vessel at 2,096 TEUs as compared to 1,512 TEUs in 2010.

RSGT Annual Growth 2010-2012



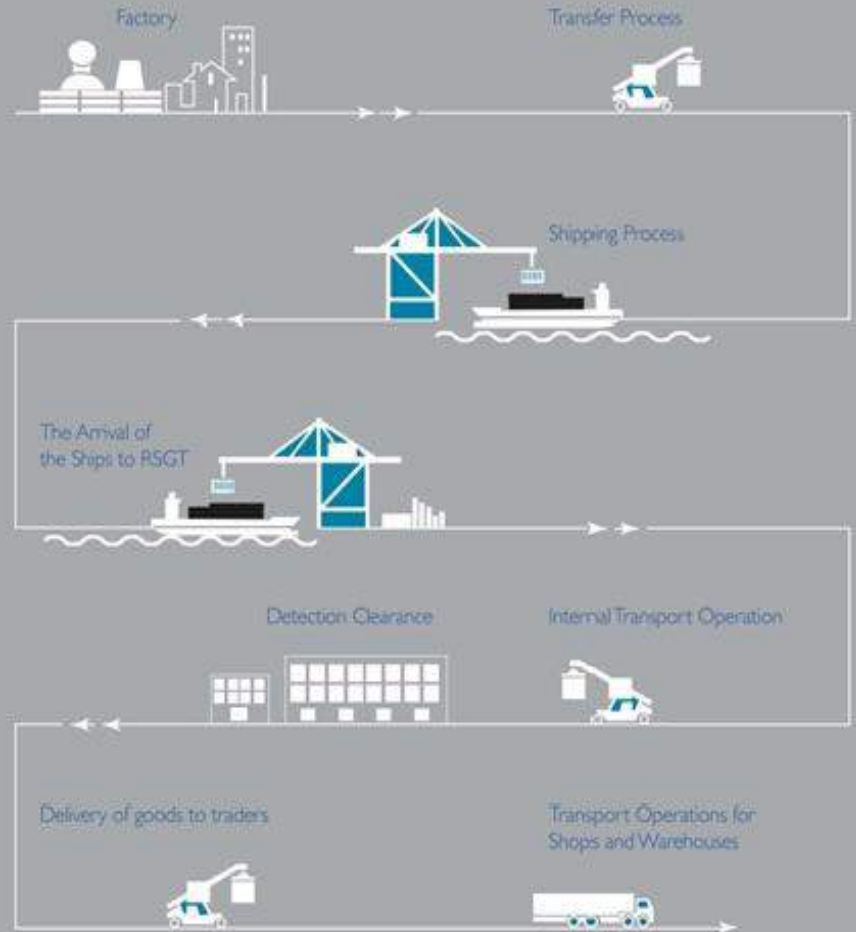
- In the 1st full year of operations in 2010, RSGT handled a total of 511K TEUs throughput and almost doubled the amount in 2011 with 894K TEUs.
- In 2012, RSGT broke the 1 million TEUs mark for a total of 1.34M TEUs in annual throughput handling.

RSGT Mega Vessel Callings





LIFE CYCLE Of A Container

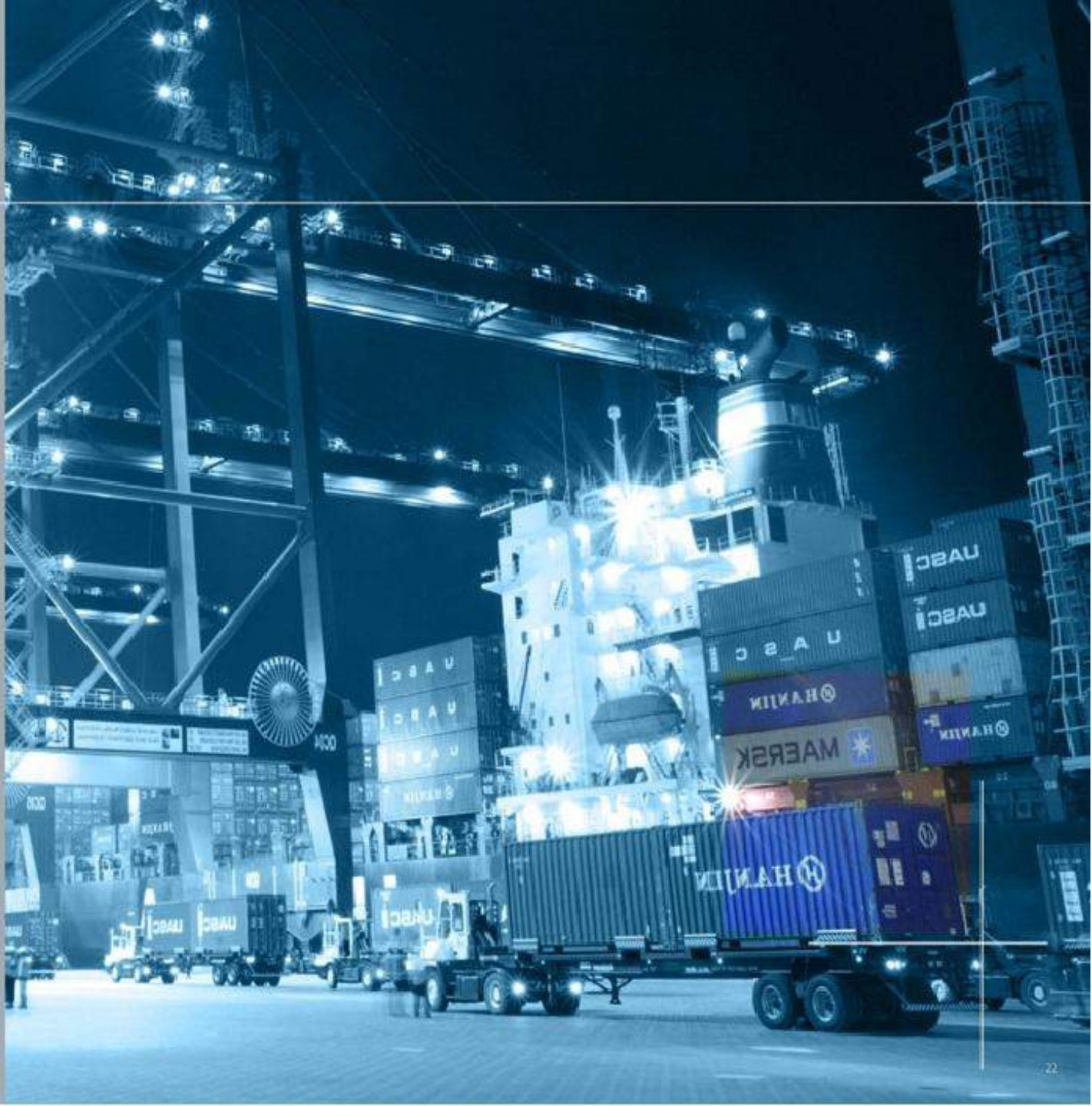


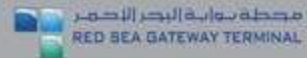
Success In the Work Place..

There are many factors that contribute to the success of an establishment or organization. A healthy environment, work ethic, positivity, cooperation, and teamwork are only to name a few.

A positive attitude has been proven to create a productive environment in which employees are given the sense of comfort from colleagues and superiors and are therefore motivated to produce their best work. When an employee shows a positive attitude towards his/her job, that entails respecting the company guidelines, code of conduct, policies and procedures, and exercising self-discipline at all times. Employees must value each other and not undermine or underestimate the fact that they are all meant to act as one and work for a common goal rather than compete with one another.

Cooperation is one of the most important factors that lead to the success of an organization. Managers implement and apply teamwork by engaging with their subordinates regarding decisions the company must take. By working together, asking for employee's inputs and opinions, managers are indirectly planting respect and self-confidence in their employees.





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