

Eldib Pandi | End 2022 Report Egypt

As 2022 came to end, we wanted to measure the post COVID-19 progress and uptick in trade across Egyptian Port. Accordingly, we decided to take Egypt's main port, Alexandria port, that covers both Alexandria and Dekheila ports, as a case study for the through put numbers over the past few years. With that being said, a report on Egyptian waterway would not be complete without a spotlight on the progress of the Suez Canal over the year. Our report also includes feedback as P&I correspondence and loss prevention suggestions that we find can be of assistance to vessels calling Egyptian Ports. Please take the time to review our report, and if you have any further queries that need to be addressed, do not hesitate to get in touch.

OVERVIEW OF EGYPT AND ITS SEA PORTS

Egypt has about 3,500 km (2,200 mi) of waterways, including the Nile, Lake Nasser, Alexandria-Cairo Waterway, and many smaller canals in the Nile Delta. As a seafaring nation, located on the North Easter corner of Africa, Egypt has 15 commercial ports and 29 specialized ports. The specialized ports include 5 tourist seaports, 12 petroleum seaports, 6 mining seaports, and 6 fishing seaports across both the Mediterranean and Red Seas.

Maritime transportation plays a vital role for both economic and commercial activities of Egypt, with the Suez Canal also acting as artery for eastern-and-western trading. Last year, the Suez Canal recorded a new record high, increasing the number of annual transits from 20,640 as recorded in 2021 to 23,780 in 2022 which would come to a 15.2 % increase.

Monthly Comparison	2020	2021	Percentage
January	1643	1593	-3%
February	1518	1519	0%
March	1639	1479	-10%
April	1723	1796	4%
May	1605	1728	7.1%
June	1360	1632	16.6 %
July	1404	1667	15.7 %
August	1505	1863	19.2%
September	1532	1846	17 %
October	1619	1843	12.15 %
November	1608	1864	13.63%
December	1572	1810	13.14%
Total	18728	20640	9.26 %

Monthly Comparison	2021	2022	Percentage
January	1593	1776	11.5 %
February	1519	1717	13%
March	1479	1818	23%
April	1796	1925	7.20%
May	1728	1909	10.4 %
June	1632	1944	9.6 %
July	1667	2096	25.7 %
August	1863	2116	13.6 %
September	1846	2021	9.47 %
October	1843	2122	15.13 %
November	1864	2169	16.30%
December	1810	2173	20 %
Total	20640	23780	15.2 %

ALEXANDRIA PORT [Alexandria and El Dekheila Ports]

The Port of Alexandria, on the north Mediterranean coast, remains the biggest facility in the country, handling about 60% of Egypt’s international maritime cargo and serving as the main commercial connection to European markets.

Therefore, ports developments are key for continual economic development in Egypt and for the current facilities continue serving the world’s growing markets.

An extension connecting Alexandria and El Dekheila port, spanning about 8KM long is expected to be join the two ports together, developing them into Egypt’s largest ports. The project is underway and expected to be completed by 2024.

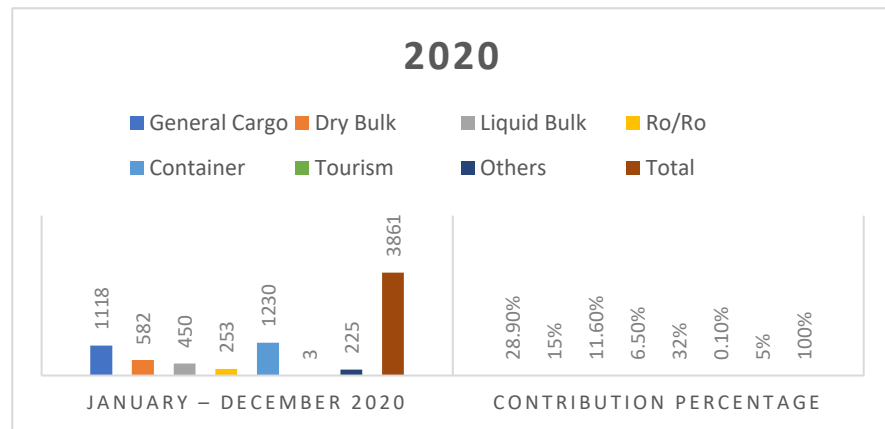


With respect to vessel calls, comparing the numbers of 2020 to those of 2021, we noted that there was a 3.5% increase in the number of vessels calling Alexandria Port. However, there was a decrease in the numbers calls in year 2022 as compared to 2021, where the average percentage of calling vessels have shown - 19.9 %. The total number of calling vessels in 2021 were 4,001 vessels as opposed to 2022 where only 3,201 vessels called Alexandria port.

With that being said, we started to breakdown these numbers according to the type of vessels for each year as follows:

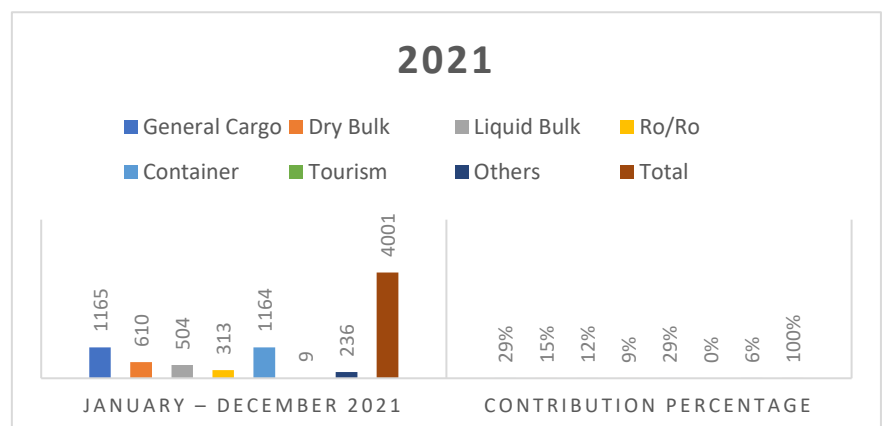
Alexandria/El Dekheila Port (2020)

Type of vessel	Jan – Dec 2020	Contribution Percentage
General Cargo	1118	28.9%
Dry Bulk	582	15%
Liquid Bulk	450	11.6%
Ro/Ro	253	6.5%
Container	1230	32%
Tourism	3	0.1%
Others	225	5%
Total	3861	100%



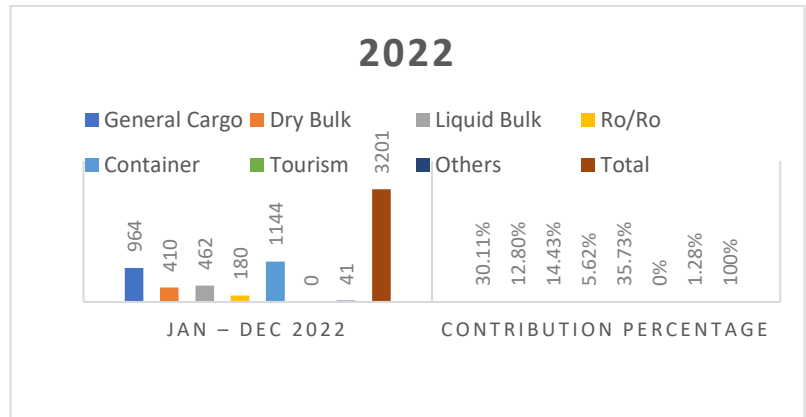
Alexandria/El Dekheila Port (2021)

Type of vessel	Jan – Dec 2021	Contribution Percentage
General Cargo	1165	29%
Dry Bulk	610	15%
Liquid Bulk	504	12%
Ro/Ro	313	9%
Container	1164	29%
Tourism	9	0%
Others	236	6%
Total	4001	100%



Alexandria/El Dekheila Port (2022)

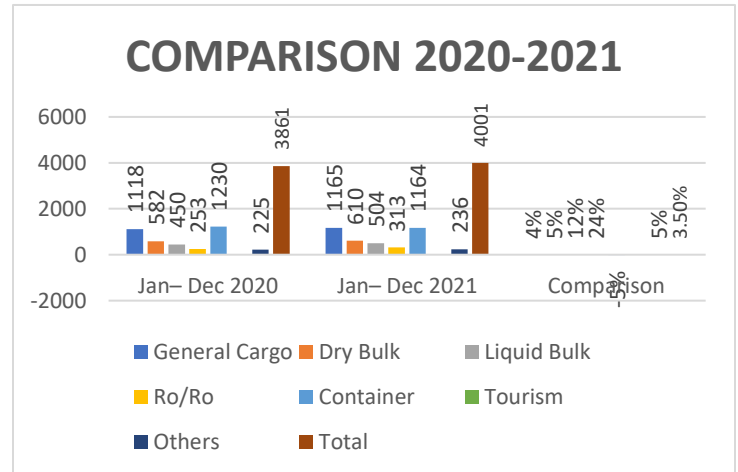
Type of vessel	Jan – Dec 2022	Contribution Percentage
General Cargo	964	30.11 %
Dry Bulk	410	12.80 %
Liquid Bulk	462	14.43 %
Ro/Ro	180	5.62 %
Container	1144	35.73 %
Tourism	0	0%
Others	41	1.28%
Total	3201	100%



Ships Traffic at Alexandria/El Dekheila Port By type of Vessel During 2020 Compared To 2021:

We cross assessed all of the numbers against each other, indicating that the total number of vessels calling Alexandria port increased in the year 2021 to reach 4,001 vessels which is more than the year 2020 which only had 3,861 vessels call port.

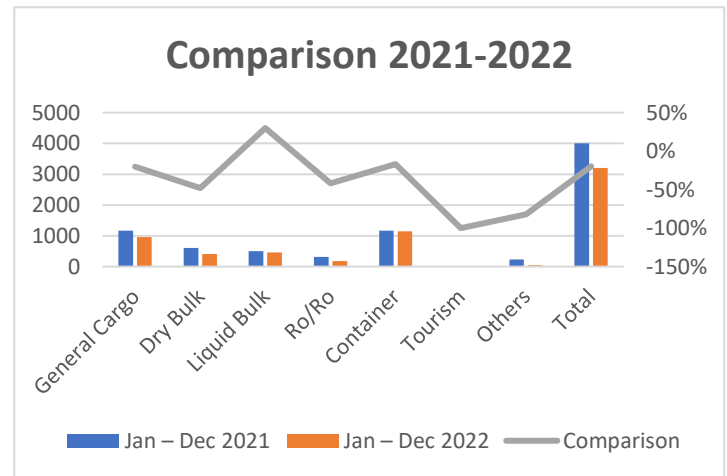
Type of vessel	Jan– Dec 2020	Jan– Dec 2021	Comparison
General Cargo	1118	1165	4%
Dry Bulk	582	610	5%
Liquid Bulk	450	504	12%
Ro/Ro	253	313	24%
Container	1230	1164	-5%
Tourism	3	9	200%
Others	225	236	5%
Total	3861	4001	3.5%



Ships traffic at Alexandria/El Dekheila Port By type of Vessel During 2021 Compared to 2022:

We compared the same numbers with 2022 as opposed to 2021 which show that the total number of vessels calling Alexandria port in 2022 declined where the total number of vessels was only 3,201 in comparison to 2021 which had 4,001 vessels call.

Type of vessel	Jan – Dec 2021	Jan – Dec 2022	Comparison
General Cargo	1165	964	- 20 %
Dry Bulk	610	410	- 48 %
Liquid Bulk	504	462	30 %
Ro/Ro	313	180	-42 %
Container	1164	1144	-17 %
Tourism	9	0	-100 %
Others	236	41	- 82 %
Total	4001	3201	- 19.9 %



DAMIETTA PORT



The port of Damietta, also on the Mediterranean, is becoming the port of choice for many carriers. As a younger port, with a deep draught, Damietta is attracting larger vessels to its quays. The port is about 60 km & 38 nautical miles west of Port Said Port and 200 km & 120 nautical miles east of Alexandria Port.

A new multi-purpose terminal was also recently opened in Damietta Port, including berths with a length of 630 meters and a depth of 17 meters and a yard area of 50,000 m². It is expected to have the capacity for up to 4 million tons annually.

The project is equipped with all necessary facilities to serve ships and cargo operations, starting from fire systems working with salt water, and rain drainage system in yards, places for feeding ships with fresh water and electricity. There're also dedicated areas to receiving ships' sewage and oil waste. The terminal aims to reduce waiting time in the outer anchorage and increase the amount of cargo operations completed, bearing in mind the capacity for larger types of vessels and the available for storage inside the port.

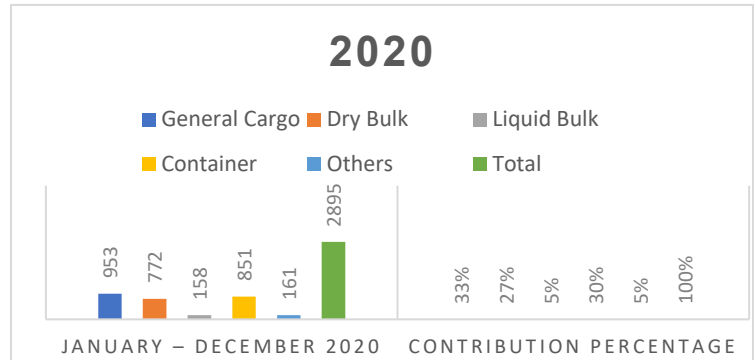
Furthermore, currently underway is the construction of a New Container Terminal in the port, named "Tahya Misr -1".

With respect to vessels' calls, comparing the numbers of 2020 to those of 2021, we noted that there was a -8% decrease in the number of vessels calling Damietta Port. However, it seems that the numbers picked up when comparing 2021 to 2022 where the average percentage of calling vessels have shown 20.3 % increase. The total number of vessels calling in 2021 were 2,661 vessels in comparison to 2022's increased calls of 3,339 vessels.

With that being said, we breakdown these numbers according to the type of vessels for each year as follows:

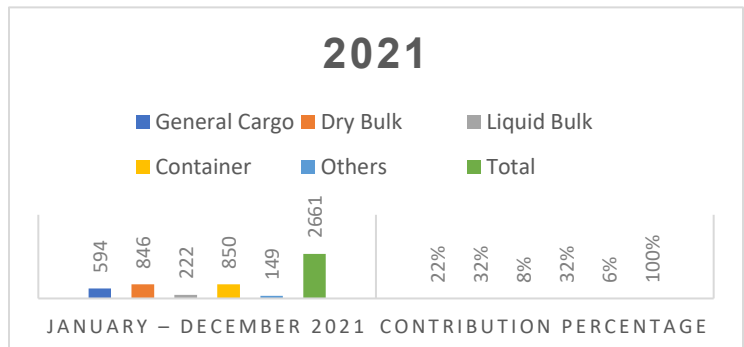
Damietta Port 2020:

Type of vessel	Jan – Dec 2020	Contribution Percentage
General Cargo	953	33%
Dry Bulk	772	27%
Liquid Bulk	158	5%
Container	851	30%
Others	161	5%
Total	2895	100%



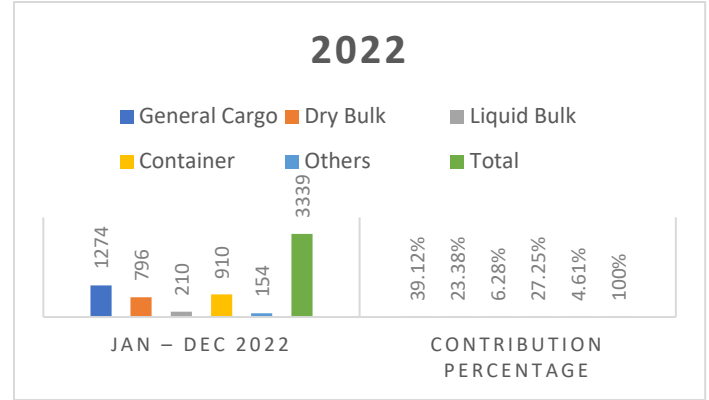
Damietta Port 2021:

Type of vessel	Jan – Dec 2021	Contribution Percentage
General Cargo	594	22%
Dry Bulk	846	32%
Liquid Bulk	222	8%
Container	850	32%
Others	149	6%
Total	2661	100%



Damietta Port 2022:

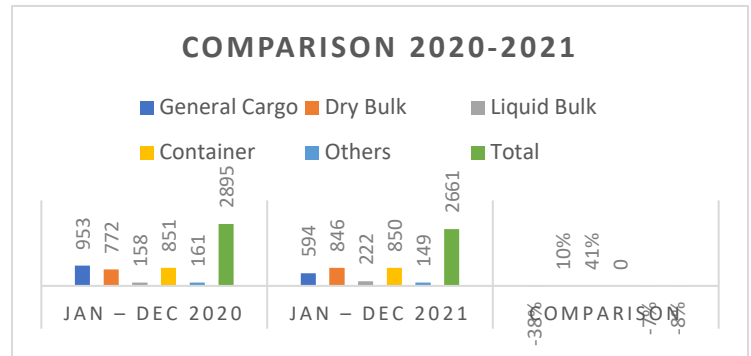
Type of vessel	Jan – Dec 2022	Contribution Percentage
General Cargo	1274	39.12 %
Dry Bulk	796	23.38%
Liquid Bulk	210	6.28 %
Container	910	27.25%
Others	154	4.61%
Total	3339	100%



Ships Traffic at Damietta Port By type of Vessel During 2020 Compared To 2021:

We finally compiled all of these numbers together against each other which show that the total number of vessels calling Damietta port have shown a decrease in the year 2021 with 2661 which is less than year 2020 which is 2895.

Type of vessel	Jan – Dec 2020	Jan – Dec 2021	Comparison
General Cargo	953	594	-38%
Dry Bulk	772	846	10%
Liquid Bulk	158	222	41%
Container	851	850	0
Others	161	149	-7%
Total	2895	2661	-8%

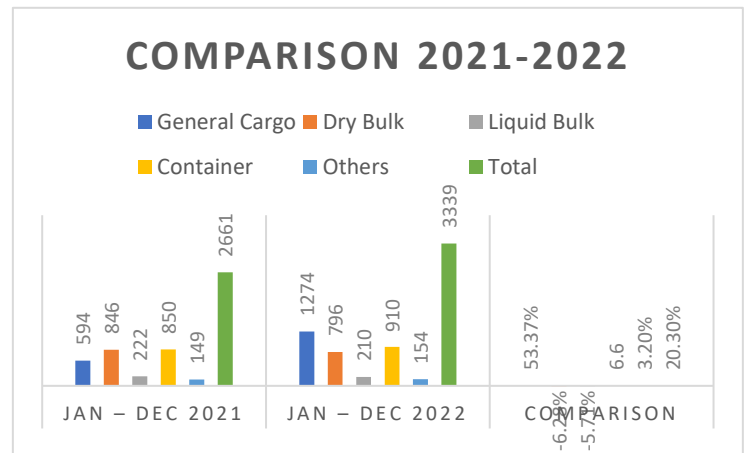


From the above numbers, we note that there has been a decrease in the numbers of general cargo vessels in 2021 compared to 2020 by 38%. However, there has been a noticeable increase in the number of liquid bulk vessels in 2021 compared to 2020 by 41%. In addition to further increase in the number of dry bulk vessels in 2021 compared to 2020 by 10%.

Ships Traffic at Damietta Port By type of Vessel During 2021 Compared to 2022:

Again, we did the same thing with year 2022 as opposed to 2021 which show that the total number of vessels calling Damietta port in 2022 have increased to 3,339 which is more than year 2021 which is only 2,661.

Type of vessel	Jan – Dec 2021	Jan – Dec 2022	Comparison
General Cargo	594	1274	53.37 %
Dry Bulk	846	796	- 6.28 %
Liquid Bulk	222	210	- 5.71%
Container	850	910	6.6
Others	149	154	3.2 %
Total	2661	3339	20.3 %



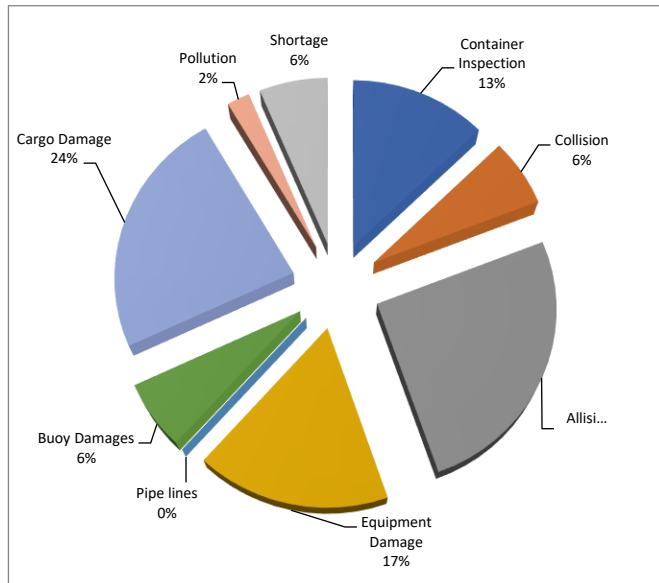
Feedback as P&I Correspondence:

In our capacity as P&I club correspondents, we tend to take a more proactive approach in handling matters assigned to us. Our role does not expire at the end of the day once a matter is successfully dealt with. Following completion of any matter, we like to discuss with our team the peculiarities we dealt with to come up with most suitable and relevant recommendations in respect to each and every case so that, from a loss prevention viewpoint, we are able to make sure that our clients are better protected from any possible claims or demands.

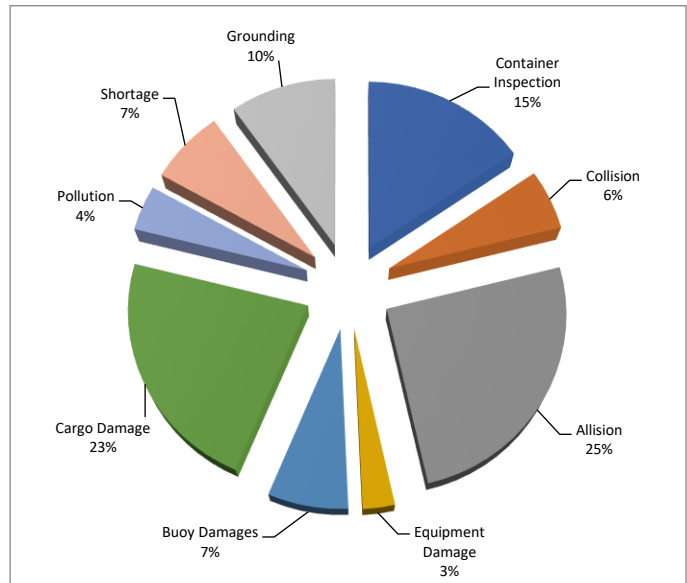
Therefore, we took it upon ourselves to compare the types of claims we have dealt with over the years and analyze those numbers in order to accurately categorize which types of services rank top and which services needs to be addressed further as a way to make sure that the best loss prevention measures are implemented ahead of any possible claims that may arise or that our clients may face.

Below you will find the percentages of the types of claims handled as follows:

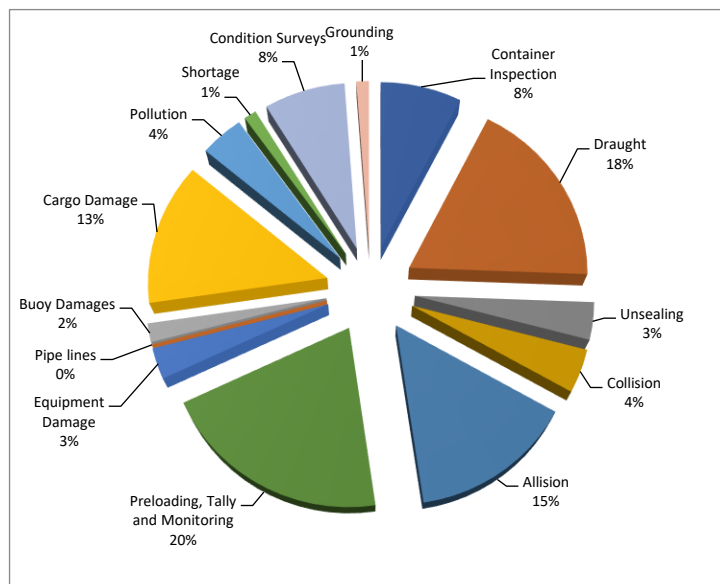
Total Claims in 2020



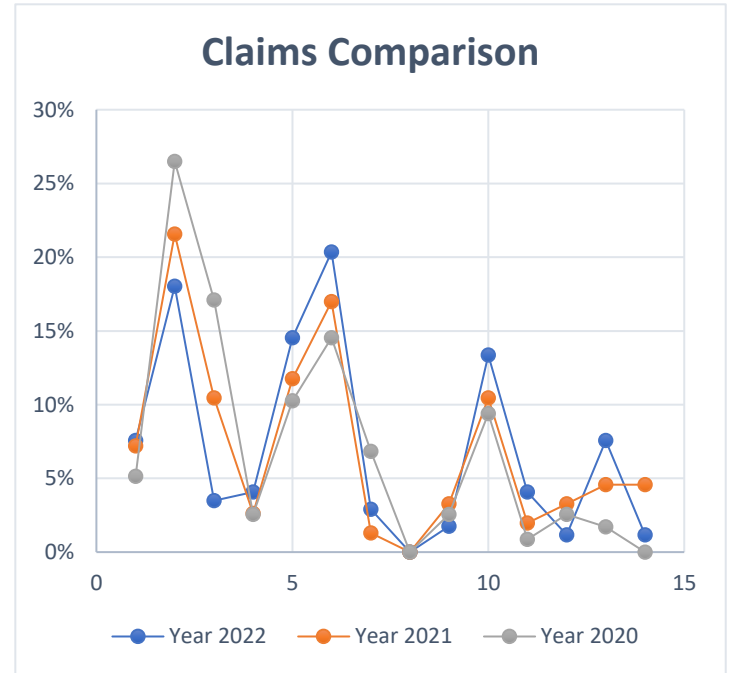
Total Claims in 2021



Total Claims in 2022



Type of Claims Handled	Percentages of Claims Handled		
	2022	2021	2020
Container Inspections	8%	7%	5%
Draught	18%	22%	26%
Unsealing	3%	10%	17%
Collision	4%	3%	3%
Allision	15%	12%	10%
Preloading, Tally and Monitoring	20%	17%	15%
Equipment Damage	3%	1%	7%
Pipelines	0%	0%	0%
Buoy Damages	2%	3%	3%
Cargo Damage	13%	10%	9%
Pollution	4%	2%	1%
Shortage	1%	3%	3%
Condition Surveys	8%	5%	2%
Grounding	1%	5%	0%



Based on the above, we note that the major exposure we dealt with is when it comes to preloading, tally and monitoring of cargo. A close second is the request for draught surveys. Then, we have had to deal with allision cases, which came third before cargo damage matters.

Accordingly, we have compiled our recommendations on different types of cargo as follows:

1- Grains:

Egypt is one of the largest importers of grains globally, as its production is short of the higher demand for such types of commodities. It is worth mentioning that there has lately been an increase in the number of shortage and damage claims of cargoes of maize/wheat and other grains in Egypt and we thought it best to recommend some loss prevention measures that can be implemented.



Recommendations:

1. Prior to loading at the loading port, a check should be made to ensure that all cargo spaces are clean and free of previous cargo.
- 1- If possible, a certificate should be obtained from the shipper confirming that the cargo spaces are suitable.
2. Draft surveys should be arranged prior to and immediately after loading.
3. Hatches and cargo hold accesses should be properly sealed upon completion of loading jointly with shippers at the loading port. An official certificate should be issued signed by all the attending parties.
4. Prior to the vessel's arrival at an Egyptian port, the vessel's agents should arrange for the attendance of the receivers to attend the unsealing of the hatches and cargo hold accesses. An official certificate should be issued and signed by all attending parties.
5. Initial and final draught surveys on vessel's behalf must be arranged by the club's correspondents and to be preferably signed by both the master and the receivers.

6. Tally should be carried out during discharge by a competent and reliable surveyor.
7. Upon completion of discharge, all cargo spaces should be checked, and a certificate should be obtained from the receivers and/or vessel owners' surveyors confirming that the holds are empty.
8. If any damaged cargo cannot be discharged, the amount left on board should be quantified as accurately as possible by an independent P&I surveyor after notifying the club correspondent in order to check the situation on the ground and give his recommendations on the situation.

2- Phosphate:

For cargo of phosphate, the issues that might arise are:

- **Quality:** it is recommended that samples be taken and if needed sent to labs for separate testing to assert the quality as per the specification of the agreed upon cargo
 - If the cargo loaded is GSSP granular super phosphate it is also advised to attend to sample withdrawals and retain samples
- **Quantity:** it is recommended that a competent surveyor is appointed to complete a joint initial and final draft survey with the shipper representative/surveyor in order to make sure it complies with quantities on the B/Ls
- **Hold Cleanliness:** it is of the utmost importance that the cargo holds are clean and do not have any traces of previous cargo – such as grains—in order to avoid any issues at the discharging port, hence its recommended that all holds be inspected prior to loading operations and that a “hold cleanliness certificate” is issued by the competent and reliable surveyor.



3- Urea:

The issues that might arise when it comes to cargos of Urea:

- **Quality:** it is recommended that samples be taken and if needed sent to labs for separate testing to assert the quality as per the specification of the agreed upon cargo
 - **Humidity:** high humidity (more than 80%) affects the cargo and causes discoloration; it is recommended to check humidity levels before commencement of cargo operations and during cargo operations in order to avoid cargo damage claims
 - **Rainwater/water:** urea cargo should not be exposed to any type of water, for if urea comes in contact with any source of water, the cargo quality will be affected
- **Quantity:** it is recommended that a competent and reliable surveyor is appointed to complete a joint initial and final draft survey with the shipper representative/surveyor in order to make sure it complies with quantities on the B/Ls
- **Hold Cleanliness:** it is of the utmost importance that the cargo holds are clean and do not have any traces of previous cargo – such as grains—in order to avoid any issues at the discharging port. It is also advised to make sure that the hold is not affected by any rust as that would also contaminate/affect the cargo. Hence it is recommended that all holds be inspected prior to loading operations and that a “hold cleanliness certificate” is issued by the “competent and reliable surveyor.



4- Steel Cargoes:

The issues that might arise when it comes to various steel cargoes is as follows:

- **Quantity for Steel Pellets:** it is recommended to have an appointed competent and reliable surveyor attend to make sure that the quantities are correct and that the weight is in accordance with the customs scale.
- **Quantity for Steel Pellets HRC, P&O, Plates, Coils, Rods etc.:** it is recommended that a competent and experienced surveyor attend in order to complete a tally survey on the cargo being loaded/discharged to ascertain that they are in compliance with the relevant cargo documents
- **Quality for Steel HRC, P&O, Plates, Coils, Rods etc.:** it is recommended to have a competent and experienced surveyor attend during cargo operations to ascertain the quality of the cargo
 - **Quality of steel coils and rods:** due to exposure atmospheric rust may occur on steel coils and/or rods, it is recommended that such change in cargo quality be noted by an experienced surveyor who will report these findings to the vessels masters in order to incorporate them in the vessels relevant documents to avoid any issues in the vessels next port of call.
- **Quantity of Scrap Cargo:** Scrap cargo is likely to cause damages in holds during operations such as damages to the handrails and the vertical and Australian ladders of the holds, as well as possible damage to the pipes inside cargo holds. These damages should be noted and properly recorded and reported on by a competent and experienced surveyor so measures should be taken in a timely manner to the vessel's master in order to issue a damage report.
- **In General:** when it comes to steel cargo, it is recommended to have a surveyor present during the cargo operation in order to assist the vessel's master in clausing the B/Ls and/or mates' receipts regarding the cargo condition, weight, quantity, etc.



5- General Recommendations on Bulk Cargoes:

We wish to advise that after discussions with our specialized cargoes survey team, with regards to what measures need to be taken into consideration in order to avoid potential risks, we drafted the following recommendations:

1. Prior to loading at the loading port, a check should be made to ensure that all cargo holds are clean and free of previous cargo. If possible, a certificate should be obtained from the shipper confirming that the cargo spaces are suitable.
2. Hatches and cargo hold accesses should be properly sealed upon completion of loading jointly with shippers at the loading port. An official certificate should be issued signed by all the attending parties.
3. Prior to the vessel's arrival at an Egyptian port the vessel's agent should arrange for the attendance of the receivers to attend the unsealing of the hatches and cargo hold accesses. An official certificate should be issued and signed by all attending parties.
4. Draft survey should be carried out at both loading and discharging ports to ascertain the cargo quantity and that it is consistent with the cargo documents. **Draft survey report made at the loading port to be only made accessible to our surveyor and not to the receivers' surveyors.**
5. To ensure that the visual cargo condition, monitoring of the discharging operations should be carried out as well.

6- General Recommendations on Liquid Cargoes:

As P&I correspondents, we are always looking out to protect both the club and its members interests and we would like to advise on the best loss prevention measures that should be considered when it comes to loading/ discharging of liquid cargo. Liquid cargoes can face many claims like shortage claims and cargo quality claims (off-spec). Furthermore, when it comes to liquid cargoes, we find it highly recommendable to advise our clients to have ullage surveys carried out, joint as well as sampling surveys completed together with cargo receivers. An additional important recommendation is to retain cargo samples on a precautionary basis, if needed the future.

Moreover, we advise to always work and consider the below observations to avoid any unfavorable issues that may arise:

1. The ullage readings may differ depending on the different temperature readings at the material time.
2. The nature of the alleged off-spec claim, and the parameters alleged to be off-spec by the receivers and/or terminal.
3. What the product specification was meant to be after the commingling operation – perhaps the contractual specifications can be obtained from the receivers' representative.
4. Details on the terminal's lab analysis, in particular results of the manifold and first foot samples and the running sample from the co-mingled cargo taken by the terminal (and how these samples were taken) resulting in the representative sample.
5. It is recommended that all samples be collected in adequate containers that will not cause any reactions to the samples withdrawn.
6. Cargo quantities/ shortage claims
7. Copies of the relevant certificates of analysis / quality (if available).

7- General Recommendation on Containers:

With increased trade being fulfilled in containers, and as P&I correspondents with an in-house survey team, we always aim to assist and advise both the club and its members on best practices when it comes to preventative measures for containerized cargoes. On that note, we would like to recommend some loss prevention measures that should be taken into account when it comes to containers:

Recommendations to vessel's crew:

- 1- The vessel's crew need to keep a close eye on the condition of the containers during loading and/or discharging in order to report any damages to the vessel's Master to make sure that minute damage reports are issued for each container before the vessel leaves port.
- 2- In cases of damages being discovered at the next port of call, and in case the vessel and/or the terminal have not issued their damage report, it will be very hard to establish liability. Without damage reports issued at the material time to evidence claims, any claim can easily be rejected, especially if not evidenced before the vessel sails.
- 3- The vessel's crew should keep a watchful eye on the lashing carried out by the stevedores during loading.
- 4- The vessel's crew should observe and follow up on the condition of the lashing during the vessel's voyage especially if the vessel encounters any bad weather.
- 5- The vessel's crew should make sure that reefer containers are plugged into their power source to avoid any unwanted claims with respect to damaged cargoes.

We do understand the tight schedule that any container vessel has to keep, therefore we drafted our above recommendations to enlist the help of the vessel's crew to avoid any sort of delay on account of any damage that any vessel may be subject to during her stay at any terminal.

These are some of the points we care to highlight in order to best mitigate potential claims and/or how to best handle claims related to different types of cargoes. We have further linked below a few circulars on other matters which we invite you to read, and hope can be of use:

- [Eldib Pandi | Increase in the Number of Cargo Claims in Both Egypt and Sudan](#)
- [Eldib Pandi | Precautionary Measures for Hull and Machinery](#)
- [Eldib Pandi | Recommendations when calling Egyptian Waterways and Ports](#)
- [Eldib Pandi | Fall 2022 Circular on Cargo disputes in Egypt](#)

Meanwhile, please note that our in-house survey team is well acquainted with the above practices and are able to fully assist the vessel's Master should the Master encounter any shortcomings or claims when calling Egyptian waterways.

Our teams across our offices in Egypt and Sudan are at your disposal, in addition to our experienced in-house survey team which can be dispatched whenever their services are required.