



# Logistics Strategic Plan





# Introduction

- **Currently Egypt is adopting a vision for social and economic development; Egypt is introducing mega projects that are targeting the development of infrastructure, increasing production capacity, and provision of the basic needs for most of the population.**
- **MOT introduced 2030 Egypt Strategy, other best practices of neighboring countries, and success stories of countries that achieved seamless success in the logistics sector, in the east and west of the Arab countries, with more focus on counties of south east Asia (Korea – China – Singapore – Malaysia – Indonesia)**



# Introduction

- **For Constructing the Strategic vision in order to run a logistics system, Ministry of Transport have relied on two main studies that were conducted by Ministry of Transport, in co-ordination with JICA;**
  1. **National Transport Plan 2012 - 2027**
  2. **Multimodal Transport, and logistics system in the eastern Mediterranean and Egypt's Comprehensive Plan.**



# Logistics Concept

**The concept of Logistics is based from the value chain, others define it as the management of supporting production activities (Commodity & Service) aiming to;**



# Importance of Logistics

**Increasing quality of productivity and decreasing its cost**



**Increasing the competitiveness of Egyptian exports**



**Minimizing imports' cost.**



**Reduce the balance of payments deficit**



**Lowering the overall level of Prices**



**Improve Living**



# Importance of Logistics

## The cost of Logistics is:

**In Developed Countries between 8 : 11 % from the cost of finished goods**

**In Developing Countries between 30 : 40% from the cost of finished goods**

**In Egypt EBRD Study estimated that cost of Logistics is 30% from the cost of finished goods**

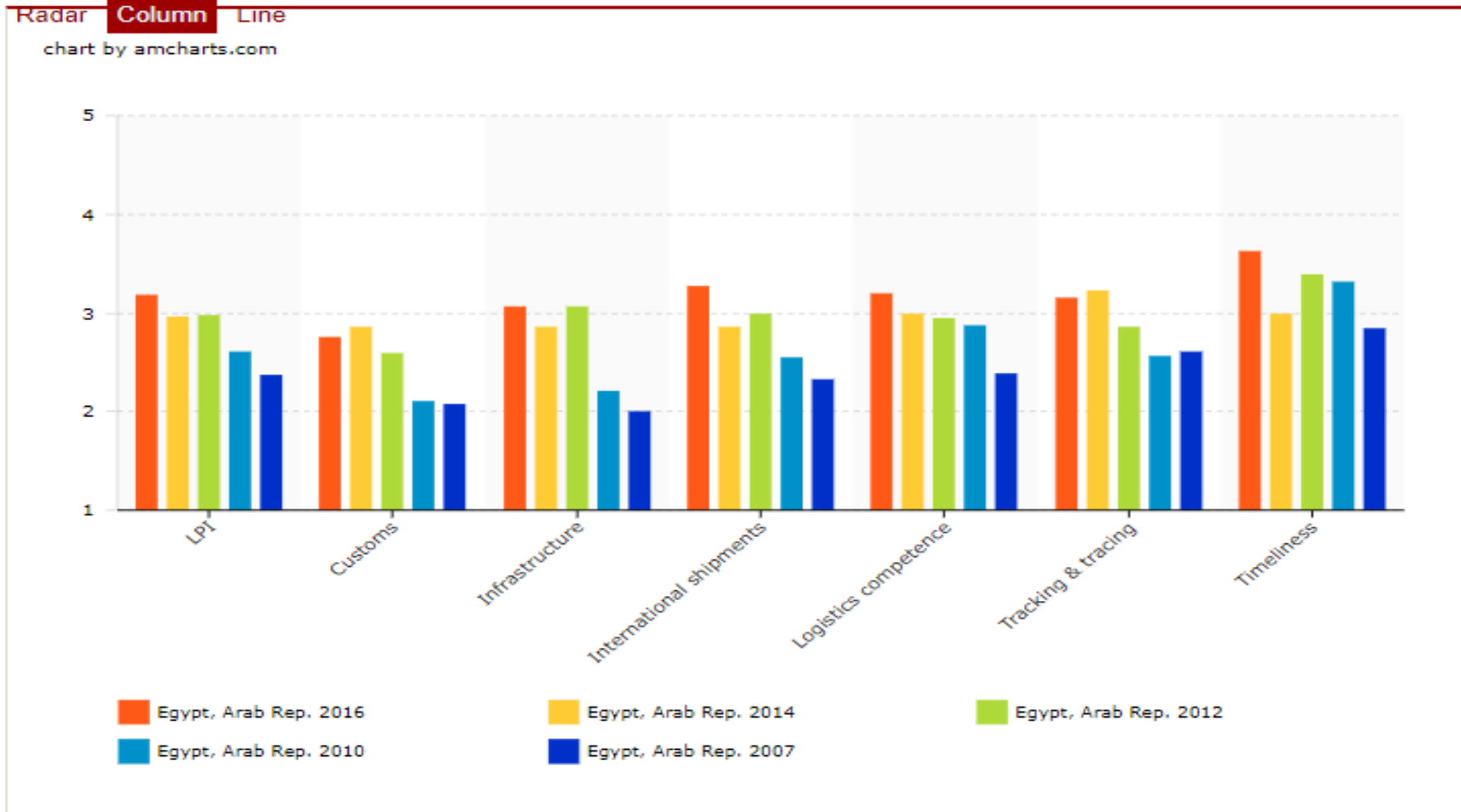


# An Economic Review

- In Order to attract investors and increase direct foreign investments, it's important to enhance the rank of Egypt In 3 major indicators;
  - *Logistics Performance Index - LPI*
  - *Global Doing Business - GDB*
  - *Enabling Trade Report – ETR*
- The Main pillar of the 3 indicators is; Infrastructure, transport services, and Logistics



# Development of LPI in Egypt across the Years 2007 - 2016





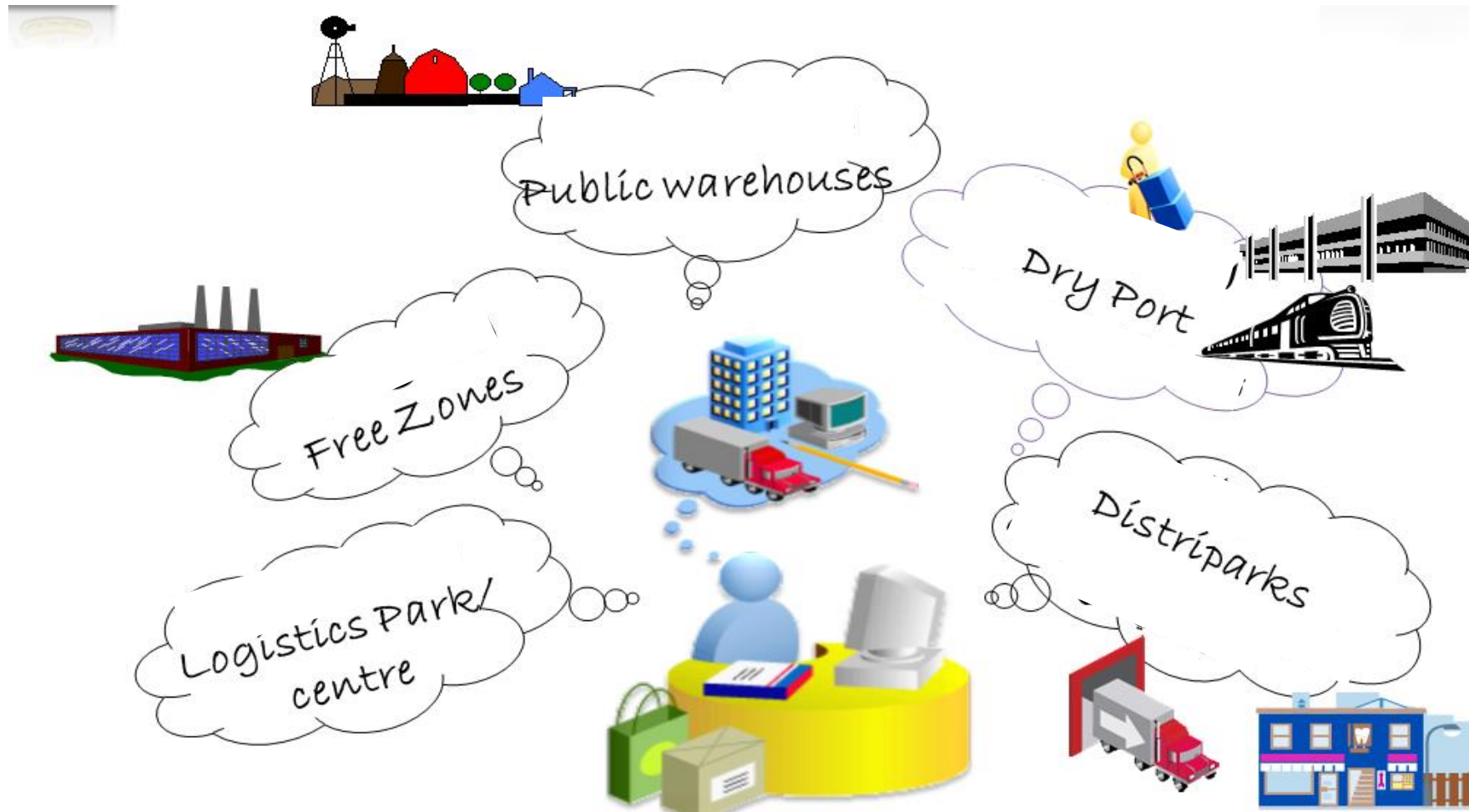


# Egypt global ranking in LPI indicator

	2007	2010	2012	2014	2016
Indicator	2.37	2.61	2.98	2.97	3.18
Ranking	92	92	57	62	49
# of Countries	150	158	158	163	163



# Logistics Delivery Areas





# Logistics is broken down to

## Soft-Logistics

Is composed of a set of Supporting Procedures that develops Logistics ; has 3 Pillars

Building a Logistics Observatory

Training

Co-ordination and awareness for logistics activities

## Hard-Logistics

Building of Logistics Centres & Dry Ports

Cargo

Ships

Industry

### Soft-Logistics Encompasses

- Placing an institutional framework to manage Logistics practices
- Certified training of Calibre working in the Logistics field
- Building a Logistics Observatory to monitor Logistics activities

### Hard-Logistics Encompasses

- Building Logistics Centres
- Transforming Egyptian ports into Logistics Ports
- Building distribution centres on Highways
- Building Maritime Fleet
- Support Inter-modality



# Vision

**Participate in achieving sustainable economic development to develop living standards**

Building a safe, competitive and sustainable transport and logistics system that increases the quality of productivity and decrease its cost, increase the competitiveness of Egyptian exports and decrease the cost of imports.

**Mission**

1. Attract direct foreign investment by improving the investment climate.
- 2- Increasing exports.
3. Facilitate the flow of imports for production inputs.
- 4- Improve the efficiency of logistics in order to achieve a rapid flow of goods, accurate and competitive locally and globally.

**Goals**

### Dry Ports Sector and Logistics Centers.

Establishment of a bunch of dry ports and logistics centers, covering all parts of the Republic and integrated with the multimodal transport axes

### Inland transport sector

- 1- Facilitating existing transport routes and developing means to ensure the redistribution of cargo between different media
2. Establishment of distribution centers on highways.

### Air Transport Sector

- 1- Supporting the role of Egyptian airports to transport goods.
- 2- Transforming Cairo airport to a pivotal airport and developing cargo villages

### Maritime Transport Sector

1. Preparation of central ports.
2. Transform Egyptian ports into logistics ports.
3. Development of the merchant maritime fleet.

**Logistics infrastructure development strategies**

**Logistics superstructure development strategies**

**Forming a Higher Logistics Council**

**Establishment of a logistics performance assessment observatory**

**Preparation of human caliber with standards for the professional certifications required for the practice of logistics activities**

**Developing customs performance: Simplifying customs procedures through the use of single-window system**

**Make legislative amendments to modernize the laws governing transport as well as introducing new legislations that allows the establishment of dry ports, logistics centers, and amending the TOR of the Ministry of Transport to become the Ministry of Transport and Logistics and the incorporation of the Holding Company for land and sea transport.**

# SWOT Analysis for the Logistics Sector

## Strengths

- A Very Special Geographic Location (Center of Everywhere)
- Incorporating a Comprehensive Transport and Logistics Plan.
- Diversified Logistics Activities which can be provided for the industry, commerce, agriculture, and maritime transport
- Seamless expansion of the infrastructure for the roads, and bridges as well as maintenance of the current.
- Presence of scientific institutes for training and teaching in transport and logistics sector.
- Presence of numerous number of ports on the Red Sea and the Mediterranean (15 Commercial Port)

## Weaknesses

- Lack of legislations that organizes transport and Logistics.
- Overlap in roles across ministries practicing logistics activities
- Lack of Qualified calibre in Logistics field
- Inadequate distribution of Loads between different transport modes and their focus mostly on road transport.
- Aged Transport fleets of all types.
- Need of renew of the current rail lines, and building new lines.
- Poor port and airports competitiveness
- The weak role of Inland water participation in the Logistics System.

## Opportunities

- Possibility of transferring Egypt into a Logistics Hub for global trade, in the Suez canal Economic Zone (SC Zone)
- Growing demand for logistics services and value added services.
- Promotion of logistics activities and increase of logistics awareness.
- Presence of political support to develop the Logistics System.

## Threats

- Incompatibility of national Legislation with its international counterpart in the Logistics field.
- Lack of Economic and legislative stability
- There's a chance for the international logistics companies to take over the logistics activities due to un ready local operators.
- Rigid Information base of international competitors.
- Presence of advanced logistics centres in the neighbouring countries.

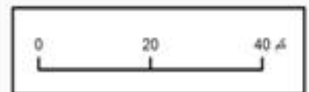
#	Project	Governorate	Transport Corridor	Area in Feddan	Cost - million EGP	Duration
1	6th of October	Giza	Multimodal corridor (Banana Corridor) Alex- Cairo - Suez	100 feddan Dry port	1800	2018 – 2021
				300 feddan Logistics center	2000	2019 – 2023
2	10th of Ramadan	Elsharqeyya	Cairo – Damietta – Port Said Axes	75 feddan Dry Port	1400	2019 – 2021
				175 Logistics Center	1300	2020 - 2022
3	Saddat City	Monofia	Sinai Mediterranean (Delta – Suez – Sinai )	75 feddan Dry Port	1300	2019 -2021
4	Borg – El arab	Alexandria	Multimodal corridor (Banana Corridor) Alex- Cairo - Suez	90 Feddan Dry port	1600	2025 - 2027
5	Building of 2 Logistics centres for agro-exports (Cairo – Ismailia Road) Delta					
6	Building of distribution centres on the Highways					
7	New Beni - Swaif	Beni- Swaif	Upper Egypt Corridor Cairo - Aswan	100 Feddan Dry Port	1800	2019 – 2021
8	New Sohag	Sohag	Upper Egypt Corridor Cairo - Aswan	45 Feddan Dry Port	900	2020 – 2022
9	New Damietta	Damietta	Cairo – Damietta – Port Said Axes	15 Feddan Dry Port	300	2022 – 2023
10	Costol	Aswan	Red Sea Corridor Safaga - Costol - Arkeen	300 Feddan Logistics Center	2000	2018 - 2023
	Arkeen			300 Feddan Logistics Center	2000	
11	ElSalum	Marsa Matruh	North – Coast Corridor	700 Feddan	8000	2019 – 2025
12	Gaghboub	New Wadi	East West Corridor 2000 Feddan	500 Dry Port	1000	2018 – 2020
				300 Logistics Center	2000	2019 – 2022
13	Building 2 logistics centres in the golden triangle area.					

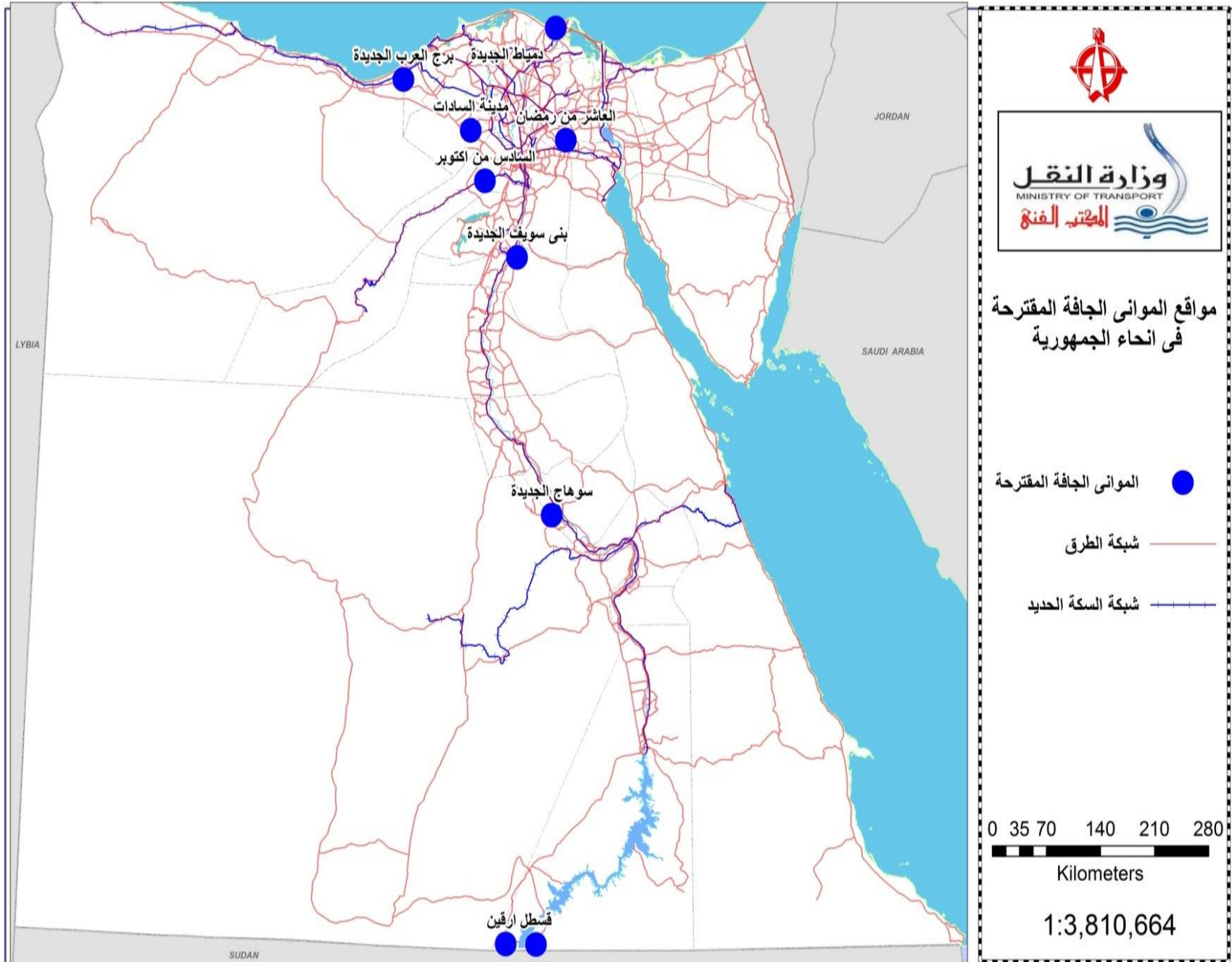


### مواقع مراكز التوزيع على شبكة الطرق

- Suggested Dry Ports** (Green circle)
- Distribution centres on the Highways** (Blue circle)
- Cities** (Small green dot)
- Roads of Logistics areas** (Thick yellow line)
- Current Road Network** (Thin red line)

مقياس الرسم





Locations for  
suggested dry  
ports