

Saudi opens new logistics zone in Jeddah

● Al Khomra zone extends over 2.3 million square meters in Jeddah

● Available to investors via a leasing model

● Investment in the logistics zone in al-Khomra and other ports will total 7 billion

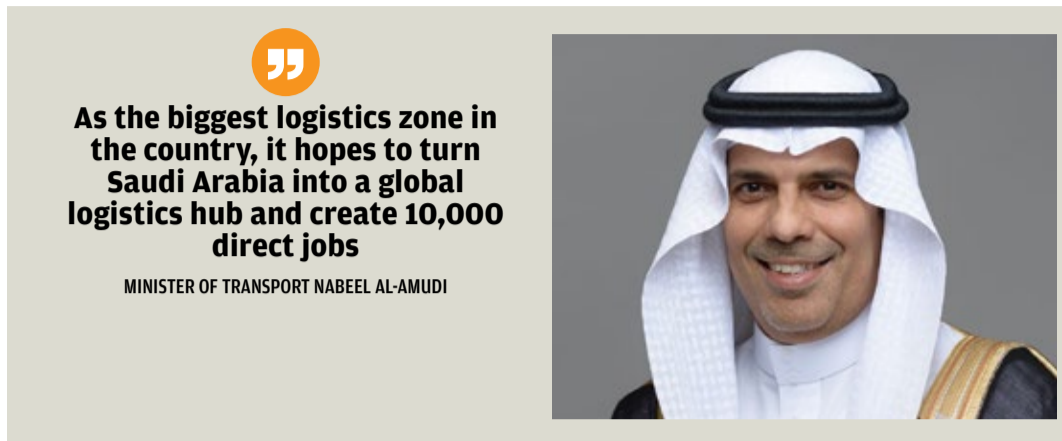
Reuters | Riyadh

Saudi Arabia launched yesterday a new logistics zone open to private investors in the Red Sea port city of Jeddah, as part of a wider industrial initiative to diversify the economy away from oil and create jobs for Saudis.

The al Khomra zone - which will support activities around shipping, freight distribution and transport of goods - extends over 2.3 million square meters in Jeddah, home to one of the kingdom's largest ports.

As the biggest logistics zone in the country, it hopes to turn Saudi Arabia into a global logistics hub and create 10,000 direct jobs, said Minister of Transport Nabeel al-Amudi.

It is part of the broader National Industrial Development and Logistics Program (NIDLP), which aims to create 1.6 million jobs and attract investments worth 1.6 trillion riyals (\$427 billion) over the next decade. Of that, 135 billion riyals is earmarked for investment in the



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MINISTER OF TRANSPORT NABEEL AL-AMUDI



Representative picture. Courtesy of Arab news

logistics sector.

Under its ambitious reform strategy, the kingdom plans to

have the private sector operate much of its transport infrastructure, including airports and

sea ports, with the government keeping a role as regulator.

Details of what the govern-



Over a decade ago, Saudi government spent \$30 billion to build six economic cities across the kingdom to diversify the economy, create jobs for young Saudis and attract foreign investment. After decades of spending on development projects, the government has made attracting greater foreign investment a cornerstone of its Vision 2030 plan

ment plans to offer investors in al-Khomra were not disclosed, but the Saudi Ports Authority said the zone would offer opportunities to investors on a lease basis.

“Investment in the logistics zone in al-Khomra and other ports will total 7 billion Saudi riyals,” said Saad al-Khalb, president of the Saudi Ports Authority, without giving further details.

Commenting on this remarkable milestone, President of Mawani (Saudi Ports Authori-

ty) Saad bin Abdulaziz Alkhalb described Al Khomra as a major leap for the logistics sector in Saudi Arabia. He added that the new logistics zone is expected to open up new investment and business opportunities and promote strategic partnerships with the private sector that will further contribute towards the development of the maritime trade and enhance the quality of operational and logistics procedures and services.

He also reiterated the significance of Al Khomra Logistics Zone due to its proximity to international trade routes, its strategic location in the southern governorate of Jeddah and close to Jeddah Islamic Port making it a global logistics platform and a major hub connecting the Middle East, Africa and Europe.

Alkhalb added that Al Khomra is characterized by its highly efficient roads network connecting Jeddah Islamic Port, King Abdulaziz International Airport and the upcoming Saudi Land-bridge Project, along other various main roads in the Kingdom

Al-Khomra joins other logistics zones in the kingdom - the King Abdullah Economic City north of Jeddah has its own port and offers logistics investments and NEOM, a mega project announced in 2017, has plans for a logistics zone.

Al Khomra's location along the Red Sea coast, a major passageway for more than 13% of global maritime trade, will make it a vital hub on the Silk Road maritime trade route launched within the Belt and Road Initiative (BRI).

Gulf stock markets mostly rise

● Bank shares slip on Saudi market

● Arabtec jumps on Trojan merger plan

● Lender CIB leads losses in Egyptian blue chips

Reuters

Saudi Arabian stocks fell yesterday led by banks, while most Gulf markets gained, mirroring Friday's surge in global peers after talks between the United States and China progressed towards a resolution of their trade war.

Saudi Arabia's index retreated 0.8 per cent. The kingdom's largest lender National Commercial Bank and Riyadh Bank dropped 2.4pc and 2.3pc, respectively, ahead of company earnings season starting this week.

The banking stocks also fell as the Saudi central bank said yesterday that financial institutions in Saudi Arabia should hire Saudi nationals for leading positions and, if they hire foreigners, they will have to explain the reason to the regulator.

The Saudi bourse's main index has fallen in eight of nine sessions this month, leaving it down 2.5pc year to date. It had gained more than 20pc in the first four months of 2019 in the



Traders on the floor of Saudi Stock market (Courtesy of Amazons)

Closing Bell

SAUDI	▼ 0.8pc to 7,631 pts
ABU DHABI	▲ 0.3pc to 5,088 pts
DUBAI	▲ 0.5pc to 2,824 pts
QATAR	▲ 0.6pc to 10,285 pts
EGYPT	▼ 0.6pc to 14,220 pts
BAHRAIN	▼ 0.2pc to 1,520 pts
OMAN	■ at 4,012 pts
KUWAIT	▲ 0.2pc to 6,226 pts

run up to joining the MSCI and FTSE emerging-market indexes, which helped attract billions of dollars from passive funds.

However, escalating trade tensions, volatile oil prices and

growing geopolitical risks have hit the market since then and kept active emerging market funds from investing in the kingdom.

But gains in banking stocks boosted the Qatar index which rose 0.6pc with Masraf Al Rayan up 1.4pc, and Qatar National Bank adding a further 0.3pc to the previous session's gain after posting an increase in nine-month net profit.

Dubai's main share index was up 0.5pc, led by a 2 pc rise in blue-chip developer Emaar Properties.

Contractor Arabtec Holding surged 8.9pc after hiring an adviser on a potential merger with another construction firm Tro-

jan Holding. Reuters reported citing sources.

In Abu Dhabi, the index edged up 0.3pc. International Holding Company climbed 8.8pc and Abu Dhabi Commercial Bank rose 0.8pc.

Outside the Gulf, Egypt's blue-chip index was down 0.6pc with market heavyweight Commercial International Bank declining 1pc.

However, steel makers Ezz Steel and Egyptian Iron And Steel both closed up 2.2pc and 1.4pc respectively, buoyed by Egypt imposing temporary import fees of 16pc on iron billets and 25pc on steel rebar for three years, a move designed to boost local production.

Significant work to do, but Brexit still possible: Johnson



British Prime Minister Boris Johnson (file)

Reuters | London

British Prime Minister Boris Johnson told his cabinet yesterday a last-minute Brexit deal was still possible but there was significant work to be done to reach one, as intensive talks with the European Union entered their most critical stage.

In a pivotal week that could decide the future of Brexit and the fate of the world's fifth largest economy, Johnson is trying to strike an exit deal with the EU to allow an orderly split with its biggest trading partner on Oct. 31.

But Johnson must navigate the complexities of EU politics to clinch a deal at an Oct. 17-18 EU summit and then try to convince a deeply divided British parliament on Oct. 19 to ratify any agreement.

If he succeeds, Britain will leave the bloc on Oct. 31 with arrangements to minimise disruption at borders and

preserve the complex supply chains that underpin swathes of the economy.

If he fails, Britain faces an uncertain future - lawmakers will begin a battle to delay Brexit that could end up being decided in the courts, while Johnson will fight for a no-deal exit at the end of the month to ensure his political survival.

British and EU negotiators are working through the weekend to see if they can turn the latest proposals into a deal that works for both sides.

EU Brexit negotiator Michel Barnier was updating the remaining 27 member states in Brussels on Sunday afternoon.

“Expect him just to say that talks will need to go on,” one EU diplomat said, adding that another update for the national envoys will come at a ministerial meeting in Luxembourg on Tuesday, just two days before the make-or-break summit.