

## **Saudi Global Ports making USD 933 million investment to challenge UAE competitors**

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**Dhaka: Saudi Global Ports (SGP) is making a SAR 3.5 billion investment, equivalent to USD 933 million, in Dammam Port over the next five years. The move is aimed at transforming the port into a logistics and supply chain ecosystem to challenge neighboring competitors in the UAE.**

CEO Rob Harrison said they plan to allocate around SAR 2 billion in container terminals, which are expected to generate 80-85% of revenues, while a further SAR 665 million will go for upgrading multi-purpose terminals.

In addition, an investment of SAR 670 million, which is estimated to reach SAR 1 billion, will develop the Damman integrated logistics zone. This facility will feature 300,000 square meters of Grade A warehousing, creating a free zone to compete with established Emirati ecosystems.

Harrison believes the expansion plan will transform Dammam Port from a transshipment hub into a logistics and supply chain ecosystem and serve 36 million consumers more directly.

Throughout 2024, the Red Sea crisis forced the SGP to run at 122% capacity as ships had to divert to avoid Houthi attacks. This operational capability worked as an unexpected proof of concept for the port operator and demonstrated the viability of alternative routes, which eventually fetched the investment.

Furthermore, geographic advantages also influenced the investment. Damman sits just 400 kilometers from Riyadh, a significantly shorter distance compared to 1,000 kilometers from Jeddah on the Red Sea coast, or Abu Dhabi or Jebel Ali in the UAE.

Currently, several logistics providers have warehouses on the east coast and in Riyadh and are transporting shipments through Damman via rail rather than through Jeddah or UAE ports. However, the SGP expects the volume to decrease when the Red Sea opens again, but a significant portion will remain moving through Dammam.

Saudi Arabia, in line with the Saudi Vision 2030 program, has been gradually diversifying its economy and reducing reliance on oil resources. Smooth cargo transportation has been crucial to sustain the economic transition. In this regard, the kingdom is undertaking diverse investment programs across the transportation industry to ensure seamless local and global connectivity.

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