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## **RSGT inks with Al Rajhi Bank for developing Jeddah Islamic Port**

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Arab News reported that Saudi Arabia's Red Sea Gateway Terminal Company Limited and Al Rajhi Bank have signed Islamic financing agreements worth SAR 1.7 billion for the development of the third container terminal project of the Jeddah Islamic Port.

The SAR 1.7 billion Islamic financing facilities has been fully underwritten by Al Rajhi Bank, which includes SAR 1.275 billion Ijara facility to cover most of the equipment and construction related costs to be incurred during the three-year construction period. Al Rajhi Bank would provide SAR 900 million and Saudi Fransi Bank would provide SAR 375 million in the Ijara facility for RSGT. The remaining SAR 425 million Islamic facilities being provided by Al Rajhi Bank for RSGT would include a standby facility.

Al Rajhi Bank and The Standard Bank of South Africa have jointly provided the financial advice for RSGT which is implementing the development on a build operate transfer basis.

Mr Alireza chairman of RSGT said that "The Al Rajhi Bank Standard Bank consortium was chosen as the financial advisor due to their wealth of experience in providing project finance advisory, their strong multi disciplinary advisory team and their extensive experience in comparable projects worldwide."

The container terminal to be built at an estimated cost of about SAR 1,900 million will be funded in a debt to equity ratio of 69:31. The equity for RSGT would be provided by the project's founding shareholders, including SISCO, Xenel Industries, Tusdeer and City Island Holdings Limited.

Red Sea Gateway Terminal has engaged China Harbor Engineering Company Limited for civil construction and Shanghai Zhenhua Port Machinery Co Limited of China for supply of cranes and other equipment. The terminal, with a 740 meter long main berth, a 390 meter long feeder berth and a draft of 18 meter, will have an annual container handling capacity of 1.5 million TEUs. It will also have its own dedicated 16.5 meter deep channel linking the Jeddah Islamic Port's main channel.

The terminal, design carried by Halcrow International of UK, will accommodate to serve the next generation of container ships. The two berths are planned to be ready for operations during the fourth quarter of 2009.

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