

# Egypt reclaims Suez Canal mudflat for industrial hub

By Patrick Werr

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Once known as a graveyard for tanks, an Egyptian mudflat east of the Suez Canal is being reclaimed for what its backers hope will be a vast industrial zone producing goods for export and the domestic market.



Egyptian employees work at the construction in an industrial zone for exports and the domestic market near the Suez Canal and East Port Said, Egypt, 21 June 2022. Reuters/Sherif Fahmy

The East Port Said Industrial Zone sits along the Mediterranean Sea, 7km away from the city whose name it bears. It is one of four such zones under construction along the Canal, a transit route for about 15% of global shipping traffic.

Egypt runs a large trade deficit and has struggled to develop an industrial base. Many of the industrial parks it has so far tried to create lie semi-vacant, partly because they are far from urban areas where workers live, economists say.

The new industrial zone's developers - private Egyptian companies plus the military-owned National Service Projects Organisation (NSPO) - are hoping its position near Port Said city and a new city being built to the east means it will succeed where other similar projects have faltered.

"In terms of location, in terms of facilities, that is the real advantage," said the zone's CEO Sameh Gabra.



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## Soil packed down, groundwater removed

Until recently, the area was a waterlogged flatland notorious for bogging down military vehicles during the wars between

Egypt and Israel, Gabra said. Israeli forces reached the Suez Canal in 1967 and stayed there until Egypt pushed them back in 1973.

Over the last four years, the NSPO has packed down soil and removed groundwater from an area covering eight million square metres, solidifying the ground enough to handle light and medium industries, Gabra said. Four phases totalling 16 million square metres are due to be completed over 15 years.

Its first-phase target is to lure Egypt's automotive firms by setting up painting, printing and dashboard producing lines.

Its first factory, NERIC, which will make carriages for trains and metro lines, is due for completion by June 2023. Construction on other factories is expected to begin by late 2022, Gabra said.

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