

South Gaza Port Plan: Catalyst to the Middle East Peace Process

For the Palestinians, a port in Gaze is a key symbol of national independence and a critical engine for economic development. **Israel has repeatedly agreed and committed to support a Gaza Port** in Oslo Accord (1993), Sharm el-Sheikh Memorandum (1999) and Agreement on Movement and Access (2005). The Palestinian Authority (PA) even began constructing a port adjacent to Gaza City using European donations. But, during the Second Intifada (2000), the port site was demolished by the Israeli army and never been rebuilt. Presently, all Gazan import-export traffic moves through the Israeli Port of Ashdod and Kerem Shalom Border Crossing, 90 km to the south. At Kerem Shalom, Israel constructed vast and sophisticated installations, where Gazan cargoes undergo extensive security inspection. Thanks to the close cooperation between Israel, the PA and Hamas the Kerem Shalom's operation is efficient, processing about 1,000 trucks daily. Still, the overall, Ashdod/Kerem Shalom/Gaza process is costly due to high fees of the Israeli port and the long land trip by expensive Israeli trucks.

A comprehensive study conducted by this author and a small group of colleagues identified 8 alternative Gazan port plans (Figure 1, except for Cyprus Plan):

1. **Ashdod/Kerem Shalom (Existing)** – Continue with the present system;
2. **Ashdod/Palestinian Pier** – Same as (1), but use a designated Palestinian pier in Ashdod;
3. **Gaza City (Hamass Plan)** – Construct a small port adjacent to Gaza City;
4. **Gaza Island (Katz² Plan)** – Construct a major port on an artificial island 4.5 km offshore Gaza, connected to the mainland by a bridge with checkpoints for inspection;
5. **Cyprus/Gaza Fishing Pier** – Discharge the Palestinian cargo at the Cypriot Port of Larnaca, inspect it there and re-load it onto smaller ships sailing under Israeli Navy escort to the existing Gaza City's Fishing Pier;
6. **El-Arish/Kerem Shalom (Ashar Plan I)** – Construct a Palestinian autonomous pier as part of the new Egyptian El-Arish Port and truck the Gazan cargo to Kerem Shalom;
7. **South Gaza/Kerem Shalom (Ashar Plan II)** – Construct a Palestinian autonomous port in Egypt adjacent to Gaza's southern border and truck the Gazan cargo to Kerem Shalom; and
8. **North Gaza/Zikim (Ashar Plan III)** – Construct a Palestinian autonomous port in Israel adjacent to Gaza's northern border, including an adjacent inspection and border crossing terminal in Zikim.

The Ashdod/Palestinian Pier plans (1&2) are operationally costly and unacceptable to the PA, perceived as failing to meet their national aspirations. Hamas' Plan (3) is unacceptable to Israel on security grounds. In addition, the proposed port site is small and surrounded by congested refugee camps. The highly-publicized Island Port Plan (4) also has a security problem due to the **Island location inside Gaza's territorial water**, precluding cargo inspection by Israeli inspectors on land and ship inspection by the Israeli navy on water. In addition, constructing the Island in open, 30-m deep sea, is prohibitively expensive (\$5 - 10 billion), long (5 -10 years) and environmentally problematic (beach erosion). The Cyprus Plan (5) may allow Israeli inspectors in Larnaca, but involves multiple cargo handlings and costly escorting by Israeli Navy, rendering it prohibitively expensive. The two Egyptian plans (6&7) follow a common worldwide practice, whereby shore-dwelling countries provide their landlocked neighbors with autonomous ports via long-term (99 years) land lease, e.g. Tanzania/Zambia,

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Peru/Bolivia, and Uruguay/ Paraguay. The El-Arish Plan (6) seems less desirable among the two due to the location of the Palestinian port deep inside Egypt, 45-km away from Gaza, mandating the use of Palestinian labor well inside Egypt and Palestinian trucks on Egyptian roads. Also, there is no indication when (and whether) Egypt will develop the new El-Arish port. North Gaza Plan (8) involves constructing a “mini” Kerem Shalom on the uninhabited sand dunes south of Zikim. The area available there, both on the Israeli and Gazan side, is small, barring the developing port-related industries. In conclusion, South Gaza Plan (7) is the most technically, economically and operationally viable of all the 8 port plans. The Plan builds on the cooperation between Israel, the PA and Hamas in Kerem Shalom, adding to it a sea extension.

The South Gaza Port Plan (Figure 3) involves:

- Retaining the present and well-proven system of **processing all Gazan cargoes through Kerem Shalom**;
- Adding port-related storage facilities at **Kerem Shalom**, transforming it into an **Inland (Dry) Port**;
- Constructing a **Palestinian autonomous seaport** on Egyptian land leased to the PA; and
- Constructing a 10-km, **dedicated road connecting the seaport and inland port**, using the 1-km wide Egyptian security zone along Gaza’s southern border.

The envisioned seaport is a small, general-cargo port, designed to meet the **specific needs of Gaza**: imports of construction materials, basic foods, fuels, and autos, and exports of fresh produce, furniture, textile, etc. The Gazan imports will not be stored at the seaport but **trucked immediately upon discharge from ships to Kerem Shalom Inland Port** (and vice versa for exports). The proposed seaport/inland-port arrangement reduces the requirements for Egyptian land to about 3-km of a narrow strip of shoreline; it also reduces the construction cost of the seaport to \$200 million and the construction time to 2–3 years (for Phase I: 650-m berthage with 13-m depth alongside and throughput capacity of 3+ million tons/year). With its captive Gazan market, South Gaza Port would be **profitable** and therefore attractive to **private investors**. While not a fully-sovereign Palestinian port, South Gaza autonomous port is the closest conceivable substitute under current circumstances.

Gaza Strip is densely populated. Kerem Shalom is located at the widest and least populated section of the narrow Strip, where developable land is still available and where Israel is likely to provide additional land as part of the future land-exchange with Palestine. Kerem Shalom is strategically located at the intersection of Gaza, Israel and Egypt borders and can be further expanded, adding industrial/logistics parks for export/import-oriented industries, becoming a **tri-state Free Trade Zone (FTZ)/special Economic Zone (ECZ)**. A final peace agreement will boost the activities of the FTZ/ECZ as the trade-flows between Israel, Palestine and Egypt grow, benefiting from the dissipation of the security concern. At this point, Kerem Shalom could be connected to the Israeli and Egyptian rail systems with extension to the West Bank and the nearby airport at Dahaniya reopened.

The implementation of South Gaza Port plan rests on **Egypt’s consent**. I believe that such consent is attainable, since the proposed Port remains under Egyptian sovereignty and its leased land is just a small sliver of uninhabited, remote border area. The Port and, especially, the FTZ/ECZ also will generate substantial economic benefits to Egyptian residents of Northern Sinai. In fact, Egypt’s President Al-Sisi, following his recent meeting with Israel’s Prime Minister Netanyahu, *“expressed his desire to assist in efforts to achieve peace between Israel and the Palestinians and the region”* (TOI, Sep 20, 2017). The PA, the operator of the Port, is likely to support the plan considering its economic benefits, especially when realizing that Hamas’ Gaza City Plan (3) faces insurmountable technical and political problems. Israel should have no objection to a plan based on continuation of the present security system. The port project could be the starting point of “Gaza’s Marshall Plan” recently advocated by Maj. Gen. Yoav Mordechai, Israel’s commander of Gaza and the West Bank (Haaretz, Nov 5, 2017). But, what is really needed to get the plan moving is **American leadership**. The Gazan port project could provide the Trump Administration the much-needed breakthrough in the stalled Middle-East peace process.

Figure 1 Alternative Port Plans

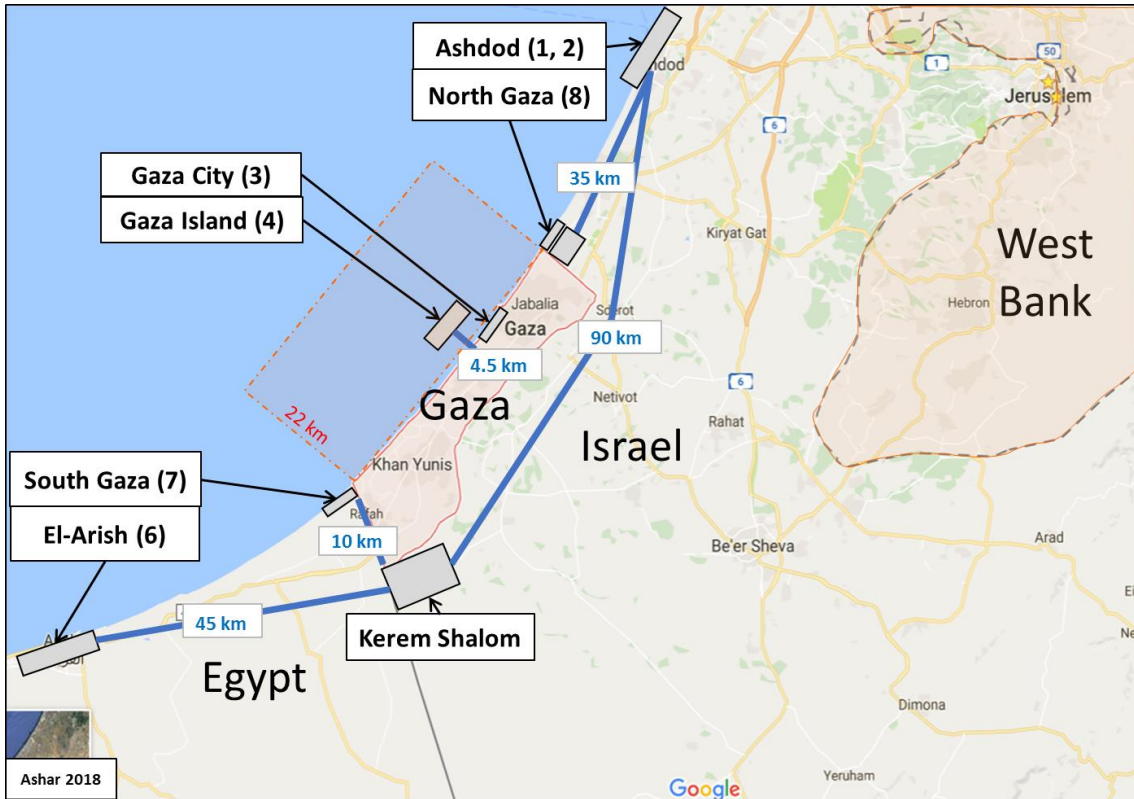


Figure 2 South Gaza Port Plan

