

In this presentation, I am pleased to introduce you to a small but representative part of the activity of Israel's ports, including activity at the borders with Jordan and Egypt.

Naturally, this latter activity takes place via inland transportation, which is anchored in a law that was promulgated in 1997 and in regulations that came into effect in 2000.

Alongside this important link, there are customs agents and forwarders that operate in accordance with a law dating as far back as 1964.



As you can see from the map, Israel is situated at a central crossroads between Europe, Asia and Africa, and it borders on Syria and Lebanon in the north and northeast, Jordan in the east and Egypt in the south. To the west, Israel is bounded by the Mediterranean Sea. As you can now see, Israel has a number of ports.



The first port shown is the port of Ashdod, which is situated on the Mediterranean coast.

The second port is situated in the south of Israel, on the Red Sea; this is the port of Eilat, a city also renowned for its tourism.



The third is the port of Haifa, Israel's most important and primary port located in the north of the country. Haifa port also serves as a connecting port for the Kingdom of Jordan. Later on, you will be able to see how the connection works.



We have marked for you, the land border with Egypt. As you can see, Nitzana is situated in close proximity to the Mediterranean Sea and is also relatively close to the center of Israel's southern region.



The land border with Jordan is formed by the Jordan River.

- To provide you with an overview, all the places I mentioned are marked here on the map.



- Before entering into a description of the day-to-day activity, with your permission I would like to give you general details of Israel's imports and exports. This slide shows the development over the past decade, from 1992 to 2002.



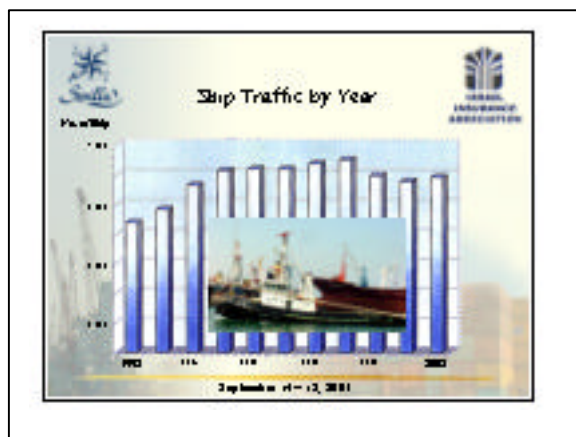
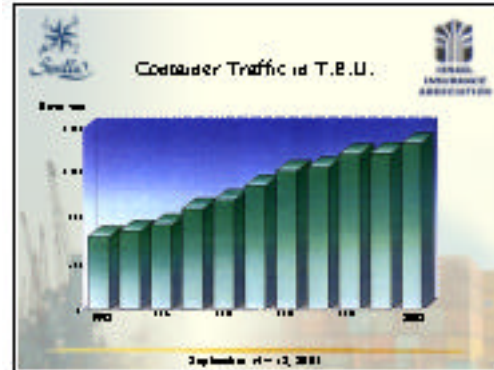
- This slide shows the breakdown of the total quantity of goods, according to three categories of goods: bulk, container and general cargo.

The salient factor, as you can see, is the steady growth in transportation of containerized goods.

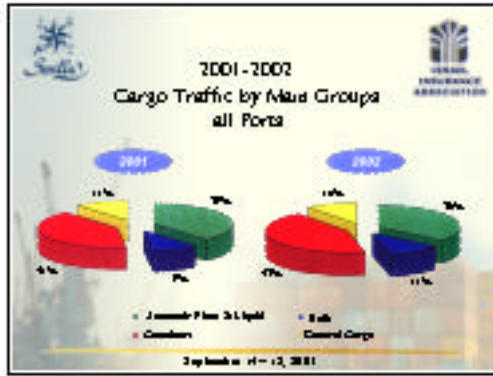


- Here is another picture illustrating the breakdown of business between the three previously mentioned ports of Israel - Ashdod, Eilat and Haifa. It is obvious that Haifa is currently the leading port, developing at a much faster pace than the other two ports.

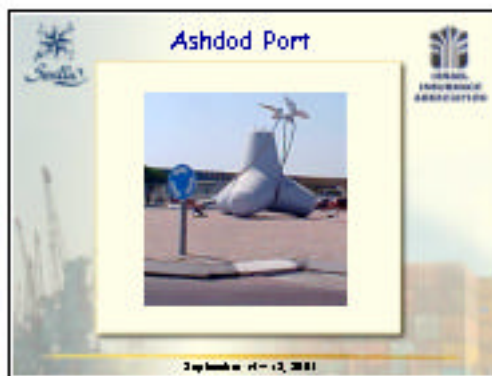
- This picture shows container traffic.



- This slide presents the number of vessels that visited Israel during the past decade.

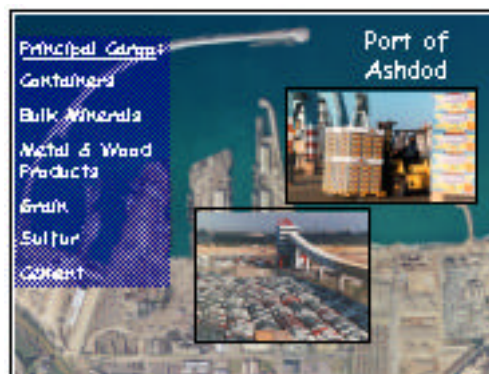


- The last slide I will show you before proceeding to the subject of consignment security in Israel's ports, shows the breakdown of goods according to quantities during the past two years, including imports and exports in all three ports (explanation with electronic cursor).



- As I indicated, I shall try to explain to you, the activity taking place in Israel's three ports and to characterize the activity in each port according to types of incoming and outgoing goods, having regard to the security arrangements. The first port is the port of Ashdod. As you can see, the entrance to this

port is graced by the port's symbol and the symbol of peace.



- This view of the port gives you an idea of its size, although the picture does not include the entire area of the port it shows only three areas in which activity relating to general cargo car imports and to exports of agricultural crops, is concentrated.



- I am now presenting statistics of the port's total activity during the past decade, broken down - as I already indicated - into three categories of goods: bulk, container and general cargo.



- You can see on the screen how goods are released from the port of Ashdod, in accordance with all the arrangements and restrictions dictated by Israeli law and existing port procedures. In the picture before you, you see a clerk at a carrier company receiving a notification from the customs agent. This is after the import and

port documents were examined by customs, as were the various payments due upon the release of goods from ports in Israel.

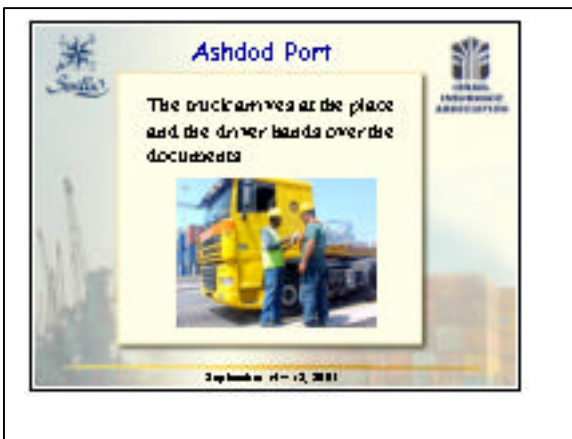
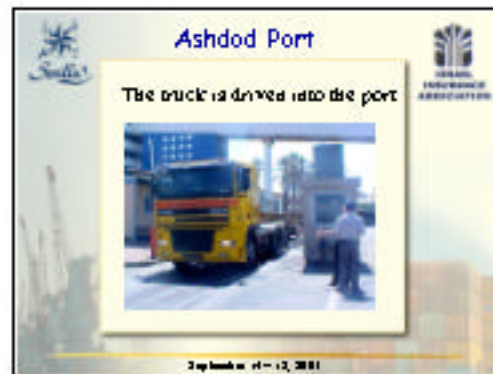


- After the data relating to the release of the specific goods was entered into the computer, the clerk passes all the documentation on to the carrier's head clerk. The head clerk records all the documents, including the bill of lading and the supplier's invoice, and hands them over to a truck driver of that same carrier, who is waiting to receive them.



- The driver takes the documents and drives to the port with them.

- On arrival at the port, the truck is checked by the security personnel of the Ports Authority to verify whether it is authorized to enter the port. The driver's identity card is also checked in the computer, to verify that he is authorized to carry goods and to enter the port.

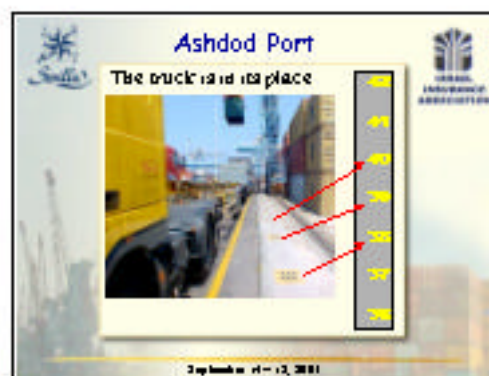


- The driver reaches the spot designated for the release of the goods – in this case a container – and presents the documents to the representative of the Ports Authority. The latter passes the documents on to a forklift operator, who, based on the data contained in the documents, is able to locate the container which is due to be released.

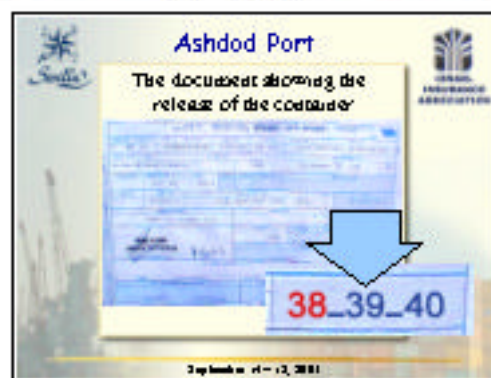
- Here, you see the truck parked opposite the containers.



- Marked on the ground are the numbers appearing in the document which you are now seeing on the screen.

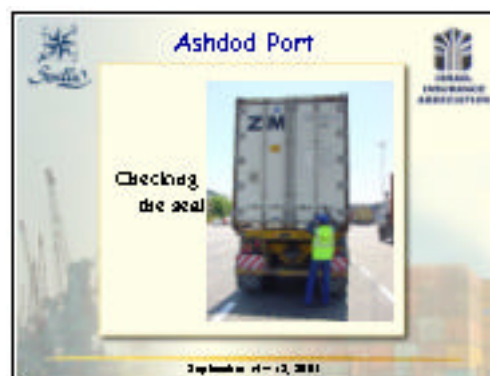


- Although it is written in Hebrew, we have enlarged the numbers which you saw a moment ago on the ground. This is the document that enables receiving a container.



- Here is the container on the ground, as I indicated just now. The forklift operator transfers the refrigeration container to the truck.

- The driver checks the seal.



- The driver signs the document and delivers it to the port clerk.



- The driver heads for the exit and reaches the control point. The security man – in this case, as you can see, the security woman – checks the seals on the container and passes on the information to the person in charge of the release of containers from the port, who sits in a booth at the port entrance/exit.



- As you see in the picture, the clerk stamps the documents and hands them over to the waiting driver ...

...Time is short. The driver receives the documents and drives off.

The driver's destination after leaving the port could be the warehouse of the customs agent, or a private warehouse, or some other final destination.





- You are now seeing an aerial view of the port of **Eilat**. The port's two main areas are devoted to bulk and mineral cargoes, and cars.



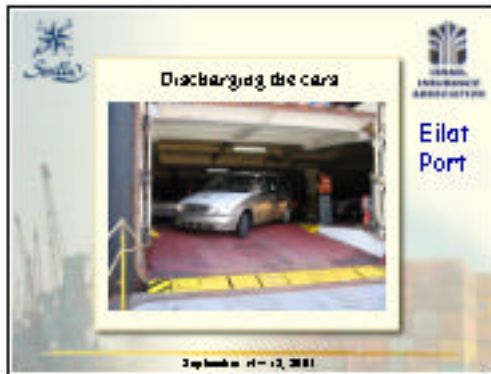
- Here too, as before, I am showing the breakdown of the port's activity during the past decade, and the breakdown between bulk cargo, containerized cargo and general cargo.
- The port of Eilat is very active in car imports. You are now seeing a vessel carrying cars that is about to enter the port.



- The vessel has entered the port and is anchoring. As you can see, this is a ro-ro vessel carrying cars.



- Here you see the cars inside the vessel.



- Here we see the start of the process of release of the cars, which is handled by drivers of the Ports Authority and the insured.



- The process continues.



- The process continues.



- Cars located on the ship's deck are unloaded by means of a forklift.

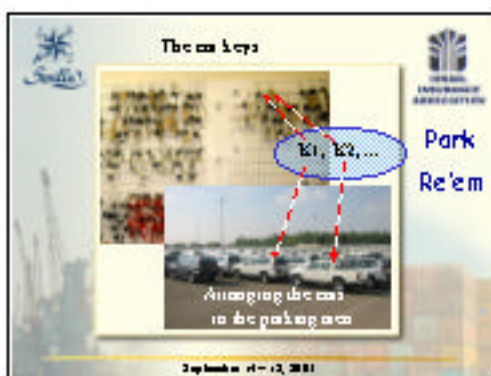


- The cars are brought to a lot in the port set aside for this purpose, where they are loaded onto trailers and transported by truck to the center of the country.

- Today, the place where the cars are held prior to customs clearance is the Re'em Park. Here you see the protections installed in the lots containing the cars. We have shown the entrance from the inside rather than the outside, so that you can gain an impression of the means used to prevent thefts – all this in addition to an alarm system and guards.



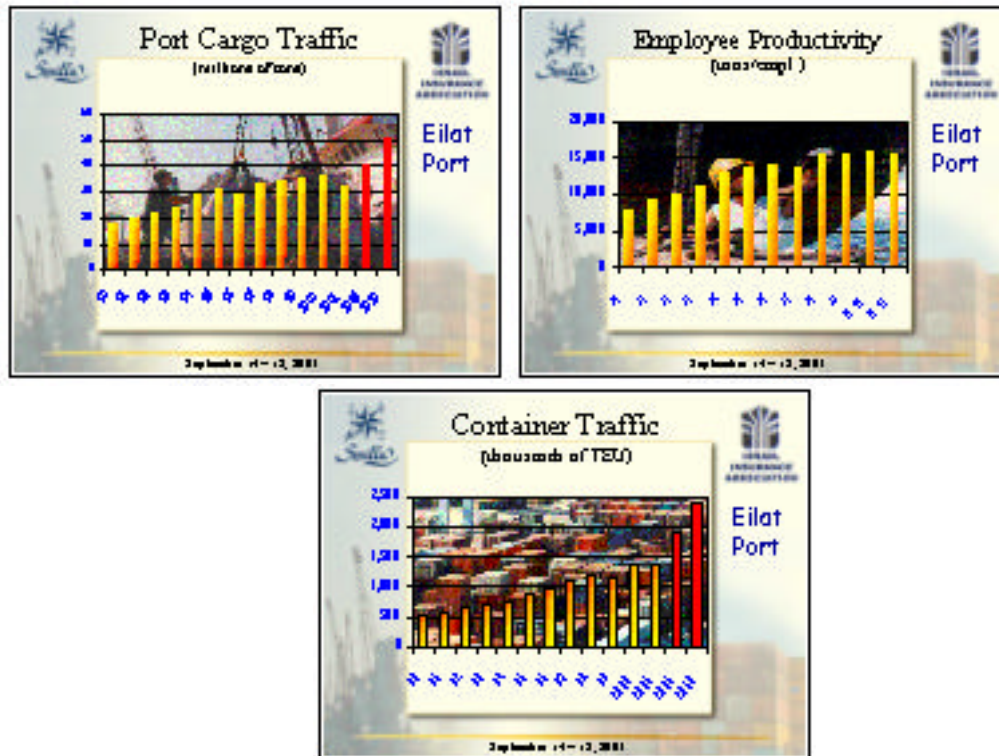
- The cars have arrived, the gate is opened, the cars enter.



- The cars are arranged in the lot in the manner shown on the screen. Some three years ago, we, the insurance companies, suggested changing the arrangements that had been in place until then, and the

arrangement is presently as follows: each lot is divided into areas, which are marked by letters, and the position of each car within an area is marked by a number added to the area's letter.

In the security room, the same arrangement appears as the arrangement on the ground, and you can see this arrangement now on the screen. I am certain that this arrangement can serve all car importers anywhere in the world.



- The third port we will discuss – which is first in terms of activity – is the port of **Haifa**, which we are now seeing in the picture.

The port caters to vessels of all kinds...

- ...And you can now see where you will be in 2008! This is the vessel on which we will load the ATM. Thank you for your confirmation.





- In Haifa as well, the volume of activity has been increasing over the years, and you can see in these slides the breakdown into general cargo, container and bulk, the same as for the other ports.

- You can see the number of containers located at Haifa port in the first terminal...



- And in the second terminal, at the point when the camera clicked.



- The trucks are leaving the port following the release of the goods.



- The port uses a wide range of modern and sophisticated equipment for loading and unloading ships and for unloading trucks or transferring goods to them.



- The latest equipment for the receipt and release of bulk cargo.



- A truck transporting paper rolls at the port exit.



- Nighttime activity at the port.



- In showing this picture, I wanted to underscore Haifa port's uniqueness as the only port in which activity is carried on through the night. Activity at all the ports conforms to Israeli laws and port regulations, aside from which all Israeli ports operate according to the guidelines of the IMO, of which the state of Israel is a member.



- Here you see the number of vessels that visited Israel's ports during 1998-2002.



- And the breakdown according to types of vessels.



- Here is the number of checks performed by the relevant personnel.

The checks under P.&C.
(Port State Control)

	2001	2002	2003	2004	2005
Total number of vessels	10,500	11,000	11,500	12,000	12,500
Number of vessels inspected	8,500	8,800	9,100	9,400	9,700
Number of deficiencies found	1,200	1,100	1,000	900	800
Number of deficiencies closed	1,100	1,000	900	800	700
Percentage of deficiencies closed	91.7%	90.9%	89.1%	85.1%	71.4%



- You will recall that I mentioned the borders with Egypt and Jordan. Just now on the screen you can see the Nitzana border crossing with Egypt and trucks crossing over into the Israel.

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ou are now seeing on the screen the transfer of fuel from an Egyptian truck to an Israeli truck.

- This picture provides a clear illustration of what I said just a moment ago.

- Here you also see the bulk cargoes.



- Here you see the closure of the land crossing between Israel and Egypt.



- We will now talk about the **Jordan River**, the site of the land crossing between Israel and Jordan.



- As you can see, here too transshipment is done between trucks.
- After the goods have been released from one truck, they are transferred to another truck that has come to receive the goods.



- Here you see several illustrative pictures, including examples of conveyance by means of a small or large forklift.





- Referring back to the beginning of the presentation, here you see a case of the conveyance of a new truck by means of another truck from the port of Haifa to Jordan.

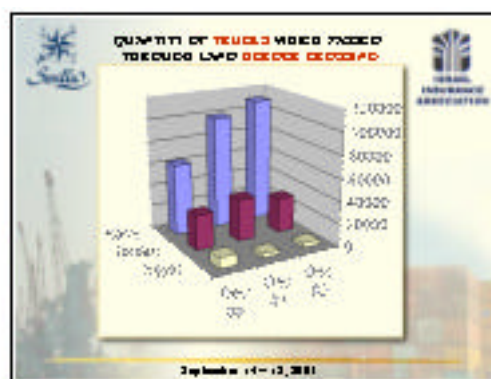
- Here you see a silo.



- Finally, you see the border crossing between Israel and Jordan where trucks are waiting their turn to receive goods.



- By way of illustration of the subject, I am showing several trucks that have passed through the three border crossings with Egypt, Jordan and the Palestinian Authority.
- This is a report presenting amounts of truck and cargo traffic on a global basis.



Regretfully, owing to the short amount of time, I am unable to expand on the subject of laws or security or special policy stipulations. I hope to do so on another occasion, and in the meanwhile, I trust that the information provided in this presentation regarding Israel's ports and borders with Egypt and Jordan has given you an adequate understanding of the subject