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Editorial

ECONOMIC APPRAISAL OF MANAGING MEGA INVESTMENT PROJECTS

Abeer Roshdy



Major projects and programs are now the chosen delivery platform for large-scale infrastructure as well as other significant public- and private-sector investments. The New Administrative Capital, Suez Canal Development Axis, Dabaa Nuke Plant, the Golden Triangle, Zohr Gas, National Healthcare System, Fisheries, Roads and Sinai Development Project are featured to be models of fresh thinking that comes beyond economic growth targets.

The success of a megaproject is typically assessed when the project has reached its goal or objective, and it is usually measured in terms on the conventional criteria of cost, time, and quality/performance, defined during the scoping stage of the project. In four years, Egypt was capable of Egypt's new capital mega-project has been listed as one of the biggest eight urban projects that will transform cities across the world by 2030, according to a recent report.

"The Business Insider" listed the project to establish a "New Administrative Capital" on the outskirts of Cairo among eight mega-projects globally that are worth billions of dollars, and are expected

to transform the world's greatest cities by 2030. Alongside projects in China, New York, Paris and Turkey, the report mentioned the New Cairo Capital project, predicting it will transform the future of Egypt.

The project will be a 270-square-mile hub with 21 new residential districts — enough housing for five million people. It will also feature 1,250 mosques and churches, a 5,000-seat conference center, nearly 2,000 schools and colleges, over 600 medical facilities, and what is projected to be the world's largest park. Housing Minister Mostafa Madbouly said that the project would cost \$45 billion and be complete by 2022. Construction began in 2015.

The government is reviewing the file of subsidies through adopting an executive plan for rationalizing subsidies over a period of five years through supporting the social protection network for the Egyptian citizen, or restructuring energy subsidy to make sure that its most needy categories have an access to it as this will considerably put markets under control.

Additionally, the government has taken a number of measures to increase the value of direct subsidy for citizens through increasing the cash subsidy for supply commodities. The number of ration card beneficiaries has reached 70 million, the Minister said, adding that the number of subsidized bread cards beneficiaries has reached 81 million. Takaful and Karama pension has been increased by LE125 for individuals, adding the costs of subsidy file in the FY2017-2018 could hit LE80 billion.

A big development in the volume of investment in the sector of energy has been realized, given the discovery of the Zohr gas field, mega solar energy projects across Egypt's governorates and Dabaa nuclear plant. The State is seeking to sustain the growth rates in the vital energy sectors and to increase investments therein based on sound pricing criteria with the foreign companies investing in this vital sector in Egypt.

For his part, Ahmed Kochouk, Deputy Finance Minister for Financial Policies said within the framework of supporting the economic reform, the government has drawn up a full-dressed document on the

economic reform program, its course, a number of other axes supporting it such as the State's financial policy.

The document elaborates figures, details, financial analysis of the social protection program, energy, investment, the banking, importation and exportation sectors and other vital axes, which constitute the guideline of the economic reform program. The document also includes the reform measures which have been taken and which will be taken in future.

Moreover, a number of the government companies will be offered in the Stock Exchange (EGX), according to a set timetable that includes all details of the offerings and will be announced shortly as the government aims through such program to double the volume of capital market from 20% to 21% of GDP to reach 50% to 60%, he said.

Mohamed Maait, Vice Minister of Finance for Treasury Affairs said the Ministry aims at maximizing the volume of the State revenues through a number of important reform measures topped by the closure of 61,000 banking accounts, revoking the government paper checks, and transforming into the electronic payment and collection system under the Money Inclusive criteria. Concluding, he said the government is interested in increasing spending on humanitarian development and social protection networks in parallel with the measures taken under the economic reform program.

1-EGYPT'S MEGA PROJECTS SAVE BANK LENDING RATE

*(MAJOR LOANS GO TO ELECTRICITY,
PETROLEUM, CONSTRUCTION, TRANSPORT)*

Manar Ghoneim



Economic mega-projects have been a main characteristic of the past four years, with much debate surrounding them. The launch of the mega-projects was intended to be a means of reviving of the economy, stagnant since 2011.

However, the surge in the lending interest rates over the past two years scaled back bank lending to the private sector. Egypt's banks have faced a challenge in building their loan books, as demand for credit from the corporate sector has remained muted. But thanks to the ambitious government development strategy based on establishing several mega-schemes, the project finance pipeline is returning to form after a period of muted activity.

In 2017, the major loans were won by various sectors, like electricity, petroleum, real estate and transportation, which carried out several of the government mega-projects. Meantime, the government depended on the major public banks namely, the National Bank of Egypt (NBE), Banque Misr and Banque du Caire, to finance such projects.

For example, the NBE, Egypt's largest public bank, arranged and participated in syndicated loans amounting to LE85.7 billion in 2017. The bank contributed by LE30.6 billion to these loans.

According to NBE Vice President Yehia Aboul Fotouh, the bank deals with the financing of mega-projects of the vital sectors like industry, energy, construction, food industries, real estate, tourism, transportation and communications, all of which create added value to the Egyptian national economy, provide jobs and promote development.

The national housing project, promising to construct some 600,000 houses with the total of LE103 billion, was another field to which the banking sector contributed. Four banks namely, the NBE, Banque Misr, Banque du Caire and the Housing and

Development Bank offered the government a LE20 billion loan during the initial phase of the project.

Last year, banks also offered LE37 billion to finance the energy sector, including a loan worth 18 billion to the Egyptian Electricity Holding Company in a bid to handle the power shortage.

The energy industry in Egypt has been particular interest to lenders within the past three years, thanks to the government's prioritization of the sector as it implements measures to tackle the nation's electricity shortfall.

Banque du Caire Board is planning to take a greater role in mega-project finance, Board Chairman Tarek Fayed told ***Al-Borsa*** business daily. Coordination is under way with other key banks to arrange a number of syndicated loans for vital projects, he revealed.

Banque du Caire is currently arranging a LE1 billion loan for the energy sector, regarded one of the major economic sectors, Fayed said.

On his part, Hassan Ghanem, Managing Director of the Housing and Development Bank, said that his bank participated in several syndicated loans to finance power and petroleum mega-projects. The bank plans to expand corporate finance to become one of the big ten banks within the coming three years.

The banks provided LE1.032 billion to the national housing project last year in addition to LE3.6 billion for the mortgage initiative launched by the Central Bank of Egypt, Ghanem explained.

Financing Mega-projects in the different fields has been a priority for the United Bank, according to its CEO Asharf el-Kady. The bank plans to pour LE1 billion to finance these projects within the current year, he said.

On the other hand, the National Bank of Kuwait-Egypt loan portfolio grew by 36% last year, benefitting from the under construction mega-projects as well as the increasing role of the medium and small sized enterprises, a statement issued by the bank unveiled.

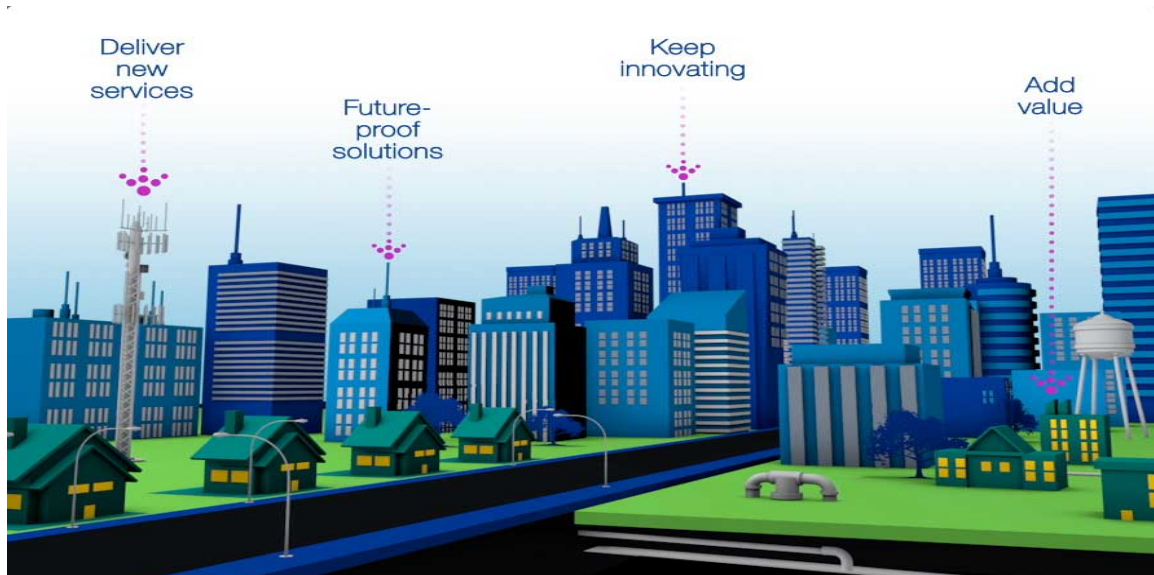
However, mega-projects finance face challenges including the nature of the schemes which requires long-term funding, a matter which may not suit with the banks' deposit base. Syndicated loans is one of the means to avoid high risks, a senior official at Banque Misr was quoted by the business daily as saying.

Following is a table showing the major bank loans to mega-projects:

Bank	Loan Recipient	Date of Issuance	Loan Value	Interest Rate	Term Loan
NBE Misr Du Caire Housing & Development	Social Housing Fund	May 2016	LE20 Billion	7%	Medium Term
Misr Arab African CIB NBE	Suez Canal Authority	Oct. 2017	\$400 Million	-----	-----
Misr Arab African CIB NBE Mashreq Emirates NBD Arab Jordan Du Caire	Suez Canal Authority	Jan. 2015	\$1 Billion	-----	5.5 Years
NBE Misr CIB QNB Arab African	Egyptian General Petroleum Corporation	Feb. 2018	LE4 Billion	-----	7 Years
NBE Misr Arab African CIB QNB	Egyptian Electricity Transmission Company	August 2017	LE18 Billion	According to Corridor Rate	15 Years
NBE Misr Arab African CIB QNB	Egyptian Electricity Holding Company	August 2017	LE19.4 Billion	According to Corridor Rate	15 Years

Source: *AlBorsa Business Daily*, March 11, 2018.

2-OPTIMISM OVERWHELMS PRIVATE SECTOR ON MEGA PROJECTS PERFORMANCE



Abdel Rahman Moussa

The national projects launched by the government in the past years have contributed to enhancing the local private sector revenues, creating big opportunities for the companies which have lost their key export markets following the political and security troubles in some neighboring countries, economic experts said.

“The national projects have provided ample opportunities for the private sector mainly metallurgical industries, building materials and contracting companies, and expected would witness in the coming stage further expansions,” said Hussein Sabbour, former Chairman of Businessmen Association, **Alborsa** business daily reported.

National projects have provided big opportunities for the public and private companies in the past few years, he said, adding that the government depended on the private sector in carrying out big projects whose volume of activity has considerably grown up.

He expected that the private sector revenues would continue growth this year, given the ongoing government plans to carry out many national projects topped by the New Administrative Capital, New Alamein city, and the Suez Canal Corridor. He noted that the Egyptian contracting companies and building materials factories are the main beneficiaries from such projects.

Meantime, some contracting investors however expressed optimism over the measures recently taken by the government and the Central bank of Egypt (CBE) to readjust the business climate, arguing that these measures have positively affected investment and increased its growth rates compared with the past years.

Though investors admit the positive impact of reforms on their activities and businesses, yet a group of businessmen are hoping for further legislative facilities in the forthcoming period in a bid to maximize benefits from the national projects.

Businessmen requests are focused in cutting down interest rates, combating bureaucracy, activating new laws, maintaining the current positive economic status and expanding the offering of land provided with utilities.

During the past few months, the government and the CBE took a wide range of measures to enhance the business climate such as deregulating the exchange rate, issuing the Investment law, bankruptcy, and supporting the faltering industrial companies to stimulate investment.

A recent report issued by the Ministry of Investment indicated that the local private sector has carried out investments worth LE78.1 billion during the first quarter of the current FY2017-2018, compared to LE67.8 billion in the corresponding period in the past FY, up with 15.2%.

The report further indicated that the total investment carried out by the government and private sector in the 1Q of the current FY amounted to LE150

billion, compared to LE98 billion in the corresponding period last year. The report showed that the private investments carried out in the past FY rose by 29% and that direct foreign investments rose by 14.5%.

Businessmen said political stability witnessed by Egypt during the past four years has helped to enhance their investments in local market and pushed most of the local private sector companies to have a positive vision of business climate in the years to come.

For his part, Omar Mahanna, Chairman of the Egyptian US Business Council called for going ahead with the political stability march launched by President Sisi adding that political stability will be associated with economic stability given reforms introduced by the government starting with deregulating exchange rate and lifting off subsidy on oil products.

He added the government has passed the toughest stage of reform, and it is working on eliminating bureaucracy which could hinder the march of reform. He urged the government to enter into negotiations with the US on establishing a free trade agreement to facilitate entry of Egyptian commodities to and from the US.

Ali Essa, Chairman of the Egyptian Businessmen Association called on accelerating the application of the bankruptcy law, and finalizing investments conflicts. He also stressed the importance of activating laws taken by the government such as those related to investment and industrial authorizations in order to reap the fruits of reform.

Concluding, Galal El-Zorba, former Chairman of the Federation of Egyptian Industries (FEI), said that the economic measures taken by the government during the past few months have improved business climate, calling on the government to take measures for paring down the costs of production mainly through cutting down banking interests.

He called for implementing laws taken by the government on investment and bankruptcy expecting that the government would succeed in raising economic growth rate to 5% by the end of the current FY.



3-NEW ADMINISTRATIVE CAPITAL..... EGYPT'S DREAM IN DESERT



Nada El-Maghraby

Among Egypt's most prominent mega projects currently being implemented is the New Administrative Capital that would pursue Egypt's sustainable development targets. The New Administrative City is one of the biggest eight urban projects that will transform cities across the world by 2030.

Currently, the government district and the residential district are being implemented. In addition, offering the first and second phases of investment lands for sale, besides new residential units about to be provided to inhabitants soon.

The new Capital located on an area of 170 feddans, between Cairo-Suez Road and Cairo – Ain-Sokhna Road, and approximately 60 km far from Suez and Ain- Sokhna cities.

The New Urban Communities Authority (NUCA) started developing the first phase on an area of 3130 feddans, including the government and the residential quarters, since 18 months ago.

During FY2016-2017, NUCA spent LE6 billion to establish facilities and residential units.

Egypt setup Administrative Capital for Urban Development (ACUD), a joint stock company under the investment law No.8 of 1997 that is managing the project of the New Administrative Capital. The ACUD held its first meeting on 8 March 2016, however its capital estimated at LE20 billion distributed over the armed forces and NUCA.

Additionally, NUCA earmarked LE8 billion to finalize facilities and implement the residential units to be offered for sale, Sources at the housing ministry told “Alborsa” business daily.

By mid-2018, real estate companies would install facilities on 3130 feddans in the first phase of the project that located on an area of 40.000 feddans, sources added.

Some companies, including the Arab Contractors, Talaat Moustafa Group(TMG), Petrojet, Holding Company for Construction and Development (HCCD), Wady Al nil for General Contracting companies, added to military works management would finalize 25.000 residential units in 2018.

The NUCA is constructing a residential quarter on an area of 1200 feddans and includes 25.000 units in the first phase of the New Administrative Capital, Chairman of ACUD Ahmed Zaki Abdeen said.

The ACUD has not determined the price per meter yet, while it is expected to hit LE10,000 per meter, Government sources said in a statement to “Alborsa” business daily.

Moreover, the selling price per meter for villas and residential buildings would be set, regarding the average price, offered by the real estate companies, operating in the New Capital, and ranges between LE9.000 and LE11.000, sources explored.

About seven plots of investment lands offered and achieved sales of LE10 billion on an area of 950 feddans, during the first phase. However, the ACUD set requirements for the bid, including the experienced companies in construction industry, or under construction companies, affiliated to existing companies. Otherwise, the awarded companies are committed to start executing the anticipated projects within one month of the deal.

The ACUD offered 5.000 feddans during the second phase, while the cost per meter is LE4.000.

Previously, Minister of Housing Mostafa Madbouly said the total investment in the New Administrative Capital upped to LE10 billion. He added, CSCEC, Chinese company, is implementing the “Towers District” in the New Capital. The under construction district is planned to include 20 towers, particularly the tallest tower in Africa at 345 meters, with total cost, reaching \$3 billion, Madbouly revealed.

Currently, housing complexes for the employees, who would move to the new capital, are being planned, meanwhile 35.000 is the total number of employees, according to Ministry of planning, Minister of Housing noted.

The residential units for employees vary in size between 90 square meters, 100 square meters, and 125 square meters, in addition to payment facilities, Madbouly mentioned.

Furthermore, steps are underway to set up six universities in the New Administrative Capital, besides providing plots of lands to build nine private schools in the first residential neighborhood, Madbouly highlighted.

The new capital also includes government district on an area of 1000 feddans, with a built-up area of 1.2 million square meters, NUCA Vice Chairman Abdel Moteleb Mamdouh said.

A new presidential palace of the Republic, a new building for the Council of Ministers, besides a new House of Representatives is to be established in the new capital. Other than, 18 buildings for ministries about to be setup during the next period.

It worth mentioning that the Administrative City announced in Egypt Economic Development Conference (EEDC), in Sharm El-Shiekh, in March 2015, total built-up area is 1.2 million square meters, while the inside projects are being executed by the Egyptian real estate companies.



Source: Ministry of Housing



MEGA
PROJECTS



SUEZ CANAL... EGYPTIANS DREAM COMES TRUE

Gehad Salem

On August 2014, when President Abdel Fattah Al-Sisi launched the beginning of the New Suez Canal Project, he was keen on allocating only one year for the completion of the project. He said: “It is a race against time and we want to build our country”. Today, he proves to the world that he is true to his word, showing to the whole world that despite the troubles and difficulties, Egypt always manages.

The Suez Canal Economic Zone (SCZone) is a world-class free zone and trade hub along the banks of the newly-expanded Suez Canal. Strategically located on the main trade route between Europe and South Asia, more than eight percent of global trade passes through every year.

Head of the Suez Canal Authority Mohab Mamish reviewed the mega projects carried out in various fields of development of the Suez Canal axis, pointing out that the Suez Canal Development Project will transform Egypt into a global logistics hub. The Authority has made quick and decisive steps in the implementation of the state plan to connect the Sinai with the valley through the construction of a number of floating bridges along the canal's navigable channel as a main hub of the Sinai National Project, he added.

He said that the floating bridges achieve a package of strategic objectives, including securing the supply of raw materials to existing industrial facilities and to accelerate development and the establishment of new industrial parks, and stimulate the movement of trade and transport of goods of all kinds. In addition, the new city of Ismailia, which is being established within the framework of the National Plan for Urban Development and the expansion of the activities of the Suez Canal Authority

companies in this promising region to promote the plan of structuring these companies to contribute efficiently to the development of the Egyptian economy, he added.

The Authority succeeded in contracting a number of important projects, including its success in the marketing of 23 million square meters area of Sokhna in The first year of the Commission's work, Mamish said. The Authority has also succeeded in its negotiations with the Russian government to set up the Russian industrial zone in East Port Said, a project which begins on three stages ending after 13 years, at an investment cost of up to \$6.9 billion.

Mamish pointed out that this project contributed to raising the morale of the people and increasing confidence in Egypt's ability to implement mega projects that increase the hope of the Egyptians in the rapid return of leadership in the region and the world, and achieve their dreams of stability and the growth of the national economy for the benefit of the citizen.

The economic zone of the Suez Canal includes 187 projects; the newly approved investment law has helped to attract foreign and local investments to the Suez Canal Economic Zone, Mamish added, highlighting that the success of investment requires working in all directions and full coordination among all Egypt's institutions.

Suez Canal achieved revenue of \$451.9 million in January 2018, with an increase of 14% over the channel revenues of \$395.2 million in January 2017, he pointed out. The six ports of the Economic Zone, namely Adabiya, Ain El Sokhna, East, Port Said, West Port Said and El Arish, achieved profits of LE2.9 billion during 2017, Mamish added.

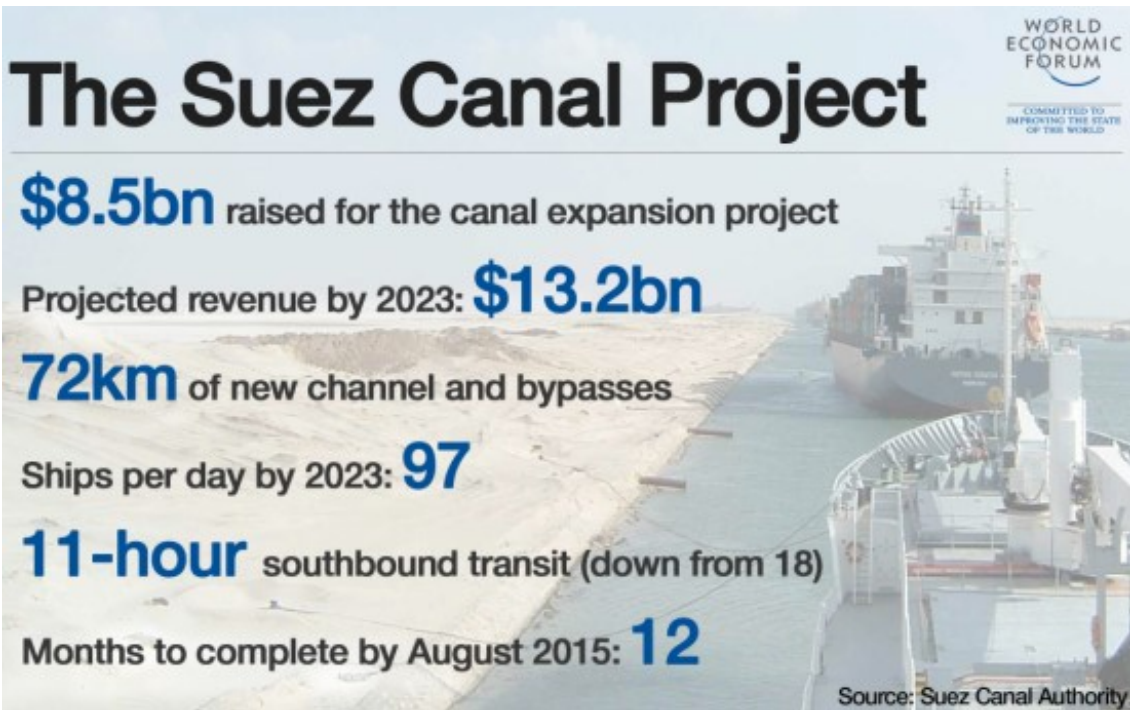
Six new contracts worth \$40 billion were signed with the Egyptian-Emirati Company for Integrated and Sustainable Development (Sokhna World) to develop DP World Group, establish a steel factory, as well signing contract with another Emirati Company to set up an industrial logistics project for grain and strategic food commodities he pointed out. In addition, signing a contract for the development of the industrial zone in East Port Said, he added.

He pointed out that the Egyptian-Russian negotiations succeeded in establishing the industrial zone in East Port Said on an area of 5.25 square kilometers with investments of \$6.9 billion. Mamish noted that the African Export-Import Bank

discussed investment opportunities in the region and set up an African investment zone through which to import raw materials through the ports of the region to establish projects to manufacture these materials and to achieve added value and then re-export them to foreign markets in order to promote economic integration and facilitate trade movement between African, Asian and European countries..

Mamish pointed out that the channel provides maximum safety of navigational vessels in transit, and the capacity of the channel will reach 97 vessels per day. He said that the Suez Canal area is a promising area for investors. It covers an area of 4060 square kilometer, as well has six ports and four industrial zones. He added that the region is characterized by flexible laws which are an investment incentive. He pointed out that the region is served by an advanced infrastructure represented by the Suez Canal, 4 tunnels under the Suez Canal in the northern and middle sectors, a tunnel in the southern sector and 3 floating bridges.

Recently, President Al-Sisi opened the second phase of the fish farming project in the Eastern Canal, which has a total capacity of 4,440 high-quality marine fish ponds on the Suez Canal to bridge the food gap, develop the Suez Canal region and Sinai and create new urban communities.





MEGA
PROJECTS

4-OVER 4 YEARS... EGYPT WITH ARAB COUNTRIES ONE HAND TO BOOST ECONOMIC GROWTH



Gehad Salem

Since June 30 Revolution, Egypt maintained friendly and strategic relations with most of its neighbors and the world community. Some \$20 billion were extended to Egypt since 2014 for supporting Egypt's economy from Saudi Arabia, UAE, Kuwait, Bahrain and Oman. Egypt succeeded in building political and economic relations with the Gulf States through series of important visits by President Abdel Fattah Al-Sisi where he concluded host of international economic agreements in a bid to ensure Egypt's role in the Arab region.

Following are the most important visits since President Al-Sisi took office four years ago:

The Kingdom of Saudi Arabia

The Kingdom of Saudi Arabia came on top regarding the number of presidential visits reaching ten times, resulted in multiple ways of economic cooperation between the two countries, and the signing of joint investment agreements and MoUs, which included:

- Establishment of a Saudi-Egyptian investment fund with a capital of 60 billion Saudi riyals between the Investment Fund and its affiliated entities and the Egyptian government.
- MOU between the Public Investment Fund of Saudi Arabia and the Ministry of International Cooperation in Egypt for the establishment of a free economic zone in the Sinai Peninsula.
- Signing a number of agreements between the Ministry of International Cooperation in Egypt and the Saudi Fund for Development as part of King Salman Bin Abdul Aziz's programme for the development of the Sinai Peninsula, including:
 - A three-way wastewater treatment plant.
 - Building residential communities in Sinai (Phase II).
 - Executing the road length 90 kilometers (km) development axis project.
 - A four-link project with a total length of 61 km connecting the development axis to the coastal road.
 - Tunnel Road Project Agreement - Taba.
 - Establishment of 13 agricultural communities.
 - Setting up a canal for water transport.
 - Construction of the power station "Dairout" complex cycle system 2250 MW project value \$2.2 billion.
 - Framework agreement for housing cooperation with Talaat Moustafa Group.
 - Framework agreement for housing cooperation with "Sabour" Real Estate Group.

- Framework agreement for housing cooperation with Egypt Italy Investment Holding Group.
- Framework agreement for housing cooperation with Orbit Alliance for investment and real estate marketing.
- A MoU between Saudi Aramco and the Arab Company for Petroleum Anabit (Sumed).
- MoU for the establishment of Dajna village in Sinai Peninsula.
- A MoU for the training, rehabilitation and employment of Egyptian workers in the Kingdom of Saudi Arabia, especially in the field of supporting medical services.
- The two sides signed the minutes of the 10th session of the joint committee.
- The development of 6 kms of the economic zone was announced to create a commercial industrial city worth \$3,300 billion.

The last visit of Crown Prince Saudi Arabia Mohammed bin Salman also witnessed the signing of a number of bilateral agreements between the two countries in various fields including:

- Cooperation agreement between Egypt and Saudi Arabia in the field of environmental protection and pollution reduction.
- A modified agreement to establish an Egyptian-Saudi Investment Fund worth \$16 billion between the Public Investment Fund in the Kingdom of Saudi Arabia and the Ministry of Investment and International Cooperation in Egypt.
- Agreement of an executive programme for joint cooperation to encourage investment between the General Authority for Investment and Free Zones in Egypt and the General Authority for Investment in the Kingdom of Saudi Arabia.
- Implementing of the mega project “NEOM”, which is an industrial and business project worth \$500 billion.

The United Arab Emirates (UAE)

President Al-Sisi visited UAE seven times resulted in enhancing bilateral cooperation between the two countries and coordinating positions on regional and international issues.

The trade exchange between Egypt and the UAE last year reached \$1.204 billion compared to \$1.126 billion in 2016, an increase of 7%, and the growth of Egyptian exports to the UAE contributed to increasing the trade surplus between the two countries rose to \$6.2 billion in 2017 from \$6 billion in 2016. The most important UAE investments in Egypt include the fields of ICT, finance, industry, tourism, construction and agriculture, in addition to other important projects in Sheikh Zayed City.

Kuwait

Al-Sisi went twice to Kuwait, within the framework of Egypt's keenness to boost the two countries relations. The volume of trade exchange between Egypt and Kuwait reached \$477.5 million, of which \$419.4 million was the value of Egyptian exports and \$58 million was the value of imports from the Kuwaiti market. The Egyptian exports to Kuwait include electrical appliances and cables, various food products, furniture, tobacco, and coal. Egyptian imports from Kuwait include tourist cars, petrochemicals and sodium hydroxide.

Bahrain

Egypt and Kingdom of Bahrain are bound with historical bonds and distinguished political and economic relations. The number of Egyptian companies investing in Bahraini market reached 183 companies. Furniture, cotton, ceramics, iron, machinery and equipment topped the list of Egyptian exports to Bahrain, while the main Egyptian imports from Bahrain were oil products, plastic products, aluminum and its products, cleaning products, iron and steel.

King of Bahrain Hamad Bin Isa Al-Khalifa visited Egypt in April 2016 and witnessed the signing of cooperation agreements between the two countries in fields including defense, youth and sports, as well as the signing of cooperation protocols in the field of diplomatic relations, political consultation, environment, double taxation and transportation.

Jordan

In 2017, President Al-Sisi visited Jordan to participate in the 28th Arab Summit. The number of trade exchange between Egypt and Jordan reached \$587 million. Five agreements were signed between the two countries, a cooperation programme between the Egyptian and Jordanian news agencies and a protocol of cooperation in the field of electricity.

In addition, four agreements were signed with Fajr Jordanian Egyptian Company for the transportation and supply of natural gas. Jordan's investment in Egypt is \$501 million, compared with more than \$300 million to Egypt in Jordan.

Amman

President Al-Sisi visited Oman in February 2018 during which both sides agreed on establishing an investment fund to increase mutual investments between the two countries. Egypt and Oman signed three bilateral cooperation agreements in the fields of youth, sports and labor training, as well a memorandum of understanding (MoU) for media cooperation between both countries.

In May 2017, Omani companies visited Egypt to establish joint investments and agree on a plan to invade the African markets. Volume of trade exchange between Egypt and Oman increased from \$162,215 million in 2016 to reach \$247,749 million during the same period of 2017, with an increase of \$85,534 million. Imports from Oman jumped to \$130,688 million in 2017, compared to \$71,357 million in 2016, with an increase of \$73,930 million, more than doubled.

Algeria

Egypt- Algeria economic relations witnessed a strong boost during 2014, most notably the holding of the seventh session of the Egyptian-Algerian Higher Committee, during which 17 (MoU) were signed between the two countries, including cooperation between the Egyptian and Algerian stock exchanges, cooperation in the fields of construction and maintenance of airport infrastructure, veterinary services, insurance and reinsurance, establishment and development of industrial parks, training, vocational training and export development.

It also witnessed an agreement on media cooperation, a cooperation agreement between the Middle East News Agency and a number of executive programmes for cooperation in the fields of higher education, tourism, employment, manpower, culture, youth and sports.

5-EGYPT ACHIEVES 800 OIL & GAS DISCOVERIES IN 15 YEARS



Gehad Salem

Petroleum and Mineral Wealth Ministry achieved around 800 new oil and gas discoveries starting FY2001-2002 until FY2015-2016. During this period, the Ministry achieved 520 crude oil discoveries, according to the Central Agency for Public Mobilization and Statistics (CAPMAS).

Explaining, FY2011-2012 and 2012-2013 saw the largest crude oil discoveries, with an average of 57 discoveries each year, followed by FY2013-2014 with an average of 41 discoveries. As for gas discoveries, since FY2007-2008 and FY2012-2013 saw the biggest gas discoveries, realizing 26 and 29 discoveries respectively.

Egypt's exports of petroleum products increased in 2017, compared to the previous year. The value of oil exports over the period January-December 2017 exceeded \$2.4 billion, compared to \$1.9 billion in 2016, according to CAPMAS. Egypt's exports of crude oil reached \$2.092 billion in 2017, compared to \$1.7 billion in 2016. Egypt's exports of the rest of the petroleum products reached \$318 million in 2017, compared to \$203 million in 2016.

Furthermore, total oil and non-oil exports during 2017 amounted to about \$25.8 billion, against \$21.7 billion in 2016, with an increase of about \$4 billion, while non-petroleum exports reached \$23.3 billion in 2017, compared to \$19.7 billion in 2016.

In December 2017 alone, Egypt's crude oil exports amounted to \$204 million, compared to \$106 million in December 2016.

Moreover, Egypt's natural gas production amounts to 5.5 billion cubic feet (bcf) a day. The Egyptian Natural Gas Holding Company (EGAS) targets to boost production to more than six bcf, in addition to halting gas imports and achieving natural gas self-sufficiency by the end of 2018.

Minister of Petroleum and Mineral Wealth Tarek El Molla said that Egypt aims to increase production of Zohr natural gas field to 700 million cubic feet (mcf) per day in May, up from about 350 mcf per day. Production from the Zohr natural gas field is expected to increase gradually until it reaches around 1.7 bcf a day by the end of 2018 and to 2.7 bcf per day in 2019, the Minister pointed out.

The giant offshore Zohr natural gas field is one of the most significant gas discoveries in Egypt and the Mediterranean region, which discovered by Italian energy company Eni in 2015. Zohr gas field has an area of 100 square meters and a depth of 1,450 meters. In December, Eni Company delivered the first gas from Zohr natural gas field, which estimated 30 trillion cubic feet (tcf), which contribute Egypt to achieving self-conscience by the end of this year.

Egypt produced around 626,000 crude oil barrels and condensates a day in FY2016-2017, the Western Desert area contributes 55% to total production, El Molla added. He highlighted that the gap between Egypt's local production and consumption of petroleum products amounts to 35%, which will be filled in the coming three years through the expansion of refineries and imports. He added that rationalizing energy subsidies will help in curbing consumption.

Egypt's production of natural gas increased in December 2017 to reach 3.4 million tons, up from 2.7 million tons in December 2016, he said, adding that the increased production came on the back of starting production from four main fields, including the West Delta's Taurus and Libra fields as well as Atoll field and Egypt's recent discovery Zohr natural gas fields, this is in addition to increased production from Nawras gas field.

Meanwhile, El Molla said that consumption of gas has also increased in December 2017 to stand at 3.6 million tons, compared to 3.2 million tons in December 2016, adding that the production of crude oil and condensates increased in December 2017 to 2.8 million tons, up from 2.7 tons a year earlier.

6-NEW ALAMEIN CITY: GLOBAL CITY WITH EGYPTIAN HANDS



Gehad salem

When President Abdel Fattah Al-Sisi said that he aims to see Egypt has a new global tourist destination in the northern coast, which all the tourists of the world would look forward to, he was referring to the establishment of the new Alamein City. This mega-project located on the north-western coast of Egypt near the Marsa Matrouh governorate, which would be a comprehensive project that includes touristic, residential, agricultural, and industrial segments. The new Alamein project represents a real leap forward for tourism in the northern coast. The new city of Alamein is set to be a new model for Egyptian coastal cities.

President Al-Sisi inaugurated this month the first phase of New Alamein City in Marsa Matrouh governorate besides other national projects. The first phase of the city includes 5,000 housing units to be available for reservation in April. The new city is set to house three million inhabitants on 50,000 acres, to include a public university with a capacity of 25,000 students, an opera house, a library and a museum. It also includes a coastal sector, divided into an international touristic centre and archaeological and urban areas.

The first phase of the city is set to be completed within 18 months as of the start of implementation. The projects employ more than 21 large contracting companies other than the subcontractors. These companies include 20,000 workers between engineers, technicians and workers.

There are many investment opportunities available in the first stage, including: the Exhibition Ground, Entertainment Area, World Hospital, Hotel, University and Regional Services Center. The total area of hotels is about 296 acres, the area allocated for the establishment of the World Medical Center for hospitalization and physical therapy will be 44 acres. The Regional Services Center has been allocated 400 acres as a first priority, and includes commercial centers, outlets, galleries, amusement parks, cinemas and theaters, sports clubs and administrative services.

Various services will be provided in the city, such as educational services, including schools for all levels, universities, colleges, vocational training institutes and health services, shopping outlets such as supermarkets, shopping malls, small shops in neighborhoods and stores in commercial areas. In addition, city centers, and commercial and professional services including banks, call centers, professional services, architecture and engineering services, and information technology companies. as well, accounting firms, business services, such as travel agencies, communications, and entertainment services and hospitality, including: hotels, restaurants, cinemas, parks, stadiums, sports complexes, and all recreational and entertainment institutions.

For his part, Minister of Housing, Utilities and New Urban Communities Mustafa Madbouli said that the new city of Alamein was designed to accommodate between three to four million citizens, noting that it is an integrated city operating throughout the year. Madbouli pointed out that the investment cost of the first phase of the city reaches LE10 billion. The new urban communities will finance the projects from its own budget. The businessmen have expressed their willingness to invest and participate in the implementation of the city and projects will be put on them in the coming period.

The coastal zone includes the implementation of a number of tourist hotels which provide about 20,000 hotel rooms that operate throughout the year. in addition, the establishment of terraces along the walk to allow citizens to sit in front of the

sea, and includes the work of pedestrian cycling routes, and a large number of restaurants, cafeterias, Aircraft and tennis.

The New Alamein City will also be an eco-friendly urban community that relying on renewable resources. In the city, the government plans to establish a desalinization plant and solar energy stations. Egypt has ambitious plans to develop clean energy options on the northwestern coast. The eco-city is meant to take over the North Coast and essentially alter it to be a more sustainable area that helps to develop Egypt's tourism, agricultural, residential, and industrial sectors.

The most important information about the new city of Alamein:

- The first phase consists of a coastal sector, divided into a world tourist center sector and an archaeological sector, as well as an urban sector.
- The Urban Communities Authority and the Engineering Authority are involved in establishing the city's facilities from a water station, infrastructure, sewage and electricity networks.
- The Arab Contractors Company is carrying out the alternative of the current coastal road to be 38 kilo meter long.
- The Ministry of Housing and the Engineering Authority of the Armed Forces participate in the implementation of the social housing units.
- Five of the largest construction companies - Samco - Orascom - Arab Contractors - Syak - Sons of Hassan Allam participate in a commercial mall.
- About 15,500 hotel rooms are available on 296 acres.
- The city has all the entertainment and service centers, such as Alamein Lake, cultural center, opera house, Library, huge mosque, huge church, World War Cemetery, new schools and university.
- The city's beach is 14 kilo meter long.
- The city's hotel area is 296 acres. The city has a 44-acre world medical center.
- The city has a world-class conference center for European conferences.



7- CITIZENS SHOULDER NO NEW BURDENS IN NEW HEALTH INSURANCE SYSTEM

Abdel Rahman Moussa

The Health system in Egypt will witness a new bounce after launching debates on the new health insurance laws which will cover all categories of the society. Mohamed Moeit, the Deputy Finance Minister said the new system will cost LE600 billion of which the State will shoulder LE200 billion adding the system will not add any new burdens on citizens.

He stressed the importance of clarifying the health system problems so as to know the advantages of the proposed bill. Elaborating, he said the existing system covers 54 million citizens, adding a budget of LE6.5 billion is assigned for these people with an average of LE1100 annually, compared to LE1300 annually in the first year of implementation, noting that this figure will be subject to an annual increase.

The current health system has failed to offer good services to the citizens given that it was introduced more than 53 years ago. He said this system has not managed to secure a decent health service for citizens. Adding, there are strong contradictions in the existing system given the difference in the subscription system and the level of offered services. He stressed the importance of achieving justice in the service offered to citizens through unifying insurance systems.

Under the applied system, Moeit said Egypt is one of the highest countries in terms of covering costs of medical care from citizens' pockets (60% of the total spending on health in Egypt, adding this rate will drop to less than 25% in the new system.

The Deputy Finance Minister said deficiency of the existing system was behind the disassociation of more than one million citizens, adding more than 65% of government spending on health goes to salaries.

Under the world criteria, he said, this rate should range from 35-40%, whereas spending on medical supplies does not exceed 15% compared to 40 % in the world systems.

Speaking of the advantages of the new system, he said it aims at finding a unified and comprehensive health system which provides high quality health service and re-orienting the state resources towards financing subscriptions of the poor as beneficiaries from the new system.

He said the new system is based on improving the health services and exempting the people suffering from chronic diseases from any contributions, while receiving the service.

Moeit said the new system will be gradually applied starting with the governorates which are more ready in terms of infrastructure, adding actual applying will take place within six months from the date of putting the law in effect.

He said the new health system will be applied to all categories of the people with the aim of reaching a comprehensive health coverage achieving social integration and extending insurance to all citizens through a full-dressed system that offers high-level health services while minimizing dependence on the public treasury gradually.

The Deputy Finance Minister said the new system funds will not be subject to the State treasury as it is an independent system and any act to the contrary will be punishable under law,.

Concluding, he said the health sector in Egypt will not be privatized, adding all hospitals affiliated to the Ministry of Health will be put under the new system after their improvement.

8-EFSA: MICRO FINANCING ACTIVITY ASSETS AMOUNT TO LE7.1 BILLION

Abdel Rahman Moussa

Mohamed Omran, Chairman of the Egyptian Financial Supervisory Authority (EFSA) said the micro financing activity is achieving positive results three years after the adoption of the law regulating micro financing in Egypt. For the first time activity assets hit LE7.1 billion by the end of 2017 compared to LE4.49 billion in the corresponding period of 2016, he pointed out.

Growth in the value of micro financing assets has positively reflected on the number of beneficiaries in the sector which reached 2.260 million by the end of 2017, compared to 1.8 million by the end of 2016, Omran underlined.

The map of financed commercial activities showed that commercial activity came on the top with a 61.4% market stake, financing assets worth LE4.37 billion and a number of beneficiaries hitting 1.51 million.

Service activity came in the second place with a market stake of 17.55%, financing value of LE1.24 billion, number of beneficiaries amounted to 301.63 beneficiaries, Omran said.

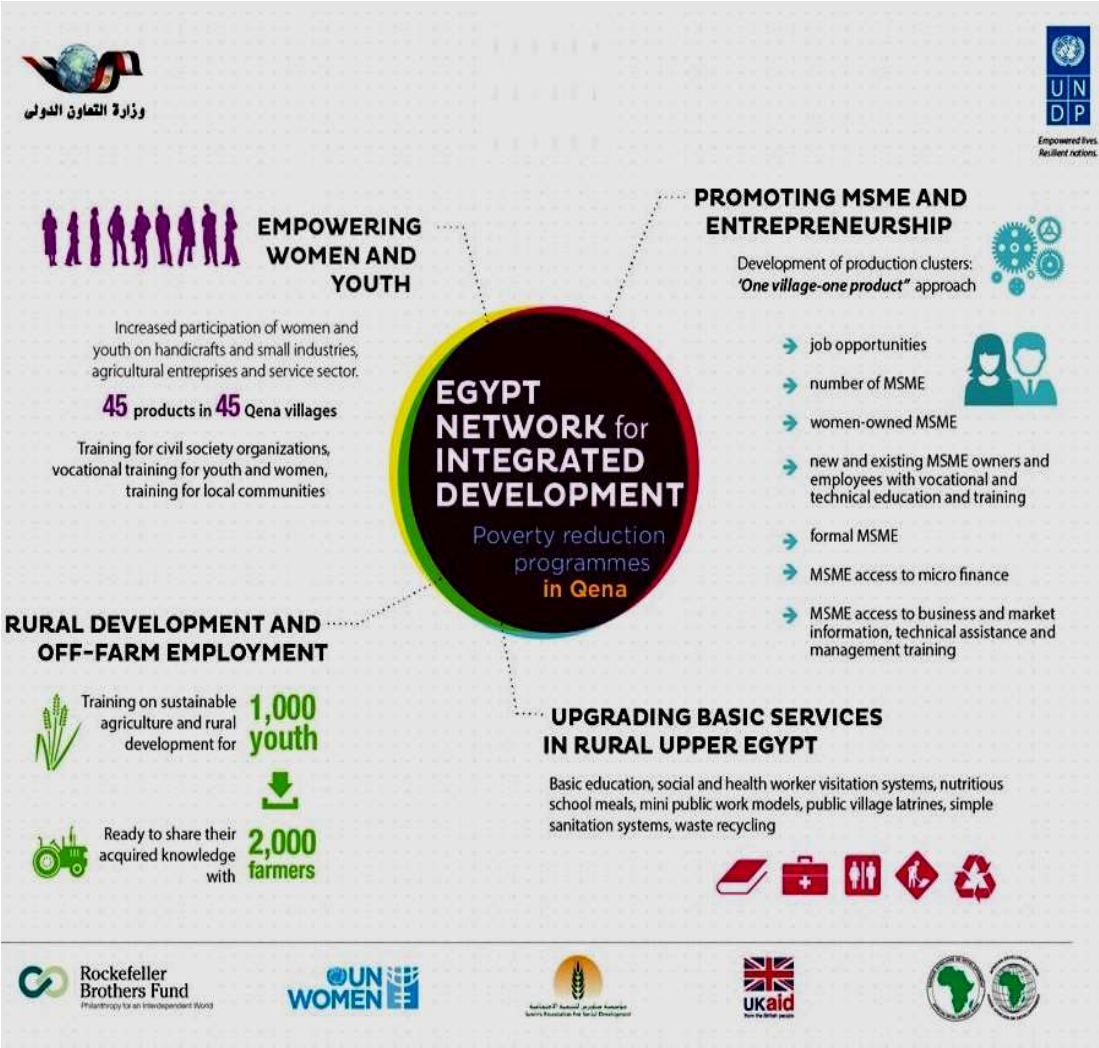
Agricultural activity occupied the third place with a market stake of 13.6%, financing assets worth LE968 million, and a number of beneficiaries reaching 277.49.

Handcraft activity came in the fourth place with a market stake of 7.45%, a financing value worth LE530.06 and a number of beneficiaries amounting LE164.76.

Omran said that despite the fact that the arrangement of the institutions offering financing did not change in 2017, yet the market stake of micro financing companies grew to 35.39% in 2017, compared to 23.31 in 2016 which testifies to the attractiveness of the micro financing activity.

Figures indicate that the market value of female customers financing assets came in the first place with a ratio of 52.5%, a financing balance of LE3.7 billion, and 1.55 million beneficiaries representing 68.5%. Meantime, market stake of the financing assets of male customers came in the second place (47.4%) with a financing asset of LE3.37 billion, and 711.78 beneficiaries (31.5%).

Reports show that the number of non-governmental associations which are authorized to practice micro financing activity has reached 839 NGOs by the end of 2017, in addition to three companies practicing the same activity. There are 815 branches with total 1660 branches working throughout Egypt.



9-\$3 BLN IN VALUE OF TECHNOLOGICAL EXPORTS TARGETED IN 2019

Abdel Rahman Moussa

The Ministry of Communications and Information Technology (MCIT) has drawn up a full dressed investment plan targeting increase of growth rate and improvement of this sector's performance in the coming stage through increasing Egypt's exports of IT services to the Arab and African markets to \$3 billion in 2019, compared to \$2.5 billion at present.



The plan also aims at expanding the establishment of new technological zones in Beni Sweif and El Sadat before the end of the year. This, in addition to deepening electronics industry locally through exchanging visits with world companies' officials and establishing new factories in Egypt for developing mobiles and monitoring cameras.

MCIT Minister Yasser El Qady said that the Ministry pins hopes on the National Post Authority (NPA) in offering new value-added services to customers such as micro-financing in cooperation with specialized companies besides expanding credit card services in cashing pensions mainly after the cancellation of paper saving books in the middle of 2018.

The Minister said that the CIT sector achieved 16% growth rate from April to June 2018, and has also been active in designing electronics. The Ministry is seeking cooperation with the Arab and Asian companies which have applied for purchasing the 4G frequencies and Internet applications in the new smart villages which are planned to be established all over the republic, he said.

The Ministry is also exerting efforts for building a legal and legislative fabric for luring foreign investments to the sector and is currently probing provisions of anti intelligence combating law and another law for preserving secrecy of personal information activating electronic signature law, Qabil noted.

The MCIT has offered new projects for benefiting from offers made by the foreign companies which have applied for taking over the 4G frequencies through providing the information structure in the eight smart cities the government is planning to establish including one in the New Administrative Capital and IOT technology applications and transferring Egypt into a springboard for exporting IT programs to other countries.

The Minister said high hopes are pinned on big Chinese entities in deepening electronics industry in Egypt through the establishment of smart phones factories, assigning part of production for local demand and exportation.

He said three foreign companies have started to develop electronics in Borg El Arab and Assiut technological zones, adding this has encouraged the State to devote a full chapter in the new investment law for the rules of investment in these zones.

The Minister said Technological Zones aim at developing minds and encouraging creation adding during the past two years, Egypt has graduated a large number of business pioneers and emerging companies through establishing creation centers and business entrepreneurship and attracted much financing from the so-called angle investors.

The Minister said the volume of Egypt's consumption of mobiles is valued at \$2.5-3 billion annually, adding this confirms the existence of promising chances for local manufacturing and exportation to foreign markets.

He said the Egyptian market has the capability to absorb sales of 5 million mobiles including smart and small size mobiles and tablets.

Meantime, the Ministry is seeking to develop curricula within the framework of plans to transfer Egypt into a digital community, adding he has met with the Minister of Education to expand cooperation through the use of modern technologies.

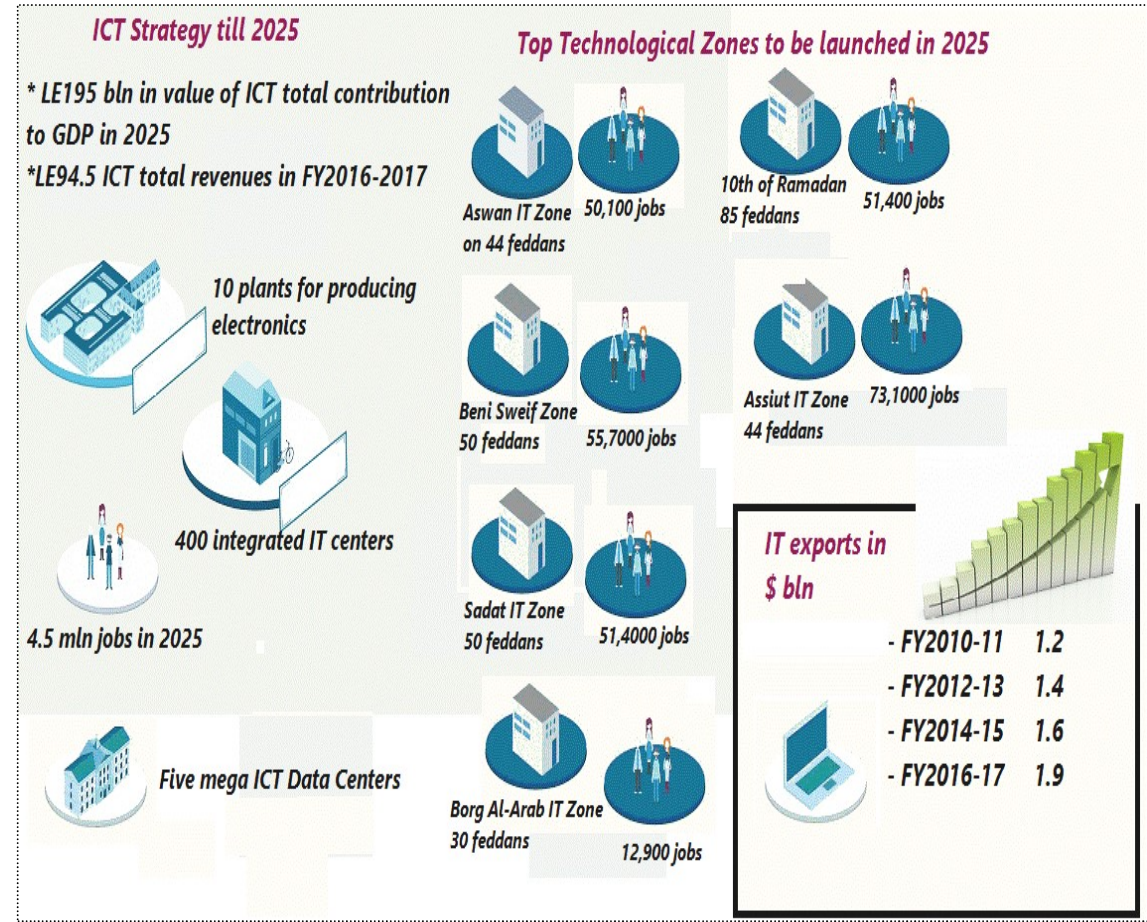
The Minister said Egypt is the best investment destination in the field of outsourcing, adding the Ministry aims at increasing the volume of outsourcing services in the FY2020 -2021 to LE23 billion compared to LE11 billion in 2013-2014. Minister Qady said Egypt's exports of IT services is valued at \$1.8 billion

adding Egypt is targeting \$2.5 billion in 2018 and \$3 billion in FY2020-2021 through focusing on outsourcing services and It programs to Arab and African markets.

The Minister said Egypt is planning to open the first stage of El Sadat and Beni Sweif Technological zones before the end of 2018 adding the Ministry is also seeking to establish Knowledge city in the new administrative capital.

The Minister said the government is planning to establish smart villages in Borg El Arab, ElSadat, New Assiut, the 10th of Ramadan, Aswan, Beni Sweif, and Ismailia at total costs worth LE24 billion.

Concluding, the Minister said the Ministry has developed Post offices within the framework of the State efforts to achieve financial inclusiveness.





10-EGYPT'S REAL ESTATE RECORDS LE66.61 BLN GROWTH IN 2017

Gehad Salem

The real estate sector witnessed a remarkable growth worth LE66.61 billion during 2017, achieving higher market performance than 2016. Real estate is one of the dominant sectors in the Egyptian market, as it plays a major role in the development of local economy. The Egyptian investments and demand for properties witnessed a major increase in 2017.

This year is expected to witness an improvement in the sector's growth due to the decline in general inflation along with the decrease in interest rates. The real estate sector accomplished growth in 2017 in line with the Egyptian economic recovery, backed by the government's plans for launching mega mortgage projects, such as the New Administrative Capital and the social housing projects.

During the year 2017, the real estate finance sector witnessed a significant growth in the volume of financing to companies, amounting to about LE1.4 billion, with expectations of increased activity during this year.

Meanwhile, economic reforms, stability of foreign exchange markets and interest of foreign investors in the market are also contributing to reviving the local market, which witnessed a fruitful year in 2017. This boom in the Egyptian real estate back to the financial facilitation offered by banks which fund real estate projects through several initiatives, including those offered by the Mortgage Finance Fund and the Central Bank of Egypt (CBE) which targeting funds to home buyers from various socioeconomic classes.

The government's keenness on developing the real estate sector was showed in expansion plans through various projects, such as the projects in tourism sector, residential projects and the land allocations to real estate developers.

Further, the New Administrative Capital is one of the mega projects launched recently by the Egyptian government. It is characterized by its prominent location 45 kilometer east of Cairo and 60 kilometers from Suez governorate and Al Ain Al Sokhna. The project aims to bridge the gap between supply and demand in the real estate market by offering housing units at reasonable prices, along with, providing employment opportunities for Egyptian youth.

Moreover, this comprehensive project is composed of Exhibition City, Convention Center, Medical City, in addition to governmental and residential areas. It also includes an administrative center with a parliament building, a presidential palace, an international airport and a diplomatic neighborhood.

The Golden Triangle Economic Zone is one of the important projects, which is located in Egypt's Red Sea port city of Safaga. The project will lead to major investments in mining, agriculture, and industrial sectors. As well, about 65% of the project is composed of modern industrial hubs, while the rest of the project will include touristic, commercial, and residential units which will upgrade the standards of living in these areas.

In addition, the New Alamein City represents a real turning point for the entire North West Coast region. It will contribute to attracting residents and investors to this area through the development of the residential, touristic, industrial, and agricultural sectors. The project will include all the modern facilities and amenities designed to fulfill different needs desire of the residents, such as sports clubs, cinemas, theaters, resorts, and a scientific research center in addition to 16 hotels.

Board member of the Egyptian Mortgage Finance Association Mohammed Samir said that despite the increasing in interest rates twice by the CBE, which led to the subsequent increase in interest rates of mortgage companies, the figures recorded by the sector indicate real estate growth.

He pointed out that the volume of real estate financing during the 13 years recorded LE5.5 billion, adding that since the initiative of the CBE, the year 2017 witnessed a real boom in the financing process, which amounted to about LE12 billion, while the total beneficiaries exceeded 170 thousand customers.

Moreover, he said that the CBE introduced the second tranche of the Mortgage Finance Initiative, worth about LE10 billion, which will contribute to increasing the growth of mortgage companies. He also expected that the mortgage finance sector will witness an increase in growth rate as a result of economic stability.

Former Head of the Egyptian Financial Supervisory Authority (EFSA) Sherif Samy said that the mortgage finance activity is one of the most important activities available in the market.

He pointed out that the real estate finance activity has been developing since its establishment, expecting the sector to continue growing in the coming years. Last year witnessed a rise in the volume of financing granted to 40 companies, he added.

Moreover, Chief Executive Officer of Rooya Group for Contracting and Real Estate Development Company Hisham Shoukri said that 2017 was a good year in terms of company sales. "The devaluation has opened a new market for Egyptian expatriates to invest in more units in the real estate market, purchasing several real estate products due to the liquidity and the availability of foreign currency," Shoukri pointed out.

One of the challenges that remain vivid in the real estate market is selling secondary homes. Buyers prefer to buy homes from a developer rather than an individual, he added. He noted that the mortgage and real estate funds need to be more available to accommodate the demands of customers, calling on longer payment plans and boosting the commercial sector.

The real estate sector contributed 15% to Egypt's GDP within the first nine months of 2017, which is one of the most five attractive sectors. It is expected to witness a 6% increase in the real estate sector in Egypt during 2018, to reach 8% within 2019.

11-GROWTH IN EGYPT'S TRANSPORT INFRASTRUCTURE INVESTMENT



Nada el-Maghraby

The transportation sector is one of the main drivers of economic development and growth in Egypt. In this regard, Ministry of Transportation is to receive €600 million to renovate the first line of Cairo Metro, pledged by the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), besides the French Development Agency (AFD). In addition, the financing agreement will be signed in May 2018, however the National Authority of Tunnels (NAT) about to provide €100 million in support for the project. Thus, the total available funds hit €700 million to strengthen the infrastructure of the Metro's first line, while the implementation will start in January 2019.

Furthermore, Ministry of Transportation seeks to upgrade the second metro line in cooperation with EBRD to supply six new air-conditioned trains with an investment of €175 million. A new proposal offered for the AFD to develop signaling and control systems.

The first part of the 4th phase of the third metro line would be inaugurated during October victory celebrations, Official Spokesperson of the NAT Hassan Tawfik said in a statement to “Alborsa” business daily. It will include four tunnel stations, besides an overhead metro station with a length of 5.1 km to end at El-Nozha station, He added.

Early 2019, the second part of the fourth phase of the same metro line is planned to be finalized, while it will be destined for Adly Mansour station. Concurrently, the electrified railway project will be executed, in order to link between the 10th of Ramadan City and Al-Salam City.

The third phase of the third metro line that is supposed to link between El-Ataba and Embaba underway to be implemented in three phases, Tawfik explored. In addition, the first phase of the third metro line will head towards Kit Kat station and be opened by the end of 2021, followed by the second phase, extending up to Embaba station, added to the third phase that will head to Bolak El-Dakror station and be inaugurated, Spokesperson highlighted.

The third phase of the third metro line, will cost €940 million, starting from El-Ataba to Bolak El-Dakror, Tawfik pointed out. Otherwise, the phase will include 15 stations with a length of 18 km, He mentioned.

Moreover, it is decided that a contract to be signed with Taisei Corporation, a leading Japanese company for building construction, civil engineering, and real estate development, during the first half of 2018, in coordination with Japan International Cooperation Agency - JICA, Tawfik noted.

On another score, the third phase of the National Roads Project (NRP) will be finalized, during the next two years. The third phase of the project has a total length of 896 km with an estimated cost of LE11.2 billion, Minister of Transportation Hesham Arafat said.

The anticipated project in the 3rd phase includes raising the efficiency of Cairo-Assuit western desert road with total distance of 230 km and a total cost of LE5.4 billion. As well as, the Upper Egypt-Red Sea road project with a total length 145 km and it will cost LE1.1 billion, besides Safaga- Marsa Alam road with distance of 190 kms and a total cost of LE1.5 billion. Added to developing

109 km Suez road with estimated cost of LE678 million and overall length of 24km.

Meanwhile, the third phase of the national project consists of 6th of October Oasis road project with total length of 270 km and it is expected to cost about LE2.1 billion. Other than, constructing new axis for heavy transportation on Cairo-Suez road with total length of 37 km and cost of LE495 million.

During the upcoming Ramadan, construction works at the site of the new regional ring road would be finalized with overall investments of LE4 billion, the Minister pointed out.

Approximately, LE32.9 billion is the total cost of road and bridge projects that currently being executed, including the NRP, composed of eight main roads with total cost of LE16 billion, Ministry of Transportation revealed.

The Ministry intends to develop 2500 km, topped by improving Cairo Alex Agriculture Road with overall investments up to LE2.2 billion, rather than Banha-El-Mansoura Road with length of 72 km and cost of LE1billion. Further, developing Banha- Zagazig road with length of 33 km and total investments of LE107 million.

Over and above, Ministry of Transportation is implementing a number of axis projects on Nile River with total investments of LE8.5 billion. In addition, some upper bridges got underway with total investments hit LE1.4 billion.

Recently, Ministry of Housing participates in some projects of NRP, including construction works of 750 km for road and bridge category and it is expected to be finalized during the first quarter of 2019.

Over the past three years, the Ministry of Housing contributed in construction of new roads and bridges with overall length of 1190km and an estimated cost of LE4 billion.

On another hand, about 70 domestic and foreign firms applied to a bid, offered by the General Authority for Land and Dry Ports, early 2018, to implement the

6th of October Dry Port project and the largest logistics centre in the Greater Cairo region.

The two planned projects located on an area of 400 feddans, sources said in a statement to “Al-Borsa” business daily. The Ministry of Transportation aims to establish some dry ports and logistics centers, in order to enhance the efficiency and quality of port services, reduce the waiting time of ships, and improve the terminal productivity.

Previously, Minister of Transport mentioned that a similar project in El-Sadat City is planned. Another expected dry port is expected to be setup in Beni-Sweif on an area of 100 feddans.

Currently, some studies are conducted by Ministry of Transportation to establish number of projects, including, dry port in the 10th of Ramadan City located on an area of 250 feddans, and likewise dry port in Damietta will be in an area of 15 feddans.

More than that, dry port in New Sohag City is planned to be on an area of 44 feddans, as well as a logistic zone in El Tor is about to be setup on an area of 100 feddans.

On the other side, Ministry of Transportation is preparing a development plan for the Egyptian National Railways Authority, involving investments of LE50 billion, over a period of five years. As well, the Ministry is conducting studies for a great project with total investments of LE12.4 billion, aiming to convert signaling systems for train control to electric control system, instead of mechanical system. The Authority, is currently conducting maintenance and renovation works for 1200 km of railway with overall cost of LE6 billion.



EGYPT WITHOUT SLUMS BY END-2018



Gehad Salem

With the construction boom initiated by President Abdel Fattah Al-Sisi since 2014, when he promised to move all those live in unsafe slums to new flats, announcing an ambitious “Tahya Misr” Project, with investments coast of about \$14 billion (\$1.58 billion). The first two phases of Tahya Misr Project were completed in 11 months and comprise 12,000 flats. The third phase was opened in 2017, bringing the number to 20,000 flats, with an increasing plan to reach 100,000 flats.

One of the most important compacting slums projects is Al-Asmarat Residential Complex project, which is being implemented in order to place the residents of dangerous slums, such as El-Deweika in Manshiet Nasser, Dar el Salam, Stabl Antar. Al-Asmarat housing project is constructed on 123 feddans through three phases to encompass 16,000 housing units; each unit is on a space of 65 square meter so as to upgrade slums in Egypt with total investments worth LE5 billion (\$196.6 million).

The first phase is spread over 65 feddans including 6258 housing financed by Cairo governorate budget and Informal Settlements Development Fund (ISDF). The second phase is implemented on 61 feddans encompassed 4722 housing units with

total sales of LE700 million, funded by Tahya Misr Fund. In addition, the third phase started over 62 feddans with total cost of LE950 million, to include 7440 housing units. Moreover, the project includes providing-services buildings such as schools compound, nursery, mosque, mall, medical centers, sports facility, stadiums, police stations, and markets.

Further, Cairo governorate finished more than 50% of the construction works in several projects for the development of slums, including the project of “Tal el-Aqareb” (Hill of Scorpions) in the Sayada Zeinab district, which exceeded 80% of the construction works, the Ahlina project in Al Salam 1, which exceeded 50% of the construction works, as well the Al Mahrousa 1 and 2 project which will include 4,476 units, and more than 90% of it’s construction works have been completed.

The governorate also plans to execute more projects in the El Khayala area, where 3,200 homes will be built, and El-Salam City which will include 4,776 homes. The governorate has several development and construction plans this year, including the development of residential units in cooperating with the Slum Development Fund and the Ministry of Housing, Utilities, and Urban Communities.

Earlier Last month, the Armed Forces said that Egypt pays great attention to eliminate the problem of slums, which was one of the biggest challenges faced by Egypt for years because of its social repercussions. Engineering Authority of the armed forces was commissioned to develop 78 villages of the most needy in 26 governorates, in addition to 46 random areas in the governorates of Cairo and Giza to provide an acceptable human level of services through the development of electricity, water and sanitation networks and providing real opportunities for development and production.

As for building and upgrading the efficiency of residential and service buildings, the construction of 13 residential buildings in addition to a cultural and sports center and a medical clinic were completed and two fifth playgrounds covered with artificial gables in Hadaek Al Qubba, Cairo Governorate. In addition, the implementation of the infrastructure projects of 78 villages at the level of 26 governorates, the average of 3 villages in each province, a total of 181 projects varied between roads, electricity, drinking water and sanitation.

In the field of upgrading the efficiency of electricity networks, 45 projects were implemented to upgrade the efficiency of the electricity networks and extend cables with a total length of 750 kilo meter and connect the electricity to 100

homes and install 121 lighting panels and install and upgrade 12,000 lighting poles. As for sanitation, 36 projects have been implemented to improve the efficiency of sewage networks and to establish a regression network with a total length of 120 kilo meter in diameters ranging from 8-12 inches. As well, about 5800 sanitary drainage and 22 drainage stations were implemented with total capacity of 10.000m³ per day and the establishment of 19 treatment plants with total capacity of 30.000m³ per day.

Meanwhile, the Engineering Authority of the Armed Forces, in cooperation with a number of civil society organizations, established a housing project "Bashayer Al-Khair -1" in Gheit El Anab district of Alexandria worth LE1.2 billion. The "Bashayer El Khair 1" project is part of a plan to upgrade shanty towns in the Mediterranean city, including a housing area comprising 34 buildings with a total of 1632 housing units with facilities and services, as well a number of vital installations such as an integrated hospital and commercial complexes.

For his part, Executive Director of the Development Fund for Slum Khaled Siddik said that there are 514 houses and two residential buildings providing 32 units in Ras Ghareb and Hurghada to accommodate the residents of the villages of Ashash al-Jabal and Assh al-Balad. He pointed out that the total cost of projects for the development of unsafe areas in the two cities is about LE440 million, of which LE60 million for the development of the threatened areas of life in the two cities.

Minister of Planning, Follow-up and Administrative Reform Hala Al-Saeed recently approved an additional LE9.5 billion to complete the development of unplanned areas and markets, which include the completion of the development of 73 unsafe areas in Egypt with 71,000 units. About 63,000 units are being implemented for the residents of the unsafe areas, with the aim of removing all dangerous areas and transferring the population to new units, with providing necessary services and facilities for unplanned areas such as water, sewage and electricity.

The Ministry of Planning announced the allocation of LE70 million for the development of informal settlements in Damietta Governorate, within the framework of FY2017-2018 plan. The Ministry pointed to the allocation of government investments in the financial plan 2017-2018, worth LE3.512 billion distributed to 22 provinces, to complete the development of informal unsafe areas, to become the proportion of areas that have been developed 50% of the total targeted areas.

IDA TO SET 13 INDUSTRIAL COMPLEXES WORTH LE5.4 BLN

Gehad Salem

Egypt's steady improvements in manufacturing output and employment, renewed investment in all sectors to build needed infrastructure and ensure the doubling of industry's share to the GDP. During the last four years, the Ministry of Trade and Industry has set up ready industrial complexes in various governorates to facilitate the establishment of small and medium enterprises (SMEs). The Ministry assigned the establishment of these complexes to the Industrial Development Authority (IDA), and considered it one of the national projects that must be expanded, and pledged to implement 13 industrial complexes with investments of LE5.4 billion in 2018.

The Engineering Authority of the Armed Forces, in cooperation with the Ministry participated in the establishment of four basic complexes in Badr City with a total area of 88,000 square meters, including 87 factories in the fields of food and engineering industries with an investment cost of LE168 million. In addition, Al Sadat Complex with a total area of 300,000 square meters which included 296 factories in the fields of pharmaceutical, food and engineering industries with a total investment cost of LE413 million, and South Al-Ruswa in Port Said, along with the Margham Plastic Complex.

Moreover, the Ministry delivered the previously mentioned three complexes in 2017, while the fourth complex of plastic industries in Margham area in Alexandria has completed its construction and the investors have received its units. It is located on an area of 29,600 square meters and includes 238 factories. For their part, a number of investors said that the prefabricated complexes will revive the SMEs sector, and contribute to facing unemployment by providing direct and indirect job opportunities for young people.

The Ministry pointed to the location of 13 industrial complexes, which will be constructed with a total of 4.436 units at an investment cost expected of LE5.4 billion to provide 43,000 direct jobs. The IDA said that the Ministry identified the new complexes in the governorates of Aswan, Luxor, Qena, Sohag, Minya, Assiut, Beni Sweif, Fayyoun, Gharbia and Alexandria. The area allocated for each complex ranges from 200 to 300 thousand square meters.

Furthermore, the Ministry completed the handover of the land of these complexes to the armed forces, in preparation for the start of the implementation of these complexes and completing all construction work in early 2019. The Ministry also supported the rationalization of energy use in

several Egyptian factories. A specialized study on the cement sector was completed besides new ways to enhance competitiveness by converting 30% of the energy used for production into the energy of its new and renewable energy resource from waste recycling.

For his part, Minister of Trade and Industry Tarek Qabil recently laid the foundation stone for the complex of SMEs belonging to Polaris industrial developer in the area of industrial developers in 6th of October City on an area of 55 thousand square meters, which includes 56 units.

At the same time, the executive regulations for the granting of industrial licenses are being reviewed and prepared for re-engineering in accordance with the new legislation. The government has developed several industrial strategies in the past period, such as the strategy of enhancing the vehicle industry. The Ministry has completed the preparation of legislation that will give incentives to augment the industry. As for Food Safety Law, the Ministry has prepared the draft law on the establishment of the Food Safety Authority.

Meanwhile, the government started to complete the development of 351 unsafe slums by the end of 2018, through moving all those living in unsafe slums to new flats over the next three years in an ambitious project expected to cost about LE14 billion(\$1.58 billion).

Facts and figures:

Industrial land programme included 22.3 million square meters offered as follows:

El Minya:

Over 13 million square meters lots were laid in the industrial area in Minya, with 1284 land pieces designated for the construction materials sector.

Quesna:

About 500,000 meters of industrial land in Menoufia for the establishment of SMEs with areas ranging from 1000 square meters to 2600 square meters and includes 175 pieces dedicated to the food and engineering sector.

Badr:

One million meters of industrial land annexed to Badr City, comprising 197 lots (fully allocated) dedicated to chemical, building materials and storage areas.

Al Sadat:

2.4 million square meters have been introduced in the city of Sadat, 82 lots dedicated to the engineering, pharmaceutical and food sector.

Beni Sweif:

Completing the implementation of complex for industries feeding the engineering industries in with a total investment of LE15 billion.

10th of Ramadan:

Five million square meters of industrial land is being put up in the 10th of Ramadan City, which includes 890 lots and includes all activities.

Port Said:

- 400 thousand square meters in South Rasawah, Port Said, which includes 106 lots of engineering, pharmaceutical and food sectors.
- The Commission has provided LE300 million for the construction of 3 industrial zones in three governorates from the Fund to support and the development of existing industrial zones.
- The project of providing industrial gatherings aimed at deepening the industry and environment friendly.

Rubiki:

- The first phase was completed, which includes construction work, external networks, and processing plants for chromium and industrial drainage.
- A total of 170 truck passengers to be accommodated on production units in Rubiki.
- A company was established to develop the industry to assist small-scale industrialists.
- The designs of the nutritious plant and technological center have been completed and the transportation of existing tanning projects has been initiated.
- Protocols of cooperation with the concerned parties for Rubiki have been finalized.

Development of the Golden Triangle area:

- The studies of the Golden Triangle were completed in coordination with the ministries and concerned authorities and were presented to the Economic Group and the Prime Minister.
- The project investment opportunities were completed.
- Action is under way to establish the Golden Triangle Area Development Authority.

Mergham Plastic Industries:

- The bank has been coordinating with the National Bank to finance the factories of the complex from the 5% initiative of the Central Bank of Egypt (CBE).
- Coordination was held with the Petrochemical Holding Company to support the complex with the necessary raw materials and store them on site.

Industrial development indicators:

- About 605 new factories were opened with investments of LE9.3 billion, with a production value of LE27.7 billion and providing 21,000 jobs opportunities.
- 2881 industrial approvals were granted with investments of 69 billion pounds and 136 thousand jobs.
- As for the industrial register, 1628 records were awarded for the first time, 3392 were renewed and 784 were modified.
- 653 operating licenses, 393 building permits and 60 temporary licenses were granted.
- New licenses were issued for cement and three companies obtained the licenses under the bidding system with a total value of LE481 million.
- About two million square meters of free land were offered for 677 projects at a cost of LE6.8 billion, as well opening of 256 new factories with investments of LE4 billion.
- The trade balance deficit in the textile sector decreased from \$1.2 billion in 2015 to \$200 million until last November.



LEAP IN EGYPT'S AGRO SECTOR

Gehad Salem

Agriculture sector is a significant contributor to Egypt's economy, which is a key component of the Egyptian economy. It provides livelihoods for about 55% of the population. The agricultural sector accounts for about 17% of Egypt's GDP and about 20% of its foreign exchange earnings. Crops such as cotton, rice, wheat and clover cover about 80% of the cultivated area of Egypt, as well being a source of raw material for a number of economic sectors, including the cotton industry.

Over the last four years, the agro sector witnessed great efforts to promote it and achieved many achievements during the period from 2014 to 2018. Over 63 projects were established at a cost of LE11.9 billion, in increasing of the agricultural area and the establishment of silos and hangars and improve the efficiency of field irrigation to provide water.

One of the most important mega projects, which contributed to boosting Egypt's agro sector, is the largest fish farm in the Middle East and North Africa region, located in Berket Ghalioun in Kafr El-Sheikh governorate. The idea of the National Fish Farming Project is to build a huge fish farm on 12,000 acres, by

using the latest advanced techniques in the field of fish farming, with investments of LE1.7 billion. This project would contribute Egypt to ranking first in Africa in fish production.

Moreover, the project will help reduce fish imports by about 27% and will provide at least 5,000 job opportunities. An industrial city will be built as part of the project that will include four main factories, a development and training center and a central laboratory to ensure high quality products.

This huge farming farm consists of a hatchery for fish and shrimp on an area of 17 acres, with a capacity of 20 million fish and two billion shrimp. In addition, there is a marine farm will produce about 3,000 tons of fish per cycle, a shrimp farm 2,000 tons, and a freshwater fish farm which produces up to 2,000 tons of fish per cycle.

The project also includes 1,359 aquariums and 83 projects of popular Egyptian fish, as well an ice factory to be built on an area of 450 square meters, with a production capacity of 40 tons of crushed ice a day, and 20 tons of ice blocks for freezing fish and shrimp.

Additionally, the government recently signed a cooperation protocol to begin development projects in Abu Ramad and Shalatin worth LE300 million. The projects include a port in Abu Ramad with cost of LE120 million, and another port in Shalatin with LE150 million investments. As well as two water treatment plants and another two waste treatment facilities to service the two ports at a cost of LE30 million.

Recently, Ministry of Housing and Urban Development inaugurated the Kema Waste-Water Treatment Plant in Aswan, the Ministry planned to finish 46 triple-phase waste-water treatment plants in Upper Egypt from Beni Sweif to Aswan over two years, which would contribute to providing up to 12 million cubic meters of treated waste water per day to be used for agriculture.

The sector also witnessed the completion of the faltering projects in West Suez, Wadi El Rayan and completing of Eastern Suez and New Valley projects and the establishment of six farms in Africa, Zambia, Zanzibar, Tanzania, Niger, Mali, Congo and Togo. In addition, new markets have been opened for the export of Egyptian agricultural products in the markets of China, Vietnam, Argentina, Australia, Canada, Taiwan, Tanzania, South Africa, Nigeria and Mauritius. The ban on Egyptian agricultural products has been lifted in the Gulf countries.

As for the last four years, the Egyptian horticultural sector has exported over \$2 billion of fruit and vegetables each year, accounting for over 40% of Egyptian agri-food exports, creating rural employment, generating foreign currency and reducing Egypt's agri-food trade deficit.

The sector will also witness the expansion of the electronic holding system, the application of a strict system for obtaining subsidies and production requirements for farmers, setting points for farmers to improve the cultivation of important strategic crops, and the establishment of integrated industrial agricultural projects based on the comparative advantage of each region and the expansion of the establishment of agricultural processing plants to accommodate the increase in agricultural production, Agricultural information and the expansion of reliance on nanotechnology in various agricultural fields.

The agricultural sector targets total investments of about LE33.3 billion during FY 2017-2018, according to the government plan. The plan revealed that the private sector investments constitute 80% of the total agricultural investments. Total public investments allocated to the agricultural sector and land reclamation programmes in FY 2017-2018 plan are worth about LE2.3 billion. The government shares in agricultural investments by LE1.2 billion, representing 54% of the total public investments.

Meanwhile, the public government investments for water resources and irrigation programmes and projects reached LE5.222 billion in FY 2017-2018, including undivided investments that hit LE1.244 billion, and 24% of the value of the governmental investments in this sector, according to the government plan approved by the Parliament. Egypt's agricultural exports increased 3% in 2017 to record \$2.2 billion, compared to \$2.1 billion in 2016.

According to the future plan to 2022, the agricultural and land reclamation sector is expected to witness increased production of wheat, reduce the import gap, increase the area of oil crops and their types, reach 525,000 acres, improve the quality of cottonseed oil and reduce chemicals used in agriculture. Egypt plans to increase the agricultural area to four million acres and establish new agricultural communities in these reclaimed areas, and developing field irrigation to reach 75% to cover five million acres, as well establishing a mapping system that provides a frame of reference for monitoring productive classifications.

Manar Ghoneim

EGYPT'S ANNUAL URBAN INFLATION FALLS TO 14.4% IN FEBRUARY

Egypt's annual urban inflation fell to 14.4% in February from 17.1% in January, the lowest since October 2016, the Central Bank of Egypt said in a statement released late last week.

Inflation has been moving in a downwards direction for seven consecutive months, according to figures provided by state statistics agency CAPMAS.

The CBE monetary policy committee is set to meet on 29 March to decide on interest rates.

The bank lowered interest rates for the first time since January 2015 on 15 February 2018 by 100 basis points, on the back of easing inflation.

The bank is targeting an annual inflation of 13% plus or minus 3% in the last quarter of 2018, followed by single-digit inflation rates, according to the statement.

Annual inflation peaked in July 2017 at 33%, after the CBE floated the pound in November 2016.

EGYPT TO COMPLETE BUDGET AUTOMATION IN MARCH: FINANCE MINISTER

Egypt's finance ministry will complete the state budget's automation and the creation of a Treasury Single Account at the Central Bank of Egypt (CBE) this month, Minister Amr El-Garhy told a delegation from MEDEF, the French Business Confederation, according to a ministry statement.

The government will close sub-accounts of various administrative bodies at the CBE and replace them with the Treasury Single Account, which serves to consolidate and manage governments' cash resources, hence minimizing borrowing costs, according to the IMF's definition.

This is part of the Government Fiscal Management Information System (GFMIS) "to increase transparency of public finance and accounting and to improve the effectiveness, efficiency and the economy of public service delivery," according to e-finance, the company that manages the government's financial network.

El-Garhy and the MEDEF delegation comprising French private sector business representatives discussed cooperation in the development of electronic systems within the state’s agencies as well as offering training on using such systems.

Egypt is establishing a network to enable electronic payments and collections to and from the government, which is being built and operated by e-finance.

E-payments include payroll for government employees and payments to contractors, and e-collections include taxes and customs.

The budget automation is expected to cut expenditure by 10%, El-Garhy said in August 2017.

**EGYPT CAN EASILY ATTRACT
NEW CAPITAL: IMF**

Egypt owns the fundamentals to attract new capital, given the success of the Egyptian economy, supported by the economic reform program, in facing number of obstacles; International Monetary Fund (IMF) Mission Chief for Egypt Subir Lall was quoted by “Amwal Al-Ghad” as saying.

There has been impressive progress on macroeconomic stabilization since the start of the authorities' reform program, he added, noting that the reform freed up resources for better targeted social spending aimed at those who need it the most.

Moreover, public finances have been improved with the continued commitment to measures aiming to achieve fiscal balance. “Measures have been taken to reform subsidies, which provided resources that were funneled to the most vulnerable groups,” he explained.

Lall further noted that the economy needs to create around 700,000b jobs every year over the foreseeable horizon to meet the needs of Egypt's young rapidly growing population and to improve their living standards.

He made these comments on the sidelines of the 41th Door-Knock mission to the United States started last week organized by the American Chamber of Commerce and Industry (AmCham) in Cairo.

CABINET APPROVES NEW RUSSIAN INDUSTRIAL ZONE IN EAST PORT SAID

The cabinet approved late last week an agreement to establish a new Russian Industrial Zone in Egypt, part of the government's ongoing efforts to attract foreign as well as domestic investors to the Suez Economic Zone where an international logistics hub, industrial areas for different sectors, and commercial and residential projects are being developed, according to ***Al-Ahram*** daily.

Following the cabinet's approval, Minister of Industry and Foreign Trade Tarek Qabil said the agreement would be submitted to the State Council and the parliament for review.

The new Russian Industrial Zone is planned to be established in East Port Said on the Suez Canal Economic Axis on an area of five million square meters in an investment worth more than \$7 billion.

The Russian zone is expected to generate 35,000 jobs in a wide array of industries, including sensors, air-conditioners, engines, construction and medical equipment, glass,

ceramics, wood, paper and feeding industries for vehicles and tires.

The volume of trade between Egypt and Russia stood at \$5.5 billion in 2017.

EGYPT LAUNCHES DIGITAL FORENSIC LAB TO IMPROVE IPR PROTECTION

Egypt announced setting up a specialized digital forensic lab for Intellectual Property as part of its enforcement schemes of combating software piracy, according to "MarketWatch" website.

The new lab, the first of its kind in the MENA region, is mainly designed to resolve business software and internet-based piracy cases. It authentically recovers data from digital devices and unearths new fraud techniques.

The latest measures applied aim to enhance the investigative capabilities and ease the digital forensic evidence acquisition, analysis, and reporting.

The cutting-edge techniques and latest technologies employed in the lab devise a roadmap for judges, prosecutors, and lawyers. The

practiced procedures enable them to distinguish the counterfeit products from the genuine and manage the intellectual property and digital piracy issues at hand.

The Information Technology Industry Development Agency, developing the IT industry in Egypt, hosts the lab at its premises. The agency is the executive IT arm of the Egyptian ICT ministry to enforce IPR related to software products and databases.

RUSSIA'S AEROFLOT TO RESUME FLIGHTS TO EGYPT FROM APRIL 11

Russia’s biggest airline Aeroflot said on Tuesday it would restart flights to Cairo on April 11, resuming civilian air traffic more than two-and-half years after the bombing of a tourist jet, “Al-Ahram” daily reported.

Russia and Egypt held talks to resume flights for months after air traffic was stopped in October 2015

when a bomb on a Russian flight from Egypt’s popular tourist resort of Sharm el-Sheikh killed all 224 people on board.

The flight suspension reduced holiday options for Russian tourists who were drawn to Egypt’s all-inclusive accommodation, Russian-speaking staff and relatively affordable prices.

The Russian flag carrier will restart flights to Egypt after a “substantial increase in security measures”. Aeroflot said it would have three flights a week from Moscow to Cairo, on Mondays, Wednesday and Saturdays.

Return flights, from Cairo to Moscow, will be on Tuesdays, Thursdays and Sundays.

From June 12 to July 2 Aeroflot will carry out flights everyday to meet increased demand for travelling to Russia, which will host the FIFA World Cup, the company said.

Manar Ghoneim

KUWAIT TO INJECT LE5 BLN INTO SINAI DEVELOPMENT PROJECTS

Investment and International Cooperation Minister Sahar Nasr signed last week five agreements worth LE5 billion (86.1 million Kuwaiti dinars) with the Kuwait Fund for Arab Economic Development Director-General Abdulwahab A. Al-Bader to fund development in Sinai, according to a statement by the ministry.

The first agreement, worth 60 million Kuwaiti dinars, will fund a project to build a tunnel in Sharm El-Sheikh in a bid to develop the city's infrastructure and road network.

Another agreement allocates 17.5 million Kuwaiti dinars to build a highway linking Sinai to other areas in Egypt.

The project aims at facilitating transport to and from Sinai in order to encourage tourism and to encourage citizens to move from the Delta to Sinai.

The fund is also providing Egypt with a grant worth 500,000 Kuwaiti dinars to support a project by the Cabinet's Information and Decision Support Center to document the state's economic reform program.

The fourth agreement is worth 100,000 Kuwaiti dinars and consists of a grant to fund feasibility studies to implement palm tree cultivation and a date manufacturing project in Egypt.

The fifth agreement is an amendment to a project for the development of signals on the Banha-Zagazig-Ismailia-Port Said railway, to use a surplus of 7 million Kuwait dinars to develop trains and purchase 100 new tractors.

The government is working on encouraging investments and establishing development projects with a social impact in Sinai, Nasr said.

The fund financed 45 projects in Egypt in electricity, transport, manufacturing, potable water and sanitation worth \$2.8 billion to date, in addition to grants and technical support worth \$13.5 million, the fund's director-general said.

EXPAT REMITTANCES FROM UAE GROW 2.2% TO \$44.7BLN IN 2017

Expat remittances from the UAE amounted to Dhs164.3bn (\$44.7bn) during 2017, up 2.2% from Dhs160.8bn in 2016, official news agency WAM reported.

According to a report by the UAE Central Bank, while Dhs121.66bn was transferred through money exchange companies, the rest went through banks.

During the fourth quarter of the year, money sent by expats to their home countries reached Dhs43.2bn – the same as Q4 2016.

Of that amount, Dhs31.36bn was transferred through exchange firms, with the rest sent through banks.

On a quarter-on-quarter basis, remittances grew 1.4% during the last quarter of 2017 compared to Dhs37.9bn in Q3.

India emerged as the top receiving country for remittances in Q4 with a total of Dhs14.8bn, comprising 34.2% of the overall amount in Q4.

Pakistan came next with 9.4%, or Dhs4.1bn, followed by the Philippines in the third place with 7.1%, the US with 5.9%, Egypt with 5.5%, and the UK with 4.2% of the total remittances.

SAUDI PLANS EXTENSIVE RIYADH BUS NETWORK

The Saudi Arabian Public Transport Company (SAPTCO) is planning to transport eight million people in the capital Riyadh ahead of the opening of the city's \$23bn metro next year.

SAPTCO officials told **Saudi Gazette** the company planned an extensive network in Riyadh after launching services there last month at the same time as the coastal city of Jeddah.

Previously private minibus drivers only offered bus services in the two cities.

A total of 3,500 buses will cover 5,000 destinations in the Saudi capital. Fares will range from 3 Saudi Riyals to 5 Saudi Riyals.

The service will also be linked to the metro stations when they become operational.

“The main objective of the new public transport system is to reduce the use of cars by individuals inside the capital city to avoid traffic jams, prevent pollution and cut down the use of fuel,” a senior official was quoted as saying.

GCC STATES PLAN COMPANY FOR MONEY TRANSFERS BETWEEN MEMBERS

The Gulf Cooperation Council plans to establish a company to provide direct money transfers between its six member countries.

Bloomberg cited Kuwait central bank governor Mohammed Al-Hashel as confirming the plans to reporters on Monday following a meeting of regional central bankers in Kuwait City.

He said the company would allow members to transfer money “without reliance on international currencies” and Bahrain, Kuwait, Oman, Saudi Arabia and the UAE had agreed to contribute initial capital despite an on-going boycott of the latter by some of the group.

“After that the company has to go out and borrow from the Gulf market or use the capital it has generated,” the official was quoted as saying.

The six countries’ central bank governors will sit on the board of the company, which will be based in Riyadh with a secondary office in the UAE.

The plan followed a **press** report in December citing UAE central bank governor Mubarak Rashed al-Mansouri as confirming plans to issue a digital currency for cross-border transactions with Saudi Arabia.

The currency would be used among banks, but not by individual consumers and is designed to make transactions more efficient, he said.