

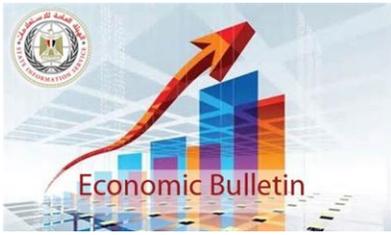


# **STATE INFORMATION SERVICE**

## **Weekly Economic Bulletin**

**(17-23 March 2018)**

**Mohammad Saleh**



## **Sisi inspects development projects in East Port Said Ports**

President Abdel Fattah El Sisi carried out an inspection tour Saturday of a number of projects in East Port Said Port where he was accompanied by Defense and Military Production Minister Sedki Sobhi.

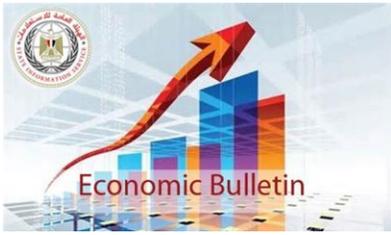


Upon his arrival to the harbor's platform, Sisi shook hands with officials of the Egyptian Armed Forces Engineering Authority and representatives of the companies participating in implementing various ventures in the area.

The head of the authority's consulting office Ashraf Wagih expounded to the president the project of constructing the pier of East Port Said Port which is being implemented by the Arab Contractors Company.

The pier consists of ten platforms constructed to handle the expected growth of shipments, Wagih said.

The second element in the harbor is the five-kilometer waterway, he said, noting that work at the place will be finalized by the end of May while dredging work will be ended in June.



President Sisi paid a visit to the administrative area of the industrial zone where Assistant Head of the Egyptian Armed Forces Engineering Authority Hassan Affifi expounded that the place consists of five buildings one housing a conference hall, a second for restaurants, and a building that includes an academic training hall besides administrative offices.

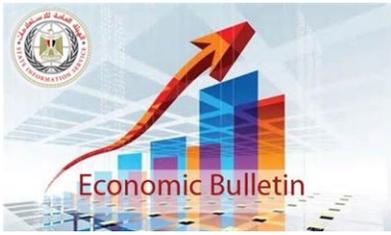


He said there are also two other buildings that have not been constructed yet one that will house administrative offices and exhibition areas for firms operating in the industrial zone besides a seven-star hotel.

He noted that the industrial zone is located on an area of 63 million square meters.

Up to 50% of roads in the area have been finalized, the official said, adding that a wastewater treatment plant with a capacity of 200 thousand cubic meters is being constructed.

Answering a question by the president about the time needed to finalize work on 20 million square meters of the industrial zone, Affifi said that this can be done within four years.



Sisi inspected also fish farming projects in east Port Said. Assistant Head of the Egyptian Armed Forces Engineering Authority Ehab Abdullah Ramadan expounded to the president that the venture groups 5,906 fish farming basins.

Ramadan said also that the second part of the venture is the main and subsidiary canals, adding that the main canal supplies 331 basins with fresh water.

The main canals are 39.7 kilometers long, while the subsidiary ones are about 200 kilometers long, he said.

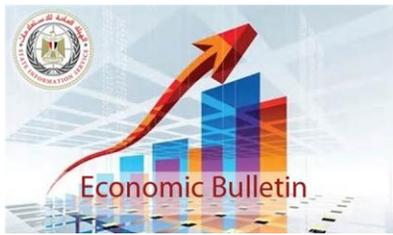
There are main and subsidiary drainage systems that are being used to get rid of the water which is provided to the fish farming basins daily, Ramadan also said, noting that four million cubic meters are discharged every day.

Concerning the work progress of the first phase of the venture, the official said that it is constructed on 14.398 square meters and includes 5,331 basins, pointing out that it will be finalized by October.

### **PM lays foundation stone of new Business District in Administrative Capital**

Prime Minister Sherif Ismail laid the foundation stone of the Central Business District designed to attract international and global enterprises in the New Administrative Capital.

Housing Minister Moustafa Madbouli, head of the New Administrative Capital Company Ahmed Zaki Abdine, the Chinese ambassador in Cairo and a host of senior officials attended the ceremony.



Ismail said this ceremony is held under the sponsorship of President Abdel Fattah El Sisi and his Chinese counterpart Xi Jinping.



He lauded the giant project which is carried out by a Chinese company in cooperation with Egyptian contracting companies.

The project will include 20 residential, service, administrative and business towers, including a 385-meter-high tower that could be the tallest in Africa.

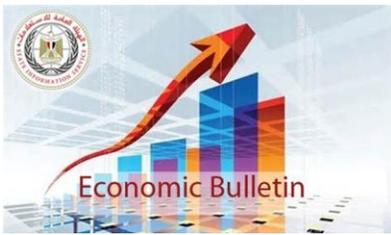
The three-billion-dollar project will be funded by a Chinese loan.

The New Urban Communities Authority has paid 15 percent of the value of the loan as a down-payment while the rest will be re-paid over ten years with a 42-month grace period.

The project covers 1.7 million square meters of lands.

Madbouli briefed the premier on the initial designs of the towers, adding that the land of the project was handed over to the Chinese company to start immediate construction works.

The new capital will consist of 8 residential neighborhoods in addition to a central business district, an embassies district, a government district, a banking district, the city center, the City of Justice, Knowledge Land (smart village) and a cultural city.



## **AAEE keen on developing strategic relations with Egypt**

Head of the Afro-Asian Economic Council (AAEC) Tareq bin Eid al Obeid praised efforts exerted by President Abdel Fattah El Sisi in his first presidential term.



In a statement, Obeid said President Sisi helped Egypt restore its leading position at the Arab, African and international levels.

Obeid termed Sisi as a "statesman, who is keen on serving developmental and economic issues, and supporting investment projects in Egypt."

He also hailed economic measures taken by President Sisi to provide an attractive atmosphere for investors and push forward development efforts in the country.

Obeid further stressed his council's keenness on developing strategic relations with Egypt to help it attract investors from around the world.

## **Egypt, UN sign Strategic Framework Agreement worth USD 1.2 billion**

Egypt and the United Nations (UN) inked the Strategic Framework Agreement 2018-2022 at a total cost of dlrs 1.2 billion.



The UN framework agreement is based on four pillars including comprehensive economic development, social justice, women empowerment and sustainable management of natural resources.

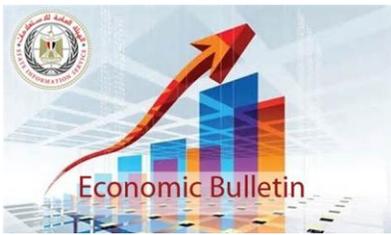


The partnership agreement was signed by Investment and International Cooperation Minister Sahar Nasr and UN Resident Coordinator in Egypt Richard Dictus.

The agreement aims at supporting the Egyptian government's efforts seeking to achieve Cairo's national development plans.

UN Strategic Framework 2018-2022 was outlined in accordance with the outcome of the national consultations that were held with the participation of representatives of a number of Egyptian ministries and competent bodies along with its development partners and UN organizations.

In a statement, Nasr said that the deal was reached upon consultations with about 400 bodies representing ministries and competent governmental bodies alongside the steering committee members of the partnership framework.



UN organizations operating in Egypt as well as non-governmental associations and the private sector took part in the consultations, Nasr added.

The framework agreement comes in line with the priorities of the Egyptian people and the government's program for the coming years, she noted.

### **Egypt, 43 African countries ink agreement on launching free trade area**

Minister of Trade and Industry Tariq Qabil said Egypt, along with 43 other African states, signed an agreement on launching the African Continental Free Trade Area (AfCFTA).



The inking came at the conclusion of the African Union (AU) Summit that was held in the Rwandan capital, Kigali.

Qabil said the AU Summit final declaration asserted the member states' desire to deepen integration among African countries through the AfCFTA, the Ministry of Trade and Industry said in a statement.

The minister also lauded the progress achieved in the first round of negotiations, which resulted in formulating a convention on launching the African free trade area.



The final declaration, Qabil went on to say, pointed to the importance of the AU resolutions on the African integrity, promoting inter-African trade cooperation in addition to speeding up the pace of launching the AfCFTA.

### **Egypt selects 23 companies for 1st phase of state IPO program**

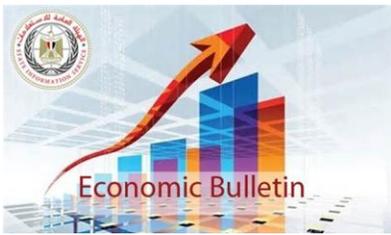
Egypt selected 23 state companies for the first phase of the state IPO program, with total shares value of LE 80 billion, a statement from the Finance Ministry said.



Market value of the soon-to-be-listed companies stands at LE 430 billion, the statement said, adding that the government intends to float about 15-30 percent of the companies in the Egyptian Exchange (EGX).

The program is expected to be implemented in a period that ranges between 24-30 months.

This comes as part of the state program to float some state-owned companies on the Egyptian Exchange under a five-year program announced in 2016 to attract investment and invigorate the stock market.



It also aims to increase funding to Egyptian companies and maximizing benefit from state assets.

The first phase of the program will include five companies in the petroleum sector, including Enppi, Assiut Oil Refining Co (ASORC) and Alexandria Mineral Oils Company (AMOC), six companies in the petrochemicals sector, including Sidi Kerir Petrochemicals Co and the Egyptian Ethylene And Derivatives Company and three companies in the logistics sector.

As for financial services, the listing will include the Housing and Development bank, Bank of Alexandria, Banque Du Caire, e-finance and Misr Insurance companies, according to the statement. The real estate sector will have two companies listed, while the customer services and Industry sectors will each have one company listed.

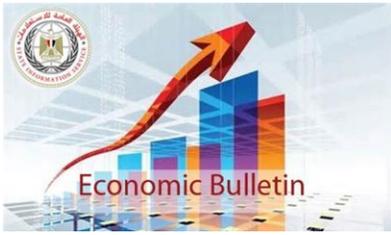
The state IPO program comes in light of the economic reform program adopted by Egypt. President Abdel Fatah al-Sisi has directed the government to quickly implement the IPO program and make it a success.

### **Sisi directs officials to continue efforts to upgrade transport system**

President Abdel Fattah El Sisi issued directives to officials to continue efforts aimed at upgrading transportation system and enhancing its capabilities.

The president's remarks came during his meeting with Prime Minister Sherif Ismail and Minister of Transport Hisham Arafat.

Sisi underscored the importance of the transport sector, noting that it directly affects the people's everyday life, presidential spokesman Bassam Rady said in a statement.



On that score, the president directed officials to take the necessary measures to tighten the safety and security measures at railways, increase the use of modern technological systems as well as to continue developing the national road network across the country.



During the meeting, the transport minister reviewed the latest developments with regard to upgrading the railway system.

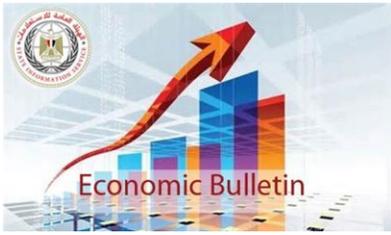
In this regard, Arafat noted that the development process is carried out at total investments of EGP 56 billion.

### **Sisi orders developing civil aviation sector in Egypt**

President Abdel Fattah El Sisi stressed the importance of stepping up efforts to develop the civil aviation sector in Egypt.



The president made the remarks during a meeting with Prime Minister Sherif Ismail and Civil Aviation Minister Sherif Fathi.



The aviation sector plays a major role in promoting the tourism field and supporting the Egyptian economy, presidential spokesman Bassam Rady quoted Sisi as saying.

The president further called for developing airport security systems and rehabilitating cadres in line with global standards.

Fathi, for his part, said that an international conference is currently underway in Cairo to probe means of promoting cooperation among African countries in the field of civil aviation.

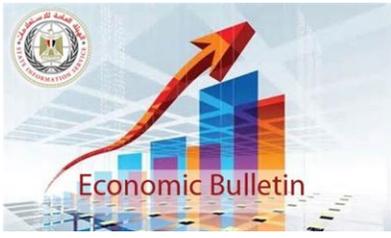
EgyptAir is operating 100 flights a week to 16 African countries and it seeks to increase its flights in the near future, he noted.

**BMI Research: Most painful and important reforms in Egypt have already been completed**

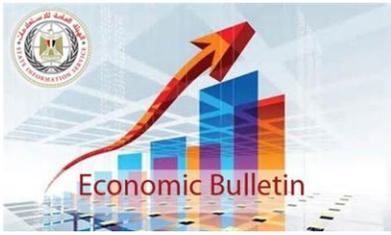
Fitch Group's BMI Research sees another term for President Abdel Fattah El Sisi as boding well for reform and business sentiment, the firm said in its monthly political risk analysis note.



“While many of the most painful (and important) reforms have already been completed, El Sisi’s re-election will likely open the door for modest fiscal consolidation, including cuts to fuel subsidies. Egypt will be an economic outperformer in the Middle East region in 2018.



Private consumption is set to benefit from cooling inflation and gradual improvements in job creation, and investment will be buoyant on the back of continued reform progress,” the statement reads.



## **Egypt's exports to European countries increased by 24% in 2017 to hit 7.5 billion euros**

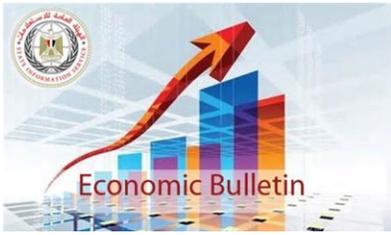
Minister of Trade and Industry Tarek Kabil has underlined the importance of translating strategic relations between Egypt and the European Union into balanced trade relations, a released statement by the ministry indicated.



The minister's remark was made at a meeting with European Commissioner for Trade Cecilia Malmstrom, added the statement. The meeting took up the future of economic cooperation between the two sides and means of enhancing trade exchange and joint investments.

The talks were held on the sidelines of the 10th meeting of the trade ministers of member states of the Union for Mediterranean held in Brussels.

Kabil said that Egypt is exerting efforts to be a regional hub for exporting gas in cooperation with Cyprus and Greece, added the statement.



Egyptian exports to European countries increased by 24 percent in 2017 to hit 7.5 billion euros in value compared to 6.3 billion euros in 2016, he said, adding that Egyptian imports from the European countries decreased in the same period to reach 18.2 billion euros in 2017 compared to 18.8 billion euros in 2016.

For her part, the European commissioner asserted keenness on promoting economic cooperation with Egypt.

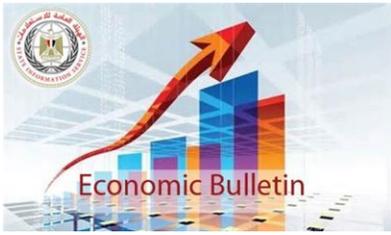
The EU is following up the positive developments in Egypt especially those regarding economic reforms and efforts for establishing security and stability, she added.

### **Suez Canal revenues hit USD 887 million during January, February**

Head of the Suez Canal Authority and the General Authority for Suez Canal Economic Zone (SCZone) Mohab Mamish said that the revenues of the waterway reached \$887 million during January and February compared to \$771 million of the same period last year with an increase of \$116 million.



This came during the meeting held with a high-level delegation of Suez Canal Container Terminal (SCCT) under its Chief Executive Officer Lars Chirstensen.

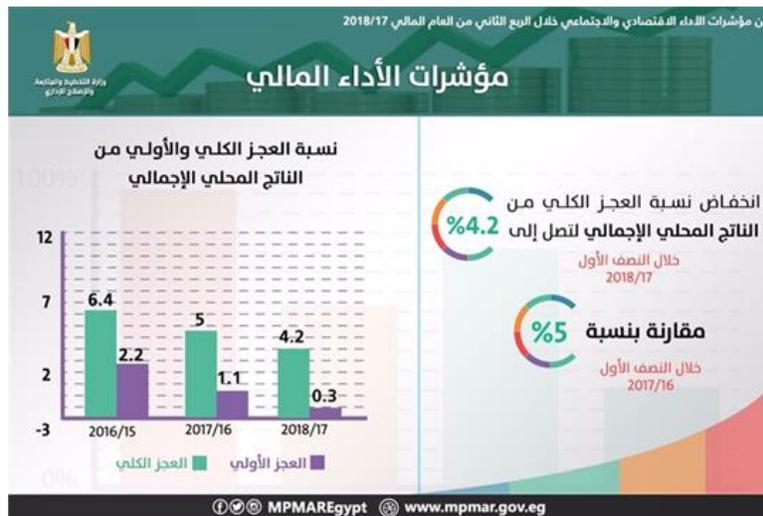


Mamish underlined that the Suez Canal achieved growth in the volume of the transshipment as the waterway received transshipment that hit 171.2 million tons during January and February of this year compared to 154 million tons of the same period of 2017 with an increase of 17.2 million tons.

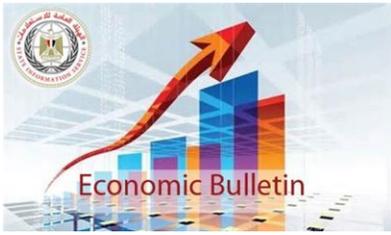
This reflects the positive impact of the New Suez Canal on increasing the number of crossing vessels and transshipment besides the success of the flexible marketing policies adopted by the authority to attract new shipping lines, he asserted.

### **Planning Ministry: Egypt budget deficit down to 4.2 percent of GDP in 1H 2017/18**

Egypt's budget deficit decreased to 4.2 percent of GDP in the first half of fiscal year 2017/18, down from 5 percent in the first half of fiscal year 2016/17, the Ministry of Planning announced in a statement.



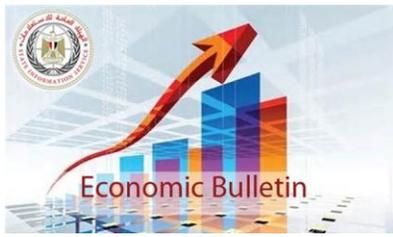
Total budget deficit in the first half of fiscal year 2015/16 was at 6.4 percent of GDP, Ministry of Planning data showed.



The finance ministry had announced in January that the total budget deficit fell to 4.4 percent of GDP in the current fiscal year's first half, which ended in December 2017.

As for the primary deficit, it fell to 0.3 percent of GDP in the first half of fiscal year 2017/18, down from 1.1 percent of GDP in the first half of fiscal year 2016/17, and from 2.2 percent of GDP the fiscal year before.

Finance Minister Amr El-Garhy had said in January that the government is on track to achieve the targeted primary surplus of 0.2 percent of GDP by the end of the current fiscal year.



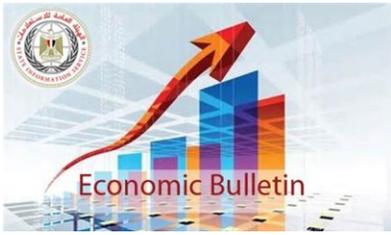
## **Mulla, SNAM CEO discuss turning Egypt into regional gas trade hub**

Minister of Petroleum Tarek el Mulla conferred with the CEO of the Italian SNAM Company Marco Alverà on opportunities of cooperation in the coming period in light of the increasing oil activities in Egypt and making use of the company's expertise in implementing an integral program to turn Egypt into a regional hub for trading gas and petroleum.



The meeting was attended by Italy's Ambassador in Cairo Giampaolo Cantini.

"SNAM is specialized in implementing and running the infrastructure of natural gas in Italy and Europe and can play a key role in this project given its expertise, particularly that Egypt has all the basic potentials in terms of infrastructure, trained human cadres and important natural gas discoveries in the Mediterranean, the gas liquefaction in Damietta and Edko and the national gases network that cover the majority of Egypt," Mulla said.



The company's CEO reviewed SNAM's fields of work around the world over more than 75 years and the available potentials to enhance cooperation with the Egyptian petroleum sector in the coming period. He noted the steps and reform measures taken recently in the economic and legislative domains in Egypt, the latest of which was the law on organizing gas market activities, saying this goes in line with the company's vision accumulated through its diverse expertise and strategic partnership with many countries in Europe and elsewhere.

He pointed out to the special attention given to the east Mediterranean region which has witnessed several important gas discoveries in terms of contribution to implementing the infrastructure of gas transfer to the markets.