U.S. Department of State
FY 2001 Country Commercial Guide: Egypt

The Country Commercial Guide for Egypt was prepared by U.S. Embassy Cairo released by the Bureau of Economic and Business in July 2000 for Fiscal Year 2001.

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CHAPTER I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Egypt's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

By far the largest Arab country by population, Egypt is in the heart of the Middle East and boasts a reasonably well-educated labor force. The market is large: anywhere from five to ten million of Egypt's total population of 66 million enjoy western consumption patterns. The rest of the population is poor, but habits and consumption are changing rapidly: for example, fast food franchising continues to be an area of notable growth. Moreover, given its strategic position in the region, Egypt continues to benefit from strong donor support, including about $2 billion annually in U.S. economic and military assistance. Bilateral efforts are underway to reduce economic assistance gradually, as our relationship begins to make the transition from "Aid to Trade." Progress in the Arab-Israeli peace process will have an effect on opening regional markets, but Egypt itself enjoys political stability and a growing if still transitional economy that is increasingly open to the global market.

Egypt is a market opening wider to U.S. exporters and is increasingly attractive for an eclectic mixture of U.S. goods ranging from expensive consumer products aimed at the wealthy, to competitively priced industrial and agricultural inputs (plastics, chemicals, components and fertilizers) for Egypt's expanding industry, to grains and feeds, processed foods, and a wide range of new and used industrial goods. Egypt's fiscal and monetary reforms since 1991 have created a stable currency and allowed the country to accumulate reserves of approximately $15 billion, equal to ten months of imports.

Starting in 1996, Egypt has taken serious steps toward selling off state-owned factories and other companies, including sales to "strategic" and "anchor" investors. This is a major change from years past when the government was reluctant to privatize its extensive (two-thirds) public holdings. Share sales through the capital market--to Egyptian and foreign investors--are growing steadily and offer a vote of confidence by the private sector in the government's reform program.

Over the past two years, a variety of economic legislation has been passed or introduced which will serve to facilitate private sector activity in Egypt as well as better enable American firms to do business in Egypt. Tenders Law No. 8 was passed by the People's Assembly in May 1998 lending greater transparency and predictability to the bidding process. In addition, Egypt's Parliament passed a new Companies Law No. 3 in January 1998, a revised Law No. 118 of 1975 on Import and Export Regulations in January 1998, a new Law No. 156 on Insurance Supervision and Control in Egypt, and a revised Customs Law No. 158 in December 1997.

Red tape remains a key business impediment in Egypt, including a multiplicity of regulations and regulatory agencies, delays in clearing goods through customs, arbitrary decision-making, high market entry transaction costs, and a generally unresponsive commercial court system. At cabinet levels, the government has shown willingness to intervene in favor of private sector concerns and to abolish or modify onerous regulations when they are brought to the attention of senior officials. A strategic alliance between the U.S. Embassy, American exporters, and their Egyptian importers, agents and partners has proved successful in combatting unfair bureaucratic practices.

U.S. firms have competed successfully for major infrastructure projects in Egypt, and more projects are on the way, some of which have regional impact, such as airports, telecommunications, TV broadcasting, and port projects. Tourism is a major growth industry, especially along the Mediterranean and Red Sea coasts, and is attracting U.S. project management expertise and quality U.S. building systems and equipment.

The U.S.-Egypt Partnership for Economic Growth and Development, explained in this guide, offers a framework within which U.S. firms and Egyptian counterparts can implement closer trade and investment ties that provide jobs in both countries and bind both private sectors together.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at HTTP://WWW.STAT-USA.GOV; HTTP://WWW.STATE.GOV/; and HTTP://WWW.MAC.DOC.GOV. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4473.
Other information on Egypt and surrounding countries is also available from numerous on-line sources, including:

WWW.ITA.DOC.GOV (includes all homepages of International Trade Administration (ITA) entities)

WWW.ITA.DOC.GOV/USCS/EGYPT (homepage of the Commercial Service in Egypt)

WWW.USEMBASSY.EGNET.NET (homepage of the American Embassy including the Commercial Service in Egypt)

WWW.ITA.DOC.GOV/ITP/EGYPT/EGYPT.HTML (homepage concerning the US-Egypt Partnership)

WWW.USIS.EGNET.NET (homepage of the U.S. Information Service on the U.S. Mission to Egypt)

WWW.ITA.DOC.GOV/TIC (homepage of the Trade Information Center of the U.S. Department of Commerce)

CHAPTER II. ECONOMIC TRENDS AND OUTLOOK

MAJOR TRENDS AND OUTLOOK:

The Egyptian government continues to assert its commitment to economic reform and liberalization as a matter of national interest. On a broad array of issues, the Egyptian government's economic team has indicated its intent to act. The Government of Egypt remains optimistic in its projections of GDP growth, anticipating around 6 percent for FY 1999/00 (July to June fiscal year). However, businessmen, investors and analysts widely note that Egypt's recent economic performance and the pace of reform offer a contradictory picture.

In recent months public discussion of the economy has been framed largely in terms of weak economic performance and, in some sectors, recession. Although the government has drawn aggressively on its foreign reserves to meet local demand for foreign exchange, local shortages persist, disrupting business transactions and hurting investor confidence. Whereas a year ago concerns were being expressed about the high rate of credit growth to the non-government sector, businesses now report a liquidity squeeze in Egyptian pounds. The Cabinet has been coping with increased budget pressures. In April the Government revised its budget deficit figures for FY 1998/99 from 1.3 percent to 4.2 percent of GDP, with similar upward revisions for deficit projections for FY 1999/00 and FY 2000/01. In the balance of payments, some key trends are moving in a direction favorable for Egypt. The first three-quarters of the fiscal year saw a decrease in the trade deficit. Foreign exchange receipts are up moderately, thanks largely to the strong performance of the tourism sector that grew by 43 percent in the first two quarters of FY 1999/00 in comparison with the prior year. The current account has likewise shown improvement. Less encouraging is the slowdown in structural reform over the last year, a development with negative implications for Egypt's economic competitiveness and growth. Foreign direct investment and portfolio investment in Egypt remain at low levels, trends that can be viewed as indicators of investor concern regarding the government's commitment to structural reform.

The Government is responding to these challenges in a number of ways. These efforts include a program announced in April to repay over a period of eight to nine months up to LE 25 billion in government arrears owed to the private sector. According to government statements, a major objective of this program is to address the liquidity squeeze that arose from slow government payments and the resulting drag on business activity. An ambitious array of economic legislation is at various stages of development that could impact significantly on government revenues, investment and the business climate. These measures include a comprehensive law on intellectual property rights (IPR), a mortgage law and plans to move to a value added tax system. The GOE is also working to meet WTO commitments in such areas as customs valuation and IPR protection, steps that would help improve the business climate and investor confidence. The government has also signaled its determination to revive the stalled privatization program, with plans to privatize 181 of the remaining Law 203 companies, as well as to offer up to 20 percent of Telecom Egypt on the stock market late in 2000. Privatization of public sector banks remains unlikely, however, and no clear time line has been established for privatization of public sector insurance firms. The business and investor communities are watching closely to see if the Government delivers in these and other areas. Its performance over the next six months will impact significantly on business confidence, investment levels and overall Egyptian economic growth.

KEY ECONOMIC TRENDS AND ISSUES

Macroeconomic Performance: Since 1991 Egypt has followed a course of macroeconomic stabilization and discipline. The Government's program has yielded positive growth rates (averaging 4-5% in recent years, with 6 percent projected by the GOE for the current fiscal year), low inflation (3.8 percent for FY 1998/99), and substantial foreign currency reserves. These developments helped Egypt receive investment grade debt ratings in 1997, and Moody's in 1999 upgraded Egypt's sovereign rating from the speculative grade of Ba-1 to the investment grade of Baa-1. Standard and Poor's has issued a report in early July 2000 maintaining Egypt's investment rating at BBB- but decreasing its economic performance expectations rating from stable to negative.

This positive picture belies, however, a more problematic economic situation. Businesses widely view the government's current GDP growth projections as overly optimistic. They describe the economy as in the grips of a downturn due to such factors as foreign exchange shortages, slow export growth, high inventory levels and trade disruptive government policies. The business and investment communities look to the Egyptian authorities to revive economic growth through a comprehensive integrated government strategy to address key policy areas and reinvigorate the country's program of structural reform.

Fiscal Policy: Budget discipline has long been a priority for the Government of Egypt. In line with that policy, the government in March submitted a draft budget for 2000-2001 that projects a deficit of LE 3.5 billion, slightly over 1 percent of GDP. As reported in the press, the draft budget forecasts spending at around LE 111.7 billion against LE108.2 billion in expected revenues. The draft budget is predicated on a forecast of 7 percent GDP growth and 3 percent inflation.

The government's fiscal plan reflects its focus on social priorities. Through its programs the GOE aims to support the creation of 585,000 new jobs. The draft budget includes a 10 percent bonus worth LE 700 million for government employees and LE 300 million for pensioners. Subsidies for goods essential to the poor are increased by 10 percent to LE 5.789 billion, while provisions for government wages and public are spending are raised by 13%. The draft budget also calls for a 10 percent hike in funds for education and youth programs.

Despite its determination to hold deficits in check, the government has come under increasing fiscal pressure. The budget deficit figure does not reflect the full range of government commitments. Certain aspects of the budget, such as defense spending, are not transparent. In addition, the budget does not record deficit financing for the 67 economic authorities. It is difficult to make a full accounting of off-budget spending. The significance of off-budget expenditures is reflected in the recent revision by the GOE of its deficit for FY 1998/99 from 1.3 percent of GDP to 4.2 percent. The government also revised upwards its budget deficit projections for FY 1999/00 (from around 1 percent of GDP to between 3 and 3.6 percent) and FY 2000/01 (from around 1 percent of GDP to around 3.4 percent). The government attributed these changes to the need to account for off-budget borrowing and spending by the administration of the former Prime Minister in support of mega-projects. Egypt's development needs and the government's determination to protect the welfare of lower income Egyptians suggest that fiscal pressures will continue to mount, underscoring the importance of expanding the fiscal base through such measures as sales and corporate tax reform.

Monetary Policy: Monetary policy and management has changed little over the last year. The Government's policy appears to be driven by the objectives of defending the Egyptian pound and preserving foreign reserves at as high a level as possible. President Mubarak and the Prime Minister have repeatedly gone on record stating that there will be no devaluation of the Egyptian pound, but there has been a 10-12% devaluation over the past six months. Despite a significant draw on its international reserves in recent months, intermittent local shortages of foreign currency continue to affect the banking sector and their business clients. In the view of the financial community, this situation is an outgrowth of the Government's informal rationing system rather than the level of Egypt's foreign reserves. As of June, Egypt's net international reserves were around USD 15 billion, a historically robust figure. By tolerating periodic and sustained periods of tightness in local supplies of foreign currency, the Government has undercut the positive impact of its efforts to relieve market concerns regarding monetary policy. Pressure on the pound and strong demand for foreign currency has therefore persisted.

The Government is hopeful that Egypt's monetary situation will improve in the near term as foreign exchange receipts expand, led by a strong tourism sector, and deficits in the trade and current accounts decrease. The Government appears to be relieving pressure on the Egyptian pound by allowing moderate movement in the exchange rate. This year rates moved from LE3.4/dollar to approximately LE3.8/dollar in December 2000. Investors will be closely observing over the coming months the degree to which the Government implements a more flexible and market-responsive exchange rate regime as part of a comprehensive economic strategy.

Balance of Payments: Trends in the balance of payments have driven much of recent GOE economic policy. Concerns regarding trade and current account deficits prompted the GOE in 1998 and 1999 to tighten trade financing, tightly manage the local supply of foreign currency, emphasize export growth and implement measures to moderate import growth. The Government's policies contributed to an 8.5 percent decrease in the trade deficit in the first half of 1999/00, according to Central Bank of Egypt data. Increasing exports, aided by higher oil prices, accounted for this improvement. Import payments recorded a slight upturn. The current account deficit likewise decreased in the first two quarters of FY 1999/00, falling by 32 percent in comparison with the prior year, due in large measure to strong performance in the tourism sector.

While the improvements in the trade and current balances may ease GOE concerns regarding the outflow of foreign exchange, these changes were effected through policies that many businessmen and analysts believe slowed growth and diminished business confidence. Continuing low levels of foreign direct investment and portfolio investment, as well as the low level of foreign holdings of government securities, can be interpreted as a barometer indicating investor and business concern regarding Egyptian economic performance and policy. High inventory levels are a legacy of weak business conditions, although the Government is hopeful that inventories will fall by LE 2.7 billion in FY 199/00. (Inventories rose in 1997/98 by LE 2.7 billion and by LE 9.3 billion in FY 1998/99). Investors will look to the Egyptian Government, as it manages a challenging array of economic issues, to devise strategies that do not disrupt the trade and business environments.

PRINCIPAL GROWTH SECTORS

Services: Tourism and the Suez Canal dominate Egypt's services sector, which accounted for 32 percent of GDP in FY 1998/99. Tourism is Egypt's top foreign exchange earner. Tourism revenues through the second quarter of FY 1999/00 were USD 2.2 billion, up 43 percent in comparison with the same period the prior year, testifying to the sector's recovery from the impact of the 1997 Luxor terrorist attack. Quality tourism development is widely viewed as offering significant growth potential, although performance in the sector is hampered by deficiencies in infrastructure, facilities and marketing.

Suez Canal revenues lack the growth potential of the tourism sector. Revenues have declined since FY 1994/95, falling from USD 2.1 billion to USD 1.7 billion in FY 1998/99. Competition from alternative routes, oil pipelines, a decrease in the number of car transports, and the effect of the East Asian economic downturn are among the factors squeezing canal revenues. To encourage the use of the waterway, the Suez Canal Authority has experimented with new pricing policies and has plans to deepen the canal to accommodate super tankers. In addition, the GOE is seeking to capitalize on the strategic location of the Suez Canal through the East Port Said development project, an initiative that includes the development of deep-water ports and a free trade zone and industrial city.

Energy: The GDP contribution of petroleum and petroleum products has ranged in recent years form 6.8 percent (FY 1995/96) to 4.5 percent (FY 1998/99), making it one of Egypt's key industrial sectors. Its contribution to GDP and to export earnings has varied, of course, with trends in world oil prices. Export proceeds rebounded moderately in 1999, rising to USD 1.3 billion in comparison with USD .9 billion in 1998. A more significant development, however, is the downward trend in net revenues received from petroleum and petroleum products. In 1999 Egyptian posted a gain of USD 776 million from the export and import of crude oil and other products, versus USD 1.5 billion in 1997. Egypt actually experienced a deficit in this area in the first two quarters of 1999. Declining petroleum production, increasing domestic demand and the impact of natural gas concession arrangements are among the factors behind this downward revenue trend. It is a trend that is likely to continue until Egypt develops its natural gas resources for export, a top government priority.

The government is working hard to secure its first liquefied natural gas export order by year's end, a key step towards developing this sector. Development of the infrastructure to support LNG exports in two to three years' time will offer significant business opportunities.

Agriculture: Agriculture remains one of Egypt's most important sectors. However, the sector's contribution to GDP has gradually fallen from 20 percent in FY 86/87 to 17.3 percent in FY 98/99. The number of Egyptians employed in the agricultural sector has also fallen, from 33.8 percent of the total labor force in FY90/91 to around 29.5 percent at present. Despite productivity gains since the mid-1980s, Egypt remains one of the world's largest food importers.

Construction on the South Valley Development or "Toshka" project began in January 1997 in the area bordering Lake Nasser, north of Abu Simbel. The project aims to double the size of Egypt's arable land in fifteen years' time. The project's estimated cost is around $86.5 billion over the coming 20 years until 2017. The government will finance up to 20 to 25 percent of the total expense of digging the canal, with the balance of funding expected to come from the private sector. Government investment in the Toshka and other "mega-projects" has been subject to greater controls in recent months.

Industry: Egypt's industrial and mining sectors accounted for 20 percent of GDP in FY 1998/99. As a result of the government's privatization program, the private sector's role has steadily expanded in key sectors such as metals (aluminum, iron, and steel), petrochemicals, cement, automobiles, textiles, consumer electronics, and pharmaceuticals. The government has made high technology development a priority, as well as attracting export-oriented manufacturing firms to establish in Egypt. Tax and other incentives are generous for such enterprises.

Infrastructure Projects: The role of private investment in key infrastructure areas increased significantly through the 1990's. Cellular phone concessions have been sold to private firms and new airports, ports and port services have been opened to private investors. This trend moderated over the last year as the Cabinet paused to review its predecessor's commitment to construct future power generation projects on a build-own-operate-transfer (BOOT) basis. The government appears to again be moving towards privatization in the power sector with bidding underway for two BOOT power projects (Cairo North and Kuraimat) and a third project expected in the new future in Borg el-Arab. Three BOOT power generation awards have been made to date, with one going to a joint venture with Intergen as the U.S. partner. The government is also working on plans to corporatize the Egyptian Electricity Authority, a plan that will likely entail splitting power generation from distribution and offering up to 49 percent of the company to the public. In the telecommunications sector, the Government plans to offer on the stock market in late 2000 up to 20 percent of the national company, Telecom Egypt. This Telecom Egypt offering would be the first in a series of steps intended to lead to the privatization of the company. The Government's increasing receptivity to private investment in infrastructure should continue to provide opportunities for U.S. firms.

Information Technology: The government has identified development of the sector as a national priority, a point highlighted by President Mubarak during his March 2000 visit to the United States.

The Egyptian Government and private sector are eager to engage with U.S. firms in this area. Development of information technology in Egypt is in its early stages, however. There are only an estimated 50,000 Internet subscribers and 250,000 Internet users, a figure the GOE hopes to increase to one million in the near future. Human resource constraints, inadequate infrastructure, legal and regulatory hurdles for e-commerce and lack of public awareness are constraints on the sector's growth. The Egyptian government is aggressively working with the private sector and foreign partners, including USAID, to address these hurdles in an effort to stimulate rapid development.

ECONOMIC COOPERATION

The U.S.-Egypt Partnership for Economic Growth and Development: The U.S. Egypt Partnership for Economic Growth and Development is the framework through which the United States supports Egypt's economic transformation. Launched by Vice President Gore and President Mubarak in September 1994, this unique initiative seeks to address the barriers to sustainable Egyptian economic growth and through four intergovernmental subcommittees. These subcommittees support joint efforts in economic policy; science and technology; the environment; and education. The partnership is designed to maintain high-level government dialogue, speed implementation of reforms, and engage senior business leaders from both countries. A key private sector component is the Presidents' Council, an advisory group of 15 American and 15 Egyptian business leaders.

U.S. Support for Trade and Investment: The Overseas Private Investment Corporation (OPIC), the U.S. Export-Import Bank (Ex-Im Bank) and the Trade and Development Agency (TDA) are committed to supporting the growth of U.S.-Egyptian bilateral trade and investment. These agencies provide loan and insurance products and services, such as support for feasibility studies on major investments involving U.S. inputs.

U.S.-Egypt Trade and Investment Framework Agreement (TIFA): Egypt and the U.S. signed in July 1999 a Trade and Investment Framework Agreement (TIFA). The TIFA provides a mechanism for facilitating the concrete measures needed to continue moving the two countries to freer trade. The TIFA established a Council on Trade and Investment composed of representatives of both government, and chaired by USTR and Egypt's Ministry of Economy and Foreign Trade. The Council meets regularly to discuss specific trade and investment matters, providing a valuable mechanism for promptly addressing these and other issues that may arise between the U.S. and Egypt.

Other Regional Initiatives: Egypt has been in negotiations with the European Union on an association agreement under the Mediterranean initiative since 1995. This agreement is likely to gain final approval by Egypt by the end of 2000. In January 1998, Egypt began implementing agreements reached with Arab League members in connection with the Arab Common Market treaty of the 1960's. These agreements call for phasing, out existing tariffs over a 10-year period. Egypt joined the Common Market for Eastern and Southern Africa (COMESA) in June 1998, reducing tariffs with COMESA partners by 90% in 1999 and committing to eliminate them entirely by year's end. Egypt hosted the COMESA summit in May 2000.

U.S. Economic Assistance: USAID has been working in Egypt since 1975. USAID has been instrumental in putting into place the foundations for economic growth, such as infrastructure (water, wastewater, power and telecommunications) and a favorable economic policy environment for private sector development. The recent areas of concentration of the program have included job creation, economic growth and productivity, infrastructure, education, democracy and governance, population, health and nutrition, environment and natural resource management. USAID adopted in 2000 a new strategy that focuses on expanding the role of Egypt's private sector to help move Egypt from an assistance-based relationship to a relationship based on trade. New areas of concentration under this program include the development of the information technology sector, strengthening Egypt's capacity for human resource development, and continuing efforts to enhance Egypt's export competitiveness.

Economic assistance levels were set at $815 million per year between 1979 and 1998 as a result of the Camp David accords (1978). As part of an overall revision in U.S. assistance policy, aid levels have, by mutual agreement with the GOE, been on a downward glide path since 1999. The USAID budget for Egypt for FY 2000 was USD 727 million. The assistance level for FY 2001 is USD 695 million. It is currently projected that the economic assistance levels for Egypt will be reduced over a ten-year period to a level of around $400 million.

NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES:

The United States and Egypt enjoy a strong and friendly relationship based on shared mutual interest in Middle East peace and stability, revitalizing the Egyptian economy and strengthening trade relations and promoting regional security. Over the years, Egypt and the United States have worked assiduously to expand Middle East peace, hosting talks, negotiations, and the Middle East and North Africa Economic (MENA) Conference. The U.S.-Egyptian military relationship is continually reinforced by our multinational exercises, U.S. assistance to Egypt's military modernization program, and Egypt's role as a contributor to various UN peacekeeping operations.

MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE:

Political Reform: The Egyptian political system has undergone some liberalization since the Nasser era. President Hosni Mubarak was reelected in September 1999 to a fourth 6-year term. The Egyptian Constitution provides for a strong President empowered to appoint one or more Vice Presidents, the Prime Minister, the Cabinet, and Egypt's 26 provincial governors. There is a bicameral legislature. The popularly elected 454-member People's Assembly (10 of whom are appointed) sit for 5-year terms. The 254-member Shura (Consultative) Council advises on public policy but has no legislative power.

The ruling National Democratic Party (NDP) has been in power since its founding in 1978. It effectively controls local and national government, the government-owned media, organized labor, and the public sector. Within its ranks are both members who favor greater economic and political reform as well as members who oppose reforms. There are more than a dozen recognized opposition parties, most of them small and insignificant. Some of these parties have members in the People's Assembly.

The judiciary has demonstrated independence from the executive branch. Citizens enjoy a substantial degree of freedom of expression, while the media is subject to censorship. The government controls printing and distribution of newspapers and periodicals. In addition, it owns and operates all domestic TV and radio stations and several pay-for-view stations.

Government forces continue to commit serious human rights abuses. Their record has improved over last year, mainly due to the decrease in terrorist activity by Islamic extremists. Civilians accused of terrorism continue to be tried in military courts, in which constitutional protections may not be observed. In 2000, the People's Assembly approved a three-year extension of the Emergency Law, which has been in effect since 1981, and continues to restrict many basic rights.

Terrorism: There have been no terrorist incidents in Egypt since 1998, attributable at least in part to the concerted, successful Egyptian government counter terrorist campaign. Previously, extremist groups have staged attacks on Egyptian government officials, security forces and tourists. While terrorist attacks do not pose a credible threat to Egypt's secular government, they do affect the business climate and Egypt's vital tourist industry. Nevertheless, terrorism has receded since the Luxor incident in November 1997 and a much stronger and more aggressive security presence is evident throughout the country.

Country Data

Population:	66 million
Population growth rate:	1.9
Religions:	Muslim 90% - Christian 10%
Government system:	Presidential/Parliamentarian
Languages:	Arabic
Work week:	Saturday - Thursday

Domestic Economy, US$ billions

	96/97	97/98	98/99
GDP (current prices)	75.5	82.4	88.82
GDP Real Growth Rate (%)	5.3	5.7	6.0
GDP/Capita US$	1260	1310	1430
Government Spending/GDP (%)	26.1	25.3	24.4
Fiscal Deficit as % GDP	0.9	1.0	4.2
Inflation (%)	6.2	4.2	2.9

Unemployment (%)	8.8	8.3	7.9
Average Tariff Rate (%)	16.15	15.35	15
Maximum Tariff Rate (%)	50	40	40
Foreign Exchange Reserves	20.2	20.3	17.582
Reserves/Months of Imports	15.7	14.3	12.8
Avg. Exch. Rate for US $1.00	3.39	3.39	3.396
Debt service ratio (%)	7.2	7.2	7.6
Total Foreign debt as % GDP	38.4	34	31.78
U.S. Assistance	2.115	2.115	2.075

Figures for Egyptian Fiscal Year (July to June)
Sources: Ministry of Finance, Ministry of Economy & Ministry of Planning.

Trade (US$ millions)

	1997	**1998**	**1999**
Total Egypt Exports	5345	5128	4445
-- Exports of petroleum and related products	2578	1728	1018
Total Egypt Imports	15565	16899	16969
-- Imports of petroleum and related products	1588	1123	1137
Egypt's Trade Deficit	-10220	-11771	-12524
U.S. Exports to Egypt	3840	3060	3025
U.S. Imports from Egypt	695	699	651
Egypt Trade Balance with U.S.	-3145	-2361	-2375

* Egypt figures are on fiscal year (June-July) and U.S. figures are calendar year.
Source: Egypt figures are based on CBE Statistics
U.S. figures are based on the Department of Commerce Statistics

Investment Statistics (US$ billions)

	1997	**1998**	**1999**
Total FDI Stock (Arab and Non-Arab investment excluding Petroleum)*	6.5	6.745	N/A
FDI increase from previous year (flow in one year)*	2.19	.245	N/A
Total foreign investment in the petroleum sector (stock) **	1.628	2.0128	N/A
Total U.S. investment in petroleum sector (stock) **	.631	.576	N/A
Total U.S. FDI according to U.S. Government figures (stock)***	1.6	2.04	2.2

* GAFI Statistics
** Ministry of Petroleum Statistics

*** Bureau of Economic Analysis, U.S. Department of Commerce

Internet Usage

	1997	**1998**	**1999**
Estimated Number of Users (000)	40*	100*	150**

*The figures for 1997 and 1998 presented in a USAID study: "The Internet as a Tool for Egypt's Economic Growth."

**The 1999 number is from the paper "Overcoming Deterrents and Impediments to E-Commerce in Egypt." The authors estimate Egypt had about 30,000 paying Internet subscribers in 1999.

CHAPTER III. MARKETING U.S. PRODUCTS AND SERVICES

DISTRIBUTION AND SALES CHANNELS:

Foreign firms can sell directly within Egypt if they are registered to make direct sales. Many do so as part of a manufacturing or assembly operation in Egypt. A few foreign firms use free zones or bonded warehouses to store goods and hire their own employees to sell door-to-door consumer goods, such as vacuum cleaners.

Most foreign firms, however, rely on Egyptian companies for wholesale and retail distribution, ensuring their effectiveness through staff training programs in Egypt and abroad, supplying short-term home office personnel to work with the Egyptian firm in Egypt, and making regular visits by marketing and technical support staff. Although the concept of "marketing," as compared to simply selling, or waiting for the customer to find and come to you, is new to Egypt and weakly practiced, there are a growing number of good Egyptian firms who know what they are doing and how to market the products in which they specialize.

Egyptian commercial agents are required for foreign firm bids on most civilian government tenders. By contrast, commercial agents cannot be used to bid on military tenders, although use of Egyptian "consultants" may be allowed if the arrangement is properly structured. Commercial agents are optional when bidding on tenders issued by the petroleum companies, when selling to the private sector, or when selling under USAID-financed programs.

There are many choices for distributors, dealers and agents in Egypt. There are a few firms with modern management, including "profit center" staff responsible for success in specialized departments. There are more traditional "general trader" type companies, some of which have developed a certain specialization (e.g., lumber, building products, canned goods, fresh and frozen meats), and some of which handle "everything." Also, there are smaller firms specializing in only a few product lines or only a handful of foreign suppliers.

According to Egyptian Customs authorities and the Ministry of Public Enterprises, in 1999 Egypt had 5,300 registered importers, 8,550 exporters, 3,500 commercial agents representing 105,000 foreign firms, and 3,300 factories licensed to import components. Most of these firms are privately owned, but the government sector -- which produces two-thirds of manufacturing output -- includes some 279 separate companies affiliated with 16 holding companies; nearly 30 military factories that also make civilian products; and 1,500 companies owned by one of the 26 provincial authorities (governorates).

Most retailers of consumer goods tend to import their own needs directly, rather than pay high markups to wholesalers -- sometimes a suitcase or trunkload at a time. A corollary is that many Egyptians would prefer getting quotes directly from the overseas supplier instead of from the local agent, on the theory that the price will be better. This requires that U.S. principals be sensitive in prescribing the role (and presumed cost) of their Egyptian agent if the U.S. firm refers customer inquiries back to the Egyptian agent, or to a regional representative outside Egypt.

Only registered commercial agents can work on government tenders. Often such persons have retired from the government agency to which they are now specialized in selling. This is especially common among persons selling to the military, security and police agencies. In the extreme, some of these people literally operate out of their homes and have neither office nor staff, but they can be effective.

In Egypt, as elsewhere, the artistry of appointing a representative requires a blend of many concerns and decisions. Will your company and its product line be prominent in the attention of the prospective agent, or just be added to a dusty shelf of many other product lines? Is his influence with government decision-makers generational and therefore subject to decline as his years pass? Does he have children or trusted staff being groomed for responsibility?

Egyptian law requires that all commercial agents and importers have Egyptian nationality. (If it is a company, the chairman and all members of the board must be Egyptian, and it must be 100% Egyptian-owned.) Agents also must have resided continuously in Egypt for at least five years (with specified exceptions for expatriate Egyptians having an overseas work permit); be certified by a local chamber of commerce or professional association; not be a civil servant or worker in a public sector company (i.e., not moonlighting), nor a member of the People's Assembly; not be a "first grade relative" (i.e., a member of the immediate family, or uncle, aunt, niece, or nephew) of a civil servant of the rank of Director General or higher; or of a member of the People's Assembly. (This prohibition against agents with family members in government is rarely enforced.) Public sector firms can be agents, as can be private firms and individuals.

Distributor-type companies with any foreign ownership can market goods, including imported goods, in the following circumstances, (although they cannot handle the import operation, per se):

(1) General Partnership Companies, or Limited Partnership Companies: In these types of companies, there may be a foreign partner, provided that the Egyptian partner(s) have at least 51%

of the capital and the general manager or head of the company is an Egyptian national. In these instances, such a distributorship company cannot be an "importer" nor act as commercial agent unless it is 100% Egyptian owned and managed.

(2) Limited Liability Company: A foreign partner in this type of distributorship company faces no limit on the percentage of ownership, provided that at least one manager of the company is an Egyptian national (there can be one or more managers depending upon the articles of incorporation), there are at least two shareholders or partners, and the capital of the company is not less than LE 50,000 (approximately $15,100). A distributorship company of this type also cannot be an "importer," nor act as commercial agent.

(3) Joint Stock Company: Provided that at least 49% of the shares are offered to Egyptians upon formation, foreign shareholders ultimately can own up to 100% of the company, provided that a majority of the board of directors are Egyptians, the capital of the company is not less than LE 250,000, and there are at least three shareholders. Again, a distributorship company of this type may not import or act as a commercial agent unless it is at least 100% Egyptian owned and managed.

Foreign firms which form a distributorship as mentioned above often permit the Egyptian partners to form a separate company to act as "importer" or agent. The latter delivers the goods to the distributorship company for distribution/marketing within Egypt.

USE OF AGENTS AND DISTRIBUTORS - FINDING A PARTNER:

Egyptian law concerning commercial agency agreements is among the most liberal in the Middle East from the foreigner's perspective. The law is neutral concerning exclusivity; compensation is not required to cancel an agency; and there is no minimum notification period for cancellation. There is no requirement that the agent authorize the import of the foreign principal's products into Egypt, nor that the importation take place through the agent. (Importers of any product must be separately registered, under another law.) Commercial agents must register the existence of their agency with the Ministry of Supply and Trade's Commercial Registry Department, giving basic facts about the agreement, including the amount of commission to be received on sales. The foreign firm itself faces no local registration requirement. The commercial agency law is also neutral about dispute settlement procedures (leaving this to the parties to decide, preferably in writing at the time of appointment of the agent, and in advance of a dispute) and on the amount of commission due an agent.

Commission rates vary according to the type of product or service, volume of sales, and effort needed by the agent. The larger the volume of sales, the smaller the commission. For commodities such as rice, wheat, sugar, lumber or cotton, the commission ranges between 1-3%; for chemicals and foodstuffs 3-5%; for medical equipment, earthmoving equipment, office/business equipment, about 10%; and for expensive laboratory and scientific equipment, 15%. For major projects such as a complete civil engineering project, the commission is typically 1-3%. In tenders, the commission is calculated in the quoted bid. If a bidder reduces the bid price, the agent typically is asked to share in the reduction. Commission rates must be reported in bid packages for government tenders, with the government reserving the right to reduce any commission it deems extravagant. As previously noted, commission rates also must be noted in the Ministry of Supply and Trade's Commercial Registry documents signed by the Egyptian agent.

Although exclusivity is not required by law, in practice most Egyptians expect or at least hope for it. The majority of U.S. firms have one or two Egyptian agents, although a few have more.

Agencies can be split geographically, although this is generally avoided in a country like Egypt, where activity is centralized around the capital city of Cairo. If there is a geographic split, it is generally Alexandria with or without the Delta cities on one hand, and Cairo and the Nile valley on the other. Agencies also can be split between private and public customers, with one agent specializing in tenders and another handling private sector customers. Agents often appoint subagents to cover smaller cities.

There is no special Egyptian secret to finding a partner. It is as difficult and personal in Egypt as anywhere. Networking and lengthy investigation by the interested principal are necessary.
There are plenty of reputable, dynamic, educated, and far-sighted Egyptian entrepreneurs available in Egypt, and some reside overseas in London, Paris, or the United States. The best are on a par with those of senior management of major U.S. corporations, and they should never be underestimated in one's evaluation of them or in negotiating with them.

In this search for an appropriate partner, the U.S. Mission in Egypt can be helpful through its network of contacts developed by the Commercial Service, Foreign Agricultural Service, U.S. Agency for International Development, the Office of Military Cooperation, the Embassy's Economic and Political offices, and others. The Agent/Distributor Service (ADS) program, offered by the U.S. Commercial Service, is designed to assist U.S. companies in finding appropriate local agents/distributors for their products. For further information, U.S. business representatives should contact the nearest Department of Commerce Export Assistance Center in the United States, or the Commerce Department's Trade Information Center at 1-800-USA-TRADE.

Recommended business networks in Egypt include the 1,000 members of the American Chamber of Commerce in Egypt (with branch offices now in Alexandria and Washington, DC) and various associations of Egyptian entrepreneurs including the Egyptian Businessmen's Association, the Alexandria Business Association, the Federation of Egyptian Industries and the Egyptian Exporters Association. There are investor committees in the large industrial cities of Tenth of Ramadan, Sixth of October, Borg El Arab, and a chamber in Ismailia promoting projects in the Sinai.

FRANCHISING:

Franchising, despite the fact that it is a relatively new concept in Egypt, has become quite popular in a short time, especially in the fast-food sector. 33 American fast-food franchisors operate in Egypt at present. They include such popular chains as Chili's, KFC, McDonald's, Pizza Hut, A & W, Subway, Popeyes, Kenny Rogers, TGIF, Hard Rock Café, and Little Caesars Pizza. Non-food franchises have a large market potential. A limited number of companies in the fields of hotel management, car rental, education, health and fitness, electronics and computer training are currently franchised in Egypt.

The Egyptian Franchise Association (EFA) in now in the process of being registered, which will be the first entity to unify franchisees to overcome the bureaucratic barriers this industry faces. The association will be engaged in speaking with senior government officials to find solutions for their common problems, in addition to promote training skills among its different members.

Egyptians themselves have begun franchising their own retail businesses to others, particularly clothing stores. This suggests that the franchise business concept, per se, is acceptable within the Egyptian cultural milieu and could be replicated in other business lines by interested firms.

All but one of the franchises now operating in Egypt are the result of an Egyptian entrepreneur approaching the foreigner, rather than the result of a marketing effort by the foreign firm. While this may show an entrepreneurial spirit among Egyptian business persons, it also highlights an attention gap on the part of foreign businessmen.

DIRECT MARKETING:

Direct marketing within Egypt is covered in the previous section, Distribution and Sales Channels. Other forms of direct marketing such as catalog sales or television sales tend to be problematic and are just beginning. This is tied directly to the fact that the use of credit cards or checking accounts drawn on foreign banks is not common in Egypt (although it is increasing), and the mailing of goods into Egypt faces the risks of mail theft, loss in the airport mail warehouse, and arbitrary and high customs duties.

FOREIGN SALES CORPORATIONS (FSC):

Under U.S. law, FSC's can be set up in Egypt and other specified countries to permit a U.S. firm to exempt a portion of its earnings from U.S. taxes. Egypt has no such law, but can accommodate an interested U.S. party. One way is to obtain Investment Authority (GAFI) approval for a site (e.g., storage warehouse) in an Egyptian Free Trade Zone. The company's normal business offices can be located anywhere in country, including outside the Zone. This offers tax-free treatment under Egyptian law of the company's business located in the Zone, while also giving the U.S. firm the benefits of U.S. tax exemptions as an FSC.

JOINT VENTURES/LICENSING:

Egyptian entrepreneurs like the comfort factor in having a foreign partner in a joint venture in Egypt. The foreigner supplies and ensures quality of the technology, as well as the "cachet" necessary to gain customer acceptance. Foreign equity in joint ventures can be as low as a few percentage points, depending upon mutual agreement. Egyptian Law No. 8 (Investment Incentives and Guarantees Law) allows foreign investors to own any amount, up to 100%, in projects in most sectors.

The details of joint venture or licensing agreements between Egyptians and their foreign partners are a matter of mutual agreement, defined by their contract, not by special law. Liberalized foreign exchange regulations since 1991 permit the free transfer abroad of profits and dividends. Invested capital may be repatriated without prior approval of the government's investment authority, the General Authority for Investment and Free Zones (GAFI).

Technology licensing that does not involve "investment" in Egypt by the foreigner but that does involve using "process secrets" for manufacturing in Egypt must be approved by the Ministry of Industry's General Organization for Industrialization (GOFI). Approval is not required for licensing agreements involving trademarks and technical know-how other than "process secrets." A stiff withholding tax is levied on royalty payments unless a double taxation treaty exists. (There is a U.S.-Egyptian treaty for the avoidance of double taxation which limits tax on royalty payments to 15% of the gross amount of such royalty.)

Numerous government and private companies have licensing agreements with foreign firms under which royalties and other fees are freely transferred abroad pursuant to individual corporate agreements. Examples of licensed production in Egypt include name-brand clothing, personal care products, kitchen utensils, pistols, laser alignment equipment, and military vehicles. Service licenses include diving training, and franchised services, including personal care and restaurants.

Inadequate patent protection has been the biggest barrier to licensing in Egypt. This hopefully will change with passage of a new patent law, a draft of which has been under debate within the government for several years.

Some U.S. investors have looked to Egypt as an investment site so as to be able to benefit from U.S. Government procurement preferences. Under the U.S. Federal Acquisition Regulations (FAR), Egypt is a "designated country" (among many others) from which certain goods theoretically could be procured by the U.S. Government as if they were made in America. However, this rule does not apply because the FAR requires such countries to sign the GATT/WTO Procurement Code and Egypt has not done so.

ORGANIZATIONAL STRUCTURE AND MANAGEMENT IN EGYPT:

Most decision-making in Egypt is top-down and generally made by one person or a small handful of top managers. Delegation typically consists of giving and implementing orders. Nonetheless, many middle managers are effective, educated and intelligent, and do not like to be overlooked. They should not be minimized or underestimated. American visitors/negotiators need to greet middle managers politely and enhance their status in front of their superiors. Such efforts pay off in favorable treatment of paperwork and other work processes, and reduce bureaucratic obfuscation.

Managers of firms in Egypt say they typically spend 30% of their time dealing with Egyptian bureaucracy.

STEPS TO ESTABLISHING AN OFFICE:

As in any other country, seek early legal counsel from one or more attorneys and tax counsel from a professional accounting/auditing firm. Lists of such firms are available on the Internet from the Commerce Department’s STAT-USA.GOV on-line service, in its National Trade Data Bank.

Egypt is a country in which the bureaucracy has flourished since the time of the Pharaohs. A newcomer's biggest and never-ending challenge is to learn, preferably in advance, what laws affect him/her and how to cope with them. Many of the laws reflect Egypt's socialist government of the 1950s-1970s, and, if interpreted literally, do not favor private enterprise. However, newer laws and the policy of today's government favor entrepreneurship and the free market economy. Tension between political desire favoring entrepreneurs and bureaucratic reliance on old laws-on-the-books continues.

There are two alternative legal routes for a foreign company to invest in Egypt: through Law 159 of 1981 or Law 8 of 1997. Companies Law 159 offers generally fewer privileges to foreign investors than Investment Law 8.

SELLING FACTORS/TECHNIQUES:

The Egyptians with whom an American will deal in business are typically trilingual (English-French-Arabic), well-traveled individuals who pride themselves on ferreting out good deals at decent prices. Mid-level government officials with whom a foreigner may deal may be less sophisticated and less well-traveled, but no less able to negotiate.

Cairo is the cultural (as opposed to religious) capital of the Arab world. Thousands of affluent Arab tourists and investors travel to Cairo often throughout the year, soaking up the cinema, theater, television, live performances, and relaxed lifestyle not generally available in some other Middle East countries. Many of these persons have second or vacation homes and apartments in Egypt, as well as factories and real estate investments. Foreign suppliers/ marketers are beginning to take advantage of Egypt as a locale from which to market to its audience of wealthy Arab visitors.

Some 16 million of the estimated 66 million Egyptians live in Cairo, the capital. Five million live in Alexandria permanently, and its population increases by 50% in the summer as vacationers flood in. Numerous important secondary cities offer market opportunities for agricultural, industrial, and consumer goods in the Delta (Tanta, Damietta, Mansoura, Mehalla el Kubra, Damanhour, Benha, Zagazig); along the Suez Canal (Port Said, Ismailia, and Suez); and along the Nile south to Upper Egypt (Assiut, Minia, Sohag, Qena, Luxor, Aswan).

Negotiations for a sale, whether with a government agency or a private individual, will be bound by certain unspoken Egyptian cultural requirements. One is that there is no final best price that cannot be reduced further by negotiating. A corollary is that only a fool would offer one's best price, or anything close to it, early in negotiations. Government employees are judged on their ability to squeeze the final penny from the lowest bidder. This happens repeatedly, at every level of decision making. This is the Egyptian version of the "Dutch auction," called in Arabic "momarsa." Momarsas have been popular because they give Egyptian officials the appearance of trying to get the best deal for Egypt, and they reduce charges of cronyism in the award.

Momarsas, however, are viewed by companies subjected to them as potentially unfair, without clear rules or procedures, and a violation of Tenders Law No. 8's mandate to negotiate with the lowest qualified bidder (only). The U.S. Embassy and some business groups, including the Presidents' Council, urged the government to ban “momarsas.” A recent positive development is that the practice of “momarsas” has now been prohibited in the new tenders law (Law 8 of 1998), approved in May 8, 1998, and enacted, effective June 9, 1998 (see “Pricing Products,” later in this chapter).

A marketing problem in Cairo is that it is difficult to find out who offers what for sale, and where to find them. The city is splayed across the Nile about 15 kilometers (9 miles) in diameter, with several distinct marketing districts that are an hour apart in normally heavy traffic. Yellow pages and the like are not available to the average consumer. This means that people may only find a product they want by attending a trade show or fair, as it is too hard to find the single or handful of outlets maintained by official agents, distributors and dealers. A growing number of trade directories and commercial directories (including “Kompass - Egypt”) have eased the problem of identifying existing companies.

ADVERTISING AND TRADE PROMOTION (AND SELECTED MEDIA LIST):

Strategically placed newspaper and magazine ads can produce good results. Egyptians read newspapers voraciously, and all literate people will see or hear about advertisements placed in the widely circulating Al Ahram daily. Television is watched by all Egyptians, literate or not. TV advertisements reach and influence wide audiences. In Egypt, with the launch of several new TV channels in recent years (all government-owned), TV advertising has become much more sophisticated and influential.

Other forms of advertisement in Egypt consist of roadside billboards, flashing neon signs on building roofs, building walls completely painted with advertising signs, "junk mail" advertisements, faxed advertisements, and messenger/courier-delivered direct mail campaigns. Flyers/stickers plaster Cairo's walls and lampposts just as in the United States. Street peddlers and hawkers shout the praises and prices of consumer products they offer for sale.

Trade promotion is becoming more sophisticated. True trade shows are frequent, aimed either at targeted business audiences or at the general public; several take place each month at one or more of the downtown hotels, or the Cairo International Conference Center (CICC). Most of these shows consist exclusively of Egyptian distributors/dealers/agents of foreign suppliers, or local manufacturers -- not because they purposely exclude foreigners but because of poor marketing and last-minute preparations. The Commercial Service in Egypt is working with some of the better trade show organizers to offer advance publicity to U.S. firms and to help the organizers target Egyptian customers. They also provide an opportunity for U.S. technology to be displayed at an Embassy-staffed information stand that includes catalogs of American suppliers relevant to the show's theme.

The annual Cairo International Trade Fair held in the spring is the historical centerpiece of Egyptian trade promotion events. It has evolved from its beginnings as a "required" government annual extravaganza to today's version of a county fair aimed at consumer purchasers. U.S. firms offering consumer products as diverse as office and business equipment, telephone credit cards, courier services, saunas and swimming pools, satellite dishes, educational toys, car care products, lawn furniture, recreational equipment, mobile phones and satellite telecommunications all do very well at the annual U.S. Pavilion at the fair.

SELECTED MEDIA LIST (those of likely interest to U.S. advertisers):

Daily Newspapers:

Al Ahram (circulation 1,750,000 Sunday - Thursday, 1,000,000 Friday)
---Egypt's most prestigious daily and most prosperous of the country's five largest publishing houses. In addition to publishing, the company has interests in many business services including computerization, billing services, and ID card services.

Al Akhbar (circulation 750,000)
---More informal news (crime, human interest) than Al Ahram.

Al Gomhouriya (circulation 350,000)
---Established by the Government of Egypt, with more local and sports news than other dailies.

Al Wafd (circulation 350,000 - 380,000)
---Mouthpiece of the New Wafd Opposition Party.

Egyptian Gazette (circulation 20,000)
---The English-language daily.

Weekly Newspapers/Magazines:

Akhbar al Yom newspaper (circulation 1,200,000 - 1 million)

---Saturday edition of Al Akhbar with many special interest sections, particularly women's and sports.

Akher Saa magazine (circulation 20,000)
---Current events, sports, economics, history, arts, cinema, theater.

Rose al Youssef (circulation 30,000)
---Political magazine with human interest stories.

Al Ahram Weekly (circulation 20,000)
---English-language weekly newspaper summarizing key features originally published in Al Ahram Arabic-edition, as well as original stories.

Al Ahram Hebdo (circulation 15,000)
---French-language weekly

Economic Publications:

Al Ahram Al Iktisadi weekly magazine (circulation 15,000)
---Egypt's leading economic magazine, modeled after the British "Economist", is read by academics and government economic officials.

Al Alam Al Yom daily newspaper (circulation 10,000 in Egypt, 50,000 in Saudi Arabia).
---Economic, commercial and Arab affairs.

Nosf al Donia weekly magazine (circulation 50,000)
---Women's issues.

Hawa'a weekly magazine (circulation 30,000)
---Egypt's original women's magazine, first published in 1892.

Al Kawakeb (circulation 30,000)
---Egypt's cultural magazine, specializing in cinema, theater, radio and television.

Business Monthly (circulation 5,400)
---Published by American Chamber of Commerce in Egypt.

Egypt Today and Business Today (circulation 17,000)
---Glossy magazines related to social/business life in Egypt published by International Business Associates.

Middle East Times (circulation 4,400)
---English language weekly, part of the Washington Times group, Cyprus and printed in Athens.

Cairo Times (circulation 10,000)
---A bi-weekly English language paper that carries primarily features and has a large business section.

PC World Egypt
---A monthly English language publication launched in 1998 that focuses on business computing.

PRICING PRODUCTS:

Egypt traditionally is a price-sensitive market, where quality often takes second place to cost. This is slowly changing. One important example of that change is a new tender law (Law 89 of 1998) which requires compliance with terms, conditions and specifications of the tender, as well as a comparative consideration of technical and financial aspects in arriving at an award decision. Prior to the new law, however, government tender rules had essentially required that the low bid win, regardless of quality. American firms sometimes had not understood this and would mistakenly quote "better value" than was required by tender specifications. This was ineffective and generally produced losing bids. Many companies would bid strictly to the specifications, then, as an alternative, would provide a second, optional value-based bid.

In the tender process, specifications are often unclear and poorly written, which allows for a wide divergence in interpretation by bidders as to just what the tender requires.
Elaborate bid proposals often fail, passed over for cheaper, practical alternatives. U.S. firms that succeed in Egypt tailor their products to customers' specific needs.

Exceptions to the generalization that “price sells” are sales financed by USAID and other foreign/international donors such as the African Development Bank. Since funds are provided by these donors, Egyptian decision-makers can afford (and the foreign donors often require) quality, efficiency, and endurance considerations to play heavily in buying decisions. Another exception is consumer goods; people will pay for quality if they perceive it. However, the same affluent Egyptians who may buy a Mercedes car will tend to outfit their new factories with used equipment if they can transplant cheaply a "complete" factory from abroad.

Another pricing issue that causes some U.S. firms to fail in Egypt is that some U.S. suppliers may inflate their prices when quoting to USAID-financed projects, since they know such projects are restricted to U.S. firms. Egyptians who get cheaper quotes for the same products on non-USAID related projects will network with one another and will refuse to deal with such suppliers.

SALES SERVICE/CUSTOMER SUPPORT:

U.S. sellers should aim to create and support a sales/service network in Egypt by training their distributors and dealers. Firms that sell directly to government agencies need to do the same thing -- ensure training of the work-force using the product or it will fail through ignorance of proper maintenance and the foreign supplier will be blamed for poor quality. Total Quality Management (TQM) interest has skyrocketed among producers in recent years with a number of them now working toward ISO 9000 certification.

SELLING TO THE EGYPTIAN GOVERNMENT:

In selling to the Egyptian government, one will of course deal directly with the client agency. Egyptian procurement is either done with national budgetary funds, or by using aid funds from USAID or other donors.

In the case of USAID-funded procurement, project announcements are made in the U.S. "Commerce Business Daily," published in Chicago. This journal publishes U.S. Government procurement needs, and is available in hard copy for $324 per year from the Superintendent of Documents, Government Printing Office, Washington, D.C. (202) 402-9371, phone (202) 783-3238, fax (202) 512-2233, or on line from Mead Data Central, Arlington, VA, phone (800) 843-6476.

Other donor-funded projects open to U.S. bidders are from the Government of Japan's United Overseas Development Assistance (ODA), or multilateral assistance from entities such as the World Bank, African Development Bank, or Arab and Islamic development funds.
The following pertains to contracting directly with the Egyptian government. It is also relevant for donor-financed projects to the extent that Egyptian law applies to them.

TENDERS LAW:

The Tenders Law No. 89/1998 now governs GOE procurement by all civilian and military agencies ("ministries, departments, local government units, and public and general organizations") unless they are excused from this law. It has replaced the former Law 9 of 1983.

Law 9 required that all foreign bidders on public sector tenders submit bids through an Egyptian commercial agent, except in the case of Ministry of Defense tenders for which commercial agents are prohibited. ("Consultants" may, however, be used in connection with military bids.) This means that tender documents generally can be purchased from issuing government offices only by the commercial agent. U.S. firms usually cannot get the documents by writing directly to the government agency or through the U.S. Embassy.

Public sector entities routinely request credit terms in their tenders for capital equipment. Typical payment guidelines for tenders worth more than $62,000 are 10% paid at contract signing, 10% against shipping documents, and the rest paid in semi-annual installments over two to five years.

Egypt's tender regulations are written by the government, for the government's benefit. Obligations and responsibilities of suppliers are spelled out in excruciating detail, but there are fewer explicit requirements placed on the government client agency. A contractor/supplier's safeguards, therefore, must be negotiated before contract signing, particularly in defining force majeure, "final acceptance," drawdown of the performance bond, and dispute resolution.

What the Tenders Law says:
Law 89 of 1998 has been promulgated and enacted. Business sources have reacted positively to the new tenders law which clearly tends to overcome some of the inefficiencies of the former Tenders Law 9/1993. This improvement is evident mainly in these areas:

(1) No negotiation of bids after bid opening ("Dutch Auction", or "momarsa," in the Arabic). It will not be allowed to transfer a tender into a momarsa.

(2) No cancellation of order without reason. Moreover, rejected bids and awarded bids will contain reasons on which the decision was based.

(3) Bid bond will now be refunded immediately upon expiry of validity of tender.

The new law has NOT CHANGED the following features:

(1) open competition with publication for at least 30 days;

(2) 15% price preference for Egyptian bidders (However, the Ministry of Defense tenders fall under the Reciprocal Defense Procurement Memorandum of Understanding. This allows Egyptian companies to compete as U.S. companies on DOD procurements and U.S. companies to compete for MOD tenders as GOE companies. If a U.S. company is competing with GOE companies on an MOD procurement, regardless of funding source, they must be treated the same.
If a GOE company gets a 15% price preference, so does the U.S. company. Not all DOD procurement committees are aware of this requirement. In the event of a dispute, please contact the Office of Military Cooperation to inform them of MOD non-compliance with this provision of the Memorandum of Understanding);

(3) a two-phase decision-making process: a bid opening committee that convenes a public session to which all bidders are invited and bid prices are read aloud; and a decision-making (settlement) committee that reviews the technical bids and either makes a decision or (if the value is over $62,000) recommends a decision to the minister concerned;

(4) bid bonds of one or two (generally two) percent and a performance bond by the winning firm of (generally) 5%. Favoritism is shown to Egyptian public sector companies and Egyptian cooperatives, both of which are exempted from the bonding requirements, provided they do the work themselves and do not request an advance payment;

(5) fraud, bribery ("either personally or through a third party, directly or indirectly"), or bankruptcy by the contracting party annuls the contract and allows any outstanding bid or performance bond to be confiscated;

(6) sole-source decisions are permitted in special instances: monopoly sources of supply; goods whose import is monopolized; specialized products or services; and goods and services needed urgently;

(7) advance payments are permitted, against a letter of guarantee. U.S. standby letters of credit (which can be insured for political risk by the U.S. Overseas Private Investment Corp.) are acceptable in Egypt.

Law 106 of 1976 requires that insurance be provided to meet the decennial liability of the civil code.

Practical Problems of the Tenders Law:

There is no time limit for the decision-making committees to meet, make, or announce their decision. If a bidder withdraws its bid prior to bid opening, it forfeits the bid bond. Bidders often are "held hostage" to a government agency that stalls the bid opening for varied reasons, including running out of funds for the project. Costs of extending bid bonds are borne by the bidders. If a winning firm withdraws from a project before beginning or completing a project, its performance bond similarly will be confiscated. This has happened when a client has delayed start-up because of budget shortfalls, expecting the contractor/supplier to carry the burden of maintaining the performance bond.

Government agencies often delay giving the "final acceptance" of goods or works projects. This holds up final payment and final retirement of the performance bond. There are no time limits for making payment from the date of acceptance of a bid, nor any provision for implied or automatic acceptance of a supplied good or service. The client must explicitly acknowledge “final acceptance” before the contractor can receive final payment, retire the performance bond, and close its books.

If award decisions are delayed beyond the validity date specified by a bidder, extra costs incurred by the delay cannot routinely be passed on. If the client adds new requirements to an ongoing contract, any extra monies requested by the supplier/contractor must be endorsed by a special "price study committee" which sometimes takes years to approve them. In the meantime, of course, the supplier/contractor is expected to fulfill the revised contract without delay or complaint.

The Tenders Law makes no reference to dispute resolution, which therefore must be negotiated prior to contract signing. Arbitration in Egypt or abroad (the latter can include foreign law and foreign arbitral procedures) is preferred to the court system, although enforcement of arbitral awards is not assured because the losing party can appeal Egyptian or foreign arbitral decisions in Egyptian courts. If no specific dispute settlement procedure is mentioned, any future dispute with a government party will go to the government's Council of State, a government agency that both reviews the constitutionality of proposed laws and regulations and functions as a court for all noncriminal matters in which the government is a party. If the government party does not honor an arbitration decision, the tenders law does not permit the winning party to use the arbitration settlement documents to settle claims with other government entities (customs, tax, social insurance, etc.).

There is no provision allowing the supplier to delay work if payments are delayed. There is no provision to reduce the performance bond progressively according to the rate of completion of the work.

For Letters of Credit/Guarantee offered as a performance bond, it is advisable to have separate L/Cs for each procured commodity or distinct order, to avoid blocking the whole in case of dispute over one item.

The Tenders Law has increased the ceiling on direct orders to reach LE 50,000 (approximately $14,700).

In the Tenders Law, tenders and bids are not to be transformed into Dutch auctions unless otherwise explicitly mentioned in the tender advertisement. Maintenance and after-sales technical service is to be given significant consideration in deciding and evaluating offers. The job is to be given to the lowest bidder only if the requirements for technical and maintenance support are fulfilled.

The amendments to Dispute Settlement Law 27 of 1994 regarding contracts between public enterprises and private (domestic and international) sector suppliers allow both parties to agree to appoint any accepted legal body. In the past, the only body overseeing disputes with public enterprises was the State Council, which was taking years, in some cases, to settle disputes. Parliament approved these amendments in May 1997.

The new laws correct some of the most serious flaws in Egypt's current government procurement procedures. Egypt is also now playing a positive role in international discussions of procurement practices, including those of the World Trade Organization.

<u>Other Practical Considerations in Selling to the Government:</u>

Poorly written specifications make bidders have to guess what the customer wants. U.S. firms must stay in close touch with client agencies to minimize doubts and uncertainties. Do not assume the "best" is desired, since its superior features may not be understood or its price may be too high. The law is silent about who writes tender specifications and neither encourages nor discourages hiring of consultants to do so. Foreign firms that are trusted by government officials often voluntarily propose tender specifications to prospective bidders, which gives them a chance to wire the specifications. In the decision-making committee, the technical representative (typically an engineer) must concur in the award decision. Such persons carry much influence.

Government entities expect performance bonds to cover the full warranty period for the product or work in question, and drawdowns proportional to work completed are not usual. U.S. suppliers, by contrast, generally want their warranty limited to safe delivery and/or set-up. Therein lies grounds for much misunderstanding and complaints over alleged delays in releasing performance bonds.

Influence peddling in procurement decisions is a much-discussed phenomenon. What is certain is that decision-makers must feel comfortable with a supplier. They will not select a low-bidder unknown to them. Personal friendships and frequent visits to decision-makers by foreign principals and their local representatives are important marketing factors. Some sweetheart deals are known to take place. However, many Egyptian sources affirm that most decisions are openly competitive and straight-forward. While the decision-making process per se may be opaque, it is also porous in the sense that details of all bids are readily obtainable through back channels and become known quickly to all concerned.

DEFENSE TRADE:

Defense and "Defense Conversion":

U.S. military aid finances most of Egypt's big-ticket defense procurements - $1.3 billion annually for several years. Large projects underway include the M1A1 Abrams tank manufacturing facility, M88A2 co-production program, IFF, the HAWK rebuild program, and Peace Vector V. Such projects can be expected to continue, although improvements to and maintenance of existing force capabilities are perhaps more likely targets of future spending than entirely new systems.

Military production plants are not scheduled for privatization and are unlikely to be sold. Twenty-six of these plants produce both military and civilian goods, and many managers of these plants are interested in licensing arrangements with foreign firms to enhance their production mix and improve quality.

The M1A1 Tank Factory (Military Factory 200) outside Cairo is one of the largest military manufacturing facilities in this part of the world. Its American-trained Egyptian workforce is highly skilled and has access to state-of-the-art production and maintenance machinery. Since the foreseen production run of M1A1 tanks will end in 1998, Egyptian authorities are interested in attracting large-scale medium and heavy industrial producers to produce other products at this excellent facility either under license or in joint venture.

Examples of civilian products currently manufactured at 26 of Egypt's military factories include: medical and diagnostic equipment; domestic appliances; fire extinguishers; ammunition; machine shop equipment such as lathes, drills, and grinders; generating and welding sets; electric motors; television receivers; computers; batteries; electric and water meters; agricultural machines; kitchen equipment; mobile water purifiers; circuit boards; calibration equipment; Chrysler Jeep-brand vehicles; laser alignment instruments; and microscopes.

Military goods produced in Egypt include: small caliber and heavy ammunition; mortars, mines, grenades and other explosives; antitank rockets; rocket motors; radars and electronic equipment; smoke and pyrotechnic devices, rifles, pistols (Beretta licensee) and machine guns; jet trainer aircraft (Alpha and Tucano); armored personnel carriers; Alpha jet engines; field and aircraft communications equipment; Gazelle helicopters and engines; gyroscopes; weapon sights; binoculars; periscopes; tanks; MLRs; and artillery pieces.

Three entities are responsible for military production plants:
The Ministry of Military Production
5 Ismail Abaza Street, Cairo, Egypt
Phone 795-3063, Fax: 795-3617
---Supervises 20 factories of which 14 also produce civilian goods;

The Arab Organization for Industrialization (AOI)
P.O. Box 770, Cairo, Egypt
Phone 282-2087, Fax 826-010
---Nine factories produce civilian and military goods;
The National Service Projects Organization (NSPO)
10 Mahmoud Talaat St., Nasr City, Cairo, Egypt
Phone 600-236, 601-684, Fax 604-203
---Operates three production companies. In late 1994, AOI became a wholly Egyptian Government owned entity when the governments of Saudi Arabia, Qatar, and the United Arab Emirates withdrew from the joint venture.

U.S. Department of Defense's Reciprocal Defense Procurement Memorandum of Understanding with the Egyptian Ministry of Defense:

The U.S. Department of Defense maintains a Reciprocal Defense Procurement Memorandum of Understanding (MOU) with the Egyptian Ministry of Defense (MoD). This MOU allows Egyptian companies to compete for DoD procurement as U.S. companies and for U.S companies to compete for MoD procurements as Egyptians companies. This means that any advantages provided to Egyptian companies on MoD tenders (such as the 15% price preference for Egyptian companies) must also be extended to U.S. companies. MoD procurement committees are not always aware of this requirement, but generally comply when it is brought to their attention. In the event of a dispute on discrimination of a procurement by MoD or one of its buying offices, please contact the Office of Military Cooperation to notify them of the problem and request their assistance.

DoD periodically reviews Egyptian compliance with this MOU. Areas of concern by DoD include: Inability to locate publication notices on upcoming procurements; difficulty in obtaining solicitations in a timely manner; inadequate response time for offers; issues associated with application of customs duties; buy-national practices that favor other than U.S. industry; imposition of offset requirements; inability to obtain debriefing information; inability to protest source selection decisions, and protection of proprietary information as well as any other discriminatory practice that needs to be addressed. A copy of the MOU and any annexes and amendments can be located at the following web site: http://www.acq.osd.mil/dp/fc.

Defense Opportunities:
The Egyptian Armed Forces will continue to operate and maintain the U.S. weapons systems currently in their force structure for the foreseeable future. This means the Egyptian Services will have procurement interests in the following categories over the next few years:

Egyptian Land Forces: spare parts and major assembly support for M1A1 tanks, M60 series tanks, M113 series APCs, M109A2 SP artillery pieces, M88 recovery vehicles, TOW, TPQ-37 radars, radios, and numerous tactical wheeled vehicles. Additional procurement of command and control equipment, M1A1 tanks, M88A2 recovery vehicles, HMMWV's and other light wheeled vehicles, MLRS, TOW Missiles, large and small caliber ammunition, Night Vision Equipment, EW Equipment, chemical defense equipment, ambulances, ground surveillance radars, and driving simulators; as well as a second National Training Center and computerized war-gaming center.

Egyptian Air Force: ongoing technical support, maintenance support and spare parts for C-130's, F-4's, F-16's, E2-C's, CH-47's, Falcon Business Jets, Apaches, and Black Hawks. There are construction projects for air base infrastructure for the Egyptian Air Force. They will probably also require control tower equipment and aircraft simulator support.

Egyptian Air Defense: technical and maintenance support for TPS-59, TPS-63 and other air defense radars. Technical and maintenance support for HAWK, Chaparral and Sparrow Air Defense Systems, and the Avenger Air Defense System. Procurement of additional 2D and 3D radars and Avenger. Long term procurement of PATRIOT systems (2006 timeframe). Upgrades to Chaparral systems. New procurement of Sentinal radars.

Egyptian Navy: spare parts, ammunition, and technical support for coastal minehunters, Know Class frigates, Perry Class frigates, and U.S.-equipped ROMEO-C Submarines. Upgrades to EW and communications for existing ships. New procurement of Fast missile craft and diesel submarines.

Non-service-specific: spare parts for engineering equipment and tools and test equipment for upgrading depot support of all the U.S. systems listed above. Integrated IFF system for all Egyptian Armed Forces. Upgrades to Ministry of Defense/Egyptian Air Forces hospital and nursing schools to include training, equipment, and technical support.

The Egyptian Armed Forces are currently trying to complete their replacement of East European and ex-Soviet equipment with modern Western systems. Based on these requirements plus Egyptian inquiries for information, the Egyptian Government is probably considering the purchase of the following new systems: modern anti-tank weapons systems; Avenger; air defense radars; frequency hopping radios; diesel submarines; medium (300 ton) missile attack craft; and night vision equipment of all types.

Although the Egyptian Armed Forces tightly controls information about their various five-year defense plans, it is very likely that they will be interested in the purchase of the following equipment to complete the modernization of their armed forces (this is in addition to the new platforms discussed above):

- Additional HAWK or other mid-range air defense systems
- Additional air defense radars
- RPV systems
- Additional scout vehicles (HMMWV or similar vehicles)
- Armored personnel carriers
- Engineering equipment
- GPS equipment
- Modern NVG equipment of all types
- Short range air defense systems
- MILES and other training equipment for establishing a National Training Center
- Improvements/upgrades to Egyptian Air Defense Command and Control Systems
- Improvements/upgrades to strategic communications networks
- Additional cargo aircraft to support unit deployments
- Ministry of Defense/Egyptian Air Forces hospital/nursing schools
- HMMWV Co-production program
- M88A2 Recovery Vehicle Co-production program
- Tank Transporter Co-production program
- Coastal Defense Systems
- MLRS
- Patriot
- Blackhawk Helicopters
- Fast Missile Craft
- Diesel submarines
- Additional M1A1 tanks
- SP artillery systems

U.S. Government-financed procurement through the Foreign Military Sales (FMS) program in Egypt is published in “Commerce Business Daily,” available by subscription from the
Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402-9371
Tel 202-783-3238, fax 202-512-2233,
and on-line from Mead Data Central, Arlington, VA, tel 800-843-6476

Information on non-FMS, i.e. commercial sales, to the Egyptian military that are funded by U.S. military aid may be obtained in the United States from the

Egyptian Office of Military Procurement
Embassy of the Arab Republic of Egypt
5500 16th St. N.W., Washington, D.C. 20011-6823
or the Defense Security Cooperation Agency, MEAN Directorate 1111 Jefferson Davis Highway, Suite 303, East Tower, Arlington, Virginia 22202, tel: 703-604-6627.

The American Embassy's Office of Military Cooperation helps U.S. firms arrange meetings with Egyptian military offices in Cairo to understand Egyptian purchasing requirements, both under FMS and commercial contracts. This office's Defense Industrial Coordinator is Lt. Col. Jeffrey L. Long, available at tel: 20-2-797-2850.

PROTECTING YOUR PRODUCT FROM INTELLECTUAL PROPERTY RIGHTS (IPR) INFRINGEMENT (see Chapter VII).

FINANCING U.S. AGRICULTURAL SALES:

USDA/FAS operates the GSM-102 Export Credit Guarantee Program for Egyptian private sector importers of U.S. food and agricultural commodities. In FY 2000, the program for Egypt will provide $100 million of short-term financing (one to three years) for importers of wheat, corn, soybeans, soybean meal, vegetable oil and dairy products among other commodities. There is also a small program that provides longer term credits. The GSM-103 (3 to 7 years) finances the exports of U.S. dairy cattle to Egypt. Through the GSM programs, U.S. banks provide financing to Egyptian banks on commercial terms. The USDA's Commodity Credit Corporation serves as the guarantor of the transaction by insuring up to 98% of the principal and a portion of the interest for the credit extended.

Bank participating in the GSM programs are:
American Express Bank, Ltd. - Egypt Branch
Banque du Caire Barclays Int'l S.A.E.
Banque du Caire et de Paris
Citibank, Egypt Branch
Commercial International Bank
Egyptian American Bank
Export Development Bank of Egypt
Misr American International Bank
Misr Exterior Bank
Misr International Bank
Misr Iran Development Bank
National Societe Generale Bank
Scotia Bank
Suez Canal Bank

SELLING THROUGH USAID PROGRAMS:

Background and Overview of USAID in Egypt:

The United States Agency for International Development (USAID) began its program in Egypt in 1974 during a period when Egypt was facing extreme economic and political challenges. The economy was at a standstill; much of its physical infrastructure had deteriorated; technical and scientific ties and relationships with the West had broken down; agriculture productivity was low; and basic health and welfare services were poor. A few years later in 1979, following the Camp David Accords and recognizing Egypt's moderating role in the Middle East, Egypt became one of the United States' largest economic assistance program partners in the world. Since then, the United States Congress has provided on average $750 million annually for this important program aimed at enhancing stability, democracy and prosperity in Egypt and the region. More than $22 billion in economic assistance has been provided to date, enhancing the quality of life for many Egyptians and helping build a stronger, market-oriented economy.

Early assistance focused on the immediate needs of the economy, including clearing, repairing and reopening the Suez Canal to restore to Egypt and the world this important trade artery. Egypt's infrastructure also claimed early attention. Expanded electric power, water and wastewater, grain storage, telecommunications and port facilities became targets of assistance. Professional and institutional ties between Egypt and the United States were rebuilt. By the end of the 1970s, USAID had broadened its assistance to give greater attention to agriculture, health and basic education, addressing quality of life problems facing Egypt's people, particularly those in the rural areas, and promoting local development. USAID also began helping Egypt rebuild its industrial and commercial base through U.S. imports of commodities, equipment and intermediate goods. Working with the Egyptian government on structural adjustment and policy reforms opened up a greater role for the private sector and touched many enterprises both great and small. Whether the immediate target was regulatory changes and privatization or greater access to credit by small and micro entrepreneurs, the bottom line has been to facilitate market entry and increase the number of productive jobs.

Some results of these investments include dependable electricity, clean water, significantly improved health care, more schools, reliable telecommunications, improved village infrastructure and services, new technologies to build a more efficient and diversified agriculture base, and expanded farmer access to credit, seeds and fertilizer. The portfolio of activities has shifted and grown, responding to Egypt's changing development needs based on the mutual goal of increasing both economic growth and the quality of life of Egypt's people.

To deal more effectively with problems hindering rapid and sustainable economic growth, Vice President Gore and Egypt's President Mubarak launched the U.S.-Egyptian Partnership for Economic Growth and Development in September 1994 which broadens and deepens the economic relationship between our two countries and enhances linkages between the U.S. and Egyptian private sectors. USAID plays an important role in the network that supports the Partnership and receives valuable impetus from the Partnership for key USAID program objectives, such as the promotion of private sector-led, export-oriented economic growth.

Procurement Opportunities:

There are two main sources of information about procurement opportunities related to USAID programs in Egypt:

- Commerce Business Daily, a U.S. Department of Commerce publication in which all USAID direct and USAID-financed Egyptian Government procurement is advertised;

- USAID's on-line website (WWW.INFO.USAID.GOV). This on-line service also has background on the AID program and its relevance to U.S. interests at home and abroad.

A third on-line site (WWW.INFO.USAID.GOV/WELCOME/CTIS/CTIS.HTML) offers information from the USAID Center for Trade and Investment Services (CTIS), which works through World Trade Centers and other private and public organizations to provide information about USAID to U.S. companies. To help U.S. firms sell through USAID programs, USAID has "outreach" offices in three cities: Chicago (tel: 312-467-0500, fax: 312-467-0615), Portland, OR (tel: 503-229-6734, fax: 503-229-6113), and Long Beach, CA (tel: 310-980-4566, fax: 310-980-4561).

Most commodity procurement is done under subcontract or by Egyptian Government arrangements, rather than directly by USAID.

Commodity Import Program (CIP):

USAID/Egypt sponsors the Private Sector Commodity Import Program (CIP) that makes dollars available to Egyptian private sector importers through some 31 Egyptian banks. The program provides attractive financing whereby the importers pay for the dollars in Egyptian pounds after an interest-free grace period. Imports are financed through the issuance of commercial letters of credit, and the transactions generally follow normal commercial practice.
Eligible commodities under the program include most non-luxury, non-consumer items that are not related to military or police activities. U.S. exporters may consult with Egyptian customers to see if CIP funds are available. The current annual level of funding for this program is $200 million.

Mailing Address from the U.S.:
Commodity Import Program
Office of Commodity Management
USAID Unit 64902; APO AE 09839-4902

Physical Address:
Zahraa El Maadi, Maadi, Cairo
Tel (20-2) 516-5505 Ext. 2143, Fax: (20-2) 516-4652

USAID Alexandria
36 Beny El Abbas Street, behind National Security
Tel/Fax (20-3) 486-8458/9301

Ministry of Economy and International Cooperation
Department of Economic Cooperation with USA
48-50 Abdel Khalek Sarwat, Cairo
Tel (20-2) 390-5100/5125; Fax 393-8187

<u>Information Given to Egyptian Buyers as to How the Private Sector CIP program works:</u>

- Apply for a credit facility at any Egyptian participating bank.

- Fulfill all the bank requirements.

- Get quotations from a reasonable number of U.S. suppliers, or one offer can be submitted if you are an agent, representative or distributor for the supplier, and fill out the transaction form.

- After the approval of your credit facilities by your participating bank, your transaction form and related documents are sent to USAID/Cairo to be reviewed and approved.

- Once assured that all requirements have been fulfilled, USAID/Cairo sends a “No Objection Letter” to your bank, usually within 48 hours.

- A letter of credit is opened by your bank and advised by the U.S. correspondent bank to the U.S. supplier.

- The interest-free grace period starts from the date the payment is made to the U.S. supplier.
- The exchange rate is fixed at the time the letter of credit is opened.

- You can qualify for a maximum limit of $15 million per year, according to the type of transaction.

<u>Participating Egyptian Banks:</u>
Al Watany Bank of Egypt
American Express Bank
Arab African International Bank
Arab Bank
Arab Banking COrporation
Bank of Alexandria
Bank of Commerce and Development
Banque du Caire
Bank Misr
Cairo Barclays Bank

Commercial International Bank
CitiBank
Delta International Bank
Egyptian American Bank
Egyptian British Bank
Egyptian Commercial Bank
Egyptian Gulf Bank
Export Development Bank
Industrial Development Bank of Egypt
Misr America International Bank
Misr Exterior Bank
Misr International Bank
Misr Iran Development Bank
Mohandes Bank
National Bank of Abu Dhabi
National Bank of Egypt
National Bank for Development
National Societe General Bank
Suez Canal Bank
United Bank of Egypt

CHAPTER IV. LEADING SECTORS FOR U.S. EXPORTS & INVESTMENT

FY 2001 BEST PROSPECTS LISTING FOR U.S. EXPORTS (IN RANK ORDER):

ENV	Environmental Equipment & Services
CPT	IT Equipment and Services
TEL	Telecommunications Equipment & Services
OGM	Oil and Gas Field Machinery
EPS	Electrical Power Systems
MED	Medical Equipment
FRA	Franchising
PCK	Packaging Equipment
DRG	Drugs and Pharmaceuticals
CON	Construction Equipment & Building Materials
PAP	Paper and Paperboard
AGE	Architectural, Construction & Engineering Services
HTL	Hotel and Restaurant Equipment
PMR	Plastic Materials and Resins
FPP	Food Processing Equipment
AGE	Agricultural Equipment
APS	Automotive Parts and Maintenance Equipment

Exchange Rate: 1997/$1=LE 3.4; 1998/$1=LE 3.4; 1999/$1=LE 3.4; 2000/$1=LE3.6

All figures are in millions of dollars and are estimates. Statistics shown are unofficial. Statistics for 1998 and 1999 are actual. For 2000, figures are estimated

Rank: 1
Name of Sector: Environmental Equipment & Services
ITA or PS&D Code: ENV

	1998	1999	2000
A. Total Market Size	856	942	1,038
B. Total Local Production	82	90	99
C. Total Exports	0	0	0
D. Total Imports	774	851	937
E. Total Imports from U.S.	310	341	375

Egyptian companies were given until February 1998 to comply with the Environmental Law of 1994. After an additional grace period expired in December 1998, the Ministry of Environmental Affairs began to levy fines, both financial and operational, against companies not in compliance with the Law.

The Government has allocated $2.6 billion to implement its environmental plan through the year 2007. The plan is expected to be implemented in two stages: the first stage will include Cairo, Alexandria, Aswan, the southern portion of the Sinai Peninsula, and Luxor governorates; the second stage will cover the rest of Egypt. Several projects for cleaning, solid waste collecting, and recycling were issued from several governorates. The duration of each tender is 15 years, in order to attract foreign companies to participate.

Environmental equipment and services with best sales prospects in Egypt include incinerators, industrial filters, recycling plants, solid waste management, and conversion kits that allow motor vehicles to use natural gas. The growth rate for the environmental equipment and services sector is expected to be 10% for the next three years.

Rank: 2
Name of Sector: IT Equipment and Services
ITA or PS&D Code: CPT

	1998	1999	2000
A. Total Market Size	520	630	693
B. Total Local Production	104	114	125
C. Total Exports	3	3.3	3.63
D. Total Imports	416	457	502

E. Total Imports from U.S.	332	365	401

Egypt is a fast-growing information technology (IT) market, offering substantial opportunities for U.S. firms. The total IT market in 1999 was $630 million. The annual growth rate of the IT market is 35% and is expected to continue to grow at that rate over the next five years. Industry sources estimate the current number of PC's in use in Egypt to be 695,000. There are more than 200,000 new PC purchases every year.

Egypt has a small but high-quality pool of programmers and engineers, estimated at 5,000. Officials of the Ministry of Communications and Information Technology have an ambitious plan to train 5,000 software experts every year. This is to be done mainly by increasing the number of training centers and establishing alliances with multinationals. As a result of cooperation between the Ministry and multinational, represented locally, 15,000 persons will be trained in IT over the next five years.

Rank: 3
Name of Sector: Telecommunications Equipment & Services
ITA or PS&D Code: TEL

	1998	1999	2000
A. Total Market Size	1,028	1,130	1,244
B. Total Local Production	182	199	219
C. Total Exports	88	97	107
D. Total Imports	847	931	1,024
E. Total Imports from U.S.	733	806	887

Telecom Egypt, Egypt's state telecommunications company, plans to add one million telephone lines each year until 2002. This project is expected to cost $1 billion annually and will be self-financed by Telecom Egypt and the National Bank of Egypt. The U.S. Agency for International Development will finance the supply and construction of additional telephone lines, cables, switches, and network operation centers by 2001 at a cost of $300 million. Two private sector companies will maintain and provide all services for the country's GSM 900 cellular telephone system and are expected to increase the existing 420,000 lines to 2 million lines in the coming two years, and up to 5 million lines within the next ten years. This indicates a significant demand for GSM cellular telephones and related equipment. The Minister of Communications and Data confirmed that Telecom Egypt will provide a third GSM 900 system starting from July 2001, when the privilege provided to the two private companies mentioned will end.

Rank: 4
Name of Sector: Oil and Gas Field Machinery
ITA or PS&D Code: OGM

	1998	1999	2000

A. Total Market Size	772	926	1,111
B. Total Local Production	120	144	173
C. Total Exports	0	0	0
D. Total Imports	650	780	936
E. Total Imports from U.S.	199	236	283

Future growth in the oil and gas field machinery sector lies in new offshore gas exploration projects and equipment for both new and existing refineries and petrochemical plants. Several billion dollars will be invested in this sector in the medium- to long-term, mainly by the private sector. Most oil and gas field machinery used in Egypt is imported. Only plastic pipes, iron, steel sheets, some generators and metal pipes are produced locally.

The Ministry of Petroleum, through its quasi-governmental company, Egyptian General Petroleum Corporation (EGPC), has invested several million dollars in the following projects: a hydro-cracker project; the Middle East Oil Refinery (MIDOR), now under construction; and private companies that produce ethylene, polyethylene, lubricant, and oil additives. The Ministry has approved the construction of a new $1.2 billion U.S.-Canadian petrochemical refinery which is expected to be on the Mediterranean, West Alexandria, next to MIDOR facility. There is approval for another petrochemical plant that will be constructed by Oriental Petrochemical and will be owned by the private sector. Total petroleum projects are expected to exceed $2.9 billion.

Machinery with greatest sales potential in Egypt includes centrifugal pumps and compressors, power generators, gas turbines, and equipment that allows motor vehicles to run on both natural gas and gasoline. The EGPC invites interested companies to provide solutions to use and operate closed oil wells, currently not economical enough to continue their usage.

Rank: 5
Name of Sector: Electrical Power Systems
ITA or PS&D: ELP

	1998	1999	2000
A. Total Market Size	912	1,003	1,102
B. Total Local Production	50	55	60
C. Total Exports	0	0	0
D. Total Imports	862	948	1,042
E. Total Imports from U.S.	530	583	641

There is little manufacturing of electrical power systems in Egypt by Egyptian firms. The Egyptian Electricity Authority (EEA) is expected to spend $4.5 billion over the next six years to upgrade the country's power generation system. Upcoming investment opportunities include several BOT/BOOT conventional energy power plants as well as wind-powered systems. Projects for regional inter-connectivity of power grids also offer opportunities for U.S. firms. The most promising subsectors include turbine generators, power converters, and transformers.

Rank: 6
Name of Sector: Medical Equipment
ITA or PS&D: MED

	1998	1999	2000
A. Total Market Size	392	431	474
B. Total Local Production	20	22	24
C. Total Exports	0	0	0
D. Total Imports	372	409	450
E. Total Imports from U.S.	103	113	124

There is little medical equipment manufactured in Egypt and total expenditures for such equipment are still small for a country of 60 million. The use of sophisticated medical equipment, however, is growing. The GOE has an ambitious plan to upgrade more than 40 general hospitals, clinics, and laboratories in rural areas in addition to building ten new hospitals in the coming two years. The most promising subsectors include dialysis equipment, lasers, laboratory equipment, and ICU monitoring equipment.

Rank: 7
Name of Sector: Franchising
ITA or PS&D Code: FRA

	1998	1999	2000
A. Total Market Size	565	593	615
B. Total Local Production	260	273	286
D. Total Imports	33	35	35
E. Total Imports from U.S.	272	285	293

The franchising concept in Egypt has become popular in a short time, especially in the fast-food sector. Non-food franchises are still largely unexplored. A limited number of companies in the fields of car rental, education, health and fitness, electronics, clothes and cosmetics are currently franchised in Egypt. A strong indicator of Egyptians interest in the franchising concept is the joining of 30 Egyptian business professionals for an organized trip by the Embassy to attend the International Franchise Expo which took place in Orlando, Florida, May 5-7, 2000. More new comers are expected to join the Egyptian market through two future exhibitions in Cairo on Nov 1-4, 2000 and April 21-22, 2001.

Rank: 8
Name of Sector: Packaging Equipment
ITA or PS&D Code: PCK

	1998	1999	2000

A. Total Market Size	577	721	901
B. Total Local Production	139	173	216
C. Total Exports	0	17	21
D. Total Imports	323	404	505
E. Total Imports from U.S.	16	20	25

The packaging industry in Egypt is linked to the rapidly growing food processing, pharmaceutical, and chemical manufacturing industries. The packaging market is expected to reach $901 million in 2000, with an expected annual growth of 25% for the next three years. Approximately 30% of Egypt's packaging equipment is manufactured locally, while the remainder is imported, mainly from Italy, China, and Germany. The U.S. has a small share of 5%, but there is substantial opportunity for greater market penetration.

The food processing industry purchases 60% of the packaging equipment, while the pharmaceutical and chemical industries account for the balance. The packaging industry is developing rapidly due to recent legislation that has made packaging required for many industries. The law is expected to affect all industries and products sometime this year. Best subsectors include corrugated carton making machinery ($169 million), semi-automatic vertical and horizontal packaging equipment ($66 million), and filling machinery for edible oil and mineral water bottles ($19 million).

Rank: 9
Name of Sector: Drugs and Pharmaceuticals
ITA or PS&D Code: DRG

	1998	1999	2000
A. Total Market Size	1000	1280	1400
B. Total Local Production	970	1,000	1,250
C. Total Exports	89	100	113
D. Total Imports	166	1110	1302
Raw Materials	88	1,020	1,200
Finished Products	78	90	102
E. Total Imports from U.S.	33	38	43

During 1999, the pharmaceutical market in Egypt totaled $1.28 billion, and is expected to grow annually by 14%. Local production satisfied approximately 92.5% of the pharmaceutical's market demand, based on 85% importation of raw material and 7.5% production consisting mainly of sugars, acids and capsules. Importation of finished drugs accounted for the remaining 7.5% and is related to research and advanced technology including insulin, vaccines, anti-cancerous and some cardiovascular products and baby milk.

The Egyptian drug industry is mainly drug formulation rather than research based. Local manufacturers import their ingredients either from their licensors or from numerous suppliers worldwide. Pharmaceutical raw material or final products are imported from France, Switzerland, Belgium, Germany and the U.K. U.S. suppliers have captured 2.8% of the total market. The public sector's share of the market is 29%, while the private sector's share is 71%. The government is giving special emphasis to upgrade its health care. This will reflect on the pharmaceutical industry, which is striving to obtain technology transfer and branch into new products, hence offering additional opportunities for U.S. firms.

Most promising subsectors include joint ventures with local partners or licensing arrangements, in addition to supply of raw material for the 16 therapeutic groups manufactured locally. Advanced drugs under license from multinational and foreign companies including insulin and baby medicines in Egypt are also growing and hence show potential opportunities for U.S. firms.

Rank: 10
Name of Sector: Construction Equipment & Building Materials
ITA Code: CON

	1998	1999	2000
A. Total Market Size	1,030	1,200	1,400
B. Total Local Production	95	114	136
C. Total Exports	30	36	43
D. Total Imports	965	1,158	1,400
E. Total Imports from U.S.	357	428	513

The construction industry is one of the fastest-growing sectors of the Egyptian economy, with an average growth rate of 20-22% annually. Much of this growth is fueled by an increased demand for housing. The demand for construction materials and equipment has also been high since 1995 due to extensive private sector construction of tourist villages and resorts in new attractive areas of the Red Sea Coast, the Sinai, and the North (Mediterranean) Coast.

New industrial zones and outlying residential areas, such as Al-Shorouk, Al-Obour, and 6th of October City, located 25 km from downtown Cairo, are expected to sustain a growth rate by 22%. The increasing demand for U.S. know-how is concentrated in the major civil engineering projects currently being undertaken in the New Valley and in new airport construction along the Red Sea. The main foreign competitors in this sector are France, Germany, and Spain.

Earthmoving equipment is a major construction subsector in Egypt ($200 million annually). Imports of earthmoving equipment in 1998 totaled $203 million, of which $121 million is new equipment and $81 million is used equipment. These figures are expected to grow by at least 40% annually over the next five years as Egypt embarks on several mega projects including the New Valley that depends on earthmoving equipment. U.S. suppliers dominate the market for earthmoving equipment with a 65% market share. The mortgage law, now being debated in the Egyptian Parliament, is expected to have a positive impact on the construction industries. The law is projected to pass in the Parliament's next round which begins in late 2000.

Rank: 11
Name of Sector: Paper and Paperboard
ITA or PS&D Code: PAP

	1998	1999	2000
A. Total Market Size	746	850	765
B. Total Local Production	149	170	153
C. Total Exports	2	3	3
D. Total Imports	599	683	615
E. Total Imports from U.S.	60	68	61

Egypt imports all of its pulp and 80% of its paper. The paper and paperboard market for 2000 is estimated at $765 million, 10% less than last year, which is due to a 60% increase in prices of pulp and paper worldwide. Pulp is imported mainly from the U.S. and Russia; paper and paperboard are imported mainly from China, the U.S., Sweden, and Canada. The U.S. share of the paper and paperboard market is 8%.

The paper industry in Egypt is largely in the hands of the public sector; however, there are an increasing number of newly established private sector entities, especially in the paper-converting field. In 1999, the U.S. dominated the market of pulp and kraftliner board with few competitors due to its high quality products. Because of the increase in price of pulp and paper, the market has shifted towards China, where prices are 40% cheaper. However, if prices return to normal in the future, the market will return to traditional suppliers of paper and paperboard products. Best subsectors include white wood free writing paper ($158 million) and testliner board ($52 million).

Rank: 12
Name of Sector: Architectural, Construction and Engineering Services
ITA or PS&D Code: AGE

	1998	1999	2000
A. Total Market Size	730	811	892
B. Total Sales by Local Firms	130	156	172
C. Total Exports	30	35	39
D. Total Imports	600	690	759
E. Total Imports from the U.S.	300	315	347

The construction industry as a whole has been growing rapidly and is one of the most dynamic sectors of the economy, growing at an average rate of 25% annually. Demand for construction materials and engineering services has been high since 1995 due to extensive private sector construction of resorts on the Red Sea, Sinai, and north (Mediterranean) coasts. The increasing demand for U.S. know-how is focused on major land reclamation projects in the New Valley and on new airport construction along the Red Sea Coast. Foreign competition is mainly from France, Germany, the U.S., and Spain.

Rank: 13
Name of Sector: Hotel and Restaurant Equipment
ITA or PS&D Code: HTL

	1998	1999	2000
A. Total Market Size	125	250	375
B. Total Local Exports	31	62	93
C. Total Exports	0	0	0
D. Total Imports	125	250	375
E. Total Imports from U.S.	25	50	100

The Egyptian market for hotel and restaurant equipment in 1999 reached $250 million with an expected annual growth-rate of 50% for the coming five years. The reason for such growth is the establishment of approximately 600 new tourist resorts and projects in the Red-Sea and Sinai region. The U.S. has captured a 20% market share especially in kitchen preparation and hot kitchen equipment, dishwashers and refrigeration equipment. A major factor in the demand for hotel and restaurant equipment is the government of Egypt's effort to boost tourism, a top foreign exchange earner, by encouraging and giving incentives for the construction of resorts in newly developed areas in the Sinai and Red Sea coast. Terrorist incidents in Egypt, which understandably slow down tourism, have been non-existent for three years and tourism is setting record-breaking numbers in 2000. Most promising subsectors: laundry equipment, bakery equipment, dishwashers, kitchen equipment and refrigerator equipment.

Rank: 14
Name of Sector: Plastic Materials and Resins
ITA or PS&D Code: PMR

	1998	1999	2000
A. Total Market Size	1265	1518	1670
B. Total Local Production	253	304	334
C. Total Exports	0	0	0
D. Total Imports	1072	1286	1415
E. Total Imports from U.S.	535	642	730

The plastics industry in Egypt is growing steadily and becoming increasingly modernized. In 1999, Egypt consumed plastic materials and resins worth nearly $1.5 billion. Demand is expected to grow at 10% annually for the next three years, due to the increasing number of newly established factories. U.S. market share currently stands at 30% and there is substantial opportunity for greater market penetration.

Egypt imports 83% of its plastics, while the balance (17%) is produced locally. The main suppliers are Saudi Arabia, the United States, Italy, Germany, and Spain. However, the market has shifted to less expensive Russian and Far Eastern resin and raw materials. Egypt produces thermosets and 44,000 MT (metric tons) of polyvinyl chloride suspension resin locally. Also, a polyethylene plant will be inaugurated in two years and will produce 200,000 tons a year as follows: 30,000 MT of linear low density polyethylene and 170,000 MT of high density polyethylene, under license from BP Chemicals of the UK. In addition a private sector concern will produce in two years time 120,000 MT of polypropylene. When projects are operational, imports will decrease.

The dual treaty between Saudi Arabia and Egypt concerning customs exemption on plastics has been abolished. Now importers pay half the required customs. However, Sabik decreased prices so that they do not lose the Egyptian market to the Koreans who are aggressively competing in the market with low prices. Most promising subsectors include polyethylene ($739 million), polypropylene ($93 million), polyethylene terephthalate ($62 million), and high impact polystyrene ($45 million).

Rank: 15
Name of Sector: Food Processing Equipment
ITA or PS&D Code: FPP

	1998	1999	2000
A. Total Market Size	376	402	430
B. Total Local Production	41	44	47
C. Total Exports	29	31	33
D. Total Imports	364	389	416
E. Total Imports from U.S.	22	24	26

The total market for food processing equipment in 1999 is estimated at $402 million with an expected annual growth of 7% during the coming three years . This is due to the country’s ambitious plan to modernize its food processing facilities targeting exports. Also, the government of Egypt is privatizing its successful food processing concerns and restructuring others, which are on the privatization list for a future date. Privatization of the food industry sector will trigger a series of renovations of existing equipment and machinery.

The majority of the vegetable and food processing equipment is imported, mainly from Germany, Italy, France, Switzerland, the U.K., the U.S., and Denmark. The majority of U.S. equipment on the market is financed through USAID's Private Sector Commodity Import Program (CIP). During 1999, Egypt’s imports through the CIP totaled U.S. $32 million. However, the U.S. can further increase its market share by appointing local agents, offering improved after-sales service, and pricing more competitively. Egypt manufactures only 8% of the market’s vegetable and food processing equipment, mainly spare parts for the sugar milling industry, bakeries, packaging and filling machinery. However, injection of improved performance from technology inputs should further increase local production, quality and cost efficiencies to compete better internationally with the country’s processed food exports.

Most promising subsectors include: sugar beet processing equipment and refining mills; edible oil (sun flower and soybean oils); animal and chicken feed; potato processing equipment, fresh and preserved fruits and vegetables; tomato paste and ketchup industry; natural juices and concentrates; cheese, milk, wine distilleries; and water-pipe tobacco equipment.

Rank: 16
Name of Sector: Agricultural Equipment
ITA or PS&D Code: AGE

	1998	1999	2000
A. Total Market Size	475	543	558
B. Total Local Production	90	100	105
C. Total Exports	25	15	17
D. Total Imports	400	460	470
E. Total Imports from U.S.	25	28	29

Extensive government-led land reclamation projects and private sector involvement in agricultural development and agribusiness have increased the demand for sophisticated agricultural equipment. Three factors have influenced the growth in this market: active liberalization efforts in agricultural policies, the New Valley land reclamation project, and the opening of El-Salam Canal that irrigates the eastern coast of Egypt. As a result of these policies and projects, the market for agricultural machinery is expected to expand.

Rank: 17
Name of Sector: Automotive Parts and Maintenance Equipment
ITA or PS&D Code: APS

	1998	1999	2000
A. Total Market Size	290	319	350
B. Total Local Production	50	55	60
C. Total Exports	0	0	0
D. Total Imports	240	264	290
E. Total Imports from U.S.	55	60	65

The number of registered vehicles in Egypt, including passenger cars, trucks, buses, and motorcycles, is expected to exceed 4.8 million in 2000. The increase in vehicles has resulted in an increased demand for automotive service centers with modern equipment. The high cost of new vehicles places a premium on the need for after-sales service. Although the growth rate in the automotive industry has slowed, there are still opportunities for American firms to offer their services. Automobile users prefer to use authentic parts. The main suppliers of automotive parts and maintenance equipment are the U.S., Germany, Italy, and East Asian countries.

FY 1999/2000 BEST PROSPECTS FOR AGRICULTURAL GOODS & SERVICES:

1. Wheat (including Wheat Flour)
2. Corn
3. Soybean Meal
4. Frozen Red Meats, primarily offals
5. Vegetable Oil and Tallow

Total Exports: Of all best prospects, only local cotton is exported.

Exchange Rates Used: 1996 $1 = LE 3.40; 1997 $1 = LE 3.40; 1998 $1 = LE 3.44; 1999 $1 = LE3.45

Egyptian Imports of Agricultural Goods: (Figures expressed in million of US dollars.)

	1998	1999
Total Agriculture Imports	4,233	4,460
- Agriculture as % of total Imports	26%	27%
Total agricultural imports from U.S.	903	979
-U.S. Market share of Ag imports	21%	21%

Principal U.S. Exports to Egypt: wheat, corn, soybean, vegetable oil and high value products

Principal U.S. Imports from Egypt: Spices, processed fruit and vegetables, and fruit/vegetables juices and some other high value food products.

Marketing Year Data: MY97 = Oct 1997 - Sept 1998, etc.; units: thousands of metric tons

Wheat	MY96	MY97	MY98	MY 99
Total Consumption	12,080	13,100	13,070	12,550
Local Product	5,750	6,000	6,093	6,550
Total Imports	6,330	7,120	6,300	6,000
Imports From U.S.	3,900	4,850	4,200	4,147

Egypt continues to espouse a policy of self-sufficiency in wheat production by encouraging the expansion of acreage and the use of newly developed, high-yielding wheat varieties. The average yield in MY 1999 was slightly higher than in MY 1998, mainly because of better weather conditions. Although total planted area did not increase in 1999, production of wheat is estimated to be higher than MY98. Purchases of locally produced wheat by the Ministry of Supply are reported to be 20% lower than last year. The GOE is buying local wheat at prices 60-70% higher than imported wheat but pays for it with local currency. Total Egyptian wheat consumption in MY 1999 is estimated to be almost the same as in the previous year, around 12.5 million tons. With total Egyptian wheat purchases during the period July 99-May 2000 significantly lower than the same period the year before, it is projected that total Egyptian wheat imports in MY 99 will be about 6.0 million MT. U.S. wheat exports in MY 99 are estimated at 4.2 million MT.

Corn	MY96	MY97	MY98	MY99
Total Consumption	8,950	9,400	9,340	10,188
Local Product	6,010	6,300	5,760	5,678
Total Imports	2,700	3,010	3,230	4,500
Imports From U.S.	2,000	1,847	1,950	3,800

Corn production in Egypt decreased in MY 1999, due mainly to a decline in the area planted to corn to the benefit of the area planted to rice, which has a relatively higher return. The demand for feed corn rose significantly in MY 1999 because of an expansion in poultry and cattle production, but also as a result of increased production of corn oil and corn-based food products. As a result, corn imports continue to be strong. The United States is the main supplier of corn to Egypt. In 1999, U.S corn held over 80% share of the Egyptian market. This is expected to continue in MY 2000. Argentina is the main competitor to the U.S. in the Egyptian corn import market.

Soybean Meal	MY96	MY97	MY98	MY 99
Total Consumption	706	787	713	820
Local Product	146	200	133	90
Total Imports	540	580	570	760
Imports From U.S.	200	220	180	190

South America (Brazil and Argentina) dominates Egyptian imports of soybean meal, although U.S. meal is preferred when U.S. prices are competitive. Most of the soybean meal consumption is directed to the poultry industry, which is also the main consumer of imported feed corn. Egyptian soybean meal imports in MY 1999 is projected to be 760,000 MT, mostly from Argentina. In MY 1999/00, total soybean consumption is estimated to decline slightly due to expected decrease in imports following the GOE changes in import financing regulations requiring 100% deposit on letters of credit. The new regulations have affected some poultry producers who were receiving 45 days supplier credits. Local meal production also is expected to jump to 300,000 MT in MY 2000, due to the expected construction of a new soybean crushing plant in Alexandria.

Beef and Veal	1996	1997	1998	1999
Total Consumption	550	496	520	513

Local Product	450	425	440	400
Total Imports	70	100	80	113
Imports From U.S.	23	25	20	29

Egyptian production of buffalo and beef cattle covers the bulk of domestic demand. Ireland, Germany, France and the Netherlands are the main suppliers of imported live animals, carcass and boxed beef. Most U.S. exports to Egypt are frozen beef liver, with a very small quantity of high quality beef cuts. U.S. beef prices are not competitive with subsidized frozen meat sales from Europe, but the U.S. does dominate the beef liver and offal import market. The opportunity for U.S. exports of both live cattle and high quality meat should have improved measurably in the wake of the BSE ("Mad Cow Disease") outbreak in Europe. However, the Egyptian requirement that imported beef contain no more than 7% fat content still represents a major barrier to U.S. sales.

Vegetable Oils	1996	1997	1998	1999
Total Consumption	793	799	855	787
Local Product	100	94	90	80
Total Imports	693	705	854	707
Imports From U.S.	40	50	35	44

The annual consumption of vegetable oil in Egypt averages slightly more than 10 Kg. per person. Given the importance of vegetable oil in Egyptian cuisine, this low consumption figure strongly suggests that vegetable oil is often used well after its optimal life span (particularly in popular restaurants). The GOE's slow but steady move towards privatization should lead to reduced government spending on vegetable oil procurement and distribution. Palm stearin and tallow are used in the production of soap. Malaysia is the source for all of the stearin, 300,000 MT in 1999, and the United States supplies the tallow. Product sales are a function of price. Most imports are handled by the public sector Food Industry Holding Company. Domestic vegetable oil production was stable in 1999, but imports decreased by 18%.

<u>Egyptian Imports of High Value Products</u> January - December 1999 *
(Millions of US dollars)

Year 1999	Total Import Value	U.S. Import Value	Market Share (%)
Prepared meat	5.7	0.032	1%
Prepared sauces & dressings	1	0.280	28%
Nuts	21	5	23%
Dried fruits	6	0.401	6%
Canned fruit & vegetables	12	0.462	3%
Breakfast cereals	0.918	0.125	7%
Juice	2.6	0.207	7%

*Source: Central Agency for Public Mobilization and Statistics

SIGNIFICANT INVESTMENT OPPORTUNITIES:

Investment opportunities in Egypt were highlighted early on at the 1996 Cairo Economic Conference. More than 150 projects were identified across a broad spectrum of sectors, particularly in infrastructural development including agriculture, electricity, environment, finance, information technologies, mining, petroleum, textiles and tourism. In October 1998, the U.S. Trade and Development Agency (USTDA) sponsored a major conference in Cairo in which investment and privatization opportunities in Egypt were identified mainly in the fields of energy, transportation, water/wastewater, and chemicals. The Egyptian government has taken steps to bring several of these projects to fruition and has in the past two years awarded three BOOT (build-own-operate-transfer) power plant projects (each for 650 MW), one to predominantly U.S. interests, the other two to the French. Quite a few more are planned. Airport BOTs have also been awarded. The first BOT water treatment and pipeline project was awarded earlier this year to a Canadian firm. In May 2000, the Prime Minister announced that portions of the ENR water system would be privatized and made available to BOT projects.

In the power sector, upcoming projects include a 650 MW thermal power plant, a pump/storage power plant at Mt. Ataka near Suez, a windmill power farm at Zafarana, new airports on the Red Sea at Marsa Alaam and possibly further south at Ras Banas, turnpikes from the Mediterranean to Aswan and from the Nile west to the central oases of Kharga and Dakhla. Note: The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. For example, roughly 60% of U.S. exports are sold by American firms that have operations abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, investment treaty negotiations, and business facilitation programs, that support U.S. investors.

CHAPTER V. TRADE REGULATIONS, CUSTOMS, AND STANDARDS

TRADE BARRIERS (INCLUDING TARIFFS AND NON-TARIFF BARRIERS) AND TARIFF RATES:

Egypt's current customs regulations came into effect in 1986. Since 1991, under its economic reform program developed in conjunction with the IMF and the World Bank, the Government has reduced its tariff rates to a maximum rate of 40%, with a few exceptions such as cars with engines larger than 1300CC, alcoholic beverages, and certain luxury items. In February 1994, Egypt implemented the Harmonized System (HS), which replaced the previously used CCCN (Customs Commodity Classification Nomenclature), formerly called BTN (Brussels Tariff Nomenclature). In 1996, Presidential Decree No. 304/1996 amended the Customs Tariff "Harmonized" as follows:

The Rates Mentioned in the Customs Tariff as Promulgated by P.D. No. 38/1994	The Amended Rates
160%	135%
70%	55%
60%	45%
50%	40%
40%	30%

In 1997, Presidential Decree No. 229 has been issued amending the Customs Tariff "Harmonized" as follows:

55%	50%
45%	40%
40%	35%

Above reduced rates do not apply on any kind of transportation.

Another Presidential Decree No. 293 was also issued in 1997 amending tariff rates on various food items ranging between 3% and 80%. In January 1998, Presidential Decree No. 1 was issued, increasing the tariff rate on textiles from 40% to 54%. (The increase was due to an earlier lifting of the ban on textile imports into Egypt and subsequent protests by local textile manufacturers.) In September 1998, Presidential Decree No. 243 was issued amending the Customs Tariffs as follows:

50%	40%
45%	40%
40%	30%
35%	30%

In October 1999, a Presidential Decree No. 382 was issued amending tariff rates on various food items ranging between 24% and 26%. The Egyptian Government does not abide by tariff rates outlined in the WTO, having received a waiver of its obligation to provide these lower rates.

IMPORT TAXES:

To counterbalance the reduction in tariffs, the government levies a service fee on the value of imported shipments in return for inspection, listing, classification and reexamination of shipments. In February 1994, this surcharge was raised to 3% or 6%, depending on the customs duty of the imported item: 3% for commodities subject to customs duties between 5 and 30%, and 6% for those subject to custom duties over 30%. The surcharge was reduced twice to reach 2% for commodities subject to customs duties between 5 and 30%, and 4% for those subject to customs duties over 30%.

In addition to the customs tariff, a sales tax ranging between 5% and 25% is added to the final customs value of the imported item. Law 87 of 1986 canceled a series of taxes and fees which were formerly levied on imports: statistical duty, subsidy tax, marine duty, and the municipal tax. Law 2 of 1998 was issued to cancel the stamp tax.

REPRESENTATIVE (Alphabetical) LISTING OF SELECTED COMMERCIAL LEGISLATION IN EGYPT:

- ARBITRATION:
  Law 9/1997 Amending Certain Provisions of Arbitration Law in Civil and Mercantile Matters, as Promulgated by Law 27/1994.

- BANKS AND CREDIT:
  Law 96/1996 Amending Certain Provisions of the Banks and Credit Law as Promulgated by Law 163/1957 and Law 120/1975 Concerning the Central Bank of Egypt and the Banking Machinery.

- CAPITAL MARKETS:
  Law 95/1992 Promulgating the Law on the Capital Market. Decree 135/1993 the Executive Regulations of the Law on Capital Market.

- COMMERCIAL LAW:
  Law 17 of 1999 promulgating trade.

- COMMERCIAL REGISTER:
  Law No. 98/1996 Amending Certain Provisions of Law 34/1976, Concerning the Commercial Register.

- COMPANIES LAW:
  Law 3/1998 Companies Law. Ministerial Decree 496/1997 Amending the Executive Regulations of Companies Law.

- CUSTOMS LAW:
  Law 158/1997 Amending Certain Provisions of Customs Law as Promulgated by Law 66/1963.

- CUSTOMS TARIFFS:
  The Customs Tariff (Harmonized) modified up to November 1998.

- ENVIRONMENT:
  Law 4/1994 Promulgating a Law Concerning the Environment.

- IMPORT AND EXPORT REGULATIONS:
  Law 118 of the Year 1975 on Import and Export Regulations, amended up to March 1999.

- INSURANCE AND REINSURANCE:
  Law 156/1998 Concerning Certain Provisions on Insurance and Reinsurance Companies Which Are Considered as Public Sector Companies, and Amending Certain Provisions of the Law on Insurance Supervision and Control in Egypt.

- INVESTMENT INCENTIVES:
  Law 8/1997: Investment Incentives and Guarantees Law.

- LEASING:
  Leasing Law 95/1995.

- SALES TAX:
  General Sales Tax Law 11/1991 Amended up to March 1997.

- STANDARDS AND SPECIFICATIONS:
  Ministerial Decrees Nos. 179-180/1996, Enforcing the Obligation to Produce According to Egyptian Standard Specifications, Ministerial Decree 181/1996 Enforcing the Obligation to Produce According to Egyptian Technical Specifications.

- TENDERS:
  Tenders Law 89/1998 Promulgating the Law on Organizing Tenders and Bids.

CUSTOMS REGULATIONS:

Egyptian customs procedures are complicated and rigid in areas such as duty rates. They are designed to eliminate trading loopholes. Authorities do not have to explain or justify their decisions and there is no formal appeal process for customs officers' decisions. Customs procedures are subjective when it comes to identifying whether a commodity fits in one tariff category or another.

Under-invoicing is prevalent in Egypt as a means of tax-avoidance by local businesses. The Customs Authority has a tough policy regarding commercial invoices. Tariff valuation is based on either the worldwide price list received annually from foreign producers/distributors, or if that is not available, they take the highest price available in the local market. In cases where customs officials suspect under-invoicing, they usually add from 10 to 30% to the invoice value of imports for customs valuation purposes.

Customs officials suspect under-invoicing when legitimate sellers low-ball introductory prices of samples, then send larger quantities at higher prices; offer one price for a few items, and a quantity discount for subsequent shipments; or introduce a new product at a basic cost much cheaper than similar products previously imported from other sources.

The ability to fulfill local content requirements is no longer required to obtain an approval to set up an assembly project. However, assembly industries must meet a minimum local content requirement of 40% in order to benefit from customs tariff reductions on imported industrial inputs.

Prior to issuance of Ministerial Decree 99 of 1994, free-of-charge compensatory shipments, meant to make up for losses caused by a drop in the international price of imported goods between the contract date and the time of shipment, were considered illegal imports. The importer had to pay a fine equal to the value of the additional quantities before customs would release them. Now, compensatory shipments are released from Customs and the importer does not pay extra custom duties for the additional quantities, since custom fees are computed based on the value, not quantity, of the original shipment.

Ministerial Decree 99 of 1994 also allows for the release of imports that replace previously imported defective or damaged goods without assessing custom duties. Egyptian importers now fill out Customs Form 126 declaring that the imported items are defective or damaged and are to be replaced. However, the Egyptian exporter of a previously imported good that was damaged or rejected must post a deposit (acceptable to the Customs Authority) guaranteeing importation of a replacement item within two years (renewable) from the date of export. This is a major improvement over the former situation where replacement products having a different serial number from the re-exported item were subject to full customs duties when re-entering the country. In case an item is exported to be refitted and then re-imported, custom duties are paid on the value-added only. If the item is replaced by another used machine, having a different serial number from the exported one, then the re-imported item is subject to full custom fees.

Recently, a decree on computerized customs procedures has been issued for imported goods. The Customs Authority has begun applying a Computerized Customs Declaration Form (Bill of Entry) which intends to facilitate and simplify importers' dealings with the Customs Authority and to avert problems or differences in customs evaluation. The Egyptian Government has pledged to implement WTO customs valuation procedures, beginning July 1, 2001.

IMPORT LICENSE REQUIREMENTS:

Egypt no longer requires import licenses.

TEMPORARY GOODS ENTRY REQUIREMENTS:

Imports may be admitted into the country under the temporary admission system. On May 10, 1998, the Head of the Customs Authority issued decree 48 of 1998 dictating that temporary import should be covered by 100% of the import's value in addition to customs fees and sales tax. Exporters raised the issue to the Minister of Finance who, as a result, amended Decree 48 of 1998 by decree 55 of 1998, reducing the guarantee from 100% to 5%.

Imports may be released from Customs under the drawback program. This is different from the temporary admission system in that full customs duties are paid on the imported material and the manufacturer does not fill out a special form with Customs. However, there is a one-year time requirement to re-export these imports as part of a final product in order to have the right to reclaim the full amount of the duties paid as well as other taxes such as the sales tax. This is a cumbersome procedure and refunding may take up to six months for processing. The agencies administering the program are tasked with the responsibilities of determining and then repaying the drawback amount. The Industrial Surveillance Authority carries out the first task; the Customs Authority carries out the second. A delegate from Customs has to be present during the manufacturing process. To refund the amount paid, several administrative requirements must be satisfied:

- Details, such as quantities and materials used in manufacturing a unit of the exported products, must be provided to enable Customs to calculate the drawback rate.
- Proof of duties paid on the imported quantities must be furnished.
- In order to collect an allowance in the drawback rate for wastage and scrap, quantities of such must be verified.

In addition, the following documents must be provided: customs import release certificate, certificate of export of product, an export permit, a registered deed of sale from the original importer, and a customs clearance certificate.

To speed up the reimbursement process, the GOE introduced in October 1999 a new "tax rebate" system, by means of which exporters could be reimbursed according to pre-specified rates for each industry. The tax rebate system currently covers more than half of the major exported commodities.

SPECIAL IMPORT/EXPORT REQUIREMENTS AND CERTIFICATIONS:

Investment Law 8 of 1997 (which replaced Investment Law 230 of 1989, except for the requirement for annual distributions to employees of not less than 10% of profits) made one authority responsible for investor incentives and guarantees--the General Authority for Free Zones and Investment (GAFI). It also grouped some 20 exemptions and incentives under one law, and specified activities that would automatically benefit from them. Law 8 allows 100% foreign ownership of ventures and guarantees the right to remit income earned in Egypt and to repatriate capital.

Companies Law 3 of 1998 (which amended Companies Law 159 of 1981) streamlined the procedures for establishing a new company. It continues to cover investors in any sector not covered by Law 8 of 1997, including shareholder, joint stock, and limited liability companies and representative and branch offices. Law 3 allows for automatic registration of a company upon presentation of the application to the Companies Department at the Ministry of Economy and Foreign Trade and for acquisition of legal status 15 days after appearance in the Commercial Register, with some exceptions. These exceptions include noncompliance with procedures or violation of other laws; or lack of qualifications requisite to operating a business. Founders of joint stock and limited liability companies must submit a bank certificate showing a 10% deposit of the issue capital to the Companies Department. The amendment also provides for the right of petition for denial of incorporation, removes the restriction that 49% of shareholders be Egyptian, allows 100% foreign representation on the board of directors, and strengthens accounting standards.

Importers should possess the following documents:

1. An Import Card which is issued by the General Authority for Import/Export Quality Control at the Ministry of Supply and International Trade.
2. Taxation Card, which is obtained from the Taxation Authority or any of its offices.
3. Three forms of Annex (11) of the import/export executive regulations issued by Ministerial Decree 275/91. Annex (11), the application to finance imports with convertible currencies, includes information on the type, quantity, price and country of origin of the imported commodities. The importer retains one copy which he/she submits to Customs to release the shipment, the second copy is submitted to the Foreign Trade Department at the Ministry of Supply and International Trade and the third copy is kept with the bank to follow-up on payment. The pro-forma invoice or final invoice should be stamped by the bank.

The following documents should be presented to Customs to release imports:

1. Bill of lading.
2. Original invoice.
3. Packing lists.
4. Certificate of origin (authenticated and legalized).
5. Form (EX), which is a bank form, applicable in cases where the bank finances the importation transaction. This form is not required if the importer self-finances the transaction.
6. Content analysis of the commodity, if required.
7. Delivery order from the carrier in return for the bill of lading.
8. Custom procedural certificate, which is a customs form that lists information and data including source and country of origin of imports, name of importer, type of product, port of delivery, value, and quantity of the shipment.

Exporters should possess the following documents:

1. An Export Card which is issued by the General Authority for Import/Export Quality Control at the Ministry of Supply and International Trade.
2. Taxation Card, which is obtained from the Taxation Authority or any of its offices.
3. Original invoice.
4. Custom procedural certificate, which is a customs form that lists information and data on the exported goods.

MINISTERIAL DECREE 619 of 1998 – CERTIFICATION OF ORIGIN:

Ministerial decrees over the past year have begun to have an impact on U.S. trade with Egypt. The following provides information as to the thrust of the decrees, principally Decree 619, and the various clarifications subsequently offered by the Egyptian government. Some of Egypt's major trading partners have raised questions about the WTO compatibility of Decree 619. The translations are unofficial and are intended as general guidelines only.

On November 21, 1998, the Minister of Supply and Trade, Dr. Ahmed Goweili, issued Decree No. 619 of 1998, concerning the import of consumer and non-consumer goods from the country of origin. The decree amended Law 118 of 1975.

Text of the decree (unofficial translation):

Having considered Law No. 118 of 1975 on Import and Export, and Ministerial Decree 275 of 1991, promulgating the executive statues of the provisions of referenced Law 118 of 1975 and its amendments, decreed:

Article 1: A new article is to be added to the above-mentioned executive statutes of the provisions of Import and Export Law 118 of 1975, promulgated by pertinent Ministerial Decree, reading as follows:

> Article 32 (bis):
> Imported durable and non-durable consumer goods must be shipped from the country of origin. In order for imported goods to be released, they must have a certificate of origin authenticated by the competent authorities. The certificate must conform to the specific import control rules.

Article 2: This decree is to be published in the official Egyptian Gazette and be in effect the day of its publication. Signed, Dr. Ahmed Goweili, Minister of Trade and Supply.

The Trade Minister noted at the time that the decree had been necessary in the face of massive imports of East Asian goods to protect the Egyptian consumer and the local industries from fraud. The decree, however, was applicable across the board. Its publication caused many inquiries to be made to the Trade Ministry, and they issued a number of clarifications, over time, in the form of official Import Circulars, official letters, and press statements, addressing the implementation of Decree 619. Information on those clarifications follows:

<u>Import Circular No. 82 of 1998: Prior Shipment Exempted</u>
The provisions of Decree 619 were not applicable to products that had been shipped prior to the date the decree was put into effect; nor did they apply to consignments for which documentary credits had been opened before the effective date of the decree, provided the credits did not get extended or increased after that date.

<u>Import Circular No. 84 of 1998: List of Consumer Goods</u>

Compliance with the list of durable and non-durable consumer goods when applying Decree 619 according to the classification in the statistical manual for the foreign trade items. First: durable goods; second: non-durable goods; third: other consumer goods not indicated under the two previous items, according to the classification of the Central Agency for Public Mobilization & Statistics (CAPMAS). The CAPMAS classification, shown before each item in the harmonized customs tariff, must be consulted (Import Circular No. 2 of 1999). (Note: This specific product listing will be the subject of a separate IMI report.)

Import Circular No. 86 of 1998: Decree 619 Not Applicable to Free Zones

The Decree does not apply to goods imported into public or private free zone areas or the Port Said free zone. The application of the decree will be related to what is imported into the country and what is registered in the customs statement for final clearance.

Import Circular No. 87 of 1998: Guarantee Requirements for Clearance of Consignments

An unconditional letter of guarantee should be presented for the value of the customs-cleared goods, as determined by the Customs Authority's evaluation, to the Ministry of Supply and International Trade's account until a duly authenticated certificate of origin is obtained from the competent authorities, within one month from the clearance date of the consignment, in relation to the consignments which have not fulfilled the proviso that the certificate of origin be authenticated by competent authority.

Import Circular No. 92 of 1998: No New Release of Consumer Goods From Free Zones

Required that any customs clearance of consumer goods stored in free zones be stopped, even if a documentary credit had been opened before Decree 619 was issued on November 21, 1998.

Import Circular No. 94 of 1998: Consumer Goods in Free Zones

The application of the provisions of Ministerial Decree 675 of 1998, with all its terms and conditions related to the goods stored in the free zones:

(1) Consumer goods stored before November 21, 1998, could be released without applying Decree 619, as follows:

(a) to authorize, within a period not to exceed March 3, 1999, imports for trading in relation to foodstuff and non-foodstuff consumer goods which have an expiry date;

(b) to authorize, within a period not to exceed July 15, 1999, imports related to passenger cars, according to the following terms and conditions: The application of Decree 269 of 1996 and the non-application of Decree 580 of 1998 (relating to the lifetime provision), on condition that the monthly quantity authorized to enter the country should not exceed 20 cars or one-fifth of the quantity stored for each storage project separately.

(2) Non-consumer goods stored before November 21, 1998 could be released from customs without having to authenticate the certificate of origin.

(3) For goods other than those under the first and second items, it is mandatory to comply with all provisions of Decree 619, in order to allow them into country for trading purposes.

The Letter of the Head of the Foreign Trade Sector, Trade Ministry, dated January 17, 1999:
Authentication of the certificate of origin by any of the Arab Embassies in Taiwan for goods imported from Taiwan as well as from Bellarussia, will be accepted and taken into consideration.

The Letter of the Head of the Foreign Trade Sector, Trade Ministry, dated January 23, 1999:
Decree 619 does not apply to imports of books, magazines and newspapers in compliance with Article 32 of the Import and Export Law. They are to be released from Customs directly upon payment of the administrative expenses.

Import Circular No. 9 of 1999: Industrial Products in Free Zones
Industrial projects' products in free zones in Egypt acquire the origin of these zones. When imported into country, these products are considered as if imported from the country of origin, provided they are accompanied by a certificate of origin.

Import Circular No. 15 of 1999, dated February 16, 1999: Certificates of Origin for products from Arab Countries:
Commercial goods of national origin from any of the Arab countries, members of the Trade Exchange Facilitation and Development Agreement, whether when imported or exported, should be accompanied by an original certificate of origin duly authenticated by the competent entities, as determined by each country. Authentication by diplomatic missions is not required.

Import Circular No. 31 of 1999: Import Rules from European Union:
Consumer goods imported for sale from any of the European Union (EU) states shall be accompanied by a European Union certificate of origin, without fixation of the member state. The certificate shall be authenticated by any of the Egyptian Representation offices in the EU. Furthermore, it is permitted to ship from any of the states of the European Union. However, if the certificate of origin mentions a specific state, then it shall be authenticated by the Egyptian Representation in that state, and the shipment must be made from the same state. In relation to the rest of the product imported for trading, it is not required that the shipment be from the same state, but it must be accompanied by a certificate authenticated by the competent entity.

The Letter of the Head of the Foreign Trade Sector, Trade Ministry, dated February 1, 1999:
Exempts imported pharmaceuticals, medical supplies and raw materials, diagnostic materials, and medical equipment from the certificate of origin requirement, provided they have the approval of the Ministry of Health. This exemption does not include cosmetics or domestic insecticides.

The Letter of the Head of the Foreign Trade Sector, Trade Ministry, dated February 27, 1999:
Addressed to First Undersecretary of the Ministry of Finance, Head of the Customs Authority, the letter states that due to many inquiries related to Decree 619, the Minister of Trade agreed on February 23, 1999 to issue the following explanations:

(1) Concerning durable and non-durable consumer goods:

It is a precondition for entry into the country that they be shipped from the country of origin, duly accompanied by a certificate of origin issued by the country of origin, notarized and authenticated by the Egyptian Representation (i.e., embassy or consulate) in that country. In case there is no Egyptian Representation there, it shall be duly authenticated by any of the Arab representations.

(2) Concerning all other goods:

It is a precondition to submit a certificate of origin from the country of origin duly notarized and authenticated. In the case of exporting from other than the country of origin, it is possible to accept the certificate of origin from the exporting country, duly notarized and authenticated by the country of export, subject to referring to the original certificate of origin, with a copy of it.

> (On April 4, 1999, the Trade Minister agreed to clear the consignments of non-consumer goods which had been shipped up until March 31, 1999, which had been accompanied by a certificate of origin notarized and authenticated by the country of export, without referring to the original certificate of origin.)

For more information, please contact:

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In November 1999, the Minister of Economy & Foreign Trade issued a decree adjusting Decree 619 to allow the shipment of imported consumer goods from the main branches of the producing company and its distribution centers. Regulations were also to facilitate the ability of firms to meet the requirement for a certificate of origin. This requirement can now be fulfilled with a company invoice noting the country of origin and bearing the endorsement of an Egyptian overseas commercial office.

LABELING REQUIREMENTS:

On October 25, 1998, Decree No. 553 of 1998 was issued, addressing the conditions under which imported goods may be stored outside of Customs Zones (the first point of entry of goods into a customs territory and a sort of "holding area" pending determination of origin of the goods and their classification, assessment, and liquidation of applicable duties). This decree amends Law 118 of 1975 and adds two provisions to Article 79 of Ministerial Decree No. 275 of 1991.

An unofficial translation of the decree follows:

Article One:

The following two clauses are to be added to Article 79*, promulgating the executive regulations for Import and Export Law No. 118 of 1975:

> It is permitted to store products outside customs zones, provided that the shipment is in accordance with all labeling conditions;
>
> It is obligatory for the importer to re-export the shipment if the inspection shows products are not in accordance with labeling conditions.

*Article 79: The Minister of Economy and Foreign Trade or his delegate may permit the storage of the imported perishable consignments or that of special storage preparations, outside the customs zone, in accordance with the rules stipulated in the Customs Law and the decrees implementing it. In such case, the importer will be bound not to dispose of such consignment, up to issuance of a final decision by the concerned authorities regarding its inspection.

<u>Article Two:</u>
The second clause of Article 79 of the executive regulations of the aforementioned Law is to be replaced with the following clause:

> (In all cases, it is obligatory for the exporter or importer to pay for the services provided by the General Authority for Import and Export Control in accordance with the rules set by the Authority Chairman in agreement with the Foreign Trade Sector.)

<u>Article Three:</u>
Contents of Serial Nos. 39, 135, and 136 of Supplement No. 8 of reference Law are to be replaced with the following:

Serial No. 39:
Custom Item No.: 11 00 0335
Commodity: Gelatin
Custom Item No.: 19 00 0335
Commodity: Except items used to manufacture pharmaceuticals for which a license was obtained from the relevant authority in the Ministry of Health.
Inspection fee: LE 3 ($0.88) per ton of the consignment.
Serial No. 135:
Chapter 28, Items Nos. 0128 to 4228, and Item No. 4728
Commodity: Non-organic chemicals, organic or non-organic compounds, except items used to manufacture pharmaceuticals for which a license was obtained from the relevant authority in the Ministry of Health.
Inspection fee: LE 3 ($0.88) per ton of the consignment.

Serial No. 136:
Chapter 29, Items Nos.: 0129 to 3429

Commodity: Organic chemicals, organic or non-organic compounds, except the items for use of manufacturing of pharmaceuticals for which a license was obtained from the relevant authority in the Ministry of Health.
Inspection fee: LE 3 ($0.88) per ton of the consignment.

Circular No. 12/1998 issued on November 29, 1998 by the Chairman of the Board:

In implementing the provisions of Ministerial Decree No. 553 of 1998 on the precondition that the consignment is in accordance with all labeling conditions to allow storage outside the customs zone, and providing the importer agrees to re-export consignments if inspection proves non-conformability, the following have been decided:

First: Concerning Industrial Commodities:
(1) The stipulations of the list of rules executing the provisions of Law No. 118/1975 promulgated by Ministerial Decree No. 275/1991 and its amendments are to be applied, necessitating that the details included in Article 74 BIS Clause 3 be written on every package in Arabic and in clear, indelible handwriting. Consequently, all customs branches must make sure that the following appears:

A.
1. The product's name or its trademark.
2. Technical data according to stipulations in the applicable standard specifications.
3. International data or marks according to the nature of the commodity.
4. The country of origin.
5. The production and expiration dates.

All these details have to be printed or sealed with indelible ink on the packages directly or on the original card of the producing entity.

B. As for apparatuses, machines and equipment, details written on each have to be the same as those written on the package. The same applies to the country of origin. A catalogue written in Arabic containing what is stipulated in Clause 3 of Article 74 must be attached thereto.

It is not a precondition that the details on the apparatuses, machines and equipment be written in Arabic. Writing such details in the foreign language would be enough, provided that they are carved or printed or sealed with indelible ink directly on the units or on the original card of the producing entity.

(2) Temporary Release Under Custody: Temporary release under custody is to be effected by the approval of the Customs Authority's board chairman in the following cases:

a. Waiting for the laboratory test results.

b. Withdrawal of the consignment's samples or need for special preparation not available in ports.
c. Until an international inspection and review certificate is to be brought for the goods that inspection and testing thereof is not possible inside or outside the Customs Authority's laboratories.

In all cases, it is a precondition that all details are to be in conformity with what is mentioned above.

Second: Concerning Agricultural Commodities:
(1) Temporary release under custody is confined to waiting for results of analysis, provided that all the details are in conformity with what is mentioned above.

(2) Concerning the commodities which arrive in bulk form, temporary release under custody can be effected until the analysis results appear.

Third: Acceptance or Refusal (Industrial or Foodstuff):
In case of apparent conformability, the samples are to be withdrawn and procedures are to be continued.

In case of apparent non-conformability, the customs certificate is to be annotated with the following phrase:

"The items...are to be removed from the content of this certificate as it is proved from the apparent inspection that 'the importer has to re-export them.'"

Fourth: Contradicting Instructions:
Any contradictory instruction is to be superseded. This circular is to be applied starting from December 12, 1998.

<u>On December 8, 1998, a joint circular was issued by the Chairman of General Authority for Import and Export Control, and the Chairman of Foreign Trade Sector stipulating the following:</u>

With regard to implementation of the provisions of Ministerial Decree No. 553 of 1998, and in light of the outcome of actual implementation, the following should be taken into consideration:
First: Instructions included in Circular No. 12 do not apply to the following cases:
(1) Commodities shipped before November 2, 1998.
(2) Commodities, the credit for which was opened before November 2, 1998, on the condition that no elevation or extension were made after that date.
(3) Commodities that arrived at the Egyptian ports before December 3, 1998.

Second: Sustaining exemption for commodities imported for Duty Free Shops from the condition of labeling in Arabic, and instead, permitting the use of a foreign language (English or French), in addition to enclosure of a user's manual in a foreign language (English or French) for electric appliances imported for these companies, applies as per the Minister's approval.

Third: All previous instructions contrary to the above are to be cancelled.

In summary, the decree stipulates that all imported materials should have an Arabic label. The decree allows imports to free zones of products not having an Arabic label. Imports shipped before November 2, 1998 and imports with credit guarantees opened before that date are not subject to the decree.

Food Import Requirements:
There are certain food import requirements that must be observed and include the following:

A. Labeling Requirements
B. Multiple Product Samples (changed by Presidential decree 106)
C. Restrictions on the Use of Artificial Colors
D. Certification
E. Shelf-life Standards and Product Specifications
F. Shipping Documents

A. Labeling Requirements:
Egypt requires restrictive labeling for imports of food products. All food products should be packed in appropriate packages which should be clean, intact, and odorless so as to preserve the product and not affect its characteristics. Production and expiration dates must be shown on the product's packaging. Information on the label cannot be erased, scratched or altered in any way. With the exception of the production and expiration dates, information only in English (or other foreign languages) is not allowed. Dates are accepted in English, but the word "production" and "expiry" MUST be in Arabic. Arabic language is mandatory on labels.

Labeling must include the following:

- Name and address of manufacturer
- Brand or trade mark (if appropriate)
- Country of origin
- Type of product and grade
- Name and address of importer
- Production and expiration dates
- Product use instructions (optional)
- Product ingredients
- Storage instructions or storage temperature
- Net weight
- Gross weight and total number of the packages per case or carton
- If the product contains preservatives, the percentage of each preservative must be indicated

- If the product is meat or poultry, the following statement must appear: "slaughtered according to Islamic ritual" or "Halal slaughtered."

In November 1997, the Ministry of Trade and Supply issued Decree No. 465, adding new labeling requirements to the importation of meat and poultry products. The decree requires that all products must be packaged in sealed bags. Labels must be inserted inside the package as well as on the outside carton. The information on the label may be in two or more languages, as long as one is Arabic. The label must include the following information:

- Country of origin
- Producer's name and logo (if any)
- Name of slaughterhouse
- Slaughter date
- Name and address of importer
- Name of entity which issued the "Islamic Slaughter" certification

Such entities must be approved by the Commercial Office of the Egyptian Embassy (or Consulate) in the country of origin.

Currently, it is permitted to amend any information on the label. However, amendments must be done inside the Customs Authority. Any amendments can be done on a sticker. However, if dates need to be amended, it must be printed on the package (outer and inner package). Amended stickers for dates are not acceptable.

B. Multiple Product Samples:

Before the Presidential decree No. 106, issued in April 2000, as many as four ministries may draw samples depending on the product as follows:

- The Radiation Department of the Ministry of Energy and Electricity
- The Ministry of Health
- The Ministry of Agriculture (Veterinary Office), as appropriate
- The Ministry of Supply (Import and Export Control), as appropriate

All product samples should be representative of the consignment and should be drawn during the unloading process. With the exception of frozen products, each agency draws its own samples and tests the consignment independently. Samples are drawn for each type of product mentioned on the invoice and for each product with different production and expiration dates, regardless of the size and weight of the products. In many cases, inspectors pulling samples at the port lack the technical expertise in sampling the product. Sometimes they damage the sample, which is why different authorities require a complete sample such as a complete carton to assure a product's safety.

Presidential Decree 106

Presidential decree 106 was issued in April 2000 to transfer the administrative authority of food inspection to the General Organization for Export and Import Control (GOEIC), according to procedures published in following articles:

Article (1):
Inspection of exports and imports that are subjected to control procedures shall be conducted solely under GOEIC Supervision. The process shall be conducted simultaneously by the concerned authorities including Radiation, Plant Quarantine, Veterinary Quarantine, Sanitary Quarantine (MOH) and control on Artistic works and Publications.

Article (2):
Representatives of the Inspection and Control authorities shall be annexed to GOEIC's concerned branch office where a joint headquarters shall be equipped with the necessary laboratories. Those representatives shall be subjected to the administrative supervision of GOEIC. They shall be authorized to assume inspection and certification functions without referral to any higher authority.

Article (3):
GOEIC branch's chief executive shall constitute the joint committees for inspection by nature of commodity, subject of control, and shall communicate the results to the Customs Authority.

Article (4):
A representative from the Ministries entrusted with inspection and control of exports imports shall be added to GOEIC's Board of Directors if such a representation has not been in effect on the date of enforcing this Decree.

Article (5):
A Technical Secretariat shall be established with GOEIC by a decision of its Board Chairman. It shall assume the responsibility of coordination and follow-up among the various inspection agencies, in collaboration with their representatives at GOEIC branch offices, referred to in Article (2) above.

Article (6):
The Minister of Economy and Foreign Trade shall, in collaboration with the concerned Cabinet Ministers, issue the necessary decrees for the implementation: the provisions of this decree.

Article (7):
This Decree shall be published in the Official Gazette and shall enter into effect at the date of its publication.

<u>C. Restrictions on the Use of Food Additives:</u>

- Artificial Colors

The Ministry of Health increased the number of artificial colors allowed in food products to 40 colors instead of 11. However, acceptable artificial colors are not necessarily allowed in all food products. The scientific name of the color ingredient and the percentage of concentration must be indicated on the Analysis Certificate. Importers and suppliers should refer to Ministerial Decree No. 411 of 1997 issued by the Ministry of Health.

- Natural Colors

There are some natural colors extracted from fruits and plants considered to be fit for human consumption and approved by the Egyptian authorities. Importers and suppliers should refer to Ministerial Decree No. 411 of 1997 issued by the Ministry of Health.

- Preservatives

All preservatives must be identified along with the allowed concentration as a percentage in parts per million calculated on the acid base. Importers and suppliers should refer to Ministerial Decree No. 478 of 1995 issued by the Ministry of Health which lists all acceptable preservatives and concentrations.

- Flavorings

The Ministry of Health does not have a positive list of approved flavorings. However, all flavorings, which conform under CODEX or WHO, are approved in Egypt.

D. Certification:

A number of certificates are required for all imported food products. With the new decree No. 106 of 2000, only one set of certificates will be presented to GOEIC. In the past, importers had to submit copies of all import documents to each clearing agency having an interest in the product. Certificates are still required to be countersigned by the Chamber of Commerce and notarized by the Egyptian Embassy or Consulate in the country of origin, or any other Arab Consulate if there is no Egyptian Embassy or Consulate in the country of origin.

E. Shelf-Life Standards and Product Specifications:

The Egyptian Organization for Standardization and Quality Control (EOS) in the Ministry of Industry has sole responsibility for establishing, adopting, and publishing food standards and codes of practice. It is up to the Ministry of Health and Ministry of Trade to apply those standards. Any product that exceeds its established shelf-life is considered no longer fit for human consumption. Manufacturer/processor "use by" or "sell by" dating is not accepted. In 1994, the government decreed that all food products should have at least 50% of the established shelf-life remaining at the time of importation into Egypt, otherwise the product would be rejected. The shelf-life of a product is calculated from the date of production up until the date of completion for all customs procedures and import certifications at the Egyptian port of entry.

Failure to meet Egyptian product specifications constitutes one of the main reasons for product rejection. While the Egyptian Organization for Standardization and Quality Control in the Ministry of Industry sets all product standards, it is the responsibility of the Ministry of Health and the General Organization for Import and Export Control Authority (Ministry of Supply and Trade) to apply those standards.

On September 19, 1996, the Ministry of Industry issued Ministerial Decree No. 180/1996 whereby all manufacturers and importers are required to abide by Egyptian product standards. In cases where no mandatory standard exist, the following standards are acceptable:

-Egyptian Product Standards (voluntary)
-International Standards (ISO/IEC)
-European Standards (EN); in the absence of EN standards, British (BS), German (DIN), and French (NF) standards may be applied
-American Standards (ANS)
-Japanese Standards
-Codex Standards

In the absence of an Egyptian or international standard, authorities often will refer to the Analysis Certificate accompanying the product.

F. Shipping Documents:
Shipping documents must be authenticated at an Egyptian Embassy or Consulate, in the country of origin, or any other Arab consulate if there is no Egyptian Embassy in the country of origin.

PROHIBITED IMPORTS:

Although the Government of Egypt recently lifted a ban on textile imports into Egypt, there still remains an import ban on apparel. The ban is aimed at protecting the local apparel manufacturers. The import ban on textiles is permitted under the WTO's eight-year transition period. It is expected to be lifted by the year 2002.

EXPORT CONTROLS:

All Egyptian products can be exported without obtaining export approvals. Quality control of exports is voluntary.

An export duty is imposed on certain commodities produced locally in accordance with specified rates listed in Schedule (B) of the Custom Tariff promulgated by Law 351/86, and modified up to November 1998, as follows:

Tendons and sinews, parings and similar waste of raw hides and skins	LE 0.60 per 1000 KG

Molasses	LE 0.60 per 100 KG
Raw hides and skins (fresh or salted) and sheep or lamb skin	LE 1.20 per 1000 KG
Ferrous waste and iron or steel scrap	LE 11.00 per 1000 KG
Copper waste and scrap	LE 11.00 per 1000 KG
Nickel waste and scrap	LE 11.00 per 1000 KG
Aluminum waste and scrap	LE 11.00 per 1000 KG
Zinc waste and scrap	LE 11.00 per 1000 KG
Antiques over 100 years old	5%

All other kinds of goods are exempt from export duty.

STANDARDS:

Domestic industries must comply with the specifications of Egyptian standard definitions. The Egyptian Organization for Standardization and Quality Control (EOS), under the Ministry of Industry, is responsible for issuing industrial quality control certificates for local industries and for approving quality certification bodies in Egypt. Adherence to ISO 9000 specifications is optional but increasingly of interest to Egyptian exporters.

Import and export in Egypt are regulated by Law 118 of 1995. Annex (8) of the import/export regulations lists commodities subject to quality control inspection prior to admittance into Egypt. The list consists of about 135 product categories including foodstuffs, spare parts, construction products, electronic devices, appliances, and many consumer goods. Although Egyptian authorities stress that standards applied to imports are identical to those applicable to domestically-produced goods, they are more strict in enforcing product standards on imported food products than on local food products. Moreover, importers face the problems of ill-defined or unwritten product standards, and backlogs result from authorities having limited staff or too few inspection machines to conduct their quality inspections.

In general, inspection fees range between 0.5 piasters (PT) ($.015) per kilogram to 10 Egyptian pounds ($2.90) per container, with an average inspection fee of PT 1 per kilogram. (Note: There are 100 piasters (PT) to a pound.) The inspection fee for goods imported for industrial purposes is lower than that applied to goods imported for retail purposes.

Ministerial Decree 99/94 exempts from quality control inspection of industrial inputs imported by factories. In contrast, the same products, if imported for resale, are subject to inspection. Imports for personal or private use are exempt from quality control inspection.

FREE TRADE ZONES/WAREHOUSES:

The Sadat-era Law 43 of 1974 allowed the establishment of free zones in Egypt. The law was superseded by Investment Law 230. In May 1997, Law 230 of 1989 was canceled and replaced by the new investment law known as Law 8 of 1997 which regulates operations in the free trade zones of Egypt. It allows for storage, warehousing, mixing, repacking, assembly, and manufacturing for export; and provision of services to firms located in the free zones. There are eight free trade zones in Egypt: Cairo (Nasr City), Alexandria, Port Said, Suez, Ismailia, Damietta, Safaga, and Sohag. Goods exported from or imported into the free zones are not subject to normal import/export customs procedures, duties or other taxes and fees. Likewise all instruments, machinery, equipment, and transportation equipment necessary for establishments authorized within the free zones are exempt from customs and taxes. Provisions of the labor law do not apply to companies operating in free zones, nor are they subject to currency transaction controls. Commodities manufactured and/or stored in free zones are considered "imports" subject to full customs duties if they enter Egypt.

The Customs Authority supervises both public and private bonded warehouses. The Ministry of Finance authorizes establishment of the warehouses, specifying the site of the bonded area, conditions of storage, storage charges, administrative charges, expenditures, guarantees to be presented, and other conditions relating to warehousing under bond.

Imported and domestically-produced commodities, which may be bonded in either public or private sector bonded warehouses, may not be withdrawn from bond unless the necessary taxes and fees are paid or a suitable bank guarantee is provided and accepted by Customs.

MEMBERSHIP IN FREE TRADE ARRANGEMENTS:

Egypt is negotiating a free trade agreement with the European Union, as part of the EU's Mediterranean initiative. The transition periods are very long (up to 12 years), and the EU and Egypt have not yet come to terms on many attractive sectors (notably agriculture). The EU initiative carries a regional aspect, as it promises to lower barriers and harmonize procedures among regional parties, including Israel and Jordan. It also promises increased technical assistance to Egyptian industry.

Egypt is a strong supporter of regional integration and has ties through the Arab League to neighboring countries, as well as numerous bilateral agreements with Arabian Gulf and North African states. None of these currently meet the modern definition of a free trade arrangement, however, and many are being renegotiated in light of Egypt's WTO membership.

Egypt joined the Common Market for Eastern and Southern Africa (COMESA) in June 1998, reducing tariffs with COMESA partners by 90% in 1999 and committing to eliminate them entirely by 2000.

CUSTOMS CONTACT INFORMATION:

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General Authority For Export & Import Control
Mr. Fakhr Eldin Abul Ezz, President
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CHAPTER VI. INVESTMENT CLIMATE

Introduction

The climate for investment in Egypt by foreign firms has improved substantially since 1991, when Egypt launched a program of economic reforms. While American investment has traditionally been centered in the oil and gas sector, in recent years U.S. firms representing almost all sectors of the economy have launched operations in Egypt. However, the overall level of foreign investment has not been adequate to spur the growth rates necessary to provide employment opportunities for all those seeking work. While U.S. firms are largely satisfied with the revenues generated from Egyptian investments, they believe the full potential of the Egyptian market will only be met when the tax system is simplified, customs services are reformed, intellectual property protection is improved, and additional steps are taken to reduce the paperwork and bureaucracy related to local operations. The United States government estimates total current U.S. direct investment in Egypt to slightly over $2 billion.

A1. Openness to Foreign Investment

Increased foreign investment continues to be at the heart of the Government of Egypt’s (GOE) economic strategy for attaining and sustaining high economic growth rates. In October 1999, President Mubarak appointed a new cabinet under the leadership of Prime Minister Atef Ebeid with the mandate to bring fresh impetus to Egypt's economic reform program. One of the most significant organizational moves by the new prime minister was to merge the Ministry of Economy with the Ministry of Foreign Trade. The General Agency for Free Zones and Investment (GAFI) reports to the new Ministry of Economy and Foreign Trade. In a development highlighting the Government’s focus on developing Egypt’s information technology sector, the Ministry for Communication and Information Technology was formed.

Key laws related to investment include:

Investment Incentives and Guarantees--Law 8 of 1997: This statute, which replaced a 1989 law governing foreign investment, grants projects in 16 high-priority sectors special exemptions and incentives, as well as explicit guarantees, such as a prohibition against nationalization. Companies established under Law 8 enjoy a five-year tax holiday from corporate income tax. Companies established in the new industrial zones or in special projects identified by the Social Fund for Development enjoy a ten-year tax exemption. Investments in areas outside the Nile Valley receive a twenty- year tax holiday. The law also grants exemptions from certain labor requirements under the Companies' Law or the Labor Law. The Ebeid government has expanded the incentives offered by Law 8 of 1997. New regulations (law 162 of 2000 adding article 23 to law 8 of 1997) allow a tax exemption for the expansion of existing facilities covered by law 8. New activities qualifying for tax exemption have been added, such as software development and transportation of natural gas. Real estate housing projects have also been exempted from tax in support of the Government's effort to increase the stock of available housing in Egypt. The Ebeid administration also established an Investment Ministerial Committee in January 2000 to identify and correct impediments to business and investment.

Law 3 of 1998 Amending Companies Law 159 of 1981: Law 3 streamlined the procedures for establishing a new company. The most important contribution of Law 3 is the elimination of the requirement for investors to obtain the approval of the Companies Department in order to establish a new company. Under Law 3 investors only need to notify the Companies Department of their plans. Another important feature of Law 3 is its requirement that companies comply with Egyptian accounting standards. The law also provides a company or individual the right to appeal the denial of an application for incorporation.

Amendments to Capital Market Law 95 of 1992: Law 95 and its amendments and regulations govern the capital markets. In 1998 the government made significant amendments and changes to Law 95 to strengthen stock market regulations against fraud, price manipulation, and insider trading. Law 158 of 1998 allows bookkeepers and companies dealing in central depository instruments to dematerialize shares (i.e. replace physical entries for securities to book entries).

Banking Law 155 of 1998 permits private sector ownership of Egypt's four public sector banks. The GOE has not yet announced specific plans for the privatization of these four banks.

Insurance Law 156 of 1998 amended law 91 of 1995. Law 156 removes the 49 % ceiling on foreign ownership, permits privatization of national insurance companies, and abolishes the ban on foreign nationals serving as corporate officers.

Law 1 of 1998 amended Law 12 of 1964, the General Egyptian Maritime Organization Law. Law 1 permits the private sector, including foreign investors, to conduct most maritime transport activities, including loading, supplying, and ship repair.

Law 18 of 1998 amended Law 12 of 1996 to allow the government to sell minority shares of electricity distribution companies to private shareholders.

Law 19 of 1998 changed the status of the national telecommunications authority (Telecom Egypt) to a shareholding company with the government as majority shareholder, laying the legal basis for some degree of privatization. The government has announced its intention to offer 20 % of Telecom Egypt on the stock market in late 2000.

Tenders law 89 of 1998 amends the Tenders and Bidding Law 9 of 1983 governing foreign companies' bids on public tenders. It requires the government to consider both price and best value and to issue an explanation for a bid's refusal. However, the new tender law remains restrictive since an Egyptian domestic contractor is accorded priority if its bid does not exceed the lowest foreign bid by more than 15 %.

Law 161 of 1998 addresses the protection of the Egyptian economy from harmful practices in international trade such as dumping.

Commercial Law of 1999: The People's Assembly passed in 1999 a new commercial law for Egypt that superseded the prior legislation dating from 1883. The new law has more than 700 articles arranged in the five chapters: General Commerce, Commercial Contracts, Banking Transactions, Commercial Papers (including checks), and Bankruptcy.

Barriers to Investment:

The General Authority for Free Zones and Investment (GAFI), which was incorporated into the Ministry of Economy and Foreign Trade in October 1999, has the primary responsibility for regulating foreign investment. The Egyptian Government implemented law 8 of 1997 to facilitate foreign investment by creating a unified and clear package of guarantees and incentives. Remaining obstacles to investment and business include excessive bureaucracy; a shortage of skilled mid-level management; periodic shortfalls in credit facilities; inadequate intellectual property rights (IPR) protection and enforcement; and non-tariff trade barriers.

In addition, pharmaceutical prices remain controlled, although the government has decontrolled prices on other industrial products. The government uses a standard cost-plus formula to determine pharmaceutical prices for new-to-market products. Although foreign and Egyptian pharmaceutical companies argue that the price control system constrains development of the sector, it is a politically popular policy likely to remain in effect for the foreseeable future. Most agricultural product price controls have been removed except on cigarettes, rationed edible oil, bread, and rationed sugar.

Privatization: The government launched a privatization program with Public Enterprise Law 203 of 1991 and executive regulations establishing the regulatory framework for the sale of 314 public enterprises (later increased to 319 enterprises). The Public Enterprise Office (PEO) is responsible for advising on the sale of the Law 203 companies. The law permits sales to foreign entities. The pace of privatization slowed over the last two years. As of March 2000, 142 companies were privatized.

Egypt's privatization program broadened in the past years with the government opening maritime, telecommunications, and infrastructure sectors to the private sector on a build-own-operate-transfer

(BOOT) basis. In addition to awarding three BOOT contracts for power generation in 1998 and 1999, the Egyptian Electrical Authority (EEA) named a consortium led by Merrill Lynch and the Egyptian investment bank EFG-Hermes to evaluate the country's seven state-owned power generation and distribution companies for privatization. These assets have an estimated aggregate value of $14 billion.

More private sector companies, long known as closed or family businesses, are now expanding and going public, making bond or stock offerings to the public. This development represents an area of opportunity for domestic and overseas investors. Foreign investors are allowed to purchase stocks and bonds of private firms, and there are no restrictions or limits on the percentage of shares which a foreign party may acquire.

U.S. Support for Development of the Egyptian Private Sector: The U.S. Government is engaged in a broad array of projects to strengthen the Egyptian economy and improve its business climate. The United States Agency for International Development (USAID) programs reflect the importance attached by the United States and Egypt to expanding bilateral investment and trade ties. For example, USAID activities promote the latest and most appropriate technology, market opportunities, management training, international quality standards, and improved business links through computer information systems and facilities. USAID programs also include assistance in support of the Egyptian Government's privatization program.

A2. Conversion and Transfer Policies

Repatriation of Profits and Capital: Law 38 of 1994 and the executive regulations issued under ministerial decree 331 of 1994 regulate foreign exchange operations in Egypt. The government notes officially that the free market guides the rates of exchange set by the Central Bank of Egypt, other approved banks and dealers. However, the Central Bank actively monitors the exchange rate in order to assure the Egyptian pound's stability. Egypt largely eliminated foreign exchange transfer restrictions in 1991. The Foreign Currency Law 38 of 1994 further relaxed restrictions on capital transfers and emphasized the right of individuals and companies to transfer foreign exchange out of Egypt. Egyptian law allows individuals and businesses to conduct all normal foreign exchange transactions, including establishing foreign exchange accounts and transferring foreign exchange in and out of Egypt. Authorized banks may provide the full range of foreign exchange transactions, including accepting deposits, executing transfers and opening letters of credit. Law 38 maintains some restrictions on the transfer of sale proceeds of real estate owned by foreigners who are not residing in Egypt, requiring such proceeds to be transferred over a five-year period. Foreign currency is to be made available at banks and foreign exchange bureaus. Over the past two years firms regularly report experiencing delays in the processing of their requests to convert Egyptian pounds to foreign currency.

Bilateral Investment Treaty: The 1992 U.S.-Egypt Bilateral Investment Treaty provides for the free transfer of dividends, royalties, compensation for expropriation, payments arising out of an investment dispute, contract payments, and proceeds from sales. Transfers are to be made in a "freely convertible currency at the prevailing market rate of exchange on the date of transfer with respect to spot transactions in the currency to be transferred."

Remittances: Law 8 of 1997 stipulates that non-Egyptian employees hired by projects established under Law 8 are entitled to transfer their earnings abroad.

Royalty Payment: Conversion and transfer of royalty payments are permitted when a patent, trademark, or other licensing agreement has been approved under Law 8 of 1997.

A3. Expropriation and Compensation

The government has taken no expropriation actions since the 1960s. As noted in section A1, Law 8 of 1997 provides guarantees against nationalization or confiscation of investment projects under the law's domain. The law further guarantees against seizure, requisition, blocking, and placing under custody or sequestration. It also offers guarantees against full or partial expropriation of real estate and investment project property. The U.S.-Egypt Bilateral Investment Treaty also provides protection against expropriation.

A4. Dispute Settlement.

Egypt acceded to the International Convention for the Settlement of Investment Disputes in 1971. It is a member of the International Center for the Settlement of Investment Disputes (ICSID) which provides a framework for arbitration of investment disputes between the government of the host country and a foreign investor from another member state, provided that the parties agree to such arbitration. Without prejudice to Egyptian courts, Law 8 of 1997 recognizes the right of investors to settle disputes within the framework of bilateral agreements, the ICSID or through arbitration before the Regional Center for International Commercial Arbitration in Cairo. The U.S.-Egypt Bilateral Investment Treaty also provides for non-binding, third party arbitration in investment disputes.

Egypt's Dispute Settlement Law 27 of 1994 and its 1997 amendment provide a comprehensive framework for the arbitration of all domestic and international commercial disputes and limited challenges of arbitration award in court. Law 27 was amended in 1997 to include disputes between public enterprises and the private sector. A special order is required to challenge an arbitration award and such orders are only granted if there is a strong case for successfully challenging the award.

In July 1999, the Minister of Justice issued a decree to establish a system of special courts for investment disputes. The decree calls for the development of a corps of judges specialized in investment matters.

Egypt adheres to the 1958 New York Convention on Enforcement of Arbitration Awards; the 1965 Washington Convention on the Settlement of Investment Disputes between States and the Nationals of Other States; and the 1974 Convention on the Settlement of Investment Disputes between the Arab States and Nationals of Other States.

Investment problems involving U.S. persons or companies do exist. Resolution of cases and collection of delinquent debt can involve lengthy court proceedings and negotiations.

A5: Performance Requirements and Incentives

Performance requirements are not specified in Investment Law 8. The ability to fulfill local content requirements is no longer required to obtain an approval to set up an assembly project. However, assembly industries must meet a minimum local content requirement of 40% in order to benefit from customs tariff reductions on imported industrial inputs. In July 2000, a decree was issued increasing this percentage to 45%. Companies report that they are limited to one expatriate hire per nine Egyptian employees according to the current Labor Law (law 137 of 1981).

Tax Incentives: Under Law 8 of 1997, foreign companies enjoy various tax incentives. Law 8 provides a general tax exemption of five years for any project operating in one of the 16 fields covered by the law. Specific incentives of 10 years are granted to projects in new industrial zones, certain urban communities, remote areas and Social Fund for Development projects. Tax exemptions of 20 years are granted to projects outside the Cairo area. All investment projects are granted exemptions from notarization and notification fees; payment of inheritance tax on 25% of heir's share in invested capital; and income tax on a portion of dividends after the exemptions expire.

Companies covered under Law 3 of 1998 can benefit from incentives (notably tax holidays) offered for investments in designated areas set forth in the Communities Law and have access to subsidized fuel and power. In addition, companies registered in the Commercial Register which employ more than 50 employees are eligible for a five-year tax holiday.

Pricing and Customs Preferences: The Egyptian government may not intervene to set the prices or profits of companies established under Law 8. The Egyptian government does regulate prices for basic foods and commodities (i.e. bread and sugar) and pharmaceuticals. Per Ministry of Finance decree, machinery and equipment imported for projects operating under Law 8 are assessed a flat 5% tariff rate. Assembly industries must meet a minimum local content requirement of 45% to benefit from customs tariff reductions on imported industrial inputs.

Geographical Areas: There are no formal legal geographical restrictions on investments. However, the heavy congestion in Cairo often prompts government officials to deny approval for investments in Cairo unless an economic rationale exists. Upon request, government officials will assist investors in locating project sites, for example, in one of the newer industrial zones located outside Cairo, and the government will sometimes provide necessary infrastructure. In addition to new areas surrounding Cairo, the government has targeted Upper Egypt (Upper Egypt refers to the south of Egypt) for development by private investors. Land in the southern industrial zones is offered free of charge and the Government will provide infrastructure (water, sewer, electricity, and gas) and title transfers to the developer three years after project startup.

Export and Import Policies: In 1993, the government eliminated the list of goods which required approval prior to their importation. The poultry ban was lifted by the end of July 1997 and was replaced by an 80% tariff subject to annual reduction. On January 1, 1998, the textiles ban was also lifted. The remaining ban on apparel is scheduled to end on January 1, 2002.

Several GOE measures were implemented in 1998 which had the effect of limiting imports. Ministerial Decrees 577 and 580 require cars to be imported in the year of production only. In November 1999, the Minister of Economy & Foreign Trade issued a decree adjusting Decree 619 (which had contained restrictive rules on origin of imports) to allow the shipment of imported consumer goods from the main branches of the producing company and its distribution centers. Regulations were also implemented to facilitate the ability of firms to meet the requirement for a certificate of origin. This requirement can now be fulfilled with a company invoice noting the country of origin and bearing the endorsement of an Egyptian overseas commercial office. In May 1999, the Central Bank of Egypt required 100% coverage for credit lines opened for certain commodities imported for resale purposes. These commodities include sugar, steel, and luxury goods.

Product specification also can be a barrier to trade. For example, the Ministry of Health requires that beef imported for direct human consumption have less than 7% fat, a level virtually never reached in premium beef exports. Ministerial Decree 1 of 1998 sets textile labeling requirements that are very difficult to meet.

Some items are inspected for quality control prior to admittance into Egypt. The government stresses that standards applied to imports are the same as for domestically produced goods, but in practice, imports are subject to different inspection tests.

Tariffs range between 5-40%, with exceptions on the upper end for poultry meat (with tariffs up to 80%) and luxury goods (automobiles, tobacco, and alcoholic beverages).

Egypt sets the shelf life of processed foods by regulation, as opposed to the standard international practice of allowing producers to determine the life of their product. Early in 1994, the government decreed that products (mainly food) entering Egyptian ports should have 50% or more of their shelf life remaining. Egyptian shelf life standards ignore quality differences between producers and are often established without scientific basis. An August 1994 decree applies shelf life standards to certain non-food imports such as syringes and catheters.

The import process remains cumbersome. Imported refrigerated containers of foodstuffs typically take 25 days to clear customs. Two month delays or longer are not uncommon.

Although the GOE promotes and facilitates exports, no formal export subsidies exist and the government does not impose export performance requirements. Exporting industries, including Investment Law 8 projects, receive rebates on duties paid on imported inputs following export of the finished product. Animal hides and scrap metals (except stainless steel) are the only items banned from export. The import-export paperwork process has been greatly simplified from past Egyptian practice, but several days are still needed for processing.

In a development with potential positive implications for exporters to Egypt, the GOE mandated this year by Presidential Decree 106 the consolidation of its many import inspection offices under one entity, the General Authority for Import and Export Controls of the Ministry of Economy and Foreign Trade.

A6: Right to Private Ownership and Establishment

Law 8 of 1997, Law 3 of 1998, and Law 95 of 1992 govern investment in Egypt. Foreign investors may own up to 100 % of businesses within the scope of this legislation. This section also discusses several other regulations.

Investment Incentives and Guarantees Law 8 of 1997: Law 8 of 1997 is designated to allocate investment to targeted economic sectors and to promote decentralization of industry from the crowded geographical area of the Nile Valley. It repealed Investment Law 230 of 1989, except for the requirement for annual distributions to employees of not less than 10 % of profits. Law 8 of 1997 and its executive regulations and amendments (Prime Ministerial Decree 2108 of 1997, Prime Ministerial Decree 1585 of 1998 and law 162 of 2000) group some 20 incentives under one law. The law allows 100 % foreign ownership and guarantees the right to remit income earned in Egypt and to repatriate capital. Key provisions include: the guarantee against confiscation, sequestration and nationalization; the right to own land; the right to maintain foreign currency bank accounts; freedom from administrative attachment; the right to repatriate capital and profits; and equal treatment regardless of nationality.

Under Law 8, qualifying investments in many fields are assured approval. These areas include land reclamation; fish, poultry and animal production; industry and mining; tourism (covering hotels, motels, tourist villages and transportation); maritime transportation; refrigerated transportation for agricultural products and processed food; air transportation and related services; housing; real estate development; oil production and related services; hospitals and medical centers that offer 10 % of their services free of charge; water pumping stations; venture capital; computer software production; projects financed by the Social Fund for Development; leasing; and guarantees for subscription in securities.

Additional Incentives and Measures: Law 8 and other measures provide projects in the government-sponsored Toshka or “New Valley” developments with significant incentives. In June 1998, the government added the new industrial zones East of Oweinat and Northwest of the Gulf of Suez to the list of special government projects. As of May 1999, there are eleven new industrial zones built in satellite cities in the desert areas outside of Cairo and Alexandria and around the cities of Minya and Beni Suef.

Some projects still require prior approval from relevant ministries in addition to GAFI. These include investments in the Sinai, all military products and related industries, and tobacco and tobacco products. Law 15 of 1963 prohibits foreign ownership of areas designated as agricultural lands, except for desert reclamation projects.

Companies Law 3 of 1998, amending Law 159 of 1981: This measure applies to investments in sectors not covered by Law 8 of 1997, including shareholder, joint stock, and limited liability companies and representative and branch offices. Law 3 allows for automatic company registration upon presentation of an application to the Companies Department at the Ministry of Economy, with some exceptions. These exceptions include denials based upon noncompliance with procedures and laws, as well as lack of the qualifications requisite to operating a business. Founders of joint stock and limited liability companies must submit a bank certificate showing a 10 % deposit of the issued capital to the Companies Department. The amendment also provides for the right to petition a denial of incorporation; removes the requirement that at least 49 % of shareholders be Egyptian; allows 100 % foreign representation on the board of directors; and strengthens accounting standards.

Representative offices may be established in Egypt to conduct market research in scientific, technical or consulting fields. They are required to be funded entirely by remittances from abroad in foreign currency. Representative offices cannot engage in commercial activities and are not subject to Egyptian tax. The Companies Department at the Ministry of Economy regulates representative offices. Branch offices are found mainly in the sectors of oil, construction, and construction consulting industries and services. They come under the supervision of the Companies Department of the Ministry of Economy.

Capital Market Laws: The Capital Market Law 95 of 1992 grants foreign investors full access to capital markets and, in combination with the Banking Laws of 1992 and 1993, constitutes the primary regulatory framework for the financial sector. The law permits the establishment of Egyptian and foreign companies that provide underwriting of subscriptions, brokerage services, securities and mutual funds management, clearance and settlement of security transactions, and venture capital activities.

Law 95 also authorizes the issuance of corporate bonds, eliminated the 7 % cap on bond interest rates, and authorized bearer shares. The law eliminated taxes on income from most stocks and bonds; established mechanisms for arbitration and legal dispute resolution; and prohibited unfair market practices. Law 95 empowered the Capital Market Authority to be an independent watchdog over the securities industry.

The government in 1998 decreed that listed companies must adopt international accounting and auditing standards, and the CMA ruled that directors of securities firms must fulfill expertise requirements. The CMA and the Cairo Stock Exchange regularly publish reports on trading and market conditions.

Banking Laws: Laws passed in 1992 and 1993 allow foreign bank branches to deal in Egyptian currency. Foreign banks are guaranteed national treatment. The government requires banks to follow systems of loan classification and provisioning. Early in 1997 the Central Bank of Egypt (CBE) required banks to apply international accounting standards (IAS) and to publish an annual financial report based on IAS. To facilitate greater transparency in the economy, the Central Bank began publishing in April 1997 a monthly bulletin containing information on key economic and financial developments. The Ministry of Economy and Foreign Trade also began a monthly economic statistics digest.

According to a recent report of the National Bank of Egypt, Egypt's banking sector consists of 7 public sector banks (3 specialized and 4 commercial), 31 investment and merchant banks (11 joint venture and 20 foreign bank branches) and 24 commercial banks, as well as 2 off-shore registered banks.

In January 1998 the People's Assembly passed Income Tax Law 5 which eliminated the tax deduction for interest paid on funds borrowed by banks to purchase government treasury bills, as well as the deduction for interest earned on T-bills. Law 5 also allows banks to double their non-performing loans provisions to 10 % of their pre-tax income. The new law is intended to spur banking services innovation and loan activity to smaller businesses.

Leasing Law 95 of 1995: Law 95 allows for the leasing of capital assets and real estate. It is designed to reduce the high start-up costs faced by new investors. Notably, the law specifically allows for the purchase of real estate assets through leasing mechanisms, superceding old laws that limited the right of foreigners to own land.

R&D Projects: With the exception of government-funded R&D programs in the agricultural field, there are no large-scale R&D activities in Egypt. There is no discrimination against U.S. and other foreign firms wishing to participate in R&D programs in Egypt. Most Egyptian R&D programs are established by the government to target specific problems and opportunities. Although science and technology (S&T) development has been declared an official priority, the percentage of the government budget devoted to S&T spending is low.

A7: Protection of Property Rights

The Egyptian Constitution of 1971, as amended in 1980, states that the Islamic Law (Shari'a) is the basis of all laws. Laws issued prior to 1980 need not comply with this provision, but new regulations must conform with Islamic Law. The 1948 Civil Code and the 1883 Commercial Code were the basic laws governing commercial contracts and transactions. The People's Assembly approved in May 1999 a new commercial law amending and largely superceding the 110-year-old commercial code.

The Egyptian legal system provides protection for real and personal property, but laws on real estate ownership are complex and titles to real property may be difficult to establish and trace. The government is moving slowly to modernize the laws on real estate ownership and tenancy. In 1997 the GOE passed legislation eliminating price controls on commercial space following enactment of a similar law pertaining to agricultural land leases in 1996.

The mortgage facility in Egypt is underdeveloped. Real estate mortgages can be registered with the Land Register, but the registration fee is prohibitive, equal to 1.5 % of the amount being secured by the mortgage. Residential mortgages are basically unenforceable because the legal system provides no right to evict for non-payment. “Pledges” of personal property are possible, but they are only effective if the creditor takes actual possession of the property. The only non-possessory security interest in personal property available in Egypt is a “commercial” mortgage or mortgage of the "fonds de commerce.” This type of mortgage covers tangible as well as intangible assets of a business (ranging from equipment to “good will”) and is registered at the Commercial Register, but can be granted only by banks registered with the Central Bank. The government hopes to pass a new mortgage law during the next session of the People's Assembly.

Intellectual Property Rights: Due to a lack of progress in patent protection and in the enforcement of copyright protection, the United States Trade Representative placed Egypt on a “priority watch list” in April 1998, and retained this designation in 1999 and in 2000. Egypt is a signatory to the GATT TRIPS Agreement, the Bern Copyright Convention, the Paris Patent Convention, the Paris Convention for Protection of Industrial Property of 1883, the Madrid Convention of 1954, and the Nice Convention for the Classification of Goods and Services.

Patents: The existing Egyptian patent law (Law 132 of 1949) provides protection below international standards. It contains overly broad compulsory licensing provisions and excludes from patent coverage substances prepared or produced by chemical processes if such products are intended for food or medicine. The patent term is 15 years from the application filing date, compared with the international standard of 20 years. A 5-year renewal may be obtained only if the invention is of special importance and has not been adequately worked to compensate patent holders for their efforts and expenses. Compulsory licenses, which limit the effectiveness of patent protection, are granted if a patent is not worked in Egypt within three years or is worked inadequately.

Egypt has drafted, but not passed, legislation designed to improve patent protection by providing product versus process patents, increasing the protection period to 20-years, and offering fair prerequisites for compulsory licensing. However, the government may opt to delay the protection of pharmaceutical products according to the transitional period provision but not to delay the entire law implementation of the legislation, once passed, to take advantage of the transition period through 2005 granted to developing countries under the WTO TRIPS agreement.

In addition, the Egyptian government has taken serious steps towards improving IPR and meeting its WTO TRIPS obligations by promulgating a Prime Ministerial decree on Exclusive Marketing Rights (EMR) in March 2000 for qualifying pharmaceutical products, as well as preparing a draft decree regarding data exclusivity.

Copyrights: Since late 1997, Egypt has strengthened the enforcement of copyright protection laws already on the books, although enforcement remains erratic and inadequate. Through the recent conviction of a local software pirate and punitive measures taken against local business using pirated software, the Government of Egypt has demonstrated greater willingness to implement copyright laws. Law 29 of 1994 amended the Copyright Law (Law 38 of 1992) to ensure that computer software was afforded protection as a literary work, allowing it a 50-year protection term. Law 38 of 1993, an amendment to the out-of-date 1954 copyright law, increased penalties against piracy and provided specific protection to computer software. A 1994 decree also clarified rental and public performance rights, protection for sound recordings, and the definition of personal use.

Trademarks: Egypt is considering completely revising its laws in order to enhance significantly legal protection for trademarks and industrial designs. The current trademark law, Law 57 of 1939, is not enforced strenuously and the courts have only limited experience in adjudicating infringement cases. Fines amount to less than $100 per seizure, not per infringement. Judgments and enforcement must be made separately in each of the 26 governorates.

The Commercial Register and the Ministry of Justice are now studying a new trademark law, which takes into consideration the duration of the non-use of a registered trademark according to international standards. In the existing law, the duration is five years, while according to the TRIPS Agreement, the duration is only three years.

Trade Secrets: Egypt does not have specific trade secrets legislation. Protection of commercially valuable information is possible through contractual agreement between parties. Breach of contractual terms of protection can be remedied in legislative proceedings under either the civil or criminal code, depending on the severity of the damage caused.

Semiconductor Chip Layout Design: There is no separate legislation protecting semiconductor chip layout design, although Egypt signed the Washington Semiconductor Convention.

U.S. Support for Intellectual Property Rights Protection: The U.S. provides significant support for Egyptian efforts to increase intellectual property rights (IPR) protection, primarily through USAID programs. Those programs include the Strengthening Intellectual Property Rights in Egypt (SIPRE) project. SIPRE furnishes technical support for such efforts as modernizing Egypt's patent office and improving the automation of its trademark system. In a USAID-funded program, the U.S. Commerce Department's Commercial Law Development Program (CLDP) contributes to the development of the Egyptian legal environment for business and investment by conducting conferences in areas such as IPR enforcement and customs administration.

A8. Transparency of the Regulatory System

The streamlining of Egyptian investment procedures during recent years, as outlined in other sections of this report, represents constructive steps towards improving Egypt's business environment. However, there is still room for improvement. Significant obstacles continue to hinder private sector investment in Egypt. They include the often arbitrary imposition of bureaucratic impediments and the length of time that must be spent resolving them. Import clearance remains difficult, as several ministries have overlapping regulatory authority. In addition, quality control is a major issue for importers. Enforcement of health and safety regulations is uneven, and enforcement is complicated by a multiplicity of laws, agencies, and opinions. For example, at least four ministries regulate the operation of restaurants. Egypt's accounting system is not consistent with international norms.

In May 1998, the government passed Law 89 of 1998 as an amendment to the Tenders and Bidding Law 9 of 1983 to improve equality and transparency in government procurement. Key provisions of the new law include: a prohibition on transforming a bid into a tender (a main defect of Law 9); more transparency in the criteria for bid acceptance and rejection; equality among bidders, contractors and government agencies; more weight given to the technical aspects of a tender or bid; protection of contractor rights; reduction of insurance fees; immediate return of deposits once the government announces bid or tender results; and the establishment of a Central Office for Complaint Resolution in the Ministry of Finance.

A9: Efficiency of Capital Markets and Portfolio Investment

Egypt has made considerable progress in modernizing its capital markets since the passage of Law 95 of 1992. The Privatization Program, particularly between 1995 and 1997, was a major spur for development of the capital markets and foreign investor interest. The capital markets sector, as of March 2000, consists of 30 mutual funds (23 managed and traded in Egypt and 7 offshore), 24 portfolio investment management companies, 20 underwriters, 9 venture capital firms, 140 brokerage firms and one central depository for clearing and settlement. As of May 2000, the market capitalization of the Cairo and Alexandria Stock Exchange (CASE) was approximately $38 billion with 1051 companies listed. Trading volume in 1999 was 1.1 billion shares, but largely confined to a few heavily traded companies. Trading value for 1999 was $12.4 billion, of which U.S.$10.5 billion was in listed securities.

In March 1999, Moody's Investors Service assigned a Baa1 rating to the domestic currency bonds issued by the Government of Egypt. In July 2000, Standard and Poor's gave Egypt an investment grade rating of BBB-, the same ranking it received in 1997. European and U.S. mutual funds now include Egyptian stocks, and 54 local issues are included in the International Finance Corporation's general index. Six Egyptian companies are traded on the London Stock Exchange. As of April 2000, Global Depository Receipts (GDRs) had been issued by the Egyptian firms of Commercial International Bank, Suez Cement, MIBank, Ahram Beverage, and EFG-Hermes. The GDRs are traded in London.

The government continues to introduce measures to bring the market closer to international standards. Companies listed on the CASE are required to apply international accounting and disclosure standards. Stocks are delisted from the exchange if not traded for six months. Settlement of transactions now takes three days, a significant improvement over the eleven days needed two years ago.

USAID/Cairo is working with Egyptian government authorities and the CASE in an ambitious four-year $32 million technical assistance program for the development of the Egyptian capital market. The project is working in four major areas: legal and regulatory reform, automation, institutional development and debt market development.

The development of markets for government and corporate bonds lags behind the growth of the equity market. Since 1994 there have been 33 issues of corporate and 8 issues of medium-term government bonds. Treasury bonds are traded on the stock market. The GOE is currently exploring strategies for developing a secondary market for government securities.

A10. Political Violence

There have been no terrorist attacks directed at foreigners since 1997 attacks in Luxor and Cairo. Because the extremists have been more active in the Nile Valley Governorates of Minya, Assiut, Sohag and Qena (North of Qena City), these areas are considered a greater risk for travelers. Prior to travel to these governorates, U.S. citizens are urged to seek advice from the Consular Section of the U.S. Embassy, licensed tour operators, and/or the tourist police authorities responsible for those areas. The U.S. Embassy periodically receives information concerning extremists' intentions to target tourists and American interests in Egypt, including U.S. Government buildings. In light of this information, Americans are urged to be vigilant and exercise good security practices while in Egypt.

A11: Corruption

Corruption in Egypt is considered a criminal act. Two agencies under the authority of the Cabinet of Ministers--the Administrative Control Authority (ACA) and the Illicit Gain Office (IGO)--oversee enforcement of corruption laws in the public sector. In the private sector, there are two types of corruption cases. Commercial disputes are subject to international commercial law and Law 27 of 1994. Civil cases are adjudicated by the district attorney's office and the civil courts. The ACA and IGO may intervene when corruption occurs in the private sector if public money and the public interest are involved. Egypt is not a signatory of the OECD Convention on Combating Bribery. While U.S. firms occasionally report corruption by lower-level government officials, they do not identify corruption as an obstacle to foreign investment.

B. Bilateral Investment Agreements & Regional Cooperation

In 1992, the U.S. and Egypt implemented a Bilateral Investment Treaty. The treaty provides for fair, equitable, and non-discriminatory treatment for investors of both nations. The treaty includes provisions for international legal standards on expropriation and compensation; free financial transfers; and procedures for the settlement of investment disputes, including international arbitration.

Egypt has signed investment agreements with the U.S., Germany, the United Kingdom, Sweden, Switzerland, Japan, the Netherlands, Belgium, Luxembourg, France, Italy, Greece, Finland, Romania, Sudan, Morocco, Thailand, China, Tunisia, Armenia, Libya, and Singapore.

In addition to investment agreements, Egypt is a signatory to a wide variety of agreements covering trade issues. The Egypt and U.S. signed on July 1, 1999, a Trade and Investment Framework Agreement (TIFA). The TIFA is a step toward creating freer trade and increased investment flows between the U.S. and Egypt.

Egypt has been in negotiations with the European Union on an association agreement under the Mediterranean initiative since 1995. In January 1998, Egypt began implementing agreements reached with Arab League members in connection with the Arab Common Market treaty of the 1960's. These agreements call for phasing out existing tariffs over a 10-year period.

Egypt joined the Common Market for Eastern and Southern Africa (COMESA) in June 1998. According to this agreement, tariffs among member countries are to be phased out by the October 31, 2000. Further information on Egypt's investment and trade regimes can be found in the National Trade Estimate Report on Foreign Trade Barriers produced by the U.S. Trade Representative. In addition, the World Trade Organization (WTO) conducted a Trade Policy Review of Egypt on June 24-25, 1999.

C. OPIC, TDA, Ex-Im and Other Investment Programs

The U.S. Overseas Private Investment Corporation (OPIC), the U.S. Export-Import Bank (Ex-Im) and the U.S. Trade and Development Agency (TDA) are focusing increased attention on supporting U.S. trade and investment in Egypt. High level delegations from all three agencies visited Egypt in 1999.

Egypt and OPIC signed in July 1999 an updated investment agreement to facilitate the ability of the agency to provide political risk insurance for U.S. private investment as well as for bid, performance, advance payment, and customs bonds and guarantees issued on behalf of U.S. suppliers and contractors in Egypt.

Since its inception in 1981, TDA has provided $35 million in funding for feasibility studies, orientation visits, training grants, and conferences that support economic needs and priorities in North Africa and the Middle East. In March 1999, TDA provided a $750,000 grant to the Egyptian Arab Trading Company for a feasibility study on the construction of the Suez Petrochemical

Complex. In April 1998, TDA awarded a $400,000 grant to the Egyptian Civil Aviation Authority to fund a feasibility study for the complete technical, financial, and environmental review of the conversion and expansion of the Borg El Arab airport west of Alexandria.

The Export-Import Bank of the United States is an independent U.S. government agency that finances the overseas sales of U.S. goods and services. Since inception in 1934, Ex-Im Bank has provided financing for transactions totaling more than $300 billion. The U.S. Export-Import Bank (Ex-Im) total actual exposure in Egypt is currently $45.9 million.

USAID’s Commodity Import Program is a substantial source of support for U.S. imports. Through this program, Egyptian importers work with local banks to finance imports from the U.S. Egypt is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

D. Labor

Egypt's labor force has grown at an annual rate of around 2.7 % in recent years, adding more than 500,000 new entrants into the labor market each year. According to foreign investors, certain aspects of the current labor law are significant business impediments, particularly the difficulty of dismissing employees. The government's labor policy is widely viewed as outdated: workers are not legally allowed to strike; workers remain unfamiliar with the dynamics of market-based economies; and qualified specialists are in short supply. In 1996, the government drafted a new labor law, but the law still awaits approval from the People's Assembly.

The abundance of labor has led to low prevailing wages and the use of labor-intensive technologies. Foreign companies frequently pay higher wages and attract workers with higher than average skills. Hundreds of thousands of Egyptians seek employment abroad on both temporary and permanent bases.

Workers may join trade unions but are not required to do so. A union local, or workers' committee, may be formed if 50 employees express a desire to organize. Most union members, about 27% of the labor force, are employed by state-owned enterprises.

There are 23 general trade unions and about 1,855 local committees (local trade unions). All are required to belong to the Egyptian Trade Union Federation (ETUF), the sole legally recognized labor federation. The International Labor Organization's Committee of Experts repeatedly has emphasized that a law requiring all trade unions to belong to a single federation infringes on the freedom of association, but the government has not changed the law. The ETUF speaks vigorously for worker concerns but public confrontations between the ETUF and the government are rare. Disputes are more often resolved by consensus behind closed doors.

The labor laws do not adequately provide statutory authorization for the rights to strike and to engage in collective bargaining. Even though the right to strike is not provided, strikes occur. The government considers strikes a form of public disturbance and hence illegal.

Unions may negotiate work contracts with public sector enterprises if the latter agree to such negotiations, but unions otherwise lack collective bargaining power in the state sector. Under current circumstances, collective bargaining does not exist in any meaningful sense because the government sets wages, benefits, and job classifications by law. Firms in the private sector generally do not adhere to such government- mandated standards. Although they are required to observe some government practices, such as the minimum wage, social security insurance, and official holidays, they often do not adhere to government practice in non-binding matters, including award of the annual Labor Day bonus.

Labor law and practice are the same in the free zones as in the rest of the country. Article 13 of the Constitution prohibits forced labor. However, the Criminal Code authorizes sentences of hard labor for some crimes. Although the law does not specifically prohibit forced and bonded labor by children, such practices are not known to occur.

According to the Child Law approved in 1996, the minimum age for employment is 14 in non-agricultural work. Provincial governors, with the approval of the Minister of Education, can authorize seasonal work for children between the ages of 12 and 14, provided that duties are not hazardous and do not interfere with schooling. Pre-employment training for children under the age of 12 is prohibited. It is prohibited for children to work for more than 6 hours a day, including one or more breaks totaling at least 1 hour. Children are not to work overtime, on their weekly day off, between 8 p.m. and 7 a.m., or more than 4 hours continuously. Education is compulsory for the first 9 academic years (typically until the age of 15). Despite legislation to end it, child labor persists in Egypt. Statistical data is uncertain, but the phenomenon is widespread, especially in rural areas. Poverty is a major factor, with key elements being the educational and occupational level of the parents. The government and NGO's are working to alleviate some aspects, but stubborn and persistent poverty is likely to continue to abet the problem.

For government and public-sector employees, the minimum wage is approximately $33 (about 113 Egyptian pounds) a month for a 6-day, 42-hour workweek. Base pay is supplemented by a complex system of fringe benefits and bonuses that may double or triple a worker's take-home pay. The average worker and family could not survive on a worker's base pay at the minimum wage rate. The minimum wage is also legally binding on the private sector, and larger private companies generally observe the requirement and pay bonuses as well. Smaller firms do not always pay the minimum wage or bonuses.

The Ministry of Labor sets worker health and safety standards, which also apply in the export processing zones, but enforcement and inspection are uneven. The law prohibits employers from maintaining hazardous working conditions, and workers have the right to remove themselves from hazardous conditions without risking loss of employment.

E. Foreign Trade Zones and Ports

There are six active free zones: Nasr City (near Cairo Airport), Alexandria, Damietta, Ismailia, Suez and Port Said. New extensions are being added to Port Said and Damietta and new zones are planned in North Sinai and the Red Sea. Free zones are established by a decree by the Council of Ministers. They are subject to Investment Law 8 and are open to investment in any sector. Companies producing largely for export (normally 80% or more of total production) may be established in the free zones and operate in foreign currency.

Companies operating in free zones are exempt from customs duties, sales taxes or taxes and fees on capital assets and intermediate goods. However, warehouse companies are subject to an annual fee of 1% on the imported product's value, and production and assembly profits are subject to an annual fee of 1% on the exported product's value.

Concession agreements in such areas as petroleum, natural gas and mineral exploration and exploitation, although not explicitly covered by Investment Law 8, receive many of the privileges of free zone ventures. Concession agreements must be negotiated separately with the GOE and are subject to legislative approval.

F. Foreign Direct Investment Statistics

Measurements of foreign direct investment (FDI) in Egypt vary according to the source and the definitions employed to calculate the figure. The U.S. Department of Commerce calculates the stock of U.S. FDI as of July 2000 at around $2.036 billion.

In addition to their major role in the energy sector, U.S. firms are active in banking and in a wide range of manufacturing industries, producing goods for the domestic and export markets. Examples of U.S. investors include American Express, Citibank, Coca Cola, Ralston Purina, Eveready, General Motors, Johnson and Johnson, Procter and Gamble, Pfizer, H.J. Heinz, Gillette, American Standard, Bristol-Myers Squibb, PepsiCo, Pioneer, and Xerox.

CHAPTER VII. TRADE AND PROJECT FINANCING

DESCRIPTION OF THE FINANCIAL SYSTEM:

The central objective of the Egyptian Government's economic reform program, as it relates to the financial sector, is to increase the level of real growth, with a greater role for the private sector in banking and insurance. The elements of this financial reform are:

Privatization of the banking system:
The Egyptian Government is slowly selling off the shares held in commercial banks, by Egyptian Government institutions. However, plans to privatize the four largest state-owned banks (see below) have been put off indefinitely.

<u>Privatization of insurance companies:</u>
The People's Assembly (Egyptian Parliament) has endorsed a new insurance law that allows up to 100% ownership by foreign insurance companies, and allows for the privatization of public sector insurance companies. Accordingly, two new foreign insurance companies are now operating in the market; Alico of the U.S. and Legal and General of the U.K.

<u>Upgrading the Egyptian stock market:</u>
The securities market has been revitalized since 1994 and now has a market capitalization of LE 128 billion (US$37 billion). The GOE aims to upgrade the financial information system linking the Cairo and Alexandria stock markets. Companies in the stock exchange are required to comply with international accounting standards in preparing and publishing their financial statements. Moreover, an automated trading system will be operating by the end of 2000 for the Egyptian Stock Exchange.

DESCRIPTION OF THE BANKING SYSTEM:

With the exception of two banks exempted from Central Bank of Egypt (CBE) control by law or treaty, all banks in Egypt are subject to CBE supervision. The two exempted banks are the Arab International Bank and the National Investment Bank. According to CBE officials, a third bank, Nasr Social Bank, is currently in the process of exemption from CBE supervision. The Egyptian banking system consists of 64 banks:

- 28 commercial banks
- 31 investment banks
- 3 specialized banks

From 1957 to1974, nationalization had a dramatic impact on Egypt's financial system. The closure of the Egyptian stock market and the confiscation of Egypt's 27 commercial banks and specialized banks turned the financial system into a stagnant, non-competitive sector. Only fully-owned Egyptian banks were permitted to operate in the country. Although the banking system has since been opened to private sector banks, the four state-owned commercial banks still dominate the banking market due to their large size in terms of assets, deposit base and branches. In 1974, Investment Law 43 permitted joint-venture commercial and investment banks with a minimum of 51% Egyptian ownership into the Egyptian market. Law 43 also gave these banks equal national treatment and tax benefits. However, foreign bank branches were restricted to foreign currency business until the March 1993 amendment to Banking Law 37/1992 permitted existing foreign bank branches to engage in local operations. The 27 Investment Law banks consist of 11 joint-venture banks and 16 foreign bank branches. On June 16, 1995, the Parliament approved the bill amending the Banking and Credit Law 163/1957 and Law 120/1975 permitting majority foreign ownership in joint-venture banks. Current reforms of the banking sector focus on the regulatory framework, institutional improvement, and use of sophisticated information technology packages to link banking services.

The banking system deposit base and loan portfolio totaled LE 245 billion ($72 billion) and LE 222 billion ($65 billion) respectively, at the end of February 2000. Banks are, theoretically, free to set their own interest rates and exchange rates, which the CBE closely monitors through a series of formal and informal guidelines. The CBE uses T-Bill auctions and discount rates, in its monetary policy. The CBE regulates the banking system by setting reserve and liquidity requirements and rules for loan classification. The minimum paid-in capital requirement for banks under Banking Law 37/1992 is LE 50 million ($14.7 million). A deposit insurance fund is being phased in and membership will be obligatory for all banks operating in Egypt, including foreign bank branches.

As of 1999, the following American banks offer full-service banking in Egypt, in both local and foreign currencies: Citibank, American Express Bank, Bankers Trust, Bank of New York, Chase Manhattan, and one Egyptian-American joint-venture commercial bank, Egyptian-American Bank.

Some foreign banks are dealing with Egyptian or international banks in Egypt without having a subsidiary. Under Banking Law 37/1992, as amended by Law 101/1993, foreign banks operating in Egypt, whether joint ventures or branches, receive equal treatment and are subject to the same regulations as national banks. Due to the large number of banks now operating in Egypt, CBE policy regarding new entrants into the banking market, whether foreign or Egyptian, is very restrictive and no new banks have been licensed.

FOREIGN EXCHANGE CONTROLS AFFECTING TRADE:

Egypt liberalized foreign exchange rates in February 1991, conducting transactions through two markets: the primary market for government transactions and the free foreign exchange market. Effective October 8, 1991, the primary market was eliminated, and all transactions now are effected through the free market. The Egyptian pound exchange rate versus U.S. dollar has been stable from May 1991 to June 1999 at LE 3.4 per 1 USD. Foreign exchange is easily available in the banking system or in foreign exchange companies. As of the end of February 2000, the CBE had accumulated $15.6 billion in reserves.

Foreign Exchange Law of May 1994 allows individuals and legal entities to retain and transfer foreign exchange in Egypt and abroad. The new law stipulates that banks can engage in all foreign exchange transactions. Under this law, exporters and tourism companies are no longer obliged to repatriate their foreign exchange proceeds to Egypt. The only foreign exchange restriction is a five-year period for transfer of sales proceeds of real estate in Egypt owned by foreigners residing outside Egypt. Although the law does not specify the terms of transfer of sales proceeds, the assumption is that transfers will be made in equal installments over a five-year period.

GENERAL AVAILABILITY OF FINANCING:

Banks may not be the only source of finance because of the availability of the emerging securities market, as well as the availability of donor-assistance credit lines, such as USAID and other bilateral aid, EU credits for the private sector, and the Social Fund for Development which is mainly donor-financed.

The Egyptian banking system is highly liquid and has suffered some liquidity problems over the past year. The Egyptian pound deposit base has increased substantially. Deposit rates rose to a high of 17% in 1992 and currently range between 9-11%, tax-free. Lending rates have fallen from a peak of 21% in 1991 to 13-15% in 1999, while the prime lending rate is much lower.

In 1992, the Egyptian stock market was reactivated by the GOE in order to allow alternative financing to private and public firms. In 1998, the size of the stock market (blue chips and bonds) was estimated at LE 112 billion (about $33 billion), excluding closed companies, compared to LE 5 billion in 1992. Also, the volume of trading in 1999 was 1790% more than the level in 1994. In addition, as of early 1999, there were 23 mutual funds in Egypt with a total estimated value of $3 billion. This indicates the significance of the Egyptian stock market in terms of providing financing and an opportunity to build savings. The development of professional investment banking capabilities will definitely help encourage the private sector to tap the securities market more often. The U.S. firm, Morgan Stanley, recently entered the Egyptian market in partnership with a local firm.

HOW TO FINANCE U.S. EXPORTS TO EGYPT/METHODS OF PAYMENT:

U.S. exporters to Egypt typically rely on letters of credit from Egyptian buyers, arranged by the latter through Egyptian banks, confirmed irrevocably by a U.S. bank. Other financing sources include USAID's Private Sector Commodity Import Program, which makes available dollars to Egyptian banks which then lends to Egyptian importers (see description, end of section IV); the U.S. Export-Import Bank (EXIM), which generally requires a sovereign guarantee from the Egyptian government -- a lengthy process needing approval by the Egypt Parliament; and, for investors, the U.S. Overseas Private Investment Corporation (OPIC).

Multilateral banks and funds do not provide export financing for Egyptian exports. The African Export-Import Bank (AFREXIM) began operation in early 1995 and offers low cost financing for foreign and intra-African trade.

For those U.S. companies interested in selling production equipment and raw materials to the Egyptian business sector, a look at the financial environment in which Egyptian manufacturers and exporters operate might be useful. Knowing the financing and insurance programs available to Egyptian manufacturers and exporters can provide both insight into the market and possible tools for helping to penetrate that market. For this reason, we include the following section.

EGYPTIAN FINANCIAL AND INSURANCE MECHANISMS:

The local banking system and offshore banks operating in Egypt are the main source of finance for Egyptian exports. Export financing is usually short-term and is intended to cover the exporter's working capital during the production period. Financing term ranges from between three to four months to as much as one year. Banks decline to finance long-term export contracts, especially after the negative experiences of Egyptian exporters with the former USSR and Iraq. The exporter may use loans to finance imported inputs or locally produced ones. Banks prefer to lend exporters the same currency they will receive in payment for their exports to reduce foreign exchange risk.

Banks may finance from 40% to 80% of the value of an export order, based on the form of a contract, shipping documents, insurance documents, or a letter of credit (L/C), and the credibility of the exporter. If the exporter is not well known in the market and does not have a proven track record, banks will request that the importer open a L/C to reduce their risk. Requesting a L/C constitutes an additional cost to the importer, which may reduce the competitiveness of Egyptian exports. On the other hand, creditworthy exporters are offered direct overdraft facilities. Interest rates on export financing range between 1-2% above LIBOR. Banks deduct loan repayments from the export proceeds. In general, export credit is a revolving form of credit.

Egypt has one export guarantee company, The Export Credit Guarantee Company of Egypt (ECGC), established by the Export Development Bank of Egypt, National Investment Bank, Misr Insurance Company, Al Shark Insurance Company and Egyptian National Insurance Company. ECGC started operation in October 1993. It provides guarantees against importer’s risk or political risk to Egyptian or foreign exporters who export products that are totally or partially produced in Egypt. "Importer’s risk" is defined as the importer’s inability to pay for the exported goods or his/her refusal to receive the shipping documents of exported goods, although the exporter fulfilled all obligations. ECGC’s guarantee also covers political risk (non-commercial), which includes the following: cancellation of the importer’s license by his/her country’s authorities; refusal of entry of goods by the importer’s government; denial of permission to transit a country’s territory; seizure or confiscation of exported goods by the importer’s country or the transit country; insolvency of a public-owned importer; or military actions or civil disturbances that affect the importer’s assets. The guarantee, on the other hand, does not cover foreign exchange risk and risks pertaining to the nature of the goods.

Whenever ECGC receives a request for guarantee, it investigates the importer thoroughly. Based on the importer’s financial status and estimated country risk, ECGC decides on a coverage limit and informs the exporter. The guarantee can reach up to 80% of the importer’s outstanding debt. ECGC receives 0.5-2% premium depending on the importer’s country and the product exported. The exporter can then sell the guarantee to his/her bank.

PROJECT FINANCING:

Banks are the main source of finance for projects in Egypt. Although loan demand is high, actual borrowing is low because of restrictive collateral requirements and high loan rates. Egyptian pound lending rates have fallen considerably from a peak of 22% in 1991 and 1992 to an average of 12-14% in 1996, while the prime lending rate is much lower; as little as 7.5%, or LIBOR plus about 1.5%. Egyptian investors have also begun considering the stock or bond markets to obtain capital.

The Cairo and Alexandria stock exchanges, dormant since 1956, started gaining momentum in late 1992. The new Capital Market Law 95/1992 was issued to help activate the securities market. In addition to supporting the privatization program, the law has succeeded in slowly revitalizing the market. Egypt is currently included in the International Finance Corporation (IFC) index for emerging markets. Corporate bonds issued by private sector companies indicate that investors have started to be aware of the importance of bonds as a source of finance.

U.S. Export-Import Bank loans and guarantees are available in Egypt. EXIM rates are relatively high compared to those available from local banks.

Small investors who lack the right business connections and collateral required by banks find it difficult to start up small-and medium-size projects in Egypt. On the other hand, the Social Fund for Development, established to cushion the impact of economic reforms on low-income groups, is providing funds to banks to lend to small-scale enterprises. A private sector credit guarantee company started operation in 1989 to encourage banks to finance small-scale enterprises. The Credit Guarantee Company guarantees up to 50% of loan principal for small enterprises. The company also provides services to small investors to help them choose suitable projects and to prepare feasibility studies.

THE WORLD BANK GROUP:

The World Bank Group is a multilateral lending agency consisting of four closely related institutions: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). The World Bank provides loans to developing countries to help reduce poverty and to finance investments that contribute to economic growth. The World Bank opened for business in June 1946 and its first focus was the reconstruction of war-torn Europe. Today, the World Bank lends to the developing countries of Africa, Asia, Latin America, the Caribbean, the Middle East, and Europe. The World Bank and its affiliates are headquartered in Washington, D.C. A brief description of each group member follows:

The International Bank for Reconstruction and Development (IBRD): frequently called the "World Bank," was concieved in July 1944 at the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire. The IBRD provides funding for creditworthy developing countries with relatively high per capita income. It also provides technical assistance and policy advice. IBRD raises the money through the sale of AAA-rated bonds in international capital markets. Loans are made only to governments or to agencies that can obtain a government guarantee. The IBRD also provides partial risk or partial credit guarantees (with a counter-guarantee from their government) to private lenders on development projects. The interest rates are variable, set at half a percentage point above the Bank's average cost of borrowing or LIBOR. Repayment is usually over 12 to 15 years, including a grace period of three to five years. Opportunities for U.S. companies exist to supply goods and services in connection with these loans.

The International Development Association (IDA): provides assistance on concessional terms to the poorest developing countries (per capita incomes below $865 in 1994) that are not sufficiently creditworthy for IBRD financing. It receives its funding largely from contributions from its wealthier member countries. The terms for IDA credits are maturities of 35 or 40 years (depending on the level of development of the borrower), including a ten-year grace period and no interest. There is, however, a 0.75% annual service charge. IDA credits are made only to governments. As with the IBRD, procurement procedures are well-established and offer opportunities for U.S. suppliers, engineers and consultants.

The International Finance Corporation (IFC): is an affiliate of the World Bank that provides project financing for private investment in developing countries. IFC offers long-term loans and equity investments, as well as other financing services. IFC will generally invest up to 25% of the total project cost. In addition to project finance, IFC also provides legal and technical assistance to private enterprises. Unlike the IBRD and IDA, the IFC does not require government guarantees. U.S. companies seeking direct investment funds should contact the IFC.

The Multilateral Investment Guarantee Agency (MIGA): was established in April 1988 to help investors overcome the problems of political risk. Investors' concerns about political risk had the effect of slowing down the flow of foreign direct investment which in turn slowed the creation of jobs and the transfer of modern technology. MIGA's purpose is to promote the flow of foreign direct investment among member countries by insuring investments against non-commercial (political) risk and by providing promotional and advisory services to help member countries create an attractive investment climate. U.S. companies seeking investment guarantees should contact MIGA.

For further information and assistance contact the U.S. Commerce Department's Commercial Service Liaison Staff, Office of the U.S. Executive Director, The World Bank, 1818 H Street NW, Washington DC 20433, USA. Tel 202/458-0118 or 0120, Fax 202/477-2967.

MULTILATERAL INSTITUTIONS ABROAD:

Multilateral Development Bank Office
U.S. Department of Commerce
International Trade Administration
Room 1107, 14th and Constitution, NW
Washington, DC 20230
Tel: 202-482-3399, Fax: 202-273-0927
Janet Thomas, Director

African Development Bank
c/o The Commercial Service
U.S. Embassy
5 Rue Jesse Owens, 01 B.P. 1712

Abidjan 01, Cote d'Ivoire
Tel: 225-21-46-16, Fax: 225-22-24-37

European Bank for Reconstruction and Development (EBRD)
Office of the U.S. Executive Director
One Exchange Square
London EC2A 2EH
United Kingdom
Tel: 44-71-338-6569, Fax: 44-71-338-6487

International Finance Corporation (IFC)
1818 H Street, N.W.
Washington, DC 20433
Tel: 202-477-1234, Fax: 202-477-6391

World Bank
Office of the U.S. Executive Director
1818 H Street, N.W.
Washington, D.C. 20433
Tel: 202-458-0120/0118, Fax: 202-477-2967

MULTILATERAL INSTITUTIONS IN EGYPT:

African Export Import Bank (AFREXIM)
Mr. Christopher Edordu, President
World Trade Center Bldg., 3rd & 8th Floors
1191 Corniche El Nil, Cairo
Tel: 20-2-578-0281 (6 Lines), Fax: 20-2-578-0276/9

Cairo Regional Center for International Commercial Arbitration
Dr. Mohamed Ibrahim Aboul Enein, Director
3 Aboul Feda St., Zamalek, Cairo
Tel: 20-2-735-1333/35/37, 20-2-737-3691/93, Fax: 20-2-735-1336

Commission of the European Communities Delegation in Egypt
Amb. Christian Falkowsky, Head of the Delegation
9 Ibn Zenki St., Zamalek, Cairo
Tel: 20-2-735-8388, Fax: 20-2-735-0385

International Finance Corporation (IFC)
Mr. Sami Haddad, Regional Representative for the Middle East
World Trade Center, 1191 Corniche El Nil St., 12th Fl., Cairo
Tel: 20-2-579-6565, 20-2-579-9900, Fax: 20-2-579-2211

United Nations Development Program (UNDP)
Mr. Edmund Cain, Resident Coordinator & Representative
1191 Corniche El Nil, World Trade Center, Cairo
Tel: 20-2-578-4840, 1, 2, 3, 4, 5, 6 Fax: 20-2-578-4847

LIST OF LOCAL BANKS:

American Express Bank
Mr. Ahmed Dabbous, Manager
4 Syria St., Mohandessin, Cairo
Tel: 20-2-360-8226/8, 20-2-360-5256/8, Fax: 20-2-360-8227

Arab American Bank
Mr. Sherif Abdel Khalek, Vice President, Regional Representative
6 Salah El Din St., Zamalek, Cairo
Tel: 20-2-735-6767, Fax: 20-2-735-6753

Citibank
Mr. Shayne Elliott, Vice President & Country Corporate Officer
4 Ahmed Pacha St., Garden City, Cairo
Tel: 20-2-795-1501, 20-2-795-1161, 20-2-795-1873/7, Fax: 20-2-795-7743

Bank of Alexandria
Mr. Mahmoud Abdel Salam Omar, Chairman
49 Kasr El Nil St., Cairo
Tel: 20-2-391-3563/3822/6822, Fax: 20-2-390-9664/7497

Cairo Bank
Mr. Mohamed Aboul Fath, Chairman
22 Adly St., Cairo
Tel: 20-2-390-9575, Fax: 20-2-390-1735

Bank Misr
Mr. Issam Al Ahmady, Chairman
151 Mohamed Farid St., Cairo
Tel: 20-2-391-2150/2106/2711, Fax: 20-2-391-9779

National Bank of Egypt
Mr. Ahmed Diaa Eldin Fahmy, Deputy Chairman
Cairo Plaza Bldg., Corniche El Nil St., 24 Sherif St., Cairo
Tel: 20-2-574-9101, Fax: 20-2-574-8910

Arab International Bank
Dr. Moustafa Khalil, Chairman
35 Abdel Khalek Tharwat St., Cairo
Tel:20-2-391-6391/8021/7702, Fax: 20-2-391-6233

Banque du Caire et de Paris
Mr. Hassan Samir Mansour, Chairman
3 Latin America St., Garden City, Cairo
Tel: 20-2-794-8323/8324, Fax: 20-2-794-0619

Cairo Barclays Bank
Mr. Wagdy Rabbat, Managing Director
12 El Sheikh Youssef Sq., Garden City, Cairo
Tel: 20-2-794-2195/9415, Fax: 20-2-795-2746

Commercial International Bank (CIB)
Mr. Mahmoud Abdel Aziz, General Manager
Nile Tower Bldg., 4th Fl., 21/23 Giza St., Giza
Tel: 20-2-570-3043, Fax: 20-2-570-3172

Egyptian British Bank (Ex-Hong Kong Bank)
Dr. Ibrahim Kamel, Chairman
3 Aboul Feda St., Zamalek, Cairo
Tel: 20-2-735-9186/286, Fax: 20-2-736-4010

Delta Int'l Bank
Mr. Aly Negm, President
1113 Corniche El Nil, Cairo
Tel: 20-2-575-3492, Fax: 20-2-574-3403

Egyptian American Bank (EAB) (A joint venture with American Express)
Mr. James Vaughn, Managing Director
6 Hassan Sabri St., Zamalek, Cairo
Tel: 20-2-736-6157, 20-2-735-0063, Fax: 20-2-737-0265, 20-2-735-9430

Misr International Bank
Mr. Essam Al Ahmady, Chairman
54 El Batal Ahmed Abdel Aziz St., Mohandessin, Cairo
Tel: 20-2-349-4424/7091, Fax: 20-2-349-8072

Misr America Int'l Bank
Mr. Yousry Moustafa, Chairman
12 Nadi El Seid St., Dokki, Cairo

Tel: 20-2-761-6634/13/23/24/27, Fax: 20-2-761-6610

Misr Exterior Bank
Mr. Mohamed Nabil Ibrahim, Chairman
Cairo Plaza Bldg., Corniche El Nil, Cairo
Tel: 778-021, Fax: 762-806

Misr Iran Development Bank
Mr. Omar Mohanna, Deputy General Manager
Nile Tower Bldg., Giza St., Giza
Tel: 20-2-572-7311/004/890, Fax: 20-2-570-1185

CHAPTER VIII. BUSINESS TRAVEL

BUSINESS CUSTOMS:

Business in Egypt is personal. Egyptian and foreign business community members who have broad experience in the market, give the following suggestions:

1. Have Patience:
Unfamiliar paperwork processes, and bureaucratic procedures make business conduct somewhat slow in Egypt. Don't expect to breeze in for a week in Cairo and leave with a contract. It may take a year or more, but in the end, it is usually profitable.

2. Get Acquainted With Local Culture:
Egyptians are a proud people who trace their civilization back 5,000 years. Take time to learn the culture, and develop an appreciation for the Islamic faith. All private business leaders and most high-level government officials have a good command of English. Learn as much Arabic as possible - it pleases Egyptians if you know key phrases in Arabic ... Good Morning (Sabah El Kheir), Good Evening (Messaa El Kheir), etc.

3. Be Personable:
When you visit with a business person, don't just walk in, shake hands and get down to business. If you have previously met with the person, chat about common friends, family, children, etc.

4. Do Your Homework:
The Egyptian market is a complex and highly competitive one. A good Egyptian agent will help you a great deal in directing you to success. Find yourself a good local representative with the help of the U.S. and Foreign Commercial Service at the American Embassy or a reliable business group.

5. Remain Flexible:

The Egyptian market, like anywhere in the Middle East, is a changing one. Don't always expect the terms of a contract to remain the same during its length. Explore different markets - be flexible to change from partnership to technology transfer or royalty provisions.

6. Send Your Best:
Your top experienced executive with knowledge of the area will do a better job with the Egyptian business community. Your young, enthusiastic representative may not be as effective with the local partner, particularly in a culture which venerates age and experience.

7. Business Rules:
When doing business in Egypt, be prepared to play it in the Egyptian tradition, or you may waste your time. A few foreign firms come to Egypt and give up after a short stay. But most foreign companies, once established with a base here, find the Egyptian market a worthwhile and profitable place to do business.

TRAVEL ADVISORY AND VISAS:

1. COUNTRY DESCRIPTION: Egypt is a developing country with extensive facilities for tourists.

2. ENTRY REQUIREMENTS: A passport and visa and required. Travelers can obtain a renewable 30-day tourist visa at any port of entry, except at Taba and Rafah, for $15 U.S. Dollars. Visitors arriving overland and by sea, or those previously experiencing difficulty with their visa status in Egypt, must obtain a visa prior to arrival. Military personnel arriving on commercial flights are not exempt from passport and visa requirements. Proof of yellow fever immunization is required, if arriving from an infected area. (Evidence of an AIDS test is required for anyone staying over 30 days.) For additional entry information, U.S. citizens can contact the Embassy of the Arab Republic of Egypt, 3521 International Court, N.W. Washington, D.C. 20008, Tel: 202-895-5400, or the Egyptian Consulates in San Francisco, Chicago, New York, or Houston.

3. AREAS OF INSTABILITY: Egyptian security and law enforcement officials increased their counter-terrorism activities and security presence throughout Egypt following the November 1997 extremist attack on foreign tourists in Luxor in Upper Egypt. There have been no terrorist attacks on tourists in Egypt since that time. Moreover, the number of attacks by members of Egyptian extremist groups on law enforcement personnel and judicial officials has decreased throughout 1998 and 1999.Because the extremists have been more active in the Nile Valley governates of Minya, Assiut, Sohag and Qena (North of Qena City), these areas should be considered a greater risk. Therefore, prior to travel to these governates, U.S. citizens are urged to seek advice from the Consular Section of the U.S. Embassy, licensed tour operators, and/or the tourist police authorities responsible for those areas.

The U.S. Embassy periodically receives information concerning extremists' intentions to target tourists and American interests in Egypt, including U.S. government buildings. In light of this information, we urge Americans to be vigilant and exercise good security practices while in Egypt. (Please see Information on Crime).

4. RESTRICTED AREAS: Those wishing to visit areas near Egypt's frontiers, including oases near the border with Libya and off-road areas in the Sinai, must obtain permission from the travel permits department of the Ministry of the Interior, located at the corner of Sheikh Rihan and Nubar streets in downtown Cairo. Travelers should be aware of the possible dangers of off-road travel. Leftover mines from previous conflicts remain buried in several regions of the country and have caused several deaths, including deaths of Americans. As a rule, all travelers should check with local authorities before embarking on off-road travel. Because known minefields are not marked by signs but are usually enclosed by barbed wire, travelers should avoid areas enclosed by barbed wire. After heavy rains, which can cause flooding in desert areas, and the consequent shifting of land mines, travelers should avoid driving through build-ups of sand on roadways.

5. MEDICAL FACILITIES: There are many Western-trained medical professionals in Egypt. The U.S. Embassy in Cairo can provide a list of local hospitals and English-speaking physicians. Medical facilities are adequate for non-emergency matters, particularly in the areas that most tourists visit. Emergency and intensive care facilities are, however, limited. Facilities outside of Cairo fall short of U.S. standards. Most Nile cruise boats do not have a ship's doctor but some employ a medical practitioner of uncertain training. Hospital facilities in Luxor and Aswan are inadequate or are nonexistent at most other ports of call.

Beaches on the Mediterranean and Red Sea coasts are generally unpolluted. However, there is a risk of exposure to bacterial infections, hepatitis, and the parasitic disease schistosomiasis (Bilharzia), when swimming in the Nile or canals, walking barefoot along the Nile, or drinking untreated river water. There is a low risk of exposure to exotic diseases in Egypt such as Rift Valley Fever (RVF). RVF, which flares up in parts of the country from time to time, is a mosquito-borne disease of domestic animals that can infect humans.

Properly prepared, thoroughly cooked meat in tourist hotels, Nile cruise boats, and tourist restaurants is considered safe. Eating uncooked vegetables should be avoided, because this can cause traveler's diarrhea. Tap water is not potable. Information on vaccinations and other health precautions may be obtained from the Centers for Disease Control and Prevention's International Travelers Hotline at 1-877-FYI-TRIP (877-394-8747), fax 1-888-CDC-FAXX (1-888-232-3299), or by visiting the CDC internet home page at HTTP://WWW.CDC.GOV.

Overseas medical insurance policies are most highly recommended. Serious medical problems requiring hospitalization and/or medical evacuation to the United States can cost thousands of dollars. Doctors and hospitals often expect immediate payment in cash for treatment. U.S. medical insurance is not always valid outside the United States. The medicare/medicaid program does not provide for payment of medical services outside the United States.

6. MEDICAL INSURANCE: Uninsured travelers who require medical care overseas may face extreme difficulties. The U.S. Embassy highly recommends that you check with your own insurance company to confirm whether your policy applies overseas, including provision for medical evacuation. Ascertain whether payment will be made to the overseas hospital or doctor or whether you will be reimbursed later for expenses that you incur. Some insurance policies also include coverage for psychiatric treatment and for disposition of remains in the event of death. Useful information on medical emergencies abroad, including overseas insurance programs, is provided in the Department of State, Bureau of Consular Affairs Brochure available via the Bureau of Consular Affairs home page orautofax: (202) 647-3000.

7. OTHER HEALTH INFORMATION: Information on vaccinations and other health precautions may be obtained from the Centers of Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747), fax 1-888-CDC-FAX (1-888-232-3299), or via their Internet site at http:\\www.cdc.gov.

8. INFORMATION ON CRIME: The crime rate in Egypt is low. While incidents of violence are rare, purse snatching, pick-pocketing and petty theft are not uncommon. Unescorted women are vulnerable to sexual harassment and verbal abuse. Travelers and foreign residents are subject to Egyptian laws. The loss or theft of a U.S. passport abroad should be reported immediately to local police and the nearest U.S. Embassy or Consulate. Useful information on safeguarding valuables, protecting personal security and other matters while traveling abroad is provided in the Department of State pamphlets, "A Safe Trip Abroad" and "Tips for Travelers to the Middle East and North Africa". They are available from the superintendent of documents U.S. Government Printing Office, Washington, D.C. 20402, via the internet at HTTP://WWW.ACCESS.GPO.GOV/SU_DOCS, or via the Bureau of Consular Affairs Home Page at HTTP://TRAVEL.STATE.GOV.

9. DRUG PENALTIES: Travelers are subject to the laws and legal practices of the country in which they travel. Drug enforcement policies in Egypt are very strict. The death penalty may be imposed on anyone convicted of smuggling or selling marijuana, hashish, opium, LSD, or other narcotics. Law enforcement authorities prosecute and seek fines and imprisonment in cases of possession of even small quantities of drugs.

10. CUSTOMS REQUIREMENTS: Travelers are not required to convert foreign currency into Egyptian pounds upon entry. The maximum amount of Egyptian currency which can be brought in or taken out of Egypt is 1000 Egyptian pounds. Personal use items such as jewelry, laptop computers and electronic equipment are exempt from customs fees. However, Egyptian customs authorities may enforce strict regulations concerning temporary importation into or export from Egypt of items such as computer peripherals, including printers and modems, which are subject to customs fees. For tourists, electronic equipment is annotated on their passport and the person is required to show the same items upon exiting Egypt. For residents, a deposit, refunded upon departure, may be made in lieu of customs fees. Commercial merchandises and samples require an import/export license issued by the Egyptian Ministry of Trade and Supply in Egypt prior to travel

and should be declared upon arrival. It is advisable to contact the Embassy or Egypt in Washington or one of Egypt’s consulates in the United States for specific information regarding customs regulations.

11. PHOTOGRAPHY REQUIREMENTS: Egyptian law allows for the imposition of duties on photographic and video equipment. Such duties are rarely imposed, however, except when large quantities of photographic equipment or expensive video equipment are brought into Egypt. Persons bringing in such items should be prepared to comply with certain customs formalities. There are restrictions on photographing military personnel and sites, bridges, and canals.

12. DUAL NATIONALITY: The Government of Egypt considers all children born to Egyptian fathers to be Egyptian citizens. Even if the children bear American passports, immigration officials may require proof that the father approves of their departure before the children will be allowed to leave Egypt. Americans married to Egyptians do not need their spouse's permission to depart Egypt as long as they have a valid Egyptian visa. To renew a visa, or to leave the country after a visa has expired, an American woman married to an Egyptian must present proof of the husband's consent. Dual Egyptian-American nationals may enter and leave Egypt on their U.S. passport. If a dual national resides in Egypt for extended periods, proof of Egyptian citizenship, such as a family I.D. card, is required. Male dual nationals of military age who have not completed military service are not generally required to enlist in the armed forces; however, before they can leave Egypt, they must obtain an exemption certificate through the Ministry of Defense draft office. Individuals who may be affected can inquire at an Egyptian consular office abroad before traveling to Egypt. Persons with dual nationality who travel to Egypt on their Egyptian passports are normally treated as Egyptian citizens. U.S. consular assistance to such persons is extremely limited.

13. AVIATION SAFETY OVERSIGHT: The U.S. Federal Aviation Administration (FAA) has assessed the government of Egypt's civil aviation authority as Category 1 in compliance with international aviation safety standards for oversight of Egypt's air carrier operations. For further information, travelers may contact the Department of Transportation within the U.S. at telephone 1-800-322-7873, or visit the FAA's website at HTTP://WWW.FAA.GOV/AVR/IASA /INDEX.HTM. The U.S. Department of Defense (DOD) separately assesses some foreign air carriers for suitability as official providers of air services. For international information regarding the DOD policy on specific carriers, travelers may contact the Pentagon at telephone (703) 697-7288.

14. TRAFFIC SAFETY AND ROAD CONDITIONS: The roads in Egypt are much improved in recent years but can still be hazardous. Driving at night, particularly outside of major cities, is highly discouraged as vehicles often travel with few or no lights. Emergency and intensive care facilities are limited outside Cairo. International drivers licenses are valid in Egypt.

15. EMBASSY LOCATION AND REGISTRATION: U.S. citizens are encouraged to register at the U.S. Embassy in Cairo and obtain updated information on travel and security within Egypt. The U.S. Embassy in Cairo is located on Latin America Street, Garden City, near downtown Cairo. The mailing address from the U.S. is: U.S. Embassy Cairo, APO-AE 09836-4900; from Egypt, it is 5

Latin America Street, Cairo. The telephone number is (20)(2) 795-7371. The Consular Section telephone is (20)(2) 797-2301; the Consular fax is (20)(2) 797-2472. The Consular Section E-mail address is ca-cairo@cairod.us-state.gov; consular information is also available via the Internet at http://www.usis.egnet.net.

The workweek in Egypt is Sunday through Thursday.

HOLIDAYS:

Following lists commercial holidays that will close most Egyptian business and government offices during CY 2001:

*December 27-29	Eid-al-Fitr (End of Ramadan Fasting Month 2000)
January 1	New Year's Day
*March 4	Eid al-Adha (Pilgrimage Feast)
*March 26	Islamic New Year
April 16	Sham El Nessin (Welcoming Spring Day)
April 25	Sinai Liberation Day
May 1	Labor Day
*June 4	Moulid El Nabi (Prophet's Birthday)
July 23	National Day
October 6	Armed Forces Day
*December 18-19	Eid al-Fitr (End of Ramadan Fasting Month 2001)

* Depends on Lunar Calendar; a difference of a day may occur. Sham El Nessim changes with Coptic calendar.

BUSINESS INFRASTRUCTURE:

TRANSPORTATION:

Air and Sea:
Egypt is an important air terminus for the Middle East, and Cairo is served by many major airlines. Currently TWA is the only American airline serving Egypt non-stop from/to the U.S., with United involved under a code-sharing agreement with Lufthansa, and Northwest with KLM. Other major international airlines represented in Cairo include: Air France, Alitalia, British Airways, Egypt Air, Japan Airlines, and Swissair. Shipping lines serving Ports Said and Alexandria (the largest port on the Mediterranean) are Adriatica, Farrel, Lykes, Ogden, Prudential, and American President Lines. Egypt has its own merchant fleet.

Local:
Using Cairo's black-and-white taxis effectively requires some basic Arabic phrases and practice. If going to an area you do not know well, a map may help both you and the driver, who won't have

one. Negotiating the fare is best done before the trip. Although taxis have meters, the official rate is so low, the obligation to pay something realistic is clear. Other variables are your familiarity with the city, the driver's demeanor and the taxi's physical attributes. Its age and size count. While newer, larger taxis command higher fares, the cost is very reasonable, much less than in the U.S.

The Cairo Metro is a light rail system, partly underground. One line is now running from al-Marg in the north through the center of the city to Maadi and on to Helwan. Another line is now running from Shoubra El Kheima, north of Cairo, to Ramses Station in the city center. A new line now runs from Tahrir Square passing by the Cairo Opera House and ending at Cairo University in Giza.

Regional:
Alexandria and Cairo are connected by both the Western Desert Highway, a high-speed toll road and the busier Delta Road. Buses take 3 ½ hours, with a rest stop. A non-stop Turbino train takes just over 2 hours.

LANGUAGE/COMMUNICATIONS:

Arabic is the common language. Colloquial Cairene Arabic is expressive and rich in words of Coptic, European and Turkish origins. The written language differs from the spoken. Modern standard Arabic, based on the language of the Koran, is heard on radio, TV, and in formal speeches.

About 90% of Egyptians are Muslim and Islam is the state religion. Most others are Christian, either Copts, Greek Orthodox, Roman Catholic, or Anglican Protestants. Indigenous minorities include four to six million Copts, Nubians, Bedouin and a small Jewish community. Coptic has remained the liturgical language of the Coptic Church.

HOUSING:

Representative costs (per month) for acceptable furnished housing in Cairo and Alexandria are indicated below:

2 bedroom apartment	$1,500 and up
3 bedroom apartment	$2,500 and up
4 bedroom apartment	$3,000 and up
5 bedroom apartment	$4,500 and up
Single Family House	$5,000 and up

Egyptian law allows a landlord to charge higher rents if apartments are "furnished;" therefore, almost all rental units are of this type. However, the amount and quality of furnishings vary greatly. Kitchen equipment and appliances provided often are inadequate. Landlords prefer to rent their premises "furnished" even if only minimally so, and may insist on keeping some items in the apartment or villa for legal reasons. However, it is our experience that they are willing to compromise on this issue.

The rental market is competitive and rent deposits are not usually required. Most landlords list their properties with Real Estate agents to get the best price for their property and the widest showing. Rental payments are usually made quarterly in advance, and on rare occasions annually in advance.

FOOD:

Egyptian cuisine features a wide variety of vegetables, fruits, grains, breads and pastas, both domestic and imported. The primary meat products are chicken, beef and lamb. Fresh and frozen seafood from the Red Sea and the Mediterranean is also available. For religious reasons, pork and products containing pork are sold only in special shops. Popular beverages are hot tea (sweetened and often served in a glass), Turkish coffee, fresh fruit beverages and carbonated drinks. Local and imported bottled water, both still and sparkling, is available, as are locally produced wine and beer.

“U.S. business travelers are encouraged to obtain a copy of the "Key Officers of Foreign Service Posts: Guide For Business Representatives" available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel: (202) 512-1800; Fax: (202) 512-2250. Business travelers to Egypt seeking appointments with U.S. Embassy Cairo officials should contact the Commercial Section in advance. The commercial section may be reached by telephone at (20-2-797-2340), fax at (20-2-795-8368), or email at: (cairo.office.box@mail.doc.gov).”

CHAPTER IX. APPENDICES

Appendix A: Country Data

Population:	66 million
Population Growth rate:	1.9
Religions:	Muslim 90% - Christian 10%
Government System:	Presidential/Parliamentarian
Languages:	Arabic
Work Week:	Sunday - Thursday

Appendix B: Domestic Economy, US$ billions

	FY96/97	FY97/98	FY98/99**
GDP (current prices)	75.5	82.4	88.82
GDP real growth rate (%)	5.3	5.7	6
GDP/Capita US$	1260	1310	1430
Government Spending/GDP(%)	26.1	25.3	24.4
Fiscal deficit/ GDP	0.9	1.0	1.3
Inflation (percent)	6.2	4.2	2.9
Unemployment (%)	8.8	8.3	7.9

Average Tariff Rate	16.15	15.35	15
Maximum Tariff Rate	50	40	40
Foreign Exchange Reserves	20.2	20.3	17.583
Reserves/months of imports	15.7	14.3	12.8
Avg. Exch. Rate for US$1.00	3.39	3.39	3.396
Debt service ratio (%)	7.2	7.2	7.6
Total Foreign debt/GDP	38.4	34	31.78
U.S. assistance	2.115	2.115	2.075

Figures for Egyptian Fiscal Year (July to June)
Sources: Ministry of Finance, Ministry of Economy and Ministry of Planning.

Appendix C: Trade US$ millions

	1997	1998	1999	2000
Total Egypt Exports*	4930	5128.4	2110.9	698
--Exports of petroleum & related products	2449	1236	483	
Total Egypt Imports*	14718	16899	8287.4	2310
--Imports of petroleum and related products	1588	1123	1137	
Egypt's Trade Deficit*	-9788	-11771	-6176.5	1613
U.S. Exports to Egypt**	3840	3060	3025	1352**
U.S. Imports from Egypt**	695	699	651	357**
Egypt Trade Balance with U.S.	-3145	-2361	331.8	796.2

*Egypt figures are for January and February 2000.
**U.S. Figures are for January – May 2000.
Source: Egypt figures are based on CBE Statistics
U.S. figures are based on the Department of Commerce Statistics

Appendix D: Investment Statistics US$ billions

	1997	1998	1999
Total FDI Stock (Arab and Non-Arab investment excluding Petroleum)*	6.5	6.745	N/A
FDI increase from previous year (flow in one year)*	2.19	.245	N/A
Total foreign investment in the petroleum sector (stock) **	1.628	2.0128	N/A
Total U.S. investment in Petroleum sector (stock) **	631	.576	N/A
Total U.S. FDI according to U.S.			

Government figures (stock)***	1.6	2.04	2.2

* GAFI Statistics
** Ministry of Petroleum Statistics
*** Bureau of Economic Analysis, U.S. Department of Commerce

CHAPTER X. U.S. AND EGYPTIAN CONTACTS

(Note: From the United States, dial international long-distance access, then Country Code: 20, and City Code: 2 for Cairo, or 3 for Alexandria. When dialing from within Egypt, dial 02 for Cairo, 03 for Alexandria.)

U.S. CONTACTS IN EGYPT:

American Chamber of Commerce in Egypt
Mr. Mohammed Mansour/President
33 Soliman Abaza St., Mohandessin, Cairo
Tel: 338-1050, Fax: 338-1060
Email: Info@amcham.org.eg

American Chamber of Commerce in Alexandria
Ms. Reem Rostom/Assistant Manager
36 Bani Abbas St., Alexandria, Egypt
Tel: 482-9904, Fax: 492-2861

American Mideast Educational & Training Services, Inc. (AMIDEAST)
Mrs. Elizabeth B. Khalifa/Country Director
23 Mossadak St., Dokki, Giza
Tel: 337-8265, Fax: 795-2946

American Research Center in Egypt (ARCE)
Mr. Bob Springbord/Director
2 Kasr El Doubara Sq., Garden City, Cairo
Tel: 794-8239, 795-8683, Fax: 795-3052

American University in Cairo (AUC)
Mr. John Gerhart, President
113 Kasr El Aini St., Cairo
Tel: 794-2964 (9 lines), Fax: 795-7565

CARE
Mr. Earl Goodyear/Country Director

18 Hoda Sharaawi St., 1st Fl., Cairo
Tel: 393-5262, Fax: 393-5650

Catholic Relief Services (CRS)
Mr. John Connolly/Country Rep.
13 Ibrahim Naguib St., 1st Fl., Garden City, Cairo
Tel: 794-1360, 796-0091, Fax: 795-8034

Community Services Association (CSA)
Ms. Stephanie Frasher, Executive Director
4 Road 21, Maadi
Tel: 798-0764, Fax: 376-8319

Ford Foundation
Dr. Humphrey Davies/Regional Rep. for Middle East & North Africa
1 Osiris St., Garden City, Cairo
Tel: 795-2121, 794-4450, 794-9635, Fax: 795-4018

Fulbright Commission
Ms. Ann B. Radwan/Executive Director
1081 Corniche El Nil St., Belmont Bldg., Cairo
Tel: 794-4799, 794-8679, Fax: 795-7893

Int'l Executive Service Corps. (IESC)
Mr. Spencer King/Chief of Party
Al Boustan Commercial Center, Suite 1, 10th Fl.
Al Boustan St., Bab El Louk, Cairo
Tel: 390-3232, Fax: 390-2929

Project Hope
Dr. Hoda Zaki/Program Director
86 Mohi El Din Aboul Ezz St., Mohandessin, Cairo
Tel: 348-0915, 360-6295, Fax: 360-6295

Small Business Administration (SBA)
Mr. Kamel Nasser, Deputy Director
1 Latin America St., Garden City
Tel: 794-8669/795-8886, Fax: 794-0344

Women's Association
21 Boulos Hanna St., Dokki, Cairo
Tel: 760-3457

EGYPTIAN GOVERNMENT CABINET:

Prime Minister
H.E. Dr. Atef Mohamed Ebeid
Magles El Shaab St., Kasr El Aini St., Cairo
Tel: (20-2) 795-8025/36/39, 795-7370/6/8
Fax: (20-2) 795-8016/2048

Ministry of Agriculture, Animals & Fish Wealth & Land Reclamation Affairs
H.E. Dr. Youssef Amin Wally
Deputy Prime Minister & Minister
Nadi El Seid St., Dokki, Cairo
Tel: (20-2) 337-2566/3388
Fax: (20-2) 749-8128

Ministry of Defense & Military Production
H.E. Field Marshal Mohamed Hussein Tantawy, Minister
Khalifa Al Ma'amoun, Heliopolis
Tel: (20-2) 263-5681, 260-2566/2466
Fax: (20-2) 291-6227

Ministry of Information
H.E. Mr. Safwat El-Sherif, Minister
Maspero, Corniche El Nil, Cairo
Tel: (20-2) 574-8984/8986
Fax: (20-2) 575-8781

Ministry of Foreign Affairs
H.E. Mr. Amre Moussa, Minister
Maspero, Corniche El Nil, Cairo
Tel: (20-2) 574-9816/7, 574-9820
Fax: (20-2) 574-9533/8822

Ministry of Justice
H.E. Counselor Farouq Seif El Nasr, Minister
Lazoughly Sq., Justice & Finance Bldg., Cairo
Tel: (20-2) 795-1176/8103/5700
Fax: (20-2) 795-8103

Ministry of Culture
H.E. Mr. Farouk Hosny, Minister
2 Shagaret El Dor St., Zamalek, Cairo
Tel: (20-2) 738-0761/2

Fax: (20-2) 735-6449

Ministry of Education
H.E. Dr. Hussein Kamel Baha' El Din, Minister
4 Ibrahim Naguib St., Garden City, Cairo
Tel: (20-2) 578-7644/7643
Fax: (20-2) 796-2952

Ministry of Economy and Foreign Trade
H.E. Dr. Youssef Boutros Ghali, Minister
8 Adly St., Cairo
Tel: (20-2) 391-9661
Fax: (20-2) 390-3029, 395-9015

People's Assembly & Shura Council Affairs
H.E. Mr. Kamal El-Shazli, Minister of State
Magles El Shaab St., Cairo
Tel: (20-2) 794-3855/7750
Fax: (20-2) 795-7681

Ministry of Tourism
H.E. Dr. Mamdouh El-Beltagui, Minister
Abassia Square, Borg Misr Travel, Cairo
Tel: (20-2) 282-8439/284-1707
Fax: (20-2) 285-9551

Ministry of Administrative Development
H.E. Dr. Mohamed Zaki Abou Amer, Minister of State
Leadership Development Center, Next to Central Auditing Agency, Salah Salem Road, Heliopolis, Cairo
Tel: (20-2) 402-4152/4167
Fax: (20-2) 261-4126

Ministry of Housing, Utilities & New Communities
H.E. Dr. Mohamed Ibrahim Sulaiman, Minister
1 Ismail Abaza St., off Kasr El Aini St., Cairo
Tel: (20-2) 792-1384/1385/1403/1405
Fax: (20-2) 792-1387

Ministry of Manpower & Immigration
H.E. Mr. Ahmed Ahmed Al Ammawy, Minister
3 Youssef Abbas St., Nasr City, Cairo
Tel: (20-2) 404-2910/1/2

Fax: (20-2) 260-9891

Ministry of Awqaf (Religious Trusts)
H.E. Dr. Mahmoud Hamdi Zaqzouq, Minister
Sabry Abou Alam St., Bab El Louk, Cairo
Tel: (20-2) 392-9403, 393-3011
Fax: (20-2) 393-6335

Ministry of Health & Population
H.E. Dr. Ismail Sallam, Minister
Magles El Shaab St., Cairo
Tel: (20-2) 794-1507/3462/0526
Fax: (20-2) 795-3966

Ministry of Higher Education & Scientific Research Affairs
H.E. Dr. Mufeed Shehab, Minister and Minister of State for Scientific Research Affairs
4 Ibrahim Naguib St., Garden City, Cairo
Tel: (20-2) 795-6962/2155
Fax: (20-2) 796-2952, 794-2163

Ministry of Public Works and Water Resources
H.E. Dr. Mahmoud Abu Zeid, Minister
El Nil St., Embaba, Cairo
Tel: (20-2) 312-3309/3315
Fax: (20-2) 312-3257

Ministry of Environmental Affairs
H.E. Nadia Riyad Makram Ebeid, Minister of State
30 Misr-Helwan Agricultural Road, Behind Sofitel Hotel, Maadi, Cairo
Tel: (20-2) 525-6465/85/70/72
Fax: (20-2) 525-6461

Ministry of Interior
H.E. Gen. Habib Al Adly, Minister
El Sheikh Rihan St., Bab El Louk, Cairo
Tel: (20-2) 795-7500/2300/7286
Fax: (20-2) 795-8068

Ministry of Local Development
H.E. Gen. Mustafa Abdel Qader
Minister of State
4 Shooting Club St., Dokki, Cairo
Tel: (20-2) 749-7470/7656

Fax: (20-2) 749-7788

Ministry of Social Affairs and Insurance
H.E. Dr. Amina Al Guindy, Minister
19 El Maraghy St., Agouza
Tel: (20-2) 337-5404/0039
Fax: (20-2) 591-7799

Ministry of Industry & Technological Development
H.E. Dr. Mustafa Al Refa'ei, Minister
2 Latin America St., Garden City, Cairo
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Fax: (20-2) 795-5025

Ministry of Electricity and Energy
H.E. Dr. Ali Al Sei'dy, Minister
Abbassia, Nasr City, Cairo
Tel: (20-2) 261-6514/6317
Fax: (20-2) 260-2888

Ministry of Military Production
H.E. Dr. Sayed Meshaal, Minister of State
5 Ismail Abaza St., Cairo
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Ministry of Transportation
H.E. Dr. Ibrahim El Demeiry, Minister
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Fax: (20-2) 795-5564

Ministry of Youth
H.E. Dr. Aley El Din Hilal Dessouki, Minister
Supreme Council of Youth, 26th July St., Sphinx Square, Mohandessin, Cairo
Tel: (20-2) 346-1113/8859
Fax: (20-2) 346-9025

Ministry of Supply & Domestic Trade
H.E. Dr. Hassan Ali Khedr, Minister
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Fax: (20-2) 795-6387

Ministry of Planning & International Cooperation
H.E. Dr. Ahmed Mahrous El Darsh, Minister of State for International Cooperation
Salah Salem Road, Nasr City, Cairo
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Fax: (20-2) 401-4733

Ministry of Public Business Sector
H.E. Dr. Mokhtar Abdel Moneim Khattab, Minister
Magles El Shaab St., Cairo
Tel: (20-2) 795-8026/0164
Fax: (20-2) 795-5882

Ministry of Finance
H.E. Dr. Medhat Hassanein, Minister
Lazoughly Square, Justice & Finance Bldg., Cairo
Tel: (20-2) 795-7027/7176, 794-1055
Fax: (20-2) 795-1537

Ministry of Communication and Data
H.E. Dr. Ahmed Nazeef, Minister
Ramsis Exchange Bldg., Ramsis St., Cairo
Tel: (20-2) 576-2640, 577-0222
Fax: (20-2) 574-4215

Ministry of Petroleum
H.E. Eng. Sameh Fahmi, Minister
El Mokhayyam El Da'em St., Nasr City, Cairo
Tel: (20-2) 263-1000/2000
Fax: (20-2) 263-6060

Cairo Governorate
H.E. Dr. Abdel Rehem Shehata, Governor of Cairo
Abdin, Cairo
Tel: (20-2) 390-7754/63
Fax: (20-2) 390-4620

Alexandria Governorate
H.E. Mr. Abdel Salam Mahgoub, Governor of Alexandria
60 El-Horreya Rd. Alexandria
Tel: (20-3) 484-8345

EGYPTIAN GOVERNMENT AGENCIES

Arab Organization for Industrialization (AOI)
Ret. Marshal Salah Halaby, Chairman
2D Midan El Abbassia, Cairo
Tel: (20-2) 482-3377/3394
Fax: (20-2) 482-6010

Capital Market Authority
Mr. Abdel Hamid Ibrahim, Chairman
20 Emad El Din St., Cairo
Tel: (20-2) 574-1000/3111
Fax: (20-2) 575-5339, 5749-4156, 574-5598

Central Agency for Public Mobilization & Statistics (CAPMAS)
Mr. Ihab Elwy, President
Salah Salem St., Nasr City, Cairo
Tel: (20-2) 402-0574
Fax: (20-2) 402-4099

Central Bank of Egypt
Dr. Ismail Hassan Mohamed, Governor
31 Kasr El Nil St., Cairo
Tel: (20-2) 392-6211/6108
Fax: (20-2) 392-5045/6361

Commercial Representation Office
Mr. Ahmed Khaled Hamdy, Chairman
96 Ahmed Orabi St., Mohandessin, Cairo
Tel: (20-2) 347-1892/3/4/5/6
Fax: (20-2) 345-1840

Customs Authority
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EgyptAir
Eng. Mohamed Fahim Rayyan, Chairman
Cairo Int'l Airport, Cairo
Tel: (20-2) 267-4500/7001/7002
Fax: (20-2) 418-3715

Egyptian Environmental Affairs Agency (EEAA)
Dr. Ibrahim Abdel Gelil, Chairman
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Fax: (20-2) 525-6454/90

Egyptian Export Promotion Center (EEPC)
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Tel: (20-2) 749-3919/20/21/22
Fax: (20-2) 748-4142/4056

Egyptian General Petroleum Corp. (EGPC)
Eng. Mohamed Tawela, Chairman
Palestine St., 4th Sector, New Maadi, Cairo
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Fax: (20-2) 518-4963

Egyptian Radio & TV Union (ERTU)
Mr. Abdel Rahman Hafez, President
TV Bldg., Corniche El Nil, Cairo
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Egyptian Tourist Authority (ETA)
Mr. Adel Abdel Aziz, Chairman
Misr Travel Bldg., Abbassia, Cairo
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Fax: (20-2) 285-4363/4658

General Authority for Export & Import Control (GOEIC)
Mr. Fakhr Eldin Aboul Ezz, Chairman
1 El Sheikh Maarouf St. (Corner of Ramses St.) Down Town, Cairo
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Fax: (20-2) 575-0749/8195

General Organization for Int'l Exhibitions & Fairs (GOIEF)
Mr. Mohamed Said Saleh, Chairman
Fair Grounds, Nasr City, Cairo
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Fax: (20-2) 260-4548/4521

General Authority for Investment & Free Zones (GAFI)
Dr. Mohamed El Ghamrawy Dawoud, Executive Director
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General Organization for Industrialization (GOFI)
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Information & Decision Support Center (IDSC)
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New Community Authority
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Public Enterprise Office (PEO)
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Sales Tax Authority
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Social Fund for Development (SFD)
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Cairo Alexandria Stock Exchange
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Fax: (20-2) 392-4214

Suez Canal Authority
Marshall Ahmed Ali Fadel, Chairman
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Fax: (20-2) 795-1592

Taxation Authority
Mr. Talaat Hammam, Chairman
5 Hussein Hegazi St., Cairo
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Fax: (20-2) 792-0757

Telecom Egypt
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Ministry of Transport, Communications & Civil Aviation, Ramses St., Cairo
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EGYPTIAN TRADE ASSOCIATIONS/ CHAMBERS OF COMMERCE

I. EGYPTIAN TRADE ASSOCIATIONS

Alexandria Business Association (ABA)
Mr. Mohamed Ragab, President
C/o Ragab Export. & Import Company

52 Avenue El Horria St., Alexandria
Tel: (20-3) 487-2206
Fax: (20-3) 487-2411

Assiut Business Association (ASBA)
Dr. Mohamed Gamal El Din Abdel Mettal, Chairman
Al Shark Insurance Tower, El Geish St., Assiut
Tel: (20-88) 341-766
Fax: (20-88) 341-755

Borg El Arab Business Association
Eng. Mohamed Farag Amer
First Industrial Zone, Borg El Arab, Alexandria
Tel: (20-3) 459-2079/3650/3075
Fax: (20-3) 459-2044

Egyptian American Friendship Association
Dr. Ibrahim Fawzi
83 Ramses St., 2nd Floor, Cairo
Tel: (20-2) 575-2211

Egyptian Businessmen's Association (EBA)
Mr. Mohamed Youssef, Secretary General
21 Giza St., Nile Tower, Giza, Cairo
Tel: (20-2) 573-6030, 572-3855
Fax: (20-2) 573-7258

Egyptian Federation for Consumer Protection Associations (EFCA)
Prof. Hassan Gemei, Secretary General
Faculty of Law, Cairo University
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Egyptian Junior Businessmen Group
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Fax: (20-2) 392-4089

Egyptian Small Enterprise Development
Mr. Hussein Enan, Chairman
13 Salem Salem St., El Agouza, Giza, Cairo
Tel: (20-2) 336-3980/1/2/4/5

Fax: (20-2) 336-3983

Egypt's International Economic Forum
Ms. Nadia M. Lamloum, Manager,
Semiramis InterContinental Hotel, Suite 405, Corniche El Nil, Garden City, Cairo
Tel: (20-2) 797-1761
Fax: (20-2) 797-1757

Sadat City Business Association
Mr. Ahmed Ezz, President
8 El Sad El Aali St., Dokki, Cairo
Tel: (20-2) 760-0150/4, (20-49) 601-614
Fax: (20-2) 760-0154, (20-49) 601-468

Sharkeya Business Association (SBA)
Mr. Hamdy El Koronfoly, Chairman
1 Salma St. (Corner Talaat Harb St.), Zagazig
Tel: (20-55) 326-407/408, 311-821/3
Fax: (20-55) 328-308

Sixth of October Investors Association
Mr. Hani Serour, Chairman
6th of October, Quarter 5, Central Avenue, Villa # 64
Tel: (20-11) 338-326/7
Fax: (20-11) 335-687

Small Enterprise Development Association (SEDA)
Eng. Ali Ali Soliman, Chairman
El Bareed Bldg., El Geish & Mohamed Mahmoud St., Port Said
Tel: (20-66) 336-452
Fax: (20-66) 336-454

Tenth of Ramadan Business Association
Mr. Mahmoud Soliman, Chairman
10th of Ramadan City, Banks District, Kafrawy Garden, P.O. Box 73
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The Egyptian Exporters Association (EXPOLINK)
Mr. Sherif El Maghraby, Executive Director
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Fax: (20-2) 304-6889

II. EGYPTIAN CHAMBERS OF COMMERCE
(Affiliated with the Federation of Egyptian Chambers of Commerce)

Federation of Egyptian Chambers of Commerce
Mr. Khaled Abou Ismail, President
4 Falaky Square, Cairo
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Fax: (20-2) 395-8371

Alexandria Chamber of Commerce
Mr. Mostafa Yakout EL Naggar, President
31 Chamber of Commerce St., Alexandria
Tel: (20-3) 480-8779
Fax: (20-3) 480-8993

Assiut Chamber of Commerce
Mr. Ibrahim Abou El Eyoun, President
23rd July St., Assiut
Tel: (20-88) 332-082
Fax: (20-88) 346-044

Aswan Chamber of Commerce
Mr. Mostafa Abdel Kerim Mohamed, President
Cornish El Nil St., Aswan
Tel & Fax: (20-97) 301-177

Beni Suef Chamber of Commerce
Mr. Ragy Abdel Fattah Abdel Reheem , President
Mamdouh Fissal St., Mokebel District, Beni Suef
Tel: (20-82) 322-094, 319-047
Fax: (20-82) 322-094

Cairo Chamber of Commerce
Mr. Abdel Halim Nawara, President
4 Midan El Falaki St., Cairo
Tel: (20-2) 795-8261/2
Fax: (20-2) 796-3603

Dakahleya Chamber of Commerce
Mr. Hamd El Touhamey Hassanien, President
El Bahr St., Midan Saleh Ayoub, El Mansoura
Tel: (20-50) 322-720, 312-720

Fax: (20-50) 320-670, 310-670

Damietta Chamber of Commerce
Mr. Mostafa Kamal Arafi, President
Saad Zaghloul St., Damietta
Tel: (20-57) 322-799, 323-177
Fax: (20-57) 320-632

El Arish Chamber of Commerce
Mr. Mohamed Hamdy Gouda, President
El Saha El Shabiya St., El Arish, Sinai
Tel: (20-68) 340-327

El Beheira Chamber of Commerce
Mr. Fouad Ahmed Ellakkani, President
Midan El Seah, El Gomhouria St., Damanhour
Tel: (20-45) 322-207
Fax: (20-45) 317-531

El Fayoum Chamber of Commerce
Mr. Mohamed Abdel Rehman El Gahed, President
El Sad El Aley St., El Fayoum
Tel: (20-84) 322-148

El Giza Chamber of Commerce
Dr. Ahmed Bahgat, President
6 El Ghorfa El Tegarya St., Giza, Cairo
Tel: (20-2) 572-1761
Fax: (20-2) 568-3971

El Kaliobia Chamber of Commerce
El Moderia St., Midan Saad Zaghloul, Banha
Tel: (20-13) 222-177
Fax: (20-13) 232-477

El Menia Chamber of Commerce
Mr. Ahmed Shehata Ahmed, President
El Tegara St., El Menia
Tel: (20-86) 363-232
Fax: (20-86) 323-232

Menofia Chamber of Commerce
Mr. Adel El Ebiarey, President

Ibn El Fared St., Shebeen El Koum
Tel & Fax: (20-48) 221-511

El Wadi El Gedid Chamber of Commerce
Eng. Gad Mohamed Hamedallah, President
Port Said St., El Khargah
Tel: (20-92) 921-548
Fax: (20-92) 921-528

Gharbeya Chamber of Commerce
Eng. Aly Mohamed Ahmed, President
7 El Geish St., Tanta
Tel: (20-40) 330-4090
Fax: (20-40) 330-3793

Ismalia Chamber of Commerce
Mr. Abdel Rehman El Faramawey, President
163 Saad Zaghloul St., Ismailia
Tel: (20-64) 321-663, 325-974
Fax: (20-64) 325-974

Kafr El Sheikh Chamber of Commerce
Mr. Abdel Shafie El Bahrawey, President
El Zawy Bldg., Kafr El Sheikh
Tel: (20-47) 234-191
Fax: (20-47) 232-916

Kena Chamber of Commerce
Mr. Ismail Youssef Weshahy, President
El Goumhouria St., Kena
Tel & Fax: (20-96) 332-690

Matrouh Chamber of Commerce
Mr. Kassem Taher Eissa, President
Marsa Matrouh
Tel: (20-46) 935-864
Fax: (20-46) 930-985

Port Said Chamber of Commerce
Mr. Mohamed Abdel Fattah Elmasri, President
Chamber of Commerce Building, Mohamed Ali St., Port Said
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Fax: (20-66) 236-141, 345-542

Sharkia Chamber of Commerce
Mr. Reda Alla Helmy, President
18 Gala St., El Zagazig
Tel: (20-55) 349-744

Sohag Chamber of Commerce
Mr. Ahmed Khalil Badawi, President
El Kesaria El Sharki St., Sohag
Tel & Fax: (20-93) 323-036

Suez Chamber of Commerce
Mr. Samer Farouk Ismail, President
47 Salah Eldin Elayoubi St., Suez
Tel: (20-62) 331-351, 227-783
Fax: (20-62) 223-456

The Red Sea Chamber of Commerce
Mr. Sidi Ahmed Ibrahim, President
Old City Council Bldg., Hurghada
Tel: (20-65) 549-298
Fax: (20-65) 548-494

South Sinai Chamber of Commerce
Mr. Gamal Abdel Wahab Omer
El Tour City
Tel: (20-62) 773-331

III. OTHER CHAMBERS OF COMMERCE IN EGYPT

American Chamber of Commerce in Alexandria
Ms. Sherine El Kharadly, Administrative Manager
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American Chamber of Commerce in Egypt
Mr. Mohamed Mansour, President
33 Soliman Abaza St., Zamalek, Cairo
Tel: (20-2) 338-1050
Fax: (20-2) 338-1060

German-Arab Chamber of Commerce in Egypt

3 Abul Feda St., Zamalek, Cairo
Tel: (20-2) 736-3664/2
Fax: (20-2) 736-3663

Greek-Arab Chamber of Commerce in Egypt
17 Soliman El Halabi St., Cairo
Tel: (20-2) 574-1190
Fax: (20-2) 575-4970

Italian-Arab Chamber of Commerce in Egypt
33 Abdel Khalek Tharwat St., Cairo
Tel: (20-2) 392-2275
Fax: (20-2) 391-2503

Japanese Foreign Trade Organization
World Trade Center, 1191 Cornish El-Nil, Boulaq, Cairo
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Fax: (20-2) 756-966

IV. EGYPTIAN CHAMBERS OF INDUSTRIES
(Members of the Federation of Egyptian Industries)

Federation of Egyptian Industries
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Fax: (20-2) 579-6593/4

Chamber of Building Materials Industries
Mr. Samir Allam, President
23 Sherif St., Cairo
Tel & Fax: (20-2) 392-8820

Chamber of Grains & Related Products
Mr. Mahmoud Ghanem Diab, President
65 El Horria Avenue, Alexandria
Tel & Fax: (20-3) 391-6121

Chamber of Chemical Industries
Dr. Mahmoud Fouad Mahmoud, President
26A Sherif St., Immobilia Bldg., Cairo
Tel: (20-2) 393-5436
Fax: (20-2) 390-0063

Chamber of Cinema Industry
Mr. Monib Mahmoud Shafei, President
33 Orabi St., Downtown, Cairo
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Fax: **(20-2) 575-1583**

Chamber of Engineering Industries
Eng. Aly Fahmy El Sawah, President
13 Sherif St., 5th Floor, Cairo
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Fax: (20-2) 391-8099

Chamber of Food Industries
Eng. Ismail Baligh Sabry, President
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Chamber of Leather Industry
Eng. Salama Mostafa Hamza, President
26A Sherif St., Immobilia Bldg., Cairo
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Fax: (20-2) 390-8016

Chamber of Metallurgical Industries
Eng. Mohamed Abdel Aziz Khattab, President
13 Sherif St., 5th Floor, Cairo
Tel: (20-2) 392-1238
Fax: (20-2) 391-8099

Chamber of Petroleum & Mining
Dr. Eng. Hamed Hassanein Amer, President
8 Batel Ahmed Abdel Aziz St., off Fatma Rushdi St., Abdin, Cairo
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Fax & Tel: (202) 393-0098

Chamber of Printing, Binding and Paper Products
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Chamber of Pharmaceutical, Cosmetics and Medical Appliances Industries
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Chamber of Tanning, Leather & Fur Industries
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43 Sherif St., Down Town, Cairo
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Transcentury
Mr. Anis Aclimandos, President
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Shortcuts
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B2LS

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ProMark Corp. Ltd.
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Middle East Marketing Research Bureau
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Wafai and Associates

El Forsan Bldg., behind Sheraton Heliopolis, Bldg. A, Heliopolis, Cairo
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See complete list of banks under Chapter VIII.

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U.S. Department of Commerce
The Commercial Service
Kevin Brennan, Regional Director - ANESA
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U.S. Department of Agriculture
AgExport Services Division
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U.S. Department of State
Carol Kalin, Deputy Director
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Tel: 212-867-2323, Fax: 212-697-0465

Arab-American Business & Professional Association
P.O. Box 700
746 Walker Road
Great Falls, VA 33066-0700
Tel: 703-759-2235, Fax: 703-759-9300

Consulate General of Egypt
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Tel: 212-759-7120, Fax: 212-308-7643

Consulate General of Egypt
3001 Pacific Ave.
San Francisco, CA 94115
Tel: 415-346-9700, Fax: 415-346-9480

Consulate General of Egypt
1990 Post Oak Blvd., Suite 2180
Houston, TX 77056
Tel: 713-961-4915, Fax: 713-961-3868

Consulate General of Egypt
500 N. Michigan Ave., Suite 1900
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Egyptian American Businessmen's Association (EABA)
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Embassy of the Arab Republic of Egypt
3521 International Court, NW
Washington, D.C. 20008
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Export-Import Bank (EXIM Bank)
811 Vermont Avenue NW
Washington, D.C. 20571
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National Institute of Standards and Technology (NIST)
Dr. B. Stephen Carpenter, Director for Int'l & Academic Affairs
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Tel: 301-975-2386, Fax: 301-975-3530

National U.S.-Arab Chamber of Commerce
1100 New York Avenue, NW
East Tower, Suite 550
Washington, D.C. 20005
Tel: 202-289-5920, Fax: 202-289-5938

Office of Economic & Commercial Affairs
Embassy of the Arab Republic of Egypt
Alaa El Din Shalaby, Minister-Counselor for Economic & Commercial Affairs
2232 Massachusetts Ave., NW
Washington, D.C. 20008
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Overseas Private Investment Corporation (OPIC)
1615 M street, NW
Washington, D.C. 20527
Tel: 800-424-OPIC or 202-457-7010, Fax: 202-223-3514

Permanent Mission of Egypt to the United Nations
36 East 67 Street
New York, NY 10021
Tel & Fax: 212-879-6300

U.S.-Arab Chamber of Commerce (Pacific) Inc.
PO Box 422218
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Tel: 415-398-9200, Fax: 415-398-7111

U.S. International Trade Commission (USITC)
500 E Street, SW
Washington, D.C. 20436
Tel: 202-252-1000, Fax: 202-252-1798

U.S. Small Business Administration (SBA)
409 3rd St., SW
Washington, D.C. 20416
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U.S. Trade and Development Agency (USTDA)
John Richter, Regional Director for Africa & Middle East
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CHAPTER XI. MARKET RESEARCH AND TRADE EVENTS

APPENDIX F: MARKET RESEARCH

COMMERCIAL SERVICE EGYPT -- INTERNATIONAL MARKET INSIGHT (IMI) REPORTS FOR EGYPT -- FY 2000/2001

EGYPT - AL WAHAT AND EL FARAFRA AIRPORTS - IMI991015
EGYPT - E-COMMERCE - IMI991020
EGYPT - AMENDMENT TO DECREE 619 OF 1998 - IMI991118
EGYPT - MEDICAL EQUIPMENT IMPORT REGULATIONS – IMI991120
EGYPT - THE NEW CABINET - IMI991121
EGYPT - TRADE EVENTS (1999-2000) - IMI991122
EGYPT - THE CAPITAL MARKET - IMI991130
EGYPT - GARBAGE RECYCLING PROJECT - IMI991207
EGYPT - FAX SUBSCRIPTION FEE ELIMINATED - IMI991208
EGYPT - AN ASSESSMENT OF U.S. INDUSTRY - IMI20000203
EGYPT - TELECOM EGYPT UPDATE - IMI20000209
EGYPT - WATER PUMPS MARKET - IMI20000216
EGYPT - TENDERS AND BIDDING PROCESS - IMI20000217
EGYPT - OPPORTUNITIES-FLOUR MILLS AND SILOS - IMI20000222
EGYPT - CUSTOMS/SALES TAX ON SOFTWARE - IMI20000224
EGYPT - TELECOMMUNICATIONS EQUIPMENT - IMI20000228
EGYPT - UPDATE-TRADE EVENTS FOR 2000 - IMI20000301
EGYPT - RESTAURANT AND HOTEL EQUIPMENT - IMI20000313
EGYPT - THE CONSTRUCTION INDUSTRY - IMI20000313
EGYPT - DEVELOPMENTS IN THE MARITIME - IMI20000313
EGYPT - IT SECTOR: STATUS & OPPORTUNITIES – IMI20000329
EGYPT - THE BUILDING MATERIALS INDUSTRY - IMI20000329
EGYPT - TWO NEW INDUSTRIAL AREAS AND PORTS - IMI20000329
EGYPT - FOOD FRANCHISE ISSUES – IMI20000423
EGYPT - FURNITURE INDUSTRY OVERVIEW – IMI20000508
EGYPT - NEW CITY FOR LEATHER INDUSTRY - IMI20000731
EGYPT - ADJUSTMENTS TO THE INVESTMENT LAW 8/97 - IMI20000731
EGYPT - LIST OF ATTORNEYS - IMI20000810

EGYPT - UPDATE ON IT- PROTOCOLS - IMI20000815
EGYPT - AL SOKHNA & LUXOR INTERNATIONAL AIRPORTS - IMI20000824
EGYPT - RAS SIDR AND LUXOR BOT AIRPORTS - IMI20000907
EGYPT - TELECOM AND CALL CENTER TRADE EVENT - IMI20000917
EGYPT - TELECOM EGYPT PRIVATIZATION - IMI20000920
EGYPT - SOUTH VALLEY DEVELOPMENT PROJECT - IMI20001011
EGYPT - DEVELOPMENTS IN THE PAPER INDUSTRY - IMI20001016
EGYPT - SMART VILLAGES - IMI20001023
EGYPT - BUSINESS BAROMETER - IMI20001026
EGYPT - INDUSTRY MODERNIZATION PROGRAM - IMI20001026
EGYPT - PRIVATIZATION OF RAKTA - IMI20000920
EGYPT - HEALTH INSURANCE MANAGEMENT INFO. SYSTEM - IMI20001031
EGYPT - NEW DEVELOPMENTS IN TOURISM - IMI20001031
EGYPT - CUSTOMS TARIFF AMENDMENTS - IMI20001102
EGYPT - MICROSOFT-SPONSORED INFO TECH ACADEMY - IMI20001109
EGYPT - CS STAFF & INDUSTRY SECTOR SPECIALIZATIONS - IMI20001114

INDUSTRY SECTOR ANALYSIS (ISA) REPORTS PLANNED FOR FY 2001:

BANKING AND FINANCIAL SERVICES	NOVEMBER 00
TOURISM INDUSTRY	FEBRUARY 01
EDUCATIONAL EQUIPMENT AND SERVICES	MARCH 01
HEALTH CARE SERVICES	APRIL 01
PLASTICS AND RESINS	JUNE 01
OIL AND GAS SERVICES	JULY 01
COMPUTER SERVICES	AUGUST 01

NOTE: A complete list of market research reports is available on the National Trade Data Bank (NTDB), via the World Wide Web at HTTP://WWW.STAT-USA.GOV.

U.S. DEPARTMENT OF AGRICULTURE (USDA)
FOREIGN AGRICULTURAL SERVICE (FAS)
COMMODITY REPORTS

REPORT TITLE	DUE DATE
Grain & Feed Annual	03/10/00
Sugar Annual	04/10/00
Oilseeds & Products Annual	05/01/00
Tobacco Annual	05/20/00
Cotton Annual	06/20/00
Livestock Annual	08/01/00
Poultry Annual	08/15/00

Forest Products Annual	09/01/00
Agricultural Situation Report	09/30/00
Dairy Annual	10/20/00
Citrus Annual	11/01/00

NOTE: FAS reports available from Reports Office/FAS/USDA, Washington, D.C. 20250, Fax: 202-720-7729

APPENDIX G: TRADE EVENT SCHEDULE FOR EGYPT IN 2001:

Legend:		
	CICC	Cairo International Conference Center
	CS-CAIRO	Commercial Service, U.S. Embassy, Cairo
	IBP	International Buyer Program

Because trade event schedules may change, participants should consult the Export Promotion Calendar on the NTDB or contact the Commercial Service in Egypt at the U.S. Embassy in Cairo for the latest information, or arrange individual trade programs.

LIST OF TRADE EVENTS IN EGYPT FOR 2001

EVENT NAME	DATE	LOCATION	ORGANIZER
Fiera Sharm Show (Hotel & Kitchen Supplies)	Jan. 19-22	Sharm El Sheikh	Horizon
Airport 2001 (The Pan-Arab/ African Exh. Airport Ground Support Eq. & Supplies)	Feb. 21-23	Italy H	ACG/ITE
MEFSEC 01 (Middle East Fire, Safety & Security Exh. & Conf.)	Feb. 26-28	CICC	Egytec
The Middle East Congress & Exh. for Recycling & Waste Management (2001 Waste)	Feb. 28-Mar. 2	Fairgrounds	Promoters & Envirotech
Automech 6 (Pan-Arab/African Vehicles, Buses, Motocar Workshops, Automobile Spare Parts & Acces. Exh.)	Mar. 15-18	CICC	ACG/ITE
ITCE 6 (Pan-Arab African Exh.			

for Textile, Embroidery & Sewing Machinery, Access. & Finished Products)	Mar. 23-26	CICC	ACG/ITE
(AAICE) All Africa Investment Exh. & Conf.)	Mar.	CICC	IIR
Furniture 5 (National Exh. For Decoration, Interior Design, Home & Office Furniture)	June	CICC	ACG/ITE
Index Cairo 2 (Furniture & Interiors Exh. For North Africa & The Near East)	June 5-8	Fairgrounds	ACG/ITE
Easybuy Expo (Buying On Credit)	Jun. 21-24	CICC	ACG/ITE
Internet World Egypt (Int'l Internet Technology & Online Services Exh.)	Sep. 1-4	CICC	ACG/ITE
IAAPW Cairo 2001 (Int'l African-Arabian Paper, Printing, Packaging & Processing Week)	Sep. 1-4	CICC	ACG/ITE
Automechanika Africa (Int'l Trade Fair For Service Station Equip. & Automobile Spare Parts & Access.)	Sep. 6-9	Fairgrounds	Art Line
Manufacturing Solutions Week	Sep. 30-Oct.3	CICC	IIR
Progas (Pan-Arab/African-Arabian Exh. For Perochemicals, Refineries, Oil And Gas Industries)	Oct. 11-14	Fairgrounds	ACG/ITE
Arabian Stone (Int'l Exh. For Marble, Granite, Ornamental Stone & Machinery For Stone Processing)	Oct. 16-19	Fairgrounds	ACG/ITE
Middle East Building Week	Oct. 16-19	Fairgrounds	ACG/ITE
Mactools 2001 & Safety (Pan-Arab/ African Exh. For Machine And Hand Tools Systems & Components, &			

Safety Equipment)	Oct. 25-28	Fairgrounds	ACG/ITE
Electricx '01 (Middle East Power & Energy Exh. & Conf)	Nov. 6-9	CICC	Egytec

LIST OF EGYPTIAN SHOW ORGANIZERS:

ACG & ITF INTERNATIONAL TRADE FAIRS
30 Adnan El Madany St., Sahafeyeen, Cairo
Tel: 302-3605/7/19/21, Fax: 302-3628, 303-8728
Email: acg@link.com.eg
Web Site: http\\www.acg.com.eg
Mr. Ahmed Ghozzi, Managing Director
Mr. Karim Elsayed, Marketing Director

AFRICAN CONFERENCE & EXHIBITIONS LTD (ACE)
37 Upper Duke Street, Liverpool L1 9DY, UK
Tel: 44-151-709-9192, Fax: 44-151-709-7801

ALSAFA EXHIBITIONS & INT'L CONFERENCES
11 Shehab St., Mohandessin, Cairo
Tel: 338-3975, Fax: 336-7019
Email: alsafa@starnet.com.eg
Mr. Ali Basha, General Manager

AMAGO ADVERTISING & MARKETING
8 El Menia St., Heliopolis, Cairo
Tel: 256-9988, 258-1666, Fax: 258-8565
Mr. Abdelhay M. Gomaa, Chairman

ANCOM GROUP
345 El Sudan St., Mohandessin, Cairo
Tel: 344-7980, 347-1155, Fax: 347-1155
Mr. Ayman Nile, Director

ARAB AFRICAN PROMOTERS FOR INT'L CONFERENCES (AAPIC)
32H Radwan Ibn El Tabib St., off Morad St., Giza
Tel: 571-0081, Fax: 573-3550
Mr. Amr Afifi, Deputy General Manager

ARABIAN GROUP FOR DEVELOPMENT (AGD)
56 Riyadh St., Mohandessin, Giza

Tel: 304-6049, 303-1640/7257, Fax: 304-6007
Email: info@agd-exhibitions.com
Web Site: www.agd-exhibitions.com
Mr. Mamdouh M. Helmy, Int'l Marketing Manager

ART LINE
10 El Mehallawy St., Dokki, Giza
Tel & Fax: 336-2095/6/7
Ms. Mervat Shouman

CAIRO INTERNATIONAL CONVENTION CENTER (CICC)
Nasr City, Cairo
Tel: 263-4632, 260-3602, 262-1698, Fax: 401-8950
Web Site: www.CICC.egnet.net
Eng. Mokhtar El Sawi, Director-Advertising
Ms. Randa El Alaily, Int'l Marketing Manager

COMMERCIAL SERVICE
U.S. Embassy
5 Latin America St., Garden City, Cairo
Tel: 357-2223, 357-2340, Fax: 355-8368
Email: cairo.office.box@mail.doc.gov
Web Site: usembassy.egnet.net
Mrs. Jihan Labib, Commercial Specialist

CTI INTERNATIONAL
16 Abdel Salam Ibrahim St., Game El Fath, Heliopolis, Cairo
Tel: 241-5123/249-8698, Fax: 246-4148
Email: cti2000@link.com.eg
Web Site:www.creative-eg.com
Mr. Amr Sedky, Chairman

DEFILE CREATION
3 Ahmed Orabi St., Sphinx Sq., Mohandessin, Giza
Tel: 303-5007/3531, Fax: 303-5008
Mr. Wael Khairy, Marketing Manager

DEFRA FOR MARKETING & TRADE
32 Gameat El Dowal El Arabia St., Giza
Tel & Fax: 344-1777, 347-0469
Mr. Issam A.R. El Defrawy, Director

DUBAI WORLD TRADE CENTER

28 Said Al Halawany St., Heliopolis
Tel: 266-4544, Fax: 266-4222
Email: aelsayed@ritsec1.com.eg
Dr. Ashraf Hassan

EGPC
Mr. Anwar Salama, Deputy Assistant Chairman for Excavators
Mr. Sayed El Arabi, Deputy Assistant Chairman for Contracts
Tel: 377-5278, 377-5288, Fax: 377-5274

EGY-TEC ENGINEERING CO.
49 Mohamed Mazhar St., Zamalek, Cairo
Tel: 340-3877, 340-9801, Fax: 340-8801
Ms. Mervat El Huddeini, Business Development Director

EGYPTIAN GROUP FOR MARKETING (EGM)
53 Tawfik Bldg., Youssef Abbas St., Nasr City, Cairo
Tel: 263-5212/5, 261-9160, Fax: 263-5215
Email: egm@mailer.datum.com.eg
Mr. Youssry A. Naga

EMC INTERNATIONAL
Misr Taameer Bldgs #17, 2nd District, behind Heliopolis Sheraton, Cairo
Tel/Fax: 266-6388
Email: emcint@gega.net
Ms. Mona Mortada, Public Relations Manager

ENVIROTECH-MIDDLE EAST
9 El Masged El Aksa St., Mohandessin, Cairo
Tel: 304-3655/99, Fax: 304-3655
Email: enviro@starnet.com.eg
Mr. Abdel Bassit Aly, or Ms. Rita Kirdahy

FAIRTRADE
16 Almaza St., Heliopolis, Cairo
Tel: 414-8845, Fax: 417-1371
E-mail: fairtrd@starnet.com.eg
Ms. Iman Sami or Mr. Nour Ashour, Project Managers

GENERAL ORGANIZATION FOR INT'L EXHIBITIONS & FAIRS (GOIEF)
Fairgrounds, Nasr City, Cairo
Tel: 260-7856/33, Fax: 260-7845/48
Ms. Nahed Shahine, General Manager-Marketing & Promotion

IIR EXHIBITIONS & SOFTBANK COMDEX INC.
PO Box 28943, Dubai, UAE
Tel: 971 4 3512777, Fax: 971 4 3518604
Email: IIRx@emirates.net.ae
Website: IIRgulf.com

INFOCENTER INTERNATIONAL LLC
24th Fl., Al Moosa Tower II, Sheikh Zayed Road, Dubai, UAE
Tel: 971-4-332-7111, Fax: 971-4-331-8710
Mr. David Hirst, Director

INTERNATIONAL EXHIBITION SERVICES (IES)
7 Mohamed Fahmy Almohdar St., 1st Zone, Nasr City, Cairo
Tel: 401-7557, 403-2981, Fax: 262-0434
Eng. Mohamed Rashad, Managing Director

INTERNATIONAL TRADE & EXHIBITIONS GROUP (ITE)
18 Hassan Sabry St., Zamalek, Cairo
Tel (cell): 012/214-2222, Fax: 340-9600
Email: mec@soficom.com.eg
Mr. Karim El Halwagi, Director

MAGICX
3 Abul Feda St., Zamalek, Cairo
Tel: 341-3662, 342-1711, Fax: 341-3663
Email: magicx.gacc@gega.net
Web Site: www.gerarcham.com
Ms. Marion Kussmann, Project Manager

MEDITERRANEAN EXHIBITIONS & CONFERENCES (MEC EGYPT)
189 El Orouba St., 7th Fl., Heliopolis, Cairo
Tel: 267-1118, Fax: 267-1117
Email: mec@soficom.com.eg
Mr. Karim El Halwagi, Chairman & Managing Director

NETWORK
22 Kasr El Nil St., 6th Fl., Cairo
Tel: 338-1350/1, Fax: 338-1352
Mr. Ahmed El Dali, Director

O.K. TRUST
16 Nehro St., Roxy, Heliopolis, Cairo

Tel/Fax: 453-3344, 452-0172, 454-4968
Mr. Osama Malek, Director

PRESTIGE
16 Midan El Missaha, Dokki, Cairo
Tel: 336-3317/8, Fax: 336-3316
Mr. Sherif Salem, Chief Executive Officer

PROMOTERS
59 Lebnan St., Mohandessin, Cairo
Tel: 303-5820/21, Fax: 303-3872
Email: promoter@internetegypt.com
Mr. Fadi Omar, or Ms. Noha Maher

PROPAGANDA INTERNATIONAL
3 Demeshk St., Mohandessin 12411, Giza
Tel/Fax: 303-9536, 346-2180
Email: propgnda@link.com.eg, propgnda@eis.com.eg
Web Site: www.propagandaintel.com
Mr. Hassan C. Mazloum, Int'l Coordinator

PYRAMID ADVERTISING AGENCY (AL AHRAM)
El Galaa St., Cairo
Tel: 012-313-8326, 012-217-3778, Fax: 394-1866
Mr. Ashraf El Saman

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10 El Kamel Mohamed St., Zamalek, Bank Misr Bldg., 7th Fl.
Tel: 341-4345/6, Fax: 341-4347

SAHARA GROUP
27 Demeshk St., Off Syria St., Mohandessin
Tel: 303-9382, Fax: 305-5133
Mr. Hany El Habibi, Chairman

TABARAK BIOMEDICA
8 Youssef Abbas St., Block 3B, 1st Zone, Nasr City, Cairo
Tel: 403-6492, 261-8082, Fax: 260-4161
Email: tabarak@iec.egnet.net
Mr. Ahmed Sami, Marketing Manager or Mr. Mohamed Sayed, General Manager

TOURIST LIFE GROUP

5 Al Obour Bldg., 5th Fl., Salah Salem, Cairo
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Mr. Ahmed Hafez, Chairman

VIDI-AD
15 El Malek El Saleh St., Roxy, Heliopolis, Cairo
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Eng. Ashraf Mohamed