

Nagdy in his first meeting with IDA Employees IDA able to provide more for Egyptian Industries

Eng. Ismail Nagdy, IDA Chairman, held his first meeting with IDA employees on Wednesday, 15/6/2011 at IDA main headquarters in New Cairo. He called for work for Egypt and its economy. Nagdy pointed out that IDA plays a main role in the industrial field assuring that IDA has to keep working to develop a varied competitive economy supported by the national resources, in addition to enhancing the industrial development depending on providing a suitable investment environment, saying "we have more to do for Egyptian Economy". During the meeting, Nagdy stressed on the importance of career discipline and time respect to get things back to normal in terms of performance and services provided by IDA. He also confirmed the need to exert more effort and offer more



facilities to investors, especially small ones. Another meeting was held with IDA Heads of central departments and general managers on Tuesday; 21/6/2011. The meeting focused on administrative discipline and discussed some problems such as inspections of industrial plants and the restructuring some departments in IDA. By virtue of decree No. 768 of 2011, Dr. Essam Sharaf, Prime Minister, appointed Eng. Ismail Abdel Monaim Nagdy - one of the armed forces leaders - chairman for IDA, in the main time keeping on Eng. Hisham Alharony and Ahmed Farargi as Vice-IDA Chairmen. The decree includes also the appointment of three new members, Eng. Amr Alshawadfy, Eng. Hassan Al-Mahdi and Dr.Mohamed Zahir.

IDA Launches New Facilities Reducing Guarantee Letters, Stopping the Partial Liquidating, Extending the Grace Period till 30 September 2011

Within the framework of activating the policies of the new government, IDA board of directories in its first meeting after its reformation headed by Ismail Abd El-Monaim Nagdy, on Sunday, 19/6/2011, approved several decisions including the reduction of guarantee letter for small land areas whereas the area of 1000m² value will be L.E 50 for each square meter instead of L.E 100 but the areas more than 1000m² value will be L.E 70 instead of L.E 100 all over the industrial zones in Delta,

noting that the value of industrial zone in Upper Egypt will be the same (L.E 50 per the square meter at any area). The Board of Directors also agreed to extend the grace period till 30 September 2011 instead of current June to prove seriousness of each project all over industrial zones besides stopping partial liquidating of guarantee letters. Moreover, the Board of Directors agreed to start allocating the lands of the fourth tender on an area of

one million m² in 15 industrial cities for 980 projects with investment costs of L.E 2 billion. First group of such lands will be announced during the next period in 8 industrial cities including 6th of October, Obour, New Cairo, 15th of May, 10th of Ramadan, Badr, De-meitta & New Assuit. The rest of the cities will be announced immediately after the end of the work of the committee and the approval of IDA chairman.



Freeing IDA from the Industrial Developer Lands Violations

The General Prosecution reserved the investigations in all cases against IDA in three public funds cases. These accusations included IDA allocation of lands for the industrial developer project with direct order, sale them with low price which violate law besides allocating lands for businessmen with the lowest prices, violations concerning paying away IDA's funds and the misuse of L.E 700 million allocated by the Ministry of Finance to finance IDA's Fund for Subsidizing Establishment, Servicing and

Development of Industrial Zones. The General prosecution for Public Fund, the Control Authorities such as Administrative Control, Illicit Gains Authority, Public Funds Investigations and Central Auditing Organization started their investigations which concluded to the validity of IDA procedures relating to Industrial Developer lands and that it did not allocate lands by direct order and that the price was determined by IDA Board of Directors and New Urban Communities Authority besides proving the validity of the contract

prepared by IDA. As for the case of losing L.E 700 million of IDA's Fund for Subsidizing Establishment, Servicing and Development of Industrial Zones, the investigations proved the validity of the Fund's procedures, and according to laws, in addition to what have spend were to develop 33 industrial zones nationwide. While it proved also in the third case that there were no violations in IDA spending, the subject of the case, or at allocating lands for businessmen or for determined companies.

U.S. State Department supports Egypt in all international circles

Dr. Essam Sharaf, President of the Council of Ministers confirmed that investment in Egypt means investing in the future, and that Egyptian people is confident of crossing such stage, and building foundations of an economy based on transparency and to adopt a democratic process that leads to establish civil state based on justice, equality, upholding the law, protection of freedoms and human rights. The Prime Minister expressed his appreciation and aspiration regarding accelerating economic support means as soon as possible so that the Egyptian economy can cross this dangerous stage. From the other side Dr. Essam Sharaf expressed his thanks to the United States official for their keenness to dispatch many of its officials to support Egypt at this stage, as well as introducing a special praising for heads of the major U.S. companies whom he met two days ago with the presences of Senator John McCain's to support the Egyptian economy through pushing important investments during the next stage.

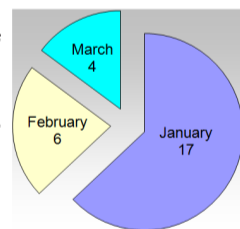
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IDA's Achievements during 1st Quarter of 2011

1- Land allocation in the industrial zones

January		February		March		Total	
No.	Area	No.	Area	No.	Area	No.	Area
17	218025	6	20546	4	9798	27	248369

The previous table and chart show number of lands allocated in 3rd quarter of 2011 pointing out that January 2011 witnessed allocation of an area of 218025m² or 87.7% of the total area allocated in such period.

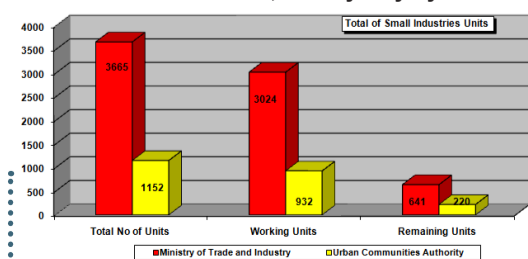


The approved projects distributed to 7 cities and governorates, Sadat City came in the first place with 9 projects, followed by Burg El Arab City with 7 projects. The largest land allocated for Burg El Arab City is 110789m².

2 - Small industries complexes

That affiliated to Ministry of Trade and Industry and Urban Communities Authority until March 2011.

3956 industrial units out of 4817 one obtained the housing approval. 861 industrial units are currently available and 2654 projects are contracted on. The highest occupancy rate of Small industries complexes of Ministry of Trade and Industry was in the governorates of Ismailia, Suez, Dakahlia and Sadat by 100%, followed by New Burg El Arab by 99.8%, then, Qena governorate achieved 98.9% and finally Aswan governorate at 98.5%. It is clear also that the highest occupancy rate in the complexes of the Urban Communities Authority are in the Industrial Zone B3 in 10th of Ramadan City by 100% followed by the Industrial Zone C1 in 10th of Ramadan City by 99.2% then the Area of Central Services, 15 May City by 97.8%

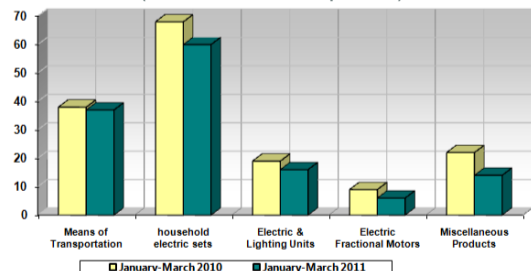


3- Enhancing and Developing Local Manufacturing

The Number of Companies and Proposals that Obtained Customs Facilities:

133 companies with 602 applications obtained customs facilities during January-March 2011 (The company has the right to make use of more than one applications). The household electric sets sector is one of the major sectors that obtain customs facilities; 60 companies with 356 applications at 44% of the total number of companies, followed by the transportation sector with 158 applications at 27% of the total number of companies.

Comparison between numbers of companies with customs facilities (distributed to industrial products)



Capital Saved due to the Local Manufacturing of the studied products is LE2.9335 billion from 594 applications submitted to 5 sectors by 133 companies

* This report has been issued before abolition of October and Helwan governorates.

4- Studying Customs Release of Hazardous Chemicals

103 applications of Customs Release of Hazardous Chemicals consignment during 3rd quarter of 2011 were studied compared to 107 applications in the same period of 2010. While 68 applications have been approved for LE147,000 as IDA's share within the 3rd quarter of 2011 18 incompetence letters were issued with standard costs of LE100/letter. IDA's share reached about LE1800.

5- Licenses of Chemical stores (industrial and commercial)

The approved industrial chemical stores requests hit 45 and those of commercial chemical stores reached 21.

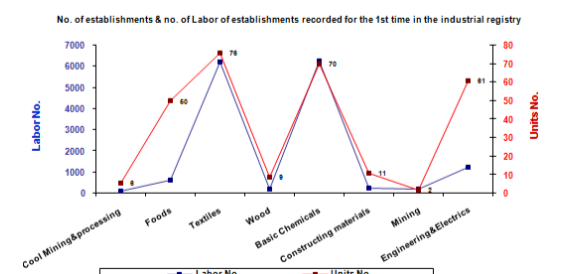
6- The Industrial Approvals

321 immediate approvals were issued during 3rd quarter of 2011, as well as 372 industrial projects obtained final approvals (Adjusting positions - zones/new cities); 137 of them are (adjusting positions) and 235 projects are (zones/new cities), with investments reached LE1 billion providing 190286 job opportunities and 125 projects obtained (Expansion/Modification) approvals. During such period it is noticed that, foods sector (adjusting positions) has the biggest number of projects at 40.1% of total number of projects, providing 1129 job opportunities, followed by the textile sector at 35%, providing 422 job opportunities. Then, the Basic chemicals sector in new zones /cities achieved 34.4% of total projects, providing 20805 job opportunities.

7- Projects recorded in the industrial registry

The number of projects, recorded for the 1st time in the industrial registry, totals 279 projects during 3rd quarter of 2011 with Total investments of about LE1803.7 billion and employing 14972 workers.

The number of industrial establishments that renewed their registration is 746 establishments, 86 modifications, 11 authentic copies, and 3 replacements and 2 data certificates.



The textile sector came in the 1st position with 76 establishments recorded for the 1st time in the industrial registry by 27.2%, followed by the chemicals sector by 25%.

8- Solving investors' problems

57 complaints of various problems such as (Electricity, Lands, Licenses, Gas, Taxes, Water, Insurance, Banks, Sewage...etc) were received, of which 44 complaints were solved.

Prepared by Mrs. Huda Ahmed Al-sayed

Assuit Capital of Upper Egypt

The Industrial Development Authority (IDA) prepared many studies that cover the industrial factors in all Egypt's governorates. This come within the framework of IDA's belief in its vital role in achieving the industrial development and recovering the rate of industrial growth after the exceptional circumstances which the country passes. Accordingly, the industrial factors in all governorates will be covered here consecutively. The second governorate to be presented is Assuit Governorate.

Within the framework of the State aim to establish industrial zones in different governorates, the State began developing the Upper Egypt region, which includes many promising governorates in all investment fields such as Assuit in which new industrial zones were established due to the Natural resources the governorate has, such as clay-sand- cobblestone- alabaster & limestone.

Furthermore, Assuit Governorate has many industries, the most important of which are petroleum, foodstuffs & beverages, engineering, electronic & electric industries. The number of existing establishments registered in IDA is 584 with estimated investment costs of LE8 million and provide labor opportunities of 13818.

There are seven industrial zones in Assuit (Al Awamer Abnoub industrial zone- Al Zarabi industrial zone in Abu Tig- Al Safa industrial zone (Beni Ghaleb)- Sahel Selim industrial zone- Dairout industrial zone and Badari industrial zone and New Assuit.

Investment in Assuit depends on the infrastructure that includes roads, transportations, energy, drinking water and sewerage.

In addition, Assuit governorate has a distinctive feature which is Assuit University that provides the community with qualified people in various scientific and administrative fields.

Assuit governorates is characterized by its internal road and transportation network, besides the regional road network all over the country, which makes Assuit the Trade Capital of Upper Egypt, which in turn facilitates marketing products inside and outside the governorate.

There are many small-scale proposed projects that are based on the economic resources, such as manufacturing antiques made of natural and artificial marble, manufacturing alabaster, onion dehydration in addition to the dried dates packaging.

Moreover, there are many proposed industries that are based on the industrial waste such as feed industry, plastic containers for chemical industries, in addition to producing feed plastic bags.

Statement of the Total Number of Establishments registered in IDA in Assuit distributed by Activity

Labours No.	Investment Costs (Value per LE MLN)	Establishments No.	Activity
Petroleum, its refinery & products and natural gas	1	441	1111
Food, beverages & tobacco	201	562	5040
Textile, garments and leather products	25	100	1191
Wood and its products	101	5	454
Paper & its products, printing & publishing	28	2	148
Basic chemicals&its products	45	307	3054
Building materials, chinaware, porcelain & calorie	49	4108	1127
Basic minerals	5	1	29
Engineering, electronic & electric industries	127	27	621
Lighting electricity & powers production & distribution	2	2357	1043
Total	584	7910	13818

Source: The Industrial Development Authority

About Assuit

Location:

Assuit Governorate lies at the two sides of the river Nile, bordered in the North by Minya Governorate, in the East by the Red Sea Governorate & it located 375km far from Cairo, 530 km far from Aswan, 100km far from Suhag & 220 far from the New Valley Governorate.

Area:

Its populated area is 1716 km² & its total area is 25926 km².

population:

In 2009, Assuit population is estimated at 3,632,316 persons.

Education:

The total number of schools in Assuit is reached 1780 which consists of 18502 classes. Moreover, there is Assuit University which was established in 1957 & includes 17 theoretical & practical colleges.

Health:

Assuit governorate includes about 10 hospitals, one center for lithotripsy, in addition to one Laser Vision Center.

Manpower:

The manpower decreases in Upper Egypt by 27.8% due to the emigration of labors outside the governorates searching for new job opportunities.

The manpower is divided all over Assuit as; the labor capacity of people older than 15 years old represents 24.4% of Assuit's total population from which women represent 15.3% of the total of manpower. It is noticeable that there are differences between the governorates regarding the manpower distribution on three activities (agriculture, industry, services) according to the environment of each governorate & its dominant activity.

Concerning the labor distribution in Assuit on the economic activities, the services sector seizes the great percentage of manpower, which reaches 53%, it reaches nearly 11.8% in the industrial sector&35.2% in the agriculture sector. The professionals & technicians percentage reaches 15% of the total manpower.

Natural Resources in Assuit

First: Agricultural Resources

Total area of Assuit is estimated at 25926 km², the cultivated lands of which are 315.000 feddans. Manfalout center includes the largest cultivated areas while Al-Ghanayem center contains the lowest one.

Second: Water Resources

Nile River is considered one of the most important water resource in Assuit. There are also many groundwater wells in Assuit Valley & the agricultural expansions in desert.

Third: Fishery Wealth

The Nile River is considered the main source of fishery wealth in the governorate besides some of the few fishery farms. The governorate's production of fishes from different sources is estimated at 2516 tons.

Fourth: Mineral Wealth:

The annual production capacity of sand is 1228.7 thousand m², cobblestone is 6,625 thousand m², of clay is 2,724 thousand m², alabaster is 1,2 thousand m² & limestone is 1709,2 thousand m².

Assuit has 68 quarries, three factories produce clay, cement

& sand bricks basing on the mineral resources according to the plan of 2002/2007 with a productive capacity of 54 million bricks & investments of about L.E 15 million that provide 254 job opportunities.

Fifth: Infrastructure&Utilities:

Amounts of L.E129 million & L.E221 thousands were allocated for developing the basic services in the industrial cities till now, such as electricity, drinking water & sewerage, in addition to establishing administrative buildings, extinguishing fire & telephone units.

Investment Advantages in Assuit Governorate

Establishing a fully facilitated industrial zone&offering such zones to investors to establish their investment projects on. In addition, lands are offered free of charges for establishing industrial projects inside such zones.

- Assuit is provided with internal road & transportation networks across all villages & cities, as well as a regional road network that links the governorate with other Egypt's governorates.

- Facilitating investor's subscription in local&foreign exhibitions to push marketing wheel

- Providing facilities (Water-Electricity-Telephones-Building Licenses&all other project's requirements) under the supervision of the Executive Arm of the Industrial Zones.

- Receiving all approvals from the concerned entities on behalf of the investor.

- Setting up a branch of the General Authority for Investment (GAFI) to complete all procedures concerning (establishment of companies-providing commercial register-providing tax card).

- Overcoming&Solving all problems&obstacles facing investors.

- Providing trained labors graduated from technical schools & training centers.

- Availability of raw materials required for industry with cheap prices.

- Facilitating procedures of allocating lands & establishing projects in the governorate's industrial zones.

- The governorate's compliance with the guidelines set by the governmental entities inside the governorate.

- The established projects inside & outside the industrial zones enjoys guarantees, exemptions & incentives that mentioned in investment law No. 8/1997, its executive regulations & its amendments.

Investment Opportunities in Assuit Governorate

The Social Fund for Development's Role in Assuit

Providing loans to Small & Medium-scale projects is considered one of the main effective strategies of providing job opportunities, the matter that enhances the economy growth.

Small & Medium-scale projects gains strong push in Egypt though the State's guidelines&through many foundations such as Social Fund for Development due to its positive effects & benefits on poor, especially women.

The Small Enterprise Development Organization (SEDO) affiliated to Social Fund for Development confronts the phenomena of poverty & unemployment by creating job opportunities for males & females in the field of free work though supplying opportunities required for establishing Small-scale projects which lead to creating a group of businessmen & businesswomen. SEDO policies based on facilitating loans & training given to women to increase women's opportunity to establish their projects & thus providing jobs opportunities for them.

Proposed Small-Scale Projects Based on the Economic Recourses

- 1- Manufacturing & antiques from alabaster.
- 2- Manufacturing&antiques from the natural&artificial marble.
- 3- Onion dehydration.
- 4- Packaging dried dates.
- 5- Manufacturing leather clothes.
- 6- Manufacturing leather products (Shoes - Bags... etc.)

Projects Proposed as Feeding Industries Based on Wastes

- 1- Producing fodder from wastes & untraditional materials.
- 2- Producing plastic bags for fertilizer factories.
- 3- Producing Plastic bags for fodders.
- 4- Manufacturing plastic sacks & bags.
- 5- Manufacturing carton egg trays.
- 6- Producing packaging cartons for papers wastes.
- 7- Producing accessories for leathers products.
- 8- Producing plastic containers for chemical industries.
- 9- Producing plastic containers for oils.
- 10- Producing mineral supplements clothing.

Prepared by: The General Department of Marketing

