

# THE ECONOMIC OBSERVER

BEBA's monthly e-newsletter

Bringing you the latest news from the Egyptian and British business worlds

January 2011

Issue 30

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## News from Egypt

### Economy

- Egypt End-October Money Supply Rises 13.4% (Arab Finance, December 1st 2010)
- Egypt's Consumer Boom Tempts Foreign Investors (Reuters, December 1st 2010)
- Public, Private Sector Job Opportunities Fall by 46% in October (Al Masry Al Youm, December 1st 2010)
- Egypt's Consumer Boom Tempts Foreign Investors (Daily News Egypt, December 5th 2010)
- CBE: Egypt's Forex Reserves Reach US\$35.57 Billion in November (Al Masry Al Youm, December 6th 2010)
- Egypt Inflation 10.2 Percent Year/Year to November (Mubasher, December 8th 2010)
- Egypt November Inflation Dips to Lowest in 15 Months (Reuters, December 8th 2010)
- Suez Canal November Revenues Down at \$413 Million (Daily News Egypt, December 8th 2010)
- Egypt November Core Annual Inflation Rises to 8.58 Percent (Daily News Egypt, December 9th 2010)

### Agriculture

- Egypt to Increase Local Wheat Production in Light of Rising Global Prices (Al Masry Al Youm, December 9th 2010)

### Automotive

- Toyota to Manufacture in Egypt from 2012 (Al Masry Al Youm, December 11th 2010)

### Banking and Finance

- Egypt Reopens 5 Billion Egyptian Pounds of Bonds (Reuters, December 6th 2010)

### Energy

- New Measures to Attract Renewable Energy Investments (Arab Finance, December 2nd 2010)

### Information and Communication Technology

- Google Engages Egypt's Academia, Tech Community (Zawya, December 7th 2010)

### Infrastructure

- Water Resources, Wastewater Management Reform High on Egypt's Agenda (Daily News Egypt, December 8th 2010)
- Egypt Tenders Four PPP 'Mega-projects' (Daily News Egypt, December 9th 2010)
- Egypt Seeks Billions in Public-private Partnerships (Arab Finance, December 14th 2010)

**News from Egypt & the United Kingdom****News from the UK****Economy**

- Inflation Expectations Hit Two-Year High (Reuters, December 1st 2010)
- UK Economy Growth to Slow in 2011 - Chambers of Commerce (BBC News, December 5th 2010)
- Employment Growth Rises to Three-Month High (Reuters, December 8th 2010)
- UK's Economic Growth Picks Up as Business Confidence Improves (The Telegraph, December 8th 2010)
- BoE Keeps Rates at 0.5 Percent, Makes No Change to QE (Mubasher, December 9th 2010)
- UK Inflation Rate Rises to 3.3% in November (BBC News, December 14th 2010)
- Jobless Total Rises for First Time in 6 Months (Reuters, December 15th 2010)

**Automotive**

- Car Sales Slowdown Continues despite Impending VAT Rise (BBC News, December 6th 2010)
- New Car Registrations Fall 11.5 Percent - SMMT (Reuters, December 6th 2010)
- UK Names Nine Electric Cars Eligible for Subsidy (Reuters, December 14th 2010)

**Banking and Finance**

- UK Mortgage Lending May Decline by a Third in 2011 as Weakness Persists (Mubasher, December 15th 2010)

**Construction, Housing and Real Estate**

- House Prices Fall again in November, Says Nationwide (BBC News, December 1st 2010)
- Construction PMI Rises (Reuters, December 2nd 2010)
- House Prices Post First Annual Fall in a Year (Reuters, December 9th 2010)
- November House Price Index Unexpectedly Improves (Reuters, December 14th 2010)

**Health**

- NHS Squeeze Will "Test Services to Limit" (Reuters, December 14th 2010)

**Manufacturing**

- UK Manufacturing Growth 'Hits 16-Year High' (BBC News, December 1st 2010)
- Manufacturing Output Holds at Record Levels in Fourth Quarter (Reuters, December 6th 2010)
- UK Manufacturing 'Powering ahead' (BBC News, December 6th 2010)
- Factory Gate Inflation Eases Unexpectedly (Reuters, December 10th 2010)
- Factories Feel Squeeze of Inflation (The Telegraph, December 13th 2010)
- Producer Input Price Inflation at Four-Month High (Reuters, December 13th 2010)

**Retail**

- Retail Sales Growth Slows in November (Reuters, December 7th 2010)
- Retail Inflation Slows but Sharp Price Rises Threaten (Mubasher, December 8th 2010)
- Retail Sales Growth Strongest since 2002 (Reuters, December 15th 2010)

**Trade**

- UK Export Orders Strongest in Years, Factories Say (The Telegraph, December 8th 2010)
- UK Trade Deficit Widens as Imports Rise (BBC News, December 9th 2010)

## BEBA: Upcoming Event - Mark Your Calendar!

Event	Date	Location
A Special Working Luncheon in Honour of Mr. Ahmed Heikal, Chairman of Citadel Capital	17 Jan. 2011 1:30 - 3:30 p.m.	Cairo Marriott Hotel, Aida Ballroom

### The Egypt Summit 2011

#### Eighth Business Roundtable with the Government of Egypt

Economist Conferences is pleased to announce The Egypt Summit: Eighth Business Roundtable with the Government of Egypt, taking place in Cairo on 22nd February 2011.

Held for the eighth successive year, this important event provides business leaders with a rare opportunity to discuss their concerns with senior members of the Egyptian government, as well as leading executives and independent analysts.

- Join leading policy decision-makers, senior executives and independent analysts
- Gain fresh insights into the outlook for Egypt's economy, policy environment and business opportunities in a critical year
- Engage in an open dialogue with senior members of the Egyptian government and leading corporate speakers
- Identify the key opportunities, challenges and solutions for Egypt

#### **SPECIAL 20% DISCOUNT FOR BEBA MEMBERS**

*Book before 14th January to receive special price of \$1,404 (regular delegate fee \$1,950).* Simply quote booking reference BEBA/DC on your order or send back the attached registration form.

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Phone: +44 (0) 20 7576 8550

[To view the full agenda, and to reserve your place, please click here.](#)

### UK Forecast for 2011

**Sterling Will Be Strongest Major Currency in 2011, Says Barclays** (The Telegraph, December 9th 2010)

Sterling will be the best-performing major currency next year, Barclays has forecast, as the UK gets its "house in order". The prediction came as Barcap, the securities arm of the retail bank, also used its 2011 outlook to predict that stock markets will outperform government bonds and that the US economy will stage a stronger recovery than it has managed in 2010.

The pound, which has been hard hit since the financial crisis, will end next year at \$1.82 against the dollar and 78p versus the euro, it was estimated. The currency closed on Thursday in London at \$1.5728 and 84p. (Read more)

### Forthcoming Events in Egypt & the Region in 2011

Event	Date	Location	Organizer
<b>January 2011</b>			
World Future Energy Summit 2011	17-20 Jan. '11	Abu Dhabi	Reed Exhibitions FZ LLC
Construction and Projects Forum	18-19 Jan. '11	Riyadh	Al-Iktissad Wal-Aamal Group and the Riyadh Chamber of Commerce and Industry
HR Technology MENA 2011	23-26 Jan. '11	Dubai	IQPC Middle East
Arab Telecom & Internet Forum	26-27 Jan. '11	Beirut	Al-Iktissad Wal-Aamal Group
Corporate Social Responsibility	27 Jan. '11	Beirut	WTC Beirut
<b>January/February 2011</b>			
Sustainable Design and Construction Egypt 2011	30 Jan.-2 Feb. '11	Cairo	International Quality and Productivity Center (IQPC)
<b>February 2011</b>			
World Future Ports Congress 2011	1-3 Feb. '11	Abu Dhabi	Turret Events
Middle East & North Africa Shared Services & Outsourcing Summit	13-16 Feb. '11	Dubai	IQPC Middle East
International Conference on Energy Systems and Technologies (ICEST)	14-17 Feb. '11	Cairo	Afaq Scientific
Egyptian Infrastructure Summit 2011	21-24 Feb. '11	Cairo	IQPC Middle East
<b>February/March 2011</b>			
Corrosion UAE	27 Feb. - 1 Mar. '11	Abu Dhabi	NACE International (Abu Dhabi UAE Section) and The Energy Exchange
<b>March 2011</b>			
12th Annual Hedge Funds World Middle East 2011	7-10 Mar. '11	Dubai	tarrapinn
Middle East Investment Summit 2011	7-10 Mar. '11	Dubai	terrapinn
Arabian Construction Week	28-30 Mar. '11	Abu Dhabi	Clarion Events Middle East
The Euromoney Egypt Insurance Conference	29 Mar. '11	Cairo	Euromoney Conferences
<b>April 2011</b>			
Money Expo Dubai 2011	21-23 Apr. '11	Dubai	Oryx Management JLT
<b>May 2011</b>			
11th Annual Meeting - Oil and Gas Pipelines in the Middle East	22-25 May '11	Abu Dhabi	The Energy Exchange
<b>May/June 2011</b>			
Airport Show	31 May-2 Jun. '11	Dubai	Reed Exhibitions
<b>June 2011</b>			
The Euromoney Egypt Housing & Real Estate Finance Conference	14 Jun. '11	Cairo	Euromoney Conferences

### Forthcoming Events in the UK in 2011

Event	Date	Location	Organizer
<b>January 2011</b>			
HR Directors Business Summit 2011	24-25 Jan. '11	Birmingham	World Trade Group (WTG)
Health & Safety 2011	25-26 Jan. '11	Edinburgh	Renewable UK
<b>February 2011</b>			
10th Anniversary Islamic Finance Summit	21-23 Feb. '11	London	Euromoney Seminars
Infrastructure Asset Management Exchange	22-24 Feb. '11	London	International Quality and Productivity Center (IQPC)
The Bond Investors Congress	23-24 Feb. '11	London	Euromoney Conferences
<b>March 2011</b>			
Ecobuild	1-3 Mar. '11	London	International Business Events Limited
The Big Rethink	3 Mar. '11	London	The Economist Conferences
The CFO Summit	8 Mar. '11	London	The Economist Conferences
Retail Week Conference 2011	16-17 Mar. '11	London	Emap Ltd.
The Sustainable Business Summit	17 Mar. '11	London	The Economist Conferences
13th Annual Syndicated Loans Conference	22-23 Mar. '11	London	Euromoney Seminars
Pharmaceutical and Biotech Regulatory Information Management	22-23 Mar. '11	London	International Quality and Productivity Center (IQPC)
Social Media World Forum 2011	29-30 Mar. '11	London	Apps World
<b>April 2011</b>			
Sign and Digital UK	12-14 Apr. '11	Birmingham	Faversham House Group Ltd.
<b>May 2011</b>			
The Forex Forum	3-4 May '11	London	Euromoney Conferences
Travel Distribution Summit Europe 2011	10-11 May '11	London	EyeforTravel
Internet World 2011	10-12 May '11	London	United Business Media Limited
<b>June 2011</b>			
Agriculture Investment Summit 2011	21-22 Jun. '11	London	terrapinn
<b>September 2011</b>			
Advanced Composites in Construction 2011	6-8 Sep. '11	Warwick	The University of Warwick and Network Group for Composites in Construction (NGCC)
<b>October 2011</b>			
Energy Solutions 2011	11-12 Oct. '11	London	UBM
<b>November/December 2011</b>			
Online Information 2011	29 Nov.-1 Dec. '11	London	Incisive Media

## Global Conferences in 2011

Event	Date	Location	Organizer
<b>January 2011</b>			
European Gas Conference 2011	25-28 Jan. '11	Vienna, Austria	The Energy Exchange
World Economic Forum Annual Meeting 2011	26-30 Jan. '11	Davos-Klosters, Switzerland	World Economic Forum
<b>January/February 2011</b>			
Global Commodities Forum 2011 (GCF 2011)	31 Jan.-1 Feb. '11	Geneva, Switzerland	UNCTAD
European Unconventional Gas Summit	31 Jan.-2 Feb. '11	Paris, France	The Energy Exchange
<b>February 2011</b>			
Emerging Risks for Cross-Border Business	1 Feb. '11	Sydney, Australia	The Financial Times and Chartis
EuroRail 2011	22-24 Feb. '11	Berlin, Germany	terrapinn
<b>March 2011</b>			
6th Annual US Power & Renewable Finance Conference	2-3 Mar. '11	New York City, U.S.A.	Euromoney Seminars
Bank Finance 2011	3 Mar. '11	Frankfurt, Germany	Euromoney Conferences
Corporate Bond and High Yield Market Forum - Indonesia	17 Mar. '11	Jakarta, Indonesia	Euromoney Seminars
China Energy and Environment Summit	28-29 Mar. '11	Beijing, China	The Financial Times and the China Chamber of International Commerce
8th Annual China Derivatives Summit	30-31 Mar. '11	Beijing, China	Euromoney Seminars
<b>April 2011</b>			
International Conference on Tourism	27-30 Apr. '11	Rhodes Island, Greece	Surrey International Institute DUFE, Sheffield Business School, Hellenic Open University, Curtin University of Technology, UNB, & International Association for Tourism Policy
<b>May 2011</b>			
Corporate IT Exchange	8-10 May '11	München, Germany	International Quality and Productivity Center (IQPC)
Turkey Investment Summit 2011	9-11 May '11	Istanbul, Turkey	terrapinn
The CFO Exchange	22-24 May '11	TBC, The Netherlands	International Quality and Productivity Center (IQPC)
<b>June 2011</b>			
Real Estate Investment World Asia 2011	20-23 Jun. '11	Singapore, Singapore	terrapinn
<b>July 2011</b>			
World Resource Capital Summit 2011	2-4 Jul. '11	Hong Kong	terrapinn

**Regional & Global Economic News****Africa****Ethiopia Grants UK Firm Exploration Rights for Gold** (Reuters, December 8th 2010)

Ethiopia has issued exploration rights to UK-based Sheba Exploration for two sites in the northern Tigray region, the company said on Wednesday. The Horn of Africa nation has identified possible gold reserves of up to 500 tonnes in different regions and wants to attract investors to explore the reserves. (Read more)

**Asia****Chinese Manufacturing Production Picks Up** (BBC News, December 1st 2010)

China's manufacturing production rose strongly last month, figures suggest. The China Federation of Logistics and Purchasing said its purchasing managers index (PMI) rose to 55.2 in November, up from 54.7 in October and 53.8 in September. Analysts said strong domestic demand appeared to be offsetting weakness in some of the country's export markets such as the US and Europe. (Read more)

**Australia****Australian Economic Growth Rate Slows** (BBC News, December 1st 2010)

Australia's rate of economic growth slowed between July and September as the high value of the Australian dollar ate into export earnings. The country's gross domestic product (GDP) rose just 0.2% during the third quarter period, down from growth of 1.1% between April and June. Analysts said Australian consumers were also hit by higher interest rates. (Read more)

**Europe****German Production Jumped More Than Forecast in October on Machinery Demand** (Bloomberg, December 8th 2010)

Industrial production in Germany, Europe's largest economy, rose almost three times as much as economists forecast in October, led by demand for investment goods such as machinery. Production jumped 2.9 percent from September, when it fell a revised 1 percent, the Economy Ministry in Berlin said today. (Read more)

**North America****US Factory Revenue to Grow in 2011: ISM** (Reuters, December 7th 2010)

The manufacturing and services sectors will grow in 2011, with manufacturing revenue expected to increase by 5.6 percent, the Institute for Supply Management said in a semi-annual forecast released on Tuesday. Revenue in the non-manufacturing sector, which comprises mostly service sector businesses, is expected to increase by 3.4 percent next year, ISM said in a statement, up sharply from a 0.2 percent revenue increase in 2010. (Read more)

**South America****Brazilian Central Bank Keeps Rate at 10.75% as Meirelles Leaves the Stage** (Bloomberg, December 9th 2010)

Brazilian policy makers kept their benchmark overnight rate unchanged today after curbs on credit allowed central bank President Henrique Meirelles to leave anticipated rate increases for his successor. The policy committee voted unanimously, without a bias, to keep the Selic rate unchanged at 10.75% for a third straight meeting, matching the forecast of 48 of 51 analysts surveyed by Bloomberg. (Read more)

## Member News

### SODIC

#### SODIC Donates Computer Lab to Cairo University (Zawya, December 8th 2010)

SODIC has been working closely with the Young Arab Leaders (YAL) chapter in Egypt on initiatives that will directly impact young Egyptian students and professionals. On Wednesday, December 1, 2010, Cairo University opened the SODIC Computer Lab in the Faculty of Science's Physics Department along with the Entrepreneurship Development Office (CEDO), a Nahdet El Mahrousa project.

The Faculty of Science was chosen for the SODIC Computer Lab because there was a strong need for professors and students within the Physics Department to have access to online research as well as partake in the online training courses commissioned by YAL and Nahdet El Mahrousa.

"At SODIC we realize the importance of providing educational tools to Egypt's youth," said Ahmad Badrawi, SODIC's Chief Business Development Officer. "The young people of Egypt represent the country's future and there is no better way to ensure the maximum potential of a population, than investing in their education." (Read more)

## New Members

### BEBA would like to welcome its new members, who joined in November 2010.

#### A. Corporate Members

##### 1. Financial Times

The Financial Times, one of the world's leading business news organisations, is recognised internationally for its authority, integrity and accuracy. Providing essential news, comment, data and analysis for the global business community, the company is represented by Ross Paterson.

*Name of Member:* Ross Paterson

Ross has worked with the Financial Times for past four years, initially as Syndication Manager for the EMEA region before taking on his present position in June 2010. Now based in Abu Dhabi, Ross works closely with Distributors across the Middle East to develop the presence and increase the circulation of the FT Middle East edition.



##### 2. Geotechnical Engineering & Marine Surveys Ltd. – Egypt

Geotechnical Engineering & Marine Surveys Ltd. is a specialized Geotechnical, Geophysical and Engineering Consultancy. GEMS owns and operates a variety of vessels and offshore & onshore site investigation and construction monitoring equipment as well as provide data processing, reporting and consultancy services for a large range of projects worldwide.

*Name of Member:* Raouf Azmy

Raouf Azmy was born in Cairo in 1963, graduated from faculty of Engineering Cairo University in 1985. He started his career in construction business till 1992. In 1992, he set up "International Business Corp IBCO" which was the representative of offshore surveys in the oil & gas industry. In 2000 he set up "IBCO for Petroleum Services" which is the representative of few reputable UK companies, working in the oil and gas industry. He is helping UK companies setting up branches in Egypt and marketing their products & services. He is also the founder of "Marco-FILO for Engineering Consultation".



## New Members (Cont'd)

**BEBA would like to welcome its new members, who joined in November 2010.**

### A. Corporate Members (Cont'd)

#### 3. *Lloyd's Register EMEA*

Incorporated more than 250 year ago LR offers complete certification solutions in executing all steps of the certification lifecycle, including Program Management, Training, Exercising, Maintenance, ongoing Improvement and Embedding Culture. The LR experience covers various countries in the MEA area including but not limited to the Egypt, Jordan, UAE, Saudi, Oman, Kuwait, Bahrain, Qatar to name a few. As the leading Certification Body in the world and the first to acquire the United Kingdom Accreditation (UKAS) in addition to 44 other accreditations form all over the world, LRQA has certified more than 45,000 organizations and issued over 60,000 certificates of approval, through its growing worldwide network of 240 offices in 80 countries .In addition to its certification services, LRQA also provides a range of training services covering various business assurance needs. LRQA offers end-to-end seamless integration between Certification and Training needs – which ensures that the process is both efficient and cost effective.

*Name of Member:* Mohamed Saif

Mohamed Saif is Business Development Manager with a phenomenal track record in executing high-end projects, and specific proficiency in spearheading strategic planning, sales and marketing, developing and executing business processes and key accounts management initiatives. Mohamed has developed certification and training for businesses in the GCC for the past five years.



#### 4. *Naeem Holding*

Naeem Holding is a regional investment house with active operations in Egypt and the entire GCC. It has offices in Cairo, Abu Dhabi, Dubai, Saudi Arabia, and Qatar. It predominantly owns a full fledged investment bank in Abu Dhabi that is licensed by the UAE central bank to operate in ALL GCC countries, Naeem mandate covers the entire Arab world, Naeem founders have originally started in Saudi Arabia, and have demonstrated significant success in Asset Management. Naeem Holding Board of Directors reflects this pan Arab coverage as it is structured of ten members among which is a Saudi Chairman, an Egyptian CEO, a Qatari member, and a member from the UAE. Naeem's CEO has always focused on the entire region as he owns the Coldwell Banker license for 25 years in the Middle East and East Europe of 36 countries under license.

*Name of Member:* Sahar El Sallab

Mrs. Sahar Sallab is the Chairman of Naeem Real Estate and Executive Committee Member of Naeem Holding Company. She is also Consultant of the Ministry of Trade and Industry For Development and Investment in Internal Trade of Egypt, and was the Assistant to the Minister. She was also Vice Chairman, Managing Director & Board Member of Commercial International Bank – Egypt (CIB) & the Chairperson of Commercial International Capital Holding Company. She worked and trained in CITIBANK Cairo and Athens and joined Chase National Bank of Egypt.

She graduated from the American University in Beirut & from the Harvard Kennedy School for Management. She was ranked number 6 in the Forbes Arabia top 50 Arab business women in 2008, and she was awarded the best Economic Arab Woman of the year 2006 by the Arab League.



## New Members (Cont'd)

BEBA would like to welcome its new members, who joined in November 2010.

### A. Corporate Members (Cont'd)

#### 5. TOTEX Garments

TOTEX is considered one of the largest garments companies in Egypt. Since 2003, they started their business with Rowlinson Knitwear by exporting 60,000 pieces / year by reaching 2009 they are now able to export 1 million pieces / year.

*Name of Member:* Tarek Hendy

Mr. Tarek Hendy has a bachelor degree in law, he is now a chairman of Totex Garments. His main goal is to lead his company to a new phase in exporting and domestic market.



#### 6. Zulficar & Partners

Zulficar & Partners is an established practice with a solid and well recognized track record experience in diverse legal fields particularly M&A, Banking and Arbitration. The Firm, drawing upon the unparalleled expertise of its 7 Partners and 30 Associates, brings to the legal market a blend of exceptional individual and collective skills as well as more than 35 years of legal experience.

*Name of Member:* Mona Zulficar

Ms. Zulficar is a Partner and Chair of Zulficar & Partners' Executive Committee, a practicing attorney for more than 25 years, specialist in banking, M&A and international commercial transactions. She is a board member of CBE and the National Council of Human Rights.



## ANNOUNCEMENTS!

### Membership Renewal

**IT IS TIME TO RENEW YOUR MEMBERSHIP FOR 2011!**

For more information, please contact Fieby Marzouk, BEBA's Web Administrator, at:  
[fiemy.marzouk@beba.org.eg](mailto:fiemy.marzouk@beba.org.eg)

## Share your news, thoughts and comments!



If you have any suggestions, comments, or if you would like to write an article for the newsletter, or to post any news on your company in the newsletter, kindly contact Samar Helmy, Research Coordinator at [samar.helmy@beba.org.eg](mailto:samar.helmy@beba.org.eg)



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