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August/September 2011

Issue 36

News from Egypt

Economy

Government Cancels Investment Ministry, Privatisation Programme (Arab Finance, July 20th, 2011)

The government has cancelled its controversial privatisation programme, ordering the formation of a committee which will be charged with reviewing the contracts of all companies that had been previously privatised, said Deputy Prime Minister Ali al-Selmy, adding that the Ministry of Investment itself has been abolished.

Egypt Must Clearly Outline its Economic Policies, Says UN Economist (Arab Finance, July 27th, 2011)

Despite a 5-percent decrease of global FDI inflows in 2010, Egypt retained its position as one of the leading FDI recipients in Africa, second to only Angola, according to the recently launched World Investment Report.

Finance

Egypt's Finance Minister-Designate Says 'Committed' to Market Economy (Business Intelligence - Middle East, July 19th, 2011)

Egypt's Finance Minister-designate Hazem El Beblawi said he supported a market economy and that it was not "intelligent" to rule out loans as an option.

Infrastructure

Egypt Launches New Studies on Saudi-Egyptian Bridge (Daily News Egypt, July 19th, 2011)

Egypt has begun studies once again on a new massive bridge connecting the two countries on the Gulf of Aqaba and the Red Sea.

Investment

Egypt Becoming Hub for Foreign Investments (Mubasher, July 13th, 2011)

Egypt's Prime Minister Essam Sharaf said Egypt has become a hub for foreign investments as more international investors are showing interest in tapping into the Egyptian market.

Tourism

Tourist Visits to Egypt Falls 36% in April (Daily News Egypt, June 15th, 2011)

The number of tourists visiting Egypt in April fell 35.7 percent from a year earlier, and the number of nights they spent fell even more, the state CAPMAS statistics agency said on Sunday.

News from the UK

Economy***UK Struggles for Growth, Inflation Shows Surprise Dip*** (Reuters, July 12th, 2011)

Inflation fell unexpectedly in June and the trade gap widened, pointing to more weakness in the economy and providing support to those in the Bank of England who want to keep interest rates at a record low.

Britain Faces Fresh Deficit Threat as Economy Falters (Reuters, July 19th, 2011)

A faltering economy and lasting damage from the world financial crisis may threaten the British government's goal to eliminate a record budget deficit despite deep spending cuts which have so far reassured investors.

UK Consumer Confidence Declines as Outlook for Economy, Spending Worsens (Bloomberg, July 21st, 2011)

UK consumer confidence fell in June as Britons grew more pessimistic about the outlook for the economy and spending, Nationwide Building Society said.

Weak Domestic Demand 'Biggest Threat for UK Firms' (BBC News, July 25th, 2011)

Weak domestic demand is "the biggest threat to UK firms", a survey has claimed. The Business on Britain study by Lloyds TSB Commercial Business found that low domestic demand was cited by 53% of respondents.

UK Economy Probably Barely Grew in 3 Months (Bloomberg, July 26th, 2011)

The UK economy probably barely grew in the second quarter, supporting the arguments of a majority of Bank of England policy makers that interest rates should be kept at a record low.

Automotive***Car Sales Down 6.2 Percent Year-on-Year*** (Reuters, July 6th, 2011)

New car sales in Britain fell 6.2 percent on the year in June, the Society of Motor Manufacturers and Traders said on Wednesday, July 6.

Construction, Housing and Real Estate***UK Home Prices Fall 0.1% in Downward Trend, Hometrack Says*** (Bloomberg, July 25th, 2011)

UK house prices fell for a third month in July and are likely to continue on a "downward trend," property researcher Hometrack Ltd. said.

Investment***UK Inward Investment Projects Fall in 2010/11*** (Reuters, July 12th, 2011)

The number of inward investment projects pushing money into Britain fell 11 percent to 1,434 in 2010/11 after mergers and acquisition activity declined, the government said on Monday, July 11.

Retail***Retail Sales Up 1.5 Percent Year-on-Year - BRC*** (Reuters, July 12th, 2011)

Retail sales showed sluggish year-on-year growth last month, and demand for big-ticket items remained weak, the British Retail Consortium said on Tuesday, July 12, in data which is unlikely to ease worries about second-quarter GDP growth.

Rising Food Prices Lift Grocery Sales (Reuters, July 19th, 2011)

Sales growth at Britain's grocers has picked up, helped by rising prices which are set to increase further in coming months, piling extra pressure on cash-strapped shoppers, Kantar Worldpanel said.

BEBA's Event in July

A Special Welcome Luncheon in Honour of H.E. James Watt, British Ambassador to Egypt

The British Egyptian Business Association (BEBA) organised a special welcome luncheon in honour of H.E. James Watt, British Ambassador to Egypt. The event was held at Conrad Cairo Hotel on July 11, 2011, and was attended by members of the British and Egyptian business communities. Before the Ambassador's speech, BEBA's members had a special opportunity to introduce themselves to the British Ambassador and to discuss with him on a one-on-one basis issues of mutual interest.

At the beginning of his speech, H.E. James Watt thanked everyone for attending the event and expressed that this was an exciting time to be involved with Egypt. The Ambassador stated that the power and energy of the Egyptian revolution were unlike anything he has ever witnessed. He said that he was looking forward to his time in Egypt. (*Read more*)



H.E. James Watt delivers his speech at the event.



The event attracted a large number of members from the Egyptian and British business communities.

Exporta Group: 4th Annual Trade & Export Finance Conference

During the course of 2011, the trading environment in Egypt has seen a dramatic change as social and political events have challenged the operational efficiencies of importers, exporters and the many financial institutions operating in the country. Following the success of previous years, Exporta returns to Cairo for the **4th Annual Egypt Trade & Export Finance Conference**, bringing together the leading figures in trade and trade finance to discuss their shifting priorities and to share their experiences on what has been a demanding and complex year.

The conference will be a key meeting point for a wide variety of speakers and delegates, including a range of corporates, domestic and international banks, ECAs and multilaterals, insurers and risk analysts as well as various key actors across the supply chain.

BEBA is an Official Partner of Exporta's 4th Annual Trade & Export Finance Conference set to take place in Cairo, at the Four Seasons at Nile Plaza Hotel on October 12, 2011.

We would like to inform you that BEBA members working in the export/import field will get FREE ACCESS to the conference, whereas other businesses (banks/insurers/technology providers, etc.) will receive a 30% DISCOUNT on the registration fee.

Among the topics to be discussed:

- The appeal and perception of the Egyptian market
- Corporate challenges in importing and exporting goods
- Are banks open for business as usual?
- Analyzing the changing levels of soft commodity production
- Exploring the opportunities and significance of bilateral trade with Asia
- The role of export finance in facilitating trade

Click here for more information.

List of speakers includes:

- Raouf Ghabbour, Chairman, GB Auto Group
- Andrew Long, Chief Executive Officer, HSBC Bank Egypt
- Mohamed Al Sadany, Chief Financial Officer, Egyptian International Motors
- Mohamed Ragui, Managing Director, Export Development Fund (Ministry of Trade and Industry)
- Amr Daba, Chief Financial Officer, Kandil Steel
- Ayman Refaat, Finance Director, Samcrete Development
- Khaled Barqooki, Chief Financial Officer, Sahara Petroleum Services Company (Sapesco)
- Waleed Ragab, Chief Financial Officer, Lafarge
- Magdy Almor, Chairperson, Noor Midas Textile
- Okey Oramah, Executive Vice-President, Afreximbank
- Alaa Gouda, General Manager, Export Credit Guarantee Company of Egypt
- Tomas Duffy, Deputy Director, Large Corporates, EKN

To register, please [click here](#) to download the registration form, fill it and send it to: events@exportagroup.com

For more information go to www.exportagroup.com or email monika@exportagroup.com

Exporta Group looks forward to welcoming you to the conference!

Egypt's New Cabinet

Egypt's Prime Minister Essam Sharaf unveiled a new cabinet on Thursday, July 21, as ministers took their oaths in front of Field Marshal Hussein Tantawy, the country's military ruler. There has been no minister of defence since ousted president Hosni Mubarak's appointment, Tantawy, began acting as head of the ruling military council. Sharaf also appointed Ali al-Silmi as his deputy for political affairs.

The shake-up introduced 14 new ministers, in addition to the new deputy premier, leaving 12 ministers from the previous cabinet. Two ministers, who were meant to take office on Monday, before the swearing-in was postponed, have since been replaced. The would-be antiquities minister also pulled out after protests, and state media said the ministry would be dissolved.

The following is the line-up of the caretaker government, the second since a nationwide revolt overthrew Mubarak in February:

- Prime Minister: Essam Sharaf
- Foreign Minister: Mohammed Kamel Amr (new)
- Finance Minister, Deputy Premier for Economic Affairs: Hazem Beblawi (new)
- Interior Minister: Mansur Al-Essawy
- Justice Minister: Abdel Aziz Al-Gindi
- Health Minister: Amr Hilmi (new)
- Communications Minister: Mohammed Salem (new)
- Agriculture Minister: Salah Farag (new)
- Electricity Minister: Hassan Yunis
- Minister for Domestic Development: Mohammed Atiya (new)
- Minister for Religious Endowments: Mohammed Abdel Fadil Al-Qawsi (new)
- Transport Minister: Ali Zain al-Abidin Haikal (new)
- Higher Education Minister: Mutaz Khorshid (new)
- Aviation Minister: Lutfi Kamal (new)
- State Minister for War Production: Ali Sabri (new)
- Minister for Development and International Trade: Mahmud Eissa (new)
- Irrigation Minister: Hisham Qandil (new)
- Minister of Planning and International Cooperation: Fayza Abul Naga
- Environment Minister: Maged Ilyas Ghattas
- Housing Minister: Fathi Al-Baradei
- Education Minister: Ahmed Gamal Al-Din Mussa
- Minister of Social Solidarity and Social Justice: Goda Abdel Khaleq
- Tourism Minister: Mounir Fakhry Abdel Nur
- Immigration Minister: Ahmed al-Borei
- Culture Minister: Emad Abu Ghazi
- Minister of Petroleum and Mineral Resources: Mohammed Ghurab
- Information Minister: Osama Haikal

(Source: Zawya, July 21st, 2011)

Poll: Your Opinion

This Month's Poll: Do you think Egypt is a safe destination for investments?

[Please click here to respond to the poll.](#)

Your Opinion ?

Last Month's Poll: Do you agree that Egypt should depend on international donations in the short run?

Results:

- Yes. (50%)
- No. (50%)
- I don't know. (0%)

Forthcoming Events in Egypt & the Region in 2011 and Beyond

Event	Date	Location	Organizer
September 2011			
<i>MENA Private Equity Business Summit 2011</i>	11-13 Sep. '11	Dubai	IQPC Middle East
<i>R&D Middle East Summit</i>	11-14 Sep. '11	Abu Dhabi	Oil & Gas iQ (a division of IQPC)
<i>Corporate Legal Counsel</i>	18-19 Sep. '11	Doha	marcus evans
<i>3rd Annual Hotel Technology Middle East</i>	19-20 Sep. '11	Abu Dhabi	IQPC Middle East
<i>The 2011 Project Finance Magazine Saudi Arabia Forum</i>	19-20 Sep. '11	Riyadh	Euromoney Conferences and Project Finance Magazine
<i>Qatar Infrastructure Finance & Investment Summit 2011</i>	20-21 Sep. '11	Doha	The European Finance Convention
<i>INFRAOMAN 2011</i>	20-22 Sep. '11	Muscat	Al Nimr International Exhibition Organizers
<i>Service Quality Excellence</i>	25-26 Sep. '11	Dubai	marcus evans
<i>Smart Airports World MENA 2011</i>	26-28 Sep. '11	Dubai	terrapinn
<i>3rd Annual Trade Finance Middle East Conference</i>	27-28 Sep. '11	Dubai	Euromoney Seminars
<i>Construction Week Conference 2011</i>	28 Sep. '11	Dubai	ITP Business Publishing Ltd.
<i>9th Annual Middle East and Africa Airfinance Conference</i>	28-29 Sep. '11	Dubai	Euromoney Seminars
October 2011			
<i>Strategic Media Communication and Public Relation</i>	2-3 Oct. '11	Dubai	marcus evans
<i>MENA Healthcare Finance & Investment Summit 2011</i>	3-4 Oct. '11	Riyadh	The European Finance Convention
<i>Unconventional Gas World Middle East 2011</i>	3-5 Oct. '11	Manama	terrapinn
<i>The Jordan Energy Investment Summit</i>	10-12 Oct. '11	Amman	IIR Middle East
<i>4th Annual Egypt Trade & Export Finance Conference</i>	12 Oct. '11	Cairo	Exporta
November 2011			
<i>Building Sustainability into the Middle East</i>	1 Nov. '11	Abu Dhabi	ITP Business Publishing Ltd.
<i>Private Equity World MENA Awards</i>	29 Nov. '11	Dubai	terrapinn
2012			
February 2012			
<i>9th Annual Middle East Trade & Export Finance Conference</i>	TBC	Dubai	Exporta
March 2012			
<i>International Security National Resilience Exhibition & Conference</i>	19-21 Mar. '12	Abu Dhabi	Reed Exhibitions

Forthcoming Events in the UK in 2011

Event	Date	Location	Organizer
September 2011			
<i>Advanced Composites in Construction 2011</i>	6-8 Sep. '11	Warwick	The University of Warwick and Network Group for Composites in Construction (NGCC)
<i>12th Annual Collateral Management</i>	7-9 Sep. '11	London	marcus evans
<i>Leveraged Finance 2011</i>	8-9 Sep. '11	London	Euromoney Seminars
<i>The Japan Investment Forum</i>	20 Sep. '11	London	Euromoney Conferences
<i>Offshore Wind Farms: Construction & Installation 2011</i>	20-21 Sep. '11	London	IQPC
<i>Energy Process Excellence Europe</i>	26-28 Sep. '11	Aberdeen	IQPC
<i>CFO Global Energy Forum</i>	27-28 Sep. '11	London	The Financial Times
<i>Pan-European Energy Storage Forum 2011</i>	27-28 Sep. '11	London	IQPC
<i>FT Commercial Property Conference</i>	28 Sep. '11	London	The Financial Times
<i>The Sterling Conference</i>	29 Sep. '11	London	Euromoney Conferences
<i>The High-Growth Markets Summit</i>	29-30 Sep. '11	London	The Economist Conferences
October 2011			
<i>UK Pensions & Investments Summit 2011</i>	6-7 Oct. '11	London	marcus evans
<i>Energy Solutions 2011</i>	11-12 Oct. '11	London	UBM
<i>European HR Directors' Summit</i>	11-12 Oct. '11	London	IQPC
<i>The Innovation Awards Ceremony and Summit</i>	20-21 Oct. '11	London	The Economist Conferences
November 2011			
<i>3rd Annual West Africa Trade & Commodity Finance Conference</i>	1-2 Nov. '11	London	Exporta
<i>The Infrastructure Summit</i>	2 Nov. '11	London	The Economist Conferences
<i>The Risk Summit 2011</i>	3 Nov. '11	London	The Economist Conferences
<i>World Travel Market</i>	7-10 Nov. '11	London	Reed Exhibitions Limited
<i>The European Retail Banking Summit</i>	8 Nov. '11	London	The Economist Conferences
<i>FT Innovate 2011</i>	9-10 Nov. '11	London	The Financial Times
<i>The Global Agenda 2011</i>	10-11 Nov. '11	London	The Economist Conferences
November/December 2011			
<i>Online Information 2011</i>	29 Nov.-1 Dec. '11	London	Incisive Media

Global Conferences in 2011

Event	Date	Location	Organizer
September 2011			
<i>3rd Annual Asia Trade & Export Finance Conference</i>	7-8 Sep. '11	Singapore, Singapore	Exporta
<i>7th PAN-European IT Governance, Risk and Compliance</i>	7-9 Sep. '11	Barcelona, Spain	marcus evans
<i>World Resource Capital Summit 2011</i>	12-15 Sep. '11	Hong Kong, Hong Kong	terrapinn
<i>Human Potential</i>	14-15 Sep. '11	New York, U.S.A.	The Economist Conferences
<i>The Local and Regional Government Finance Conference</i>	19-20 Sep. '11	Istanbul, Turkey	Euromoney Conferences
<i>Charting the New Economic and Financial Landscape</i>	21 Sep. '11	Amsterdam, the Netherlands	The Financial Times and Credit Suisse
<i>The Australian and New Zealand Debt Capital Markets Forum 2011</i>	21 Sep. '11	New York, U.S.A.	Euromoney Conferences
<i>Structured Retail Products – The Distribution Conference</i>	21-22 Sep. '11	Milan, Italy	Euromoney Seminars
<i>The 6th Annual North American Infrastructure & Energy Finance Forum</i>	21-22 Sep. '11	New York, U.S.A.	Euromoney Seminars
<i>Funding & Managing Dispute Resolution Conference</i>	22 Sep. '11	Amsterdam, the Netherlands	Exporta
<i>5th Energy Storage Summit</i>	26-28 Sep. '11	Texas, U.S.A.	IQPC
<i>7th Annual Road Safety Africa Summit</i>	26-29 Sep. '11	Johannesburg, South Africa	IQPC
<i>FT Future of Finance Forum</i>	27 Sep. '11	Shanghai, China	The Financial Times
October 2011			
<i>12th Annual Global Export Finance Conference</i>	11-12 Oct. '11	Berlin, Germany	Euromoney Seminars
<i>Future Cities</i>	18-19 Oct. '11	Stockholm, Sweden	The Economist Conferences
<i>ITU Telecom World</i>	24-27 Oct. '11	Geneva, Switzerland	ITU Telecom
November 2011			
<i>4th Annual Brazilian Energy and Infrastructure Finance Forum</i>	10-11 Nov. '11	São Paulo, Brazil	Euromoney Seminars and Project Finance Magazine
<i>Iran Investors' Summit 2011</i>	23-24 Nov. '11	Tehran, Iran	The European Finance Convention
<i>China Trade & Export Finance Conference</i>	TBC	Shanghai, China	Exporta
January 2012			
<i>World Economic Forum Annual Meeting 2012</i>	25-29 Jan. '12	Davos-Klosters, Switzerland	World Economic Forum

Regional & Global Economic News

Africa

Algeria H1 Trade Surplus Up on Higher Energy Earnings (Reuters, July 20th, 2011)

Higher energy prices pushed OPEC member Algeria's trade surplus up to \$13.34 billion in the first six months of 2011 from \$11.22 billion in the same period last year, official figures showed on Wednesday. Exports rose 17.13 percent to \$36.63 billion from \$31.27 billion in January-June 2010, while imports were up 16.14 percent to \$23.29 billion versus \$20 billion in the first half of last year, the official APS news agency reported, citing customs data. *(Read more)*

Asia

India's Inflation Accelerates to 9.44% (Bloomberg, July 14th, 2011)

India's inflation accelerated to 9.44 percent in June, adding pressure on the central bank to extend its longest stretch of interest-rate increases in a decade. Bonds pared gains. The benchmark wholesale-price index rose from 9.06 percent in May, the commerce ministry said in a statement in New Delhi today. The median estimate of 28 economists in a Bloomberg News survey was for a 9.68 percent increase. *(Read more)*

Australia

Australia Consumer Spending to Rebound in Time-RBA (Reuters, July 26th, 2011)

Australian consumers will eventually ramp up spending from the sluggish pace of recent years, and the shift could come soon if uncertainties over the global outlook were to ease, the head of the country's central bank said on Tuesday. Reserve Bank of Australia (RBA) Governor Glenn Stevens said the process of rebuilding household savings had already gone a long way and that was a reason for optimism on the economy. *(Read more)*

Europe

German Investor Confidence Fell in July as Debt Crisis Worsened (Bloomberg, July 19th, 2011)

Investor confidence in Germany, Europe's largest economy, dropped more than economists forecast in July as the euro-area debt crisis worsened. The ZEW Center for European Economic Research in Mannheim said its index of investor and analyst expectations, which aims to predict developments six months in advance, fell to minus 15.1 from minus 9 in June. *(Read more)*

North America

U.S. Budget Deficit Narrowed to \$43.1 Billion in June on Slower Spending (Bloomberg, July 13th, 2011)

The U.S. posted a monthly budget deficit of \$43.1 billion in June, smaller than a year earlier and reflecting a decline in spending. In June 2010, the shortfall was \$68.4 billion, according to the Treasury Department's monthly budget statement, released today in Washington. A slowing economy and restrained job growth may limit tax receipts for the government, raising the risk that the budget deficit will reach a record this fiscal year. *(Read more)*

South America

Brazil Economists Increase Forecast for 2012 Inflation to Record of 5.28 % (Bloomberg, July 25th, 2011)

Economists covering the Brazilian economy raised their 2012 inflation forecast to its highest ever for that year, after the central bank last week signaled it may soon halt the cycle of interest rate increases that began in January. Consumer prices will rise 5.28 percent next year, according to the median forecast in a July 22 central bank survey of economists published today. *(Read more)*

Member News

Barclays Bank Egypt S.A.E.

Barclays Egypt Received “Most Effective Recovery of the Year Award” and the “Global Retail Bank Business Continuity Award” (Zawya, July 3rd, 2011)

At the Business Continuity Management Awards organized by the Continuity, Insurance and Risk Magazine (CIR) in London, Barclays Egypt was named “The Most Effective Recovery of the Year” during Egypt’s revolution. (Read more)

Raya Holding

Raya Launches an Initiative to Develop Abaza Village, Al Fayoum for the Coming Five Years (Raya Holding - Press Release, July 11th, 2011)

In line with its commitment to sustainable development, Raya adopted Abaza Village in Al Fayoum to develop its infrastructure, health conditions and education sector, in cooperation with Bedaya NGO. Raya’s corporate social responsibility team launched the initiative in 2010 and is going to dedicate its efforts in the coming five years in projects that will have long-term impact on the society, with a special focus on health and education. (Read more)

New Members

BEBA would like to welcome the new members, who joined in July, 2011.

A. Corporate Member:

Naggar Shipping Company: It is a ship agency; ship chartering, ship owning, logistics activities and stevedoring agency operating in Suez Canal and all Egyptian ports.

Member’s Name: Amr El Naggar, Senior Managing Partner

B. Individual Member:

Member’s Name: **Paul Thomas:** A British citizen, CFO of TRAVCO International.

BEBA’s Announcements

Join BEBA Now!

If you join BEBA now, you will be considered a 2012-member and will get FOUR MONTHS of membership FOR FREE. Please click here to download the Application Form.

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Web Administrator, at: nesrine.sameh@beba.org.eg**

Membership Directory 2011

BEBA is preparing the Membership Directory 2011/2012.

We encourage you to advertise in the Membership Directory. For more information, please contact Nesrine Sameh, Web Administrator, at: nesrine.sameh@beba.org.eg

If you have any suggestions, comments, or if you would like to post any news on your company in the newsletter, kindly contact Samar Helmy, Research Coordinator at samar.helmy@beba.org.eg. The Economic Observer will be circulated to: BEBA members, British companies in Egypt, European Embassies, Business Chambers in the UK, Government organizations, and BEBA’s partner organizations.