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January 2012

Issue 40

News from Egypt

Economy

Suez Canal November Revenue \$435.5 Million (Daily News Egypt, December 12th, 2011)

Revenue from Egypt's Suez Canal rose 5.5 percent on a year earlier to \$435.5 million in November, but down 2.8 percent from a month earlier, the Suez Canal Authority website showed.

Egypt Economy Slows as Turmoil Takes Toll (Bloomberg, December 25th, 2011)

Egypt's economic growth slowed in the first quarter of the fiscal year as the nation's worst political crisis in at least three decades eroded income from tourism, manufacturing and construction.

Egypt's Budget Deficit Expected to Surge to 11.7% (Zawya, December 26th, 2011)

Egypt's budget deficit is expected to reach LE182 billion (\$30 billion) in the current financial year. Al-Ahram daily news reported that a top level ministerial committee concluded on Saturday, December 24, that this is up from the originally projected LE134 billion, Ahram Online said.

Investment

FDI in Egypt Plummets over the Summer (Arab Finance, December 21st, 2011)

Foreign investment in Egypt plummeted over its summer to almost a quarter of its level a year earlier, as investors, unnerved by the region's political turmoil, fled, the central bank said on Tuesday, December 20.

Outsourcing

Egypt's Outsourcing Sector Still Going Strong (Daily News Egypt, December 22nd, 2011)

Egypt's outsourcing industry reached its goal of \$1.1 billion in ICT export revenue, according to the Information Technology Industry Development Agency (ITIDA).

Tourism

Egypt 2011 Tourism Revenues Seen Down by A Third (Daily News Egypt, December 13th, 2011)

Egypt expects to earn about \$9 billion from tourism in 2011, down by about a third on a year earlier, after many visitors were deterred by an uprising that toppled Hosni Mubarak in February and unrest that followed, a senior official said on Tuesday, December 13.

News from the UK

Economy

UK Trade Deficit Narrows as Exports Hit a Record (BBC News, December 9th, 2011)

The UK's trade deficit narrowed sharply in October, as the value of exports hit a record high, official figures have shown.

Moody's Gives UK High Scores but Warns of 'Challenges' (BBC News, December 20th, 2011)

Ratings agency Moody's has given the UK high scores for economic governance, but warns the country it faces "formidable and rising challenges".

Consumer Morale Falls to Lowest in Nearly Three Years (Reuters, December 21st, 2011)

British consumer morale hit its lowest in almost three years in December as households became much more pessimistic on the outlook for the next 12 months, a survey from researchers GfK NOP showed on Wednesday, December 21.

Public Borrowing Lower than Expected but Outlook Tough (Reuters, December 21st, 2011)

Britain's budget deficit narrowed more than expected in November compared to a year earlier, official data showed on Wednesday, December 21, although weak growth and worries about the euro zone still threaten the government's attempts to balance the books.

Rise in Tax Receipts Boosts UK Finances (Financial Times, December 21st, 2011)

Britain borrowed less than expected for the third consecutive month after a rise in tax receipts and spending on social benefits remained at the same level as a year ago.

UK Economic Growth Revised Up to 0.6% (BBC News, December 22nd, 2011)

The UK economy grew by 0.6% between July and September, official figures have shown, faster than previous estimates of 0.5%. Growth was driven by strong performance in the service sector and construction.

Construction, Housing & Real Estate

House Prices Set for 2012 Fall - Reuters Poll (Reuters, December 22nd, 2011)

House prices will fall modestly next year, but that could prove optimistic should the euro zone sovereign debt crisis worsen significantly, a Reuters poll of analysts found.

First-time Home Buyers at Record Low (Reuters, December 28th, 2011)

The number of first-time home buyers fell to a record low in 2011, despite house prices declining to their most affordable levels in eight years, mortgage lender Halifax said in a survey on Monday, December 26.

Retail

Retail Sales Up at Fastest Pace since May (Reuters, December 20th, 2011)

Retail sales unexpectedly rose at their fastest pace since May in December, as retailers slashed prices to lure in shoppers, a survey by the Confederation of British Industry showed on Tuesday, December 20.

Services

Services Output Slump Raises Chances of Recession (Reuters, December 23rd, 2011)

Activity in Britain's dominant services sector slumped in October at the fastest pace since April, data showed on Friday, December 23, pointing to contraction of the economy in the final quarter and highlighting the danger of recession.

BEBA's Event in 2012

Event	Title	Date	Venue
Special Luncheon in Honour of the Governor of Cairo	New Cairo Challenges & Opportunities	January 31 st , 2012	Aida Ballroom, Cairo Marriott Hotel

“Buy Products Made in Egypt Exhibition” at the Special Luncheon in Honour of the Governor of Cairo January 31st, 2012

Within its framework of supporting British-Egyptian business relations and contributing to the economic prosperity of Egypt in these turbulent times, BEBA is organising the “Buy Products Made in Egypt Exhibition” in parallel with the luncheon in honour of the Governor of Cairo, on **January 31, 2012, from 12:00 Noon to 4:00 p.m., at the Salon Vert, Cairo Marriott Hotel**. At the Exhibition, companies will display their products and services on a table (2m x 1m) to be sold at a discounted fee to the attendees. This campaign aims at providing companies operating in Egypt with the opportunity to expose their products and increase their sales.

In order for your company to participate in this exhibition, please visit our website: www.beba.org.eg, or contact Engi El Naggar, Programmes Specialist, at: engi.elnaggar@beba.org.eg, or at Tel.: 3761 7486.

Initiatives under the Umbrella of BEBA - December Updates

British-Egyptian CSR Coalition under the Umbrella of BEBA

On Monday, December 12, 2011, the third meeting of the British-Egyptian CSR coalition was held at BEBA's premises. At this meeting, Mr. Khalil Shaat, Advisor to the Governor of Cairo & Director of the Unit of the Development of Informal Areas at Cairo Governorate, gave an informative presentation on shantytowns in Greater Cairo.

Based on the discussions, it was decided to sign a memorandum of understanding with the Governor of Cairo to support the cooperation between the governorate and the coalition. In addition, the coalition suggested hiring an NGO to provide a needs assessment on one or more of the following shantytowns: Al Nahda, Al Nozha, Al Salam, Helwan, and Manshiet Nasser.

On Monday, December 19, 2011, the fourth meeting was held at BEBA's premises, where Peace & Plenty Association and the Centre for Development Services (CDS) gave useful presentations on their activities. After the discussions, the coalition decided to conduct its project in Manshiet Nasser, where poverty and unemployment rates are high.

On Sunday, December 25, 2011, selected members of the coalition visited the vocational training centre in Manshiet Nasser, accompanied by Mr. Khalil Shaat and his team. The employees at the centre and Mr. Shaat provided the attendees with important information on the centre, its activities and the challenges it faces. They also provided suggestions on what could be done to revive the centre.

The fifth meeting will be held on Tuesday, January 10, 2012, at BEBA's premises, to discuss the coalition's budget and the next steps. The suggestions made for reviving the vocational training centre in Manshiet Nasser will also be considered at the meeting.

Initiatives under the Umbrella of BEBA - December Updates (Cont'd)

BEBA-GAFI Initiative to Integrate SMEs into the Supply Chains of Large Corporations

On Sunday, December 18, 2011, a matchmaking process took place at BEBA's premises, to connect Environmental Solutions with two SMEs: Tanta Motors and TechnoMachine. At the meeting, Mrs. Reem El Saadi, Executive Director of the SME's Unit at GAFI, discussed with the three companies what could be done to support the two NGOs to satisfy the needs and requirements of Environmental Solutions. The two SMEs briefed the attendees on their activities, and the areas they need to improve. Environmental Solutions will provide their requirements to the various parties, and GAFI will work on supporting the SMEs to satisfy these requirements. This is considered as the pilot project of the initiative.

Conferences in 2012

Petroleum Economist's Third Egyptian Petrochemicals Conference

Petroleum Economist invites BEBA members to the Third Egyptian Petrochemicals Conference on **February 21-22, 2012**, at **JW Marriott Cairo**. BEBA will be a media partner of the event. For more information, or to register, visit www.petroleum-economist.com/events

Under the patronage of the Egyptian Ministry of Petroleum & Mineral Resources, this event will discuss projects coming on stream and their financing, business opportunities in downstream projects, challenges in the current economic and political climate, feedstock markets and new technologies and processes. View the agenda here: <http://www.petroleum-economist.com/pdf/EgyptPetrochem.pdf>

Eng. Osama Kamal, President and Chairman of the Board of Echem in Egypt, will update the attendees on the progress of the Egyptian petrochemical industry, the status of the Egyptian master plan and business opportunities in the area.

This event is **FREE** for national & independent oil companies, government agencies and banks. Discounted local rate is also available for companies with headquarters in Egypt.

To register:

Online: www.petroleum-economist.com/events

By phone: + 44 (0) 20 7779 8999

By fax: fill out the booking form ([please click here](#)) and fax it to + 44 (0) 20 7779 8279

By email: mfabri@euromoneyplc.com

Power & Infrastructure Finance Egypt Conference

Gulf Financial Conferences invites BEBA members to the Power & Infrastructure Finance Egypt Conference on **March 6, 2012**, at the **Four Seasons Nile Plaza, Cairo**. BEBA will be supporting the event. For more information, or to register, visit <http://www.egypt-infrastructure.com/>

BEBA members will receive 30% discount on the registration fees.

To register:

By phone: +44(0)20 7045 0920

By fax: +44(0)20 7045 0921

By email: Dhanmita.Boodhna@gulffinancialconferences.com

January's Question to the Readers

This month, BEBA asks the readers to send their responses to the following question to Samar Helmy, Economic Researcher, at: samar.helmy@beba.org.eg. The answers will be published in February's edition.

January's question: Given the results of the first and second rounds of the parliamentary elections, what are the possible scenarios for Egypt's future, in your opinion?

Last Month's Question: What are your suggestions to restore the Egyptian economy?

Answer by **Nevine Abdelkhalek**, Vice President, Human Resources and Organisational Development, Engineering Consultants Group S.A.:

"I believe what will restore the economy is a clear plan, known investment policies and transparent acts from the government side, as well as a clear vision and plan with dates of what is expected next. We will also need a HUGE part of the national budget (at least 30% of the national budget) to go to vocational training qualifications, as well as into general education and research."

The British Pound-Egyptian Pound Relation in 2011



The graph shows the GBP/EGP rates throughout 2011, until the 29th of December.

Source: Yahoo Finance, December 29th, 2011.

Did You Know?

- **What Is My Pass?** As some websites have begun to require passwords to include both numbers and letters, SplashData created the rankings based on millions of stolen passwords posted online by hackers. According to the study, the 25 worst passwords include 12345678, abc123, qwerty, monkey, passw0rd, letmein, trustno1, 111111 and iloveyou.
- **Who Is Afraid of Social Media? Not Diesel!** Diesel stores in Spain allow users to share the moment of buying and trying garments on their Facebook profiles from the store. Consumers are able to take pictures, publish them and boast their new acquisitions with their Facebook friends.
- **Egypt Revolutionising Twitter:** Egypt has been ranked the top hash tag of 2011 and Cairo comes as the most tweeted city in the world.

Source: CID Consulting, December 2011.

Events & Conferences in Egypt & the Region in 2012

Event	Date	Location	Organiser
January 2012			
<i>Global Competitiveness Forum (GCF)</i>	21-24 Jan. '12	Riyadh, Saudi Arabia	SAGIA
<i>Banking Technology Summit</i>	22-25 Jan. '12	Amman, Jordan	IQPC
February 2012			
<i>3rd Annual Middle East PPP</i>	7-8 Feb. '12	Doha, Qatar	marcus evans
<i>Supply Chain Middle East Strategy Summit</i>	7-8 Feb. '12	Dubai, UAE	Fleming Gulf
<i>Middle East Electricity</i>	7-9 Feb. '12	Dubai, UAE	Informa Exhibitions
<i>Construction Project Risk and Control</i>	12-13 Feb. '12	Abu Dhabi, UAE	marcus evans
<i>9th Annual Middle East Trade & Export Finance Conference</i>	14-15 Feb. '12	Dubai, UAE	Exporta
<i>Egypt Real Estate Summit</i>	20-22 Feb. '12	Cairo, Egypt	ACG-ITF, IIR Middle East and Lead Marketing Solutions
<i>Third Egyptian Petrochemicals Conference</i>	21-22 Feb. '12	Cairo, Egypt	Petroleum Economist
<i>Pharmaceutical Logistics Middle East</i>	26-28 Feb. '12	Dubai, UAE	IQPC
March 2012			
<i>3rd Annual MEA Natural Gas Distribution Summit</i>	5-7 Mar. '12	Abu Dhabi, UAE	Fleming Gulf
<i>Power & Infrastructure Finance Egypt</i>	6 Mar. '12	Cairo, Egypt	Gulf Financial Conferences
<i>2nd Annual Road Planning Design and Construction Middle East</i>	11-14 Mar. '12	Doha, Qatar	IQPC
<i>International Security National Resilience Exhibition & Conference</i>	19-21 Mar. '12	Abu Dhabi, UAE	Reed Exhibitions
<i>International Conference on Information Technology, System & Management (ICITSM 2012)</i>	25-26 Mar. '12	Dubai, UAE	Open Learning Society
<i>Offshore Structures and Technology Summit</i>	25-28 Mar. '12	Abu Dhabi, UAE	IQPC
<i>The Kuwait Conference</i>	27-28 Mar. '12	Kuwait City, Kuwait	Euromoney Conferences
May 2012			
<i>The Jordan Conference</i>	8-9 May '12	Amman, Jordan	Euromoney Conferences
<i>The Saudi Arabia Conference</i>	22-23 May '12	Riyadh, Saudi Arabia	Euromoney Conferences
November 2012			
<i>The 9th Middle East Forex & Investment Summit 2011</i>	15-16 Nov. '12	Abu Dhabi, UAE	Arabcom Group

Events & Conferences in the UK in 2012

Event	Date	Location	Organiser
January 2012			
<i>Social Media in the Pharmaceutical Industry</i>	24-25 Jan. '12	London	SMi Group
<i>Transparency in the Public Sector</i>	30 Jan. '12	London	Capita Conferences
<i>Market Access & Healthcare Reform</i>	30-31 Jan. '12	London	C5 Communications
<i>Middle East and North Africa Energy 2012: Investing for the Future in Turbulent Times</i>	30-31 Jan. '12	London	Chatham House
February 2012			
<i>Financing Solutions in the New Landscape</i>	8 Feb. '12	London	Euromoney Conferences and EuroWeek
<i>The Pharma Summit 2012</i>	9 Feb. '12	London	The Economist Conferences
<i>Finance Transformation Europe</i>	14-16 Feb. '12	London	IQPC and the Shared Services and Outsourcing Network (SSON)
<i>Retail Excellence: The New Approach</i>	15-17 Feb. '12	London	marcus evans
<i>11th Annual Islamic Finance Summit</i>	21-22 Feb. '12	London	Euromoney Seminars
<i>Anti-money Laundering Compliance for Law Firms 2012</i>	22 Feb. '12	London	Ark Group
<i>The Bond Investors Congress</i>	28-29 Feb. '12	London	Euromoney Conferences
March 2012			
<i>Innovation 2012: Science, Technology and Competitiveness</i>	5-6 Mar. '12	London	Chatham House
<i>FT Digital Media Conference 2012</i>	7-8 Mar. '12	London	The Financial Times
<i>The Food Conference</i>	15 Mar. '12	London	Euromoney Conferences
<i>Infrastructure Asset Management Exchange</i>	19-21 Mar. '12	London	IQPC
April 2012			
<i>World Literacy Summit</i>	1-4 Apr. '12	Oxford	World Literacy Foundation
<i>Innovation through Knowledge Transfer 2012</i>	19-20 Apr. '12	Bournemouth	KES International
May 2012			
<i>4th African Gas Week</i>	21-24 May '12	London	Global Pacific & Partners
<i>15th Annual Financial Sector Compensation and Benefits</i>	28-29 May '12	London	marcus evans
July 2012			
<i>World Congress on Engineering 2012</i>	4-6 Jul. '12	London	International Association for Engineers

Global Events & Conferences in 2012

Event	Date	Location	Organiser
January 2012			
<i>Gas to Power Europe Forum</i>	23-25 Jan. '12	Berlin, Germany	Gastech Specialist Events
<i>The Future of Banking</i>	24 Jan. '12	Paris, France	The Economist Conferences
<i>Energy Investment Forum</i>	25-26 Jan. '12	Texas, USA	Opal Financial Group
<i>World Economic Forum Annual Meeting 2012</i>	25-29 Jan. '12	Davos-Klosters, Switzerland	World Economic Forum
<i>Emerging Market Investments Summit 2012</i>	30-31 Jan. '12	Montreux, Switzerland	marcus evans
January/February 2012			
<i>10th Timberland Investment World Summit</i>	30 Jan. - 1 Feb. '12	New York, USA	IQPC
<i>Automotive Green Production Conference</i>	30 Jan. - 1 Feb. '12	Mainz, Germany	IQPC
February 2012			
<i>5th Annual Corporate Data Protection and Privacy Compliance</i>	1-3 Feb. '12	Berlin, Germany	marcus evans
<i>Insurance Enterprise Risk Management (ERM) 2012</i>	2-3 Feb. '12	Munich, Germany	Uniglobal
<i>The Supply Chain Finance Europe Conference</i>	2-3 Feb. '12	Frankfurt, Germany	Euromoney Seminars and Trade Finance
<i>7th Annual Liquidity Management Conference</i>	7-8 Feb. '12	New York, USA	marcus evans
<i>Feeding the World</i>	8 Feb. '12	Geneva, Switzerland	The Economist Conferences
<i>TradeTech France 2012</i>	13 Feb. '12	Paris, France	Worldwide Business Research Ltd.
<i>Global Strategic Procurement Congress 2012</i>	15-16 Feb. '12	Vienna, Austria	Fleming Europe
<i>3rd Annual Global Export and Agency Finance - Asia Pacific</i>	22-23 Feb. '12	Jakarta, Indonesia	Euromoney Seminars and Trade Finance
<i>Oil Sands Water Management 2012</i>	28-29 Feb. '12	Alberta, Canada	Canadian Business Conferences
March 2012			
<i>The Wealth Management Conference</i>	15 Mar. '12	Luxembourg, Luxembourg	Euromoney Conferences
<i>4th Annual Energy Efficiency Forum</i>	19-21 Mar. '12	Vienna, Austria	marcus evans
<i>Africa Healthcare Summit</i>	28-29 Mar. '12	Cape Town, South Africa	The Economist Conferences
<i>Investing in a Sustainable Future</i>	29 Mar. '12	New York, USA	The Financial Times
May 2012			
<i>The Internacional Food and Beverage Machinery, Technology and Ingredient Trade Fair</i>	15-18 May '12	Barcelona, Spain	ALIMENTARIA EXHIBITIONS
June 2012			
<i>9th Annual Global Commodities Finance Conference</i>	14-15 Jun. '12	Geneva, Switzerland	Euromoney Seminars and Trade Finance Magazine

Regional & Global Economic News

Africa

Moroccan Central Bank Forecasts GDP Growth of 4-5% in 2012 (Reuters, December 20th, 2011)

Morocco's central bank forecasted on Tuesday, December 20, that the economy will grow by 4-5 percent next year, matching a revised growth forecast for this year. It trimmed its growth estimate for this year from 4.5-5.5 percent, citing a slowdown affecting the country's trading partners, chief of which is the European Union. (*Read more*)

Asia

Bank of Japan Says Businesses Are Pessimistic (BBC News, December 15th, 2011)

Japanese manufacturers' sentiment has turned pessimistic due to a strong yen and Europe's debt crisis, the latest Tankan survey has found. In its quarterly survey, the Bank of Japan said large manufacturers' sentiment in the three months to December dropped to minus four from plus two three months ago. (*Read more*)

Australia

Australian Economic Outlook Weakens for Second Month (The Sydney Morning Herald, December 21st, 2011)

A gauge of future economic growth weakened in October, suggesting slower growth in the Australian economy to come. The Melbourne Institute leading index annualised growth rate slowed to 2.6 per cent in October from 2.8 per cent in September, the second straight month that the growth index fell under trend growth. (*Read more*)

Europe

Eurozone Downturn Slows Slightly, PMI Survey Indicates (BBC News, December 15th, 2011)

The slowdown in the 17 economies that share the euro eased slightly in December, according to a closely watched survey. The composite survey of thousands of firms by Markit showed a continued contraction, but at a slower rate than in November. Manufacturing in Germany - the eurozone's strongest economy - shrank for the third month in a row. However, the figures were not as bad as many economists had expected. (*Read more*)

North America

US Durable Goods Orders Jump 3.8% in November (BBC News, December 23rd, 2011)

Orders for US durable goods jumped by 3.8% in November, which was much more than expected. The US Commerce Department said that orders for durable goods, including transportation equipment, rose by \$7.5bn (£4.8bn) to \$207bn. (*Read more*)

South America

Brazil's Top Banks Tighten Grip on Loans as Yields Soar for Small Rivals (Bloomberg, December 23rd, 2011)

Brazil's top banks may tighten their grip on consumer and small-business lending, as record high borrowing costs and the end of emergency credit pinch smaller competitors struggling with fallout from Europe's debt crisis. (*Read more*)

Member-to-Member Benefits

Balbaa Group Hotels & Resorts

Balbaa Group Hotels & Resorts is pleased to offer BEBA members a discount at Laguna Vista Residence in Sharm El Sheikh. *Please click here for discounted rates.*

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Pyramisa Hotels & Resorts is pleased to offer BEBA members special rates at the following hotels and resorts for the year 2012: Cairo Pyramisa Hotel & Casino, Aswan Pyramisa Isis Island & Isis Luxor, Pyramisa Blue Lagoon Hotel, and Pyramisa Sunset Pearl - Sahl Hasheesh. *Please click here for discounted rates.*

BEBA's Announcements

Membership Renewal

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10% Discount for Early Birds on Each Publication: Annual Report 2011 and Membership Directory 2012-2013, No Later than February 1st

BEBA is offering its members 10% discount on each of the Annual Report 2011 and Membership Directory 2012-2013, if they reserved advertising locations in both, no later than February 1st. For more information, please contact Nesrine Sameh, Web Specialist, at: nesrine.sameh@beba.org.eg

Merry Christmas & A Happy New Year

BEBA would like to wish its members a Merry Christmas and a Happy New Year. We look forward to the active participation of our members in 2012.

BEBA's Special Partners

BEBA would like to thank its special partners for their continuous support.



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, Economic Researcher, 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 organisations, and BEBA's partner organizations.