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News from Egypt

Economy

Egypt Inflation Rises to 11.5 Percent in March on Food (Reuters, April 10th, 2011)

Urban consumer inflation in Egypt accelerated in the year to March to an 11-month high, pushed up by soaring food prices that contributed to the mass protests that eventually toppled President Hosni Mubarak.

Egypt Economy Contracted 7 % in Fiscal Third Quarter, Finance Minister Says (Arab Finance, April 20th, 2011)

The Egyptian economy contracted 7 percent in the third quarter of the fiscal year, which saw a revolt that toppled former President Hosni Mubarak, Finance Minister Samir Radwan told ONTV in an interview.

Investing in Egypt

Egypt Approves Incentives to Bolster Investment-Paper (Reuters, April 11th, 2011)

Egypt has approved investment incentives that will simplify procedures for new industrial projects and make it easier to set up franchises, the head of the General Authority for Investment (GAFI) was quoted as saying on Monday.

An uprising that led to the ousting of President Hosni Mubarak and continued political turmoil have dampened Egypt's economic prospects and the country's appeal as an investment destination, prompting the interim government to act to try and attract foreign investment. (Read more)

Egypt's Outlook: What Do Experts Say?

Egyptian Economic Growth to Slow 'Significantly' After Uprising, IMF Says (Bloomberg, April 11th, 2011)

Economic growth in Egypt will slow "significantly" and political unrest spreading across the Middle East and North Africa will hurt other economies in the region this year, the International Monetary Fund said.

Egypt's gross domestic product will expand about 1 percent, the IMF said in its World Economic Outlook report released today, cutting the forecast from 5 percent after the uprising that ousted President Hosni Mubarak in February. (Read more)

News from the UK

Economy

Job Vacancies Up and Salaries Rise Faster (Reuters, April 6th, 2011)

Recruiters, led by the private sector, reported rising numbers of job vacancies and higher starting salaries for permanent staff in March, a survey showed on Wednesday, April 6.

Shop Price Inflation Slows on Cheaper Food (Reuters, April 6th, 2011)

Shop price inflation slowed in March as grocers offered discounts on food, a survey showed on Wednesday, April 6, providing some relief to consumers hard-pressed by rising taxes and higher fuel prices.

UK Unemployment Falls by 17,000 to 2.48 Million (BBC News, April 13th, 2011)

UK unemployment fell by 17,000 in the three months to the end of February to 2.48 million, the first drop since last autumn, official figures show. The Office for National Statistics (ONS) said the rate of unemployment in the UK had fallen to 7.8%.

UK Confidence Picks Up from Record Low (The Telegraph, April 14th, 2011)

Consumer confidence has rallied after crashing to a record low, offering hope of some respite for businesses suffering as worried Britons rein in their spending.

Advertising and Marketing

Companies Cut Ad Spend on Fears over Economy (Reuters, April 18th, 2011)

British companies cut their marketing budgets in the first quarter of 2011, for a second consecutive quarter, over fears that public spending cuts and rising inflation would dent the economy.

Automotive

Car Sales Down 7.9 Percent in March (Reuters, April 6th, 2011)

New car sales in Britain fell 7.9 percent on the year in March, the Society of Motor Manufacturers and Traders said on Wednesday, April 6.

Banking and Finance

Banks Launch Lending Campaign for SMEs (Reuters, April 5th, 2011)

A task force of Britain's major banks have launched a campaign to make lending to small and medium-sized businesses more transparent, the British Bankers Association (BBA) said on Tuesday, April 5.

Moody's Downgrades Ireland's Debt, Cites Weaker Growth (The Telegraph, April 15th, 2011)

Moody's has downgraded Ireland's debt rating to just above junk status, citing "weaker economic growth prospects" and "uncertainty" created by EU solvency tests.

Construction, Housing and Real Estate

Construction Industry 'Sees Growth but Rising Costs' (BBC News, April 4th 2011)

The UK building industry continued to grow in March, but raw materials price rises hit a 31-month high, research suggests.

Retail

Retail Sales Unexpectedly Rise (Reuters, April 21st, 2011)

Retail sales rose unexpectedly in March, helped by stronger food sales on the month, while public sector borrowing for the fiscal year ending in March came in below the government's target, official data showed on Thursday.

BEBA's Forthcoming Events

Event	Date and Time	Venue
BEBA's General Annual Meeting	May 9 th , 2011 5:00 p.m.	The British Embassy
Special Working Breakfast in Honour of HE Dr. Samir Radwan, Minister of Finance, Egypt	May 12 th , 2011 9:00 a.m. - 10:30 a.m.	Semiramis Intercontinental, Teeba Ballroom
Farewell Event in Honour of Dominic & Louise Asquith	May 19 th , 2011 1:30 p.m. - 3:30 p.m.	Conrad Hotel, Conrad Ballroom
Special Working Luncheon in Honour of HE Mounir Fakhry Abdel Nour, Minister of Tourism, Egypt	June 2 nd , 2011 1:30 p.m. - 3:30 p.m.	Cairo Marriott Hotel, Aida Ballroom

BEBA's Initiative: Challenges of the Investment Climate in Egypt & Proposed Solutions

BEBA invited a number of business organisations in Egypt for a brainstorming session to discuss the challenges facing the business community and to come up with recommendations to solve these challenges to be presented to the government and the Higher Military Council.

BEBA would like to thank the following organisations that contributed to this paper:

Alexandria Businessmen Association (ABA)
American Chamber of Commerce in Egypt (AmCham Egypt)
Chambre de Commerce Franco-Egyptien (CCFE)
Confederation of the Egyptian European Business Associations (CEEBA)
Egyptian Business Association (EBA)
Egyptian Junior Business Association (EJB)
Federation of the Egyptian Chambers of Commerce (FECC)
German Arab Chamber of Industry and Commerce (AHK)

Poll: Your Opinion on the Future of the Egyptian Economy

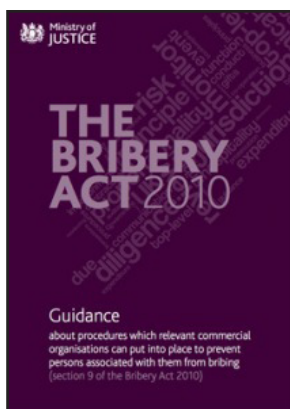
Your Opinion



Please click here to answer this month's poll, regarding your opinion and expectation of the future of the Egyptian economy.

The Bribery Act

Nour Law Office Managed by Trowers & Hamlins prepared a note regarding the final guidance on the Bribery Act, which was recently published. The act will come into force on July 1, 2011. It is worth mentioning that this act was established to fight bribery in the public and private sectors in the UK, and in institutions that have trade relations with British parties. According to the British Law, parties violating the act would be subject to criminal penalties.



[Please click here to download the note on the final guidance on the Bribery Act.](#)

The European Union and Egypt Beyond Investments

The latest report on EU-Egypt business relations till February 2011.

The following are important notes about the report:

- Investments are NET (i.e. less repatriations of capital and profit which is significant in oil & gas and telecom), and Egypt has almost half of the EU FDI for the Mediterranean region.
- The EU constitutes more than 50% of tourists arrivals to Egypt.
- The balance of trade in services is highly positive for Egypt compensating the negative balance in trade in goods.

The report is prepared by the Confederation of Egyptian European Business Associations (CEEBA) and the General Authority for Investment (GAFI).



[Please click here to download the report.](#)

An EBCC Report: A British Vision of Egypt

A report, prepared by Taher El Sherif, Secretary-General, EBCC, presented to the Egyptian government and business communities in Egypt and the UK, illustrates Britain's positive view on recent developments in Egypt. The report lists recommendations on how to best take advantage of the positive momentum gained from the January 25 Revolution to boost business, trade and investment between both countries.

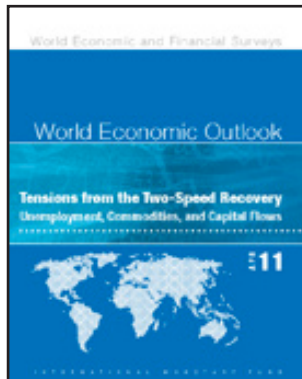


[Please click here to download the report.](#)

Released in April 2011:
The World Economic Outlook (WEO)

The World Economic Outlook

Tensions from the Two-Speed Recovery: Unemployment, Commodities, and Capital Flows



The World Economic Outlook (WEO) presents the IMF staff's analysis and projections of economic developments at the global level, in major country groups (classified by region, stage of development, etc.), and in many individual countries. It focuses on major economic policy issues, as well as on the analysis of economic developments and prospects. It is usually prepared twice a year, as documentation for meetings of the International Monetary and Financial Committee, and forms the main instrument of the IMF's global surveillance activities.

Please click here to download the full report.

The Royal Wedding: April 29th, 2011

Prince William and Kate Middleton tied the knot at Westminster Abbey on Friday April 29th, 2011, in an event that capture the attention of the world.



Kate Middleton and her father, Michael, travel in a Rolls Royce to Westminster Abbey in central London (Source: Reuters)



Britain's Prince William and Catherine, Duchess of Cambridge, look at one another after their wedding ceremony in Westminster Abbey (Source: Reuters)

Forthcoming Events in Egypt & the Region in 2011 and Beyond

Event	Date	Location	Organizer
May 2011			
<i>PPP Investment Summit Kuwait</i>	8-11 May '11	Kuwait City	IQPC Middle East and the Partnerships Technical Bureau (PTB), Kuwait
<i>Annual Investment Meeting 2011(AIM 2011)</i>	10-12 May '11	Dubai	Ministry of Foreign Trade, United Arab Emirates
<i>11th Annual Meeting – Oil and Gas Pipelines in the Middle East</i>	22-25 May '11	Abu Dhabi	The Energy Exchange
<i>Oman Power & Water Summit</i>	22-25 May '11	Muscat	IQPC Middle East
May/June 2011			
<i>Enhanced Oil Recovery World Congress 2011</i>	29 May-1 Jun. '11	Manama	terrapinn
<i>Airport Show</i>	31 May-2 Jun. '11	Dubai	Reed Exhibitions
June 2011			
<i>Construction Week Riyadh Conference 2011</i>	1 Jun. '11	Riyadh	ITP Events and Conferences
<i>Levant Trade & Investment Conference</i>	1 Jun. '11	Beirut	Exporta Group
<i>Power Morocco</i>	6-9 Jun. '11	Casablanca	IQPC Middle East
<i>Mine Technology Middle East</i>	26-29 Jun. '11	TBC (Saudi Arabia)	IQPC Middle East
September 2011			
<i>INFRAOMAN 2011</i>	20-22 Sep. '11	Muscat	Al Nimr International Exhibition Organizers
<i>Smart Airports World MENA 2011</i>	26-28 Sep. '11	Dubai	terrapinn
<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>Unconventional Gas World Middle East 2011</i>	3-5 Oct. '11	Manama	terrapinn
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			
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
May 2011			
<i>Travel Distribution Summit Europe 2011</i>	10-11 May '11	London	EyeforTravel
<i>Internet World 2011</i>	10-12 May '11	London	United Business Media Limited
<i>Insurance Securities Summit Europe</i>	23-25 May '11	London	IQPC
June 2011			
<i>The CIO Agenda 2011</i>	7 Jun. '11	London	The Economist Conferences
<i>The Talent Management Summit 2011</i>	9 Jun. '11	London	The Economist Conferences
<i>8th Annual Trade & Supply Chain Solutions Conference</i>	21-22 Jun. '11	London	Exporta Group
<i>Agriculture Investment Summit 2011</i>	21-22 Jun. '11	London	terrapinn
<i>The Global Borrowers & Investors Forum</i>	21-22 Jun. '11	London	Euromoney Conferences
<i>The UK Energy Summit 2011</i>	23 Jun. '11	London	The Economist Conferences
<i>FT Global Energy Leaders Summit 2011</i>	28-29 Jun. '11	London	The Financial Times
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>Leveraged Finance 2011</i>	8-9 Sep. '11	London	Euromoney Seminars
<i>Offshore Wind Farms: Construction & Installation 2011</i>	20-21 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>Energy Solutions 2011</i>	11-12 Oct. '11	London	UBM
<i>The Innovation Awards Ceremony and Summit</i>	20-21 Oct. '11	London	The Economist Conferences
November 2011			
<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
May 2011			
<i>Corporate IT Exchange</i>	8-10 May '11	München, Germany	International Quality and Productivity Center (IQPC)
<i>The International Symposium on Cultural Diplomacy 2011</i>	11-15 May '11	Berlin, Germany	Institute for Cultural Diplomacy (ICD)
<i>3rd Annual East Africa Trade & Commodity Finance Conference</i>	17 May '11	Nairobi, Kenya	Exporta Group
<i>Global Export Finance – Washington</i>	23-24 May '11	Washington, USA	Euromoney Seminars and Trade Finance Magazine
<i>The CFO Exchange</i>	22-24 May '11	TBC, The Netherlands	International Quality and Productivity Center (IQPC)
June 2011			
<i>FT Business of Luxury Summit</i>	5-7 Jun. '11	Lausanne, Switzerland	The Financial Times
<i>7th Annual Innovations in Trade Finance Solutions</i>	7 Jun. '11	New York, USA	Exporta
<i>SHOWTECH</i>	7-9 Jun. '11	Berlin, Germany	Reed Exhibitions Deutschland
<i>3rd Annual Nordic Process Excellence Summit</i>	15-16 Jun. '11	Stockholm, Sweden	International Quality and Productivity Center (IQPC)
<i>Enterprise Security Exchange</i>	15-17 Jun. '11	Brussels, Belgium	International Quality and Productivity Center (IQPC)
<i>8th Annual Global Commodities Finance Conference</i>	16-17 Jun. '11	Geneva, Switzerland	Euromoney Seminars
<i>Real Estate Investment World Asia 2011</i>	20-23 Jun. '11	Singapore, Singapore	terrapinn
July 2011			
<i>World Resource Capital Summit 2011</i>	2-4 Jul. '11	Hong Kong, Hong Kong	terrapinn
September 2011			
<i>3rd Annual Asia Trade & Export Finance Conference</i>	7-8 Sep. '11	Singapore, Singapore	Exporta
<i>The Local and Regional Government Finance Conference</i>	19-20 Sep. '11	Istanbul, Turkey	Euromoney Conferences
<i>The 6th Annual North American Infrastructure & Energy Finance Forum</i>	21-22 Sep. '11	New York, U.S.A.	Euromoney Seminars
<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

Regional & Global Economic News

Africa

Morocco's Q1 Trade Deficit Widens (Reuters, April 15th, 2011)

Morocco's trade deficit widened during the first quarter of the year as a surge in wheat and oil imports outpaced rising exports but tourism receipts -- a key source of foreign currency -- rose despite regional unrest. Data from the foreign exchange regulatory authority, Office des Changes, showed the trade deficit stood at 44.35 billion dirhams in the three months to end-March, up 29 percent from a year earlier. *(Read more)*

Asia

China's Economy Expands 9.7% as Inflation Accelerates (BBC News, April 15th, 2011)

China's economy continued its boom in March and inflation accelerated to the fastest rate since 2008. Growth was at a faster-than-expected 9.7% between January and March from the same period a year earlier, the National Bureau of Statistics said. Consumer prices rose by 5.4% in March compared with a year earlier. In February, the annual figure was 4.9%. *(Read more)*

Australia

Australia Posts Trade Deficit as Disasters Hit Exports (BBC News, April 5th, 2011)

Australia has posted a shock trade deficit for the first time in 11 months as twin natural disasters dented the country's exports. According to the latest data for February, the trade deficit stood at A\$205m (\$212m; £131m). Analysts were expecting a trade surplus of close to A\$950m. Meanwhile the Reserve Bank of Australia (RBA) has kept interest rates unchanged at 4.75%. *(Read more)*

Europe

Spain's Jobless Level Hits Record High (BBC News, April 4th, 2011)

The number of Spanish people filing for unemployment benefits rose for its eighth consecutive month in March. The benefit claimant count rose by 34,406 people, to a new record of 4.3 million, the Labour Ministry said. In February this number stood at 4.7 million people, about 20.5% of the population, and more than twice the eurozone average. *(Read more)*

North America

IMF Cuts 2011 U.S. Growth Forecast on Oil, 'Lackluster' Pace of Job Gains (Bloomberg, April 11th, 2011)

The International Monetary Fund lowered its forecast for U.S. growth this year, predicting higher oil prices and the pace of job gains will restrain the recovery. The world's largest economy will expand 2.8 percent this year, down from the 3 percent projected in January, the IMF said today, citing the need to reduce deficits and boost exports. *(Read more)*

South America

Argentina to Seek Faster Economic Growth - Minister (The Wall Street Journal, April 15th, 2011)

There's no consumer boom in Argentina, but rather sustainable expansion, and the government is committed to driving faster economic growth, Economy Minister Amado Boudou said Friday. Government policies, from wage settlements to welfare payments and public works, have helped boost consumption to new sustainable levels, Boudou told reporters after the meeting of Group of 20 finance officials. *(Read more)*

Member News

GlaxoSmithKline

GlaxoSmithKline Plans LE 500 Million New Investments in Egypt (Arab Finance, April 11th, 2011)

GlaxoSmithKline Consumer Healthcare announced that it plans to invest LE 500 million in healthcare projects through its arm GlaxoSmithKline Egypt. Ambati Venu, the company's Vice Chairman for Middle East, stated that the new investments will be pumped gradually over the next five years, adding that it will be directed to add new production lines in its plants in Egypt. He added that, the company will set up new administration for marketing and sales in order to enhance its sales volume.

Raya Holding

Raya Software Achieves CMMi L3 Based on Agile Practices (Raya Holding Press Release, April 27th 2011)

Raya Software was the first Egyptian company to achieve CMMI L3 based on Agile Development Methodology, accredited by the Carnegie Mellon® Software Engineering Institute (SEI), one of the world's premier computer science and engineering institutions. The certification came in line with Raya Software's strategy and its commitment to the flexible fulfilling of its customers' requirements and ensuring their return on investment. (Read more)



Hesham Abdel Rasoul - CEO Raya Information Technology

BEBA's New Members

BEBA would like to welcome its new members, who joined it in April 2011.

A. Corporate Members

1. INTEX EXPRESS INTERNATIONAL

Member's Name: Mohamed Louai Mohamed Fadel Rahmoun

2. Alfa Egypt Trading Co- An Al Futtaim Group Company: A group of companies that consists of Marks & Spencer, Toys R Us, and Ladybird.

Member's Name: Hany Hashem, Retail Operation Manager – MENA Region

B. Individual Members

1. *Member's Name:* Nabil Bakhoum - Mr. Bakhoum is the President of TCHERO International LTD. Tchero, an Egyptian company serving the healthcare industry, is responsible for marketing, sales and distribution of pharmaceutical preparations and food supplements in Egypt and the Middle East. Mr. Bakhoum has a BS in mechanical engineering from Ain Shams University.

2. *Member's Name:* Mohamed Talaat - Al Ahly For Real Estate Development

BEBA'S ANNOUNCEMENTS!

Fieby Marzouk Is Leaving BEBA



Fieby Marzouk, who has been working at BEBA for 5 years as the Web Administrator, is leaving Egypt to the United States. We wish her all the best in her next endeavour.

Nesrine Sameh replaced Fieby, starting May 1st, 2011, and will take the responsibilities of the Web Administrator at BEBA.



In order to contact Nesrine, please send her an email at:
nesrine.sameh@beba.org.eg

Membership Directory 2011

BEBA is preparing the Membership Directory 2011/2012.
There is a 10% discount on the ads for early birds. Deadline: May 9th, 2011.

For more information, please contact Nesrine Sameh,
 Web Administrator, at:
nesrine.sameh@beba.org.eg

We Appreciate Your Suggestions!

Within its framework to support Egyptian and British businesses, BEBA would appreciate suggestions by its members on what additional services they would like to receive in the future. To communicate your suggestions, please contact Samar Helmy, Research Coordinator, at: **samar.helmy@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**



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.