



General Authority for Suez Canal Economic Zone

NEW STRATEGIC PLAN: THE GATEWAY TO GLOBAL MARKETS

2020 | Cairo

Contents



- Introduction to the SCZone
- The Baseline - Where do we stand today



Egypt vision 2030

THE SUSTAINABLE DEVELOPMENT STRATEGY (SDS): EGYPT VISION 2030?



Egypt vision 2030

EGYPT Is One Of The Leading Economies In Africa And The Middle East With A 100 Mn Population


- **Highest population** in ME and **2nd** in Africa
- **3rd highest GDP** in Africa, growth reached 5.6 % in 2019 and expected 5.8 % in 2020
- Focused on **agriculture, petrochemicals, textile, pharmaceuticals** and **tourism**
- Major export sectors: **crude petroleum, textile, chemicals** and **agriculture**
- Egypt has been implementing the country's **Vision 2030** in conjunction with new **Economic Reforms** supported by the **IMF**
- Establishment of the **New Suez Canal Economic Zone** is one of the flagship pillars to drive investments in Egypt



**100 MN
POPULATION**

**DIVERSIFIED
ECONOMY**

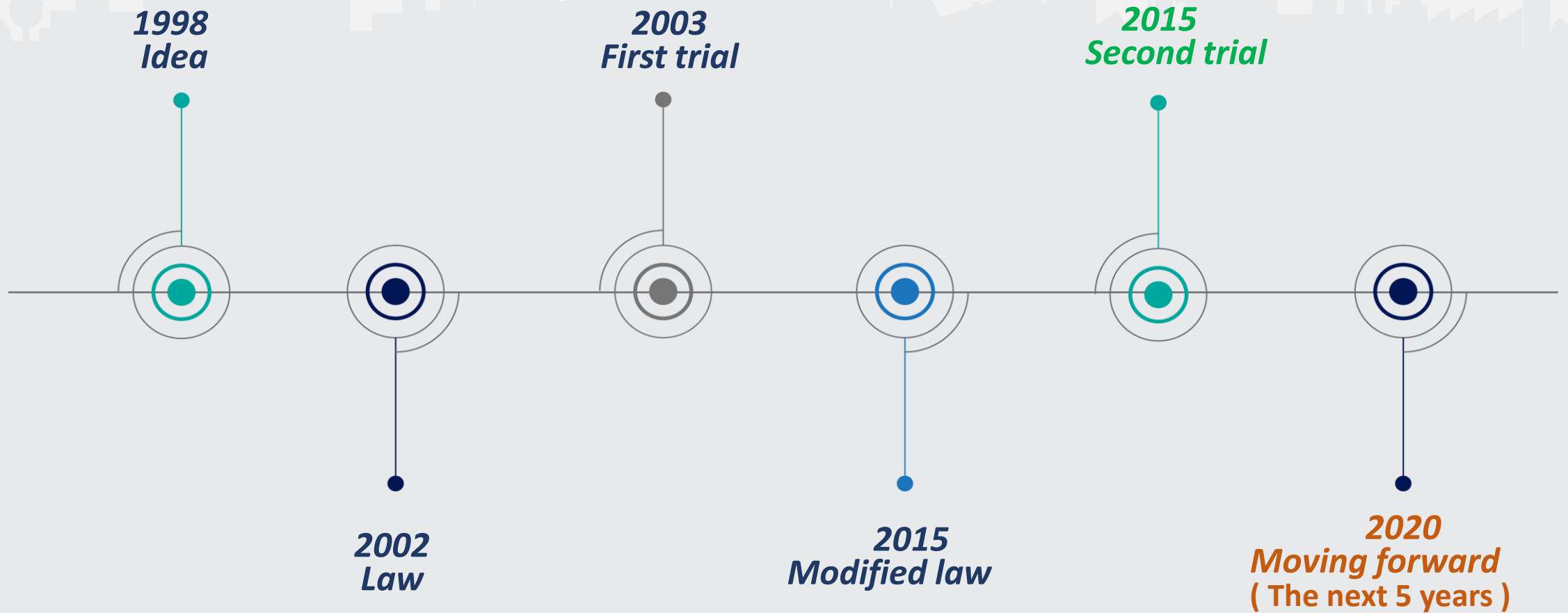
**ECONOMIC
REFORMS**



Introduction to the SCZone



History



UNIQUE GEOGRAPHICAL LOCATION



Vision

A LEADING WORLD CLASS ECONOMIC HUB
& ***A PREFERRED DESTINATION FOR INVESTMENT***



About SCZone

- Located around the main international maritime route.
- Almost 10% of the international trade pass through.
- Over 18,000 ships passing through each year and 10% of seaborne trade.

**A promising investment zones
with total area of 460 K.m²**

4 industrial zones

6 Sea Ports



Investment Sectors Opportunities



PORTS & LOGISTICS



MARITIME SERVICES



MANUFACTURING



INFORMATION TECHNOLOGIES



POWER



Targeted Industries

*Bio and
pharmaceutical
industries*



*Textile and
garments*



*Automotive
Assembly and
feeding Industries*



*Food and
beverages
Industries*



*Hi-Tech
Industries*



*Petroleum
Equipments*



*Technology
products and
equipments*



Fine Chemicals



R & D



Logistics services



Industrial Services



*Plastic and
Rubber
Industries*

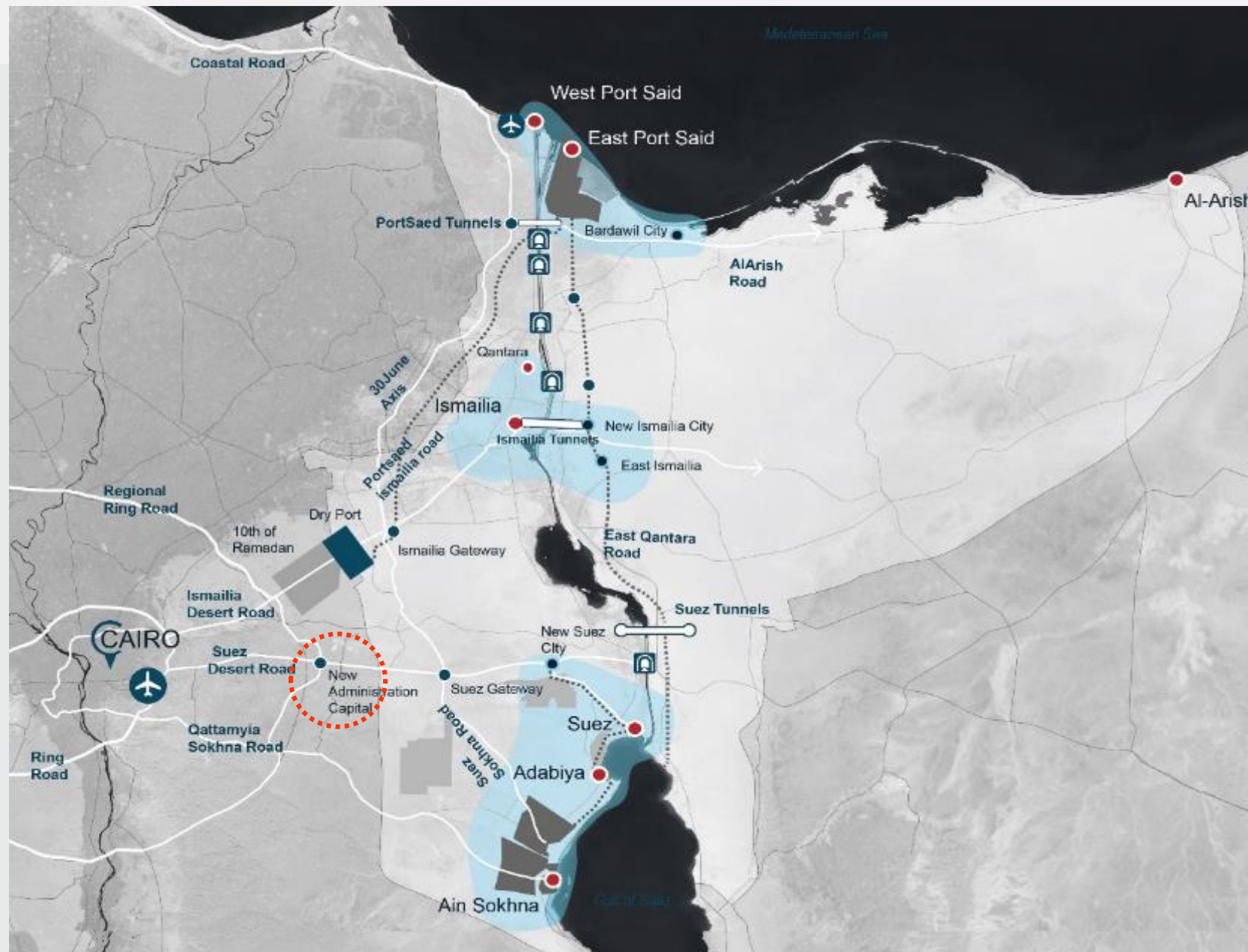


Regional Context

✓ East Port Said

✓ Ismailia

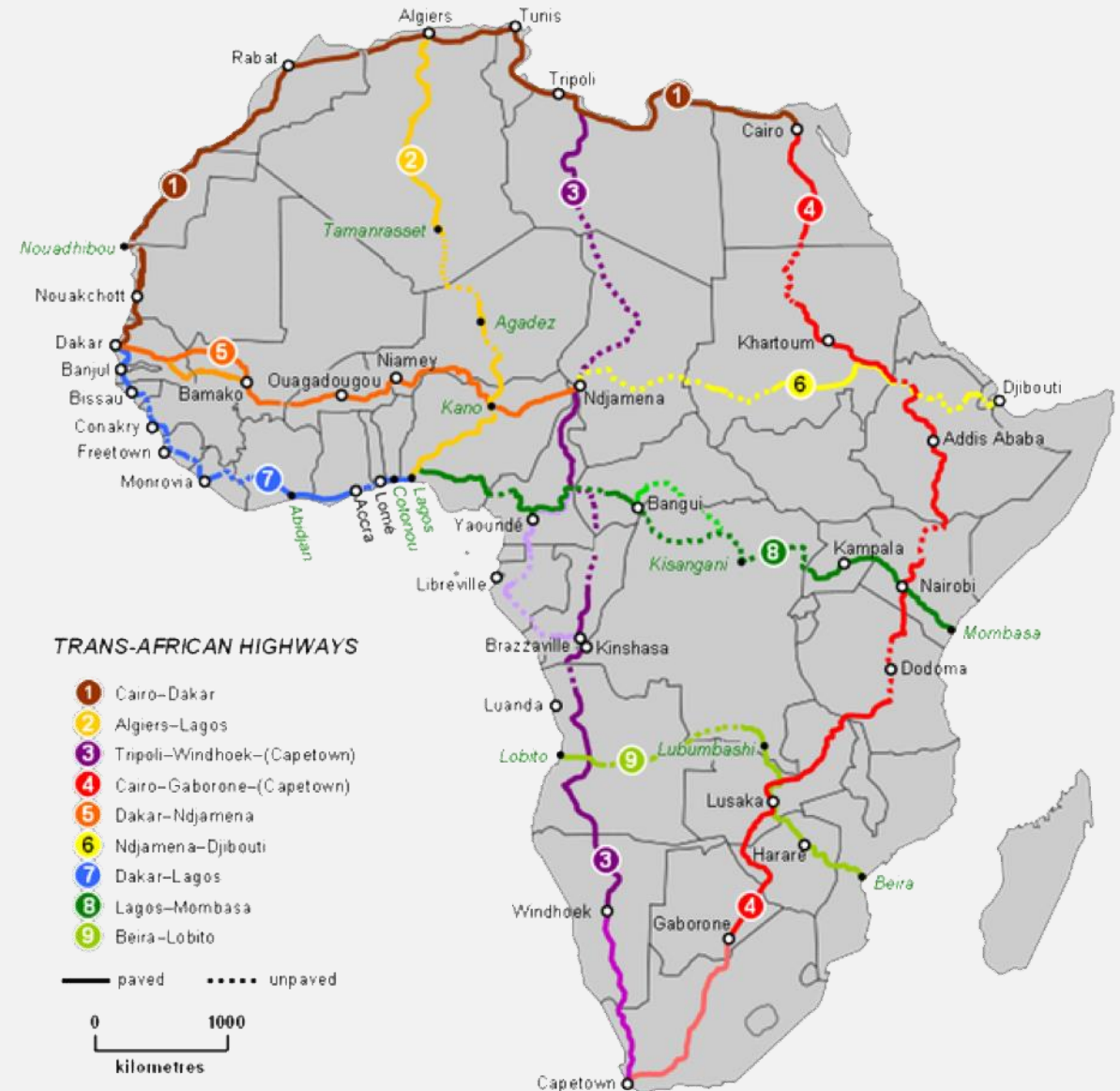
✓ Ain Sokhna



Connectivity / Road Network

Linked to The Transport African Highways

- 1 Cairo - Dakar
- 2 Algeria - Lagos
- 3 Tripoli - Cape town
- 4 Cairo - Cape town
- 5 6 Dakar - Ndjamena- Djibouti
- 7 8 Dakar - Lagos - Mombasa
- 9 Beira - Lobito



Connectivity // Road Network



Egypt's Free Trade Agreements ensure rapid access to 2 Bn consumer in Europe, Asia, the Middle East and Africa.

EGYPT HAS SIGNED SEVERAL TRADE AGREEMENTS THAT PROVIDE EGYPT BASED MANUFACTURERS WITH FAVORABLE EXPORT REGIMES TO OTHER COUNTRIES



Subregional trade and economic alliance, which consists of Argentina, Brazil, Paraguay, Uruguay. Associated members — Bolivia and Chile

* Chile, Colombia, Ecuador, Guyana, Peru, Suriname are the associated member states of MERCOSUR

List of countries

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK, Norway, Iceland, Switzerland, Turkey, Morocco, Algeria, Libya, Tunisia, Sudan, Iraq, Saudi Arabia, Bahrain, Qatar, Yemen, Oman, UAE, Jordan, Eritrea, Kenya, Uganda, Rwanda, Burundi, Congo, Zambia, Malawi, Zimbabwe, Madagascar, Djibouti, Swaziland and countries of Latin America

KEY FACTS

70+

Number of countries that signed the trade agreements

40+ %

World GDP share (%) by the selected countries

Legend:

- Egypt
- European Free Trade Association (EFTA)
- GAFTA
- Common Market for Eastern and Southern Africa (COMESA)
- EU-Egypt Free Trade Agreement (Association Agreement)
- MERCOSUR
- Bilateral Trade Agreements



Competitive Advantages

Attractive Investment Regulations

New Investment Law no. 71/2017
SCZone Competitive Investment Regulations
& Incentives

Integrated Infrastructure

Roads Networks
Railways Networks
4 Mega Tunnels & Floating Bridges
Water Desalination Plants
Power Plants

Unique Geographic
Location

World Class Vocational Training Centers

Highly Trained Work Force

One Stop Shop Policy

48 Hours to incorporate your company



Incentives

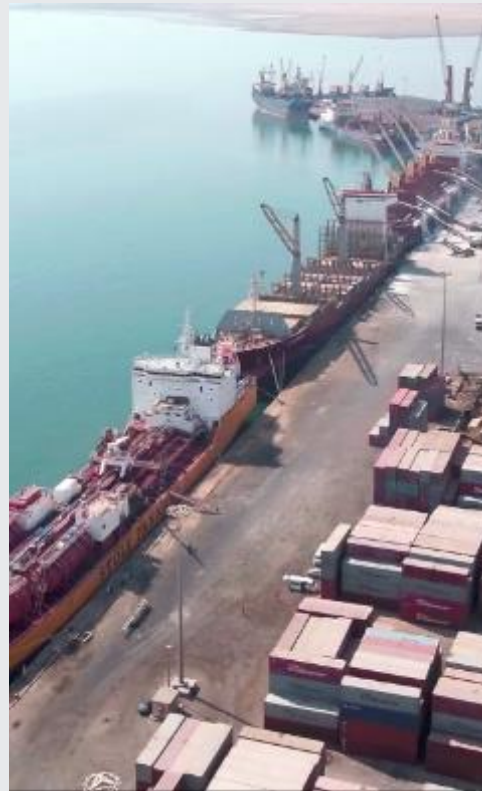
Quick Decision Making Process



One Stop Shop

Incorporate your Company in 48 Hours

Flexible Business/Partnership Models



Financial Incentives

0% Custom Tax

Exemption for projects established within SCZ in the following cases:

1. All needs for projects (Establishing, Construction, Operation) imported from abroad
2. Export the final products abroad
3. In case of export to local market: custom tax will be paid to the foreign components only.

0% Value Added Tax

1. 0% VAT; applied inside SCZ, import from Local market and abroad to SCZone, on all procurement needs to manufacturing, production, operation (raw materials, components, spare parts .etc)
2. 14% VAT; is applied on export products from SCZ to the local market.

Corporate Tax (incentives for 7 Years)

1. Discount for Corporate Tax (net profit) equivalent to 50% of the project investment costs.
2. Discount shall be attributed maximum of 80% from the paid-up capital.
3. Discount only for 7 years from beginning of operating the project that established within 3 years after adopting the investment law in 2017.



Non Financial Incentives

**LABOR-INTENSIVE
INDUSTRIES**



**HIGH TECHNOLOGY
INDUSTRIES**

SCZone Contributes In:

- Utilities Cost
- Manpower Training
- Facilitating the payment of usufruct fees



Incentives

Legal Framework

✓ **Flexible**

- ❖ SCZone Board of Directors empowered by law for more streamlined procedures

✓ **Autonomous**

- ❖ SCZone has a robust legal framework with top-level Government support commitment

✓ **Decision in a single place**

- ❖ to support and facilitate a fast start-up of your business and start operation





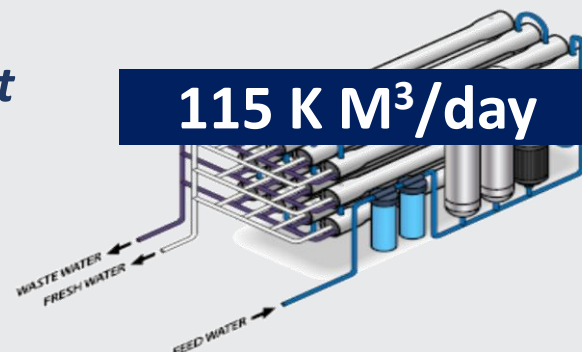
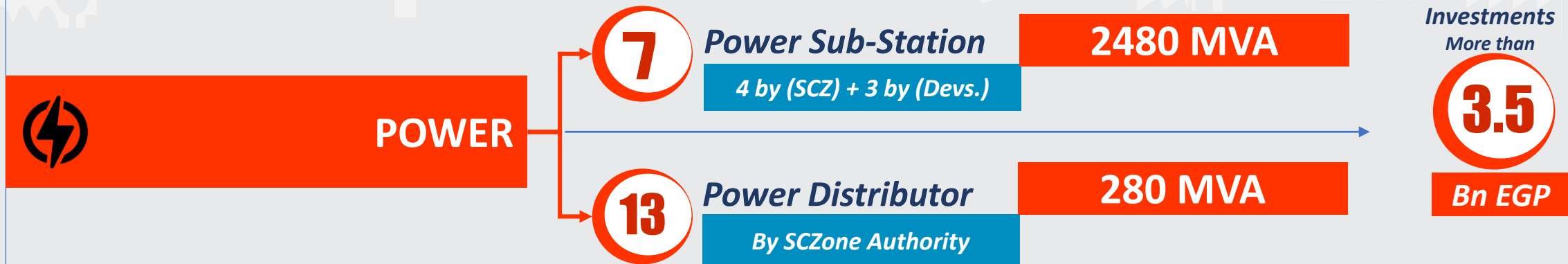
The Baseline

Where do we stand Today





1- Utilities & Infrastructure





1- Utilities & Infrastructure



WATER TREATMENT

2

Treatment Plant + Pipeline

150,000 M3/day

6

Sewage Treatment Compact Units

7000 M³/day

*Investments
More than*

2.2

Bn EGP



COMMUNICATION

3

• *Comm. Central*
• *Fiber Cables*

21000 Wide Band Subscriber



NATURAL GAS

2

Pressure Reduction Unit + Pipeline Net.

70 / 7 bar

10,000 M³/HR

Investment Cost

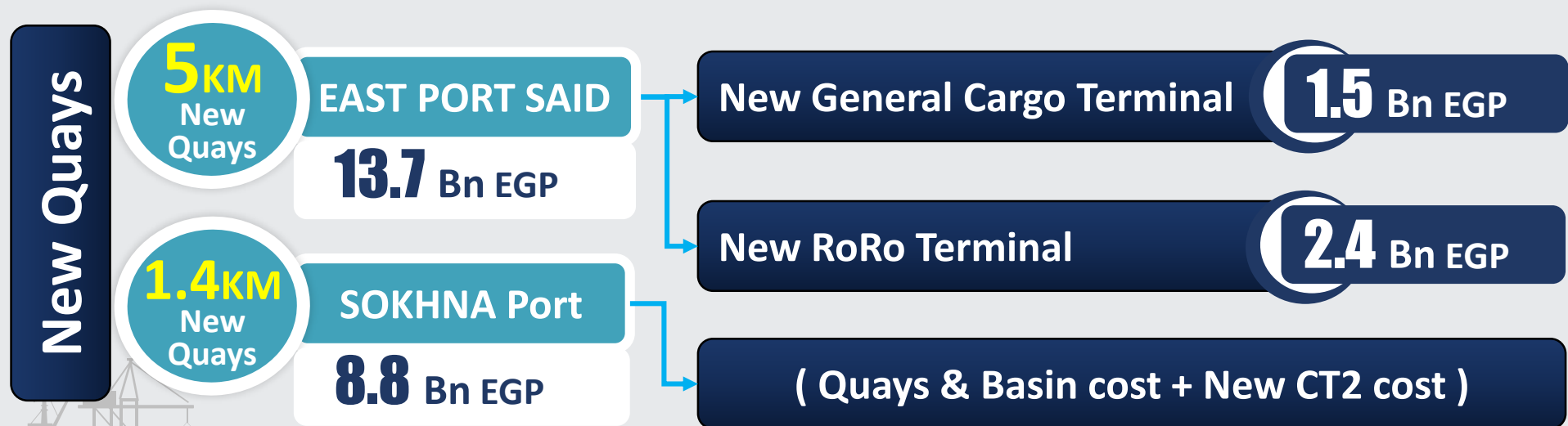
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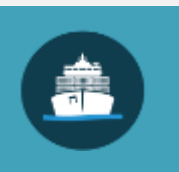
Bn EGP





2- Ports & Logistics Services





2- Ports & Logistics Services

10
Development
& Upgrading
Projects

4 Upgrading efficiency projects **In 4 Ports**
Adabia-WPS-Tur-Arish

Investments Cost
279 Mn EGP
Investments Cost

6 New Development projects **In 3 Ports**
EPS +WPS+ Sokhna

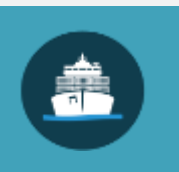
32.5 Bn EGP



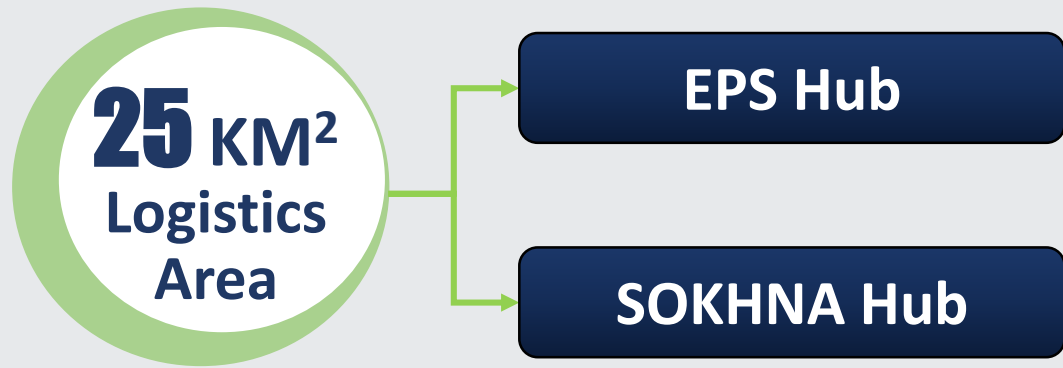
SOKHNA Tank Farm **8** Bn EGP

SOKHNA 3rd Basin Expansion **0.4** Bn EGP

West PortSaid Quays Upgrade **1.2** Bn EGP



2- Ports & Logistics Services





3- Industrial Zones

14
INDUSTRIAL
DEVELOPERS

AN AREA OF
239
MILLION
SQM²

247
OPERATIONAL
ESTABLISHMENTS

TOTAL
INVESTMENT COST
UP TO **17** Bn USD

70K
DIRECT JOB
OPPORTUNITIES



3- Industrial Zones

14
**INDUSTRIAL
DEVELOPERS**





3- Industrial Zones

AIN SOKHNA

Access to port / airports

- Adjacent to Ain Sokhna Port (Container, dry bulk Liquid-Bulk and general cargo terminals)
- 1.5 hrs away from Cairo airport
- 30 mins to the new Admin. Capital airport

Access to utilities

- Water capacity more than 100K M³/day
- Waste water capacity 35K M³/day
- Energy 1500 MVA

Value Chain element

- Heavy industries including steel, glass, fertilizers
- Access to feedstock of petroleum, gas, methanol and others

Access to population hubs

- Linked by 2 roads to Cairo (around 1 hour drive) making it the closest economic zone to the capital and 35 mins to Suez city by road





3- Industrial Zones

AIN SOKHNA Infrastructure Projects - Industrial area & Ports (1-3)



WATER DESALINATION

Estimated Cost: 1.4 Billion EGP

Full Operation: 2020



MOBILE SANITATION STATION

Estimated Cost: 32.5 Million EGP

Full Operation: 2020



3- Industrial Zones

AIN SOKHNA Infrastructure Projects - Industrial area & Ports (1-3)



3rd port dock expansion & establishing new liquid casting berth

Estimated Cost : 396 Million EGP

Full Operation: 2020



3- Industrial Zones

AIN SOKHNA Infrastructure Projects - Industrial area & Ports (1-3)



Improve Sokhna Port Tower Efficiency

Estimated Cost: 13.6 Million EGP

Execution: 97% - 2020



3 Gas Warehouse & 3 Fuel Depot

Estimated Cost: 8 Billion EGP

Execution: 79% - 2020



3- Industrial Zones

EAST PORT SAID

Access to port / airports

- Adjacent to Ain Sokhna Port (Container, dry bulk Liquid-Bulk and general cargo terminals)
- 1.5 hrs away from Cairo airport
- 30 mins to the new Admin. Capital airport

Access to utilities

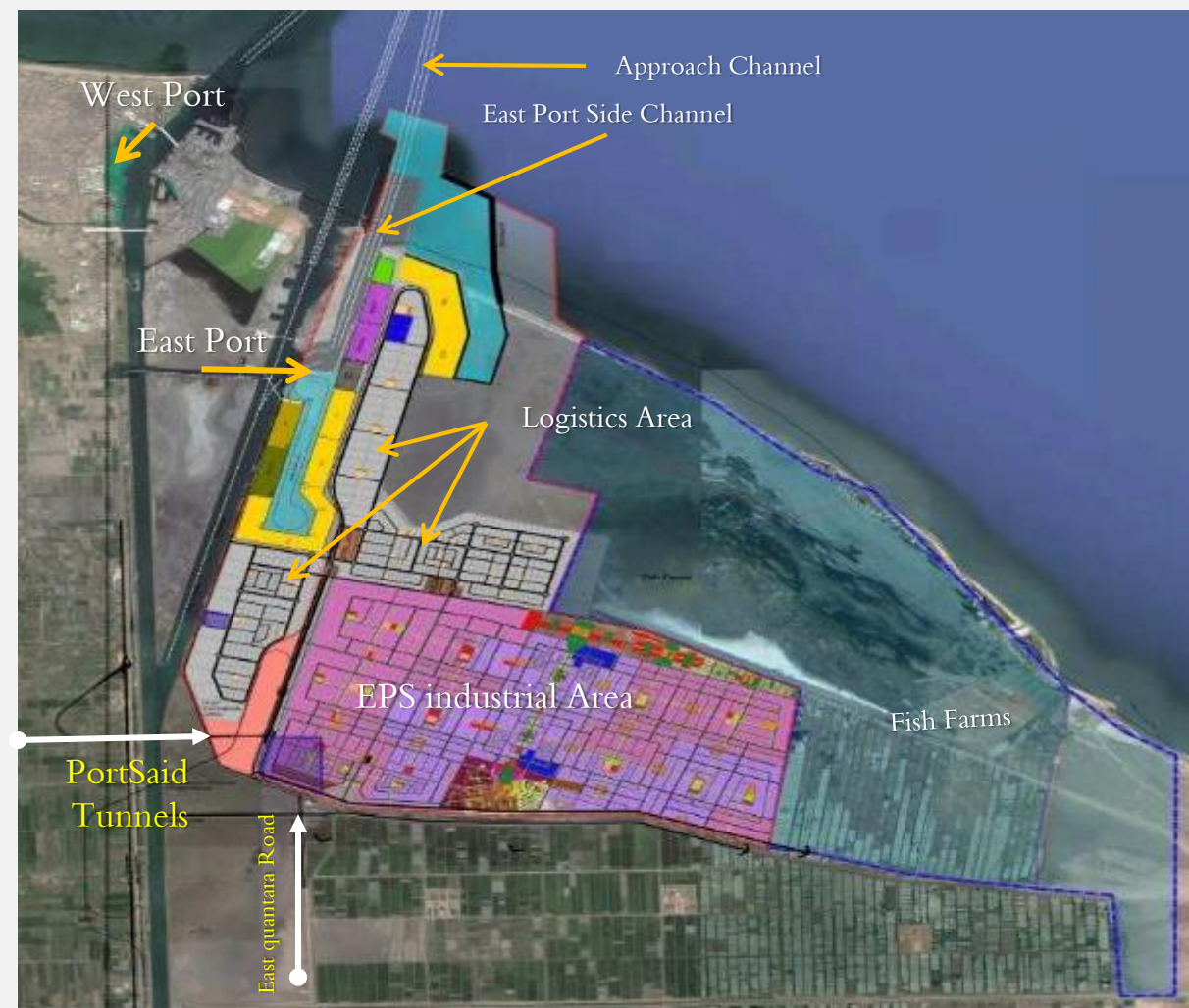
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3- Industrial Zones

EAST PORT SAID Infrastructure Projects “Industrial Area”

1 Electricity Substation 125*2 MVA
Estimated cost: 137 Million EGP
Execution : 100 %

3 Electricity networking Projects
Estimated cost: 1.615 Billion EGP
Execution : 20 %

1 Water Desalination Project
(150,000 M3)

Estimated cost: 130 Million EGP
Execution : 95 %





3- Industrial Zones

EAST PORT SAID Infrastructure Projects “Industrial Area”

2 Mega Tunnels in Port Said Execution: Fully Operated

**9 Roads with lengths
64.395 km**

**Estimated cost: 2.7
Billion EGP
Execution : 75 %**



Port Said Tunnels

East Port Said Zone

“Port Development”

- 5 Km length Berth with:
- 3 Km Container
- 2 Km General Cargo
- Estimated cost: 6.8 Billion EGP
- Execution : 100 %

- 3 Projects with 250 Million USD
- Jobs Opportunities 3685 direct & Indirect
- Negotiating 7 projects



East Ismailia

Access to port/airports

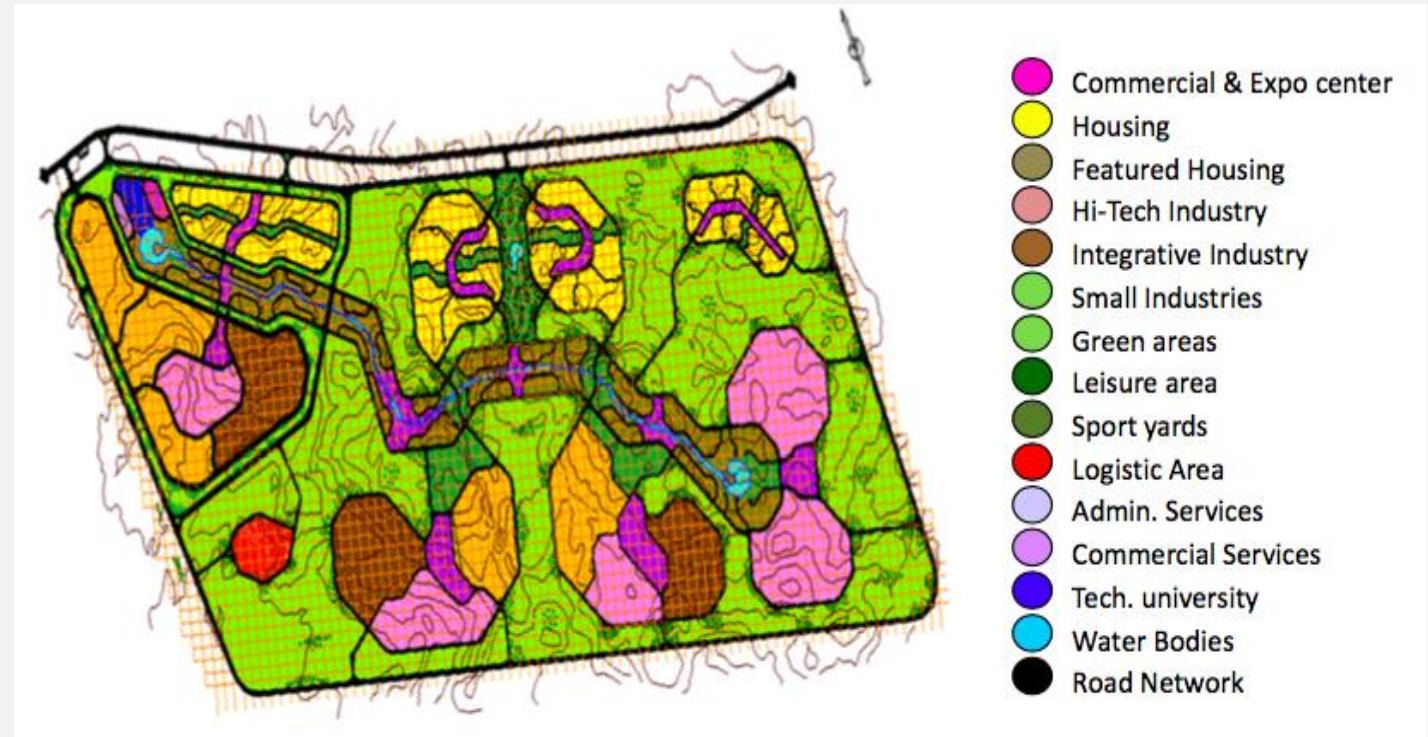
- 50 Km away from EPS port
- 3 hours away from Cairo airport

Value Chain element

- Access of cold chain networks
- Surrounded by vast areas agricultural land

Access to population hubs

- 30km from Ismailia city (~ 1.2 million people)



Thank You

Suez Canal Economic Zone
2020

