NEW STRATEGIC PLAN: THE GATEWAY TO GLOBAL MARKETS

2020 | Cairo
Contents

• Introduction to the SCZone

• The Baseline - Where do we stand today
The Sustainable Development Strategy (SDS): Egypt Vision 2030?

Align SDS objectives with those of the post-2015 United Nations Sustainable Development Goals (SDGs) and the Sustainable Development Strategy for Africa 2063.

Develop a unified long-term political, economic, and social vision as the base for short and medium-term development plans at the national, local, and sectorial levels.

Enable Egypt to be an active global player.

Meet the ambitions of Egyptians to improve the efficiency of basic services.

Enable the civil society organizations and Parliament members to monitor the implementation of the strategy, its objectives, KPIs, targets, programs and projects implemented according to a specific timeline.
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

1998  
Idea

2002  
Law

2003  
First trial

2015  
Modified law

2015  
Second trial

2020  
Moving forward  
( The next 5 years )
UNIQUE GEOGRAPHICAL LOCATION
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. Dakar - Ndjamen - Djibouti
6. Dakar - Lagos - Mombasa
7. Beira - Lobito

Linked to The Transport African Highways
Egypt’s Free Trade Agreements ensure rapid access to 2 Bn consumer in Europe, Asia, the Middle East and Africa.

African continental free trade area (AFCFTA) coming into force June 2020 - (54 countries)

List of countries

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

Legend:
- Egypt
- European Free Trade Association (EFTA)
- GAFITA
- Common Market for Eastern and Southern Africa (COMESA)
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* Chile, Columbia, Ecuador, Guyana, Peru, Suriname are the associated member states of Mercosur.
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?
I- Utilities & Infrastructure

**POWER**

7. **Power Sub-Station**
   - 4 by (SCZ) + 3 by (Devs.)
   - 2480 MVA

13. **Power Distributor**
    - By SCZone Authority
    - 280 MVA

**WATER SUPPLY**

2. **Sea Water Desalination Plant**
   - 250 K M³/day
   - 1st Phase
   - Investments More than 3.5 Bn EGP

4. **Water Lift Plant & Storage**
   - 115 K M³/day
   - Investments More than 4.8 Bn EGP

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Sea Water Desalination Plant

Water Lift Plant & Storage

Power Sub-Station

Power Distributor
I- Utilities & Infrastructure

**WATER TREATMENT**
- **Treatment Planet + Pipeline**
  - 150,000 M³/day
  - Investments More than 2.2 Bn EGP
- **Sewage Treatment Compact Units**
  - 7000 M³/day

**COMMUNICATION**
- **Comm. Central**
- **Fibber Cables**
  - 21000 Wide Band Subscriber

**NATURAL GAS**
- **Pressure Reduction Unit + Pipeline Net.**
  - 70 / 7 bar
  - 10,000 M³/HR
  - Investment Cost 0.5 Bn EGP
2- Ports & Logistics Services

10 Development & Upgrading Projects

4 Upgrading efficiency projects In 4 Ports
Adabia-WPS-Tur-Arish
Investments Cost
279 Mn EGP

6 New Development projects In 3 Ports
EPS +WPS+ Sokhna
Investments Cost
32.5 Bn EGP

5 KM New Quays
EAST PORT SAID
New General Cargo Terminal
13.7 Bn EGP
1.5 Bn EGP

1.4 KM New Quays
SOKHNA Port
New RoRo Terminal
8.8 Bn EGP
2.4 Bn EGP
(Quays & Basin cost + New CT2 cost)
2- Ports & Logistics Services

10 Development & Upgrading Projects

4 Upgrading efficiency projects
- Adalia-WPS-Tur-Arish

279 Mn EGP

Investments Cost

6 New Development projects
- EPS +WPS+ Sokhna

32.5 Bn EGP

Investments Cost

New Projects

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

5 Container Terminals

3 Existing
- SCCT + DPW + PSCT
  - 6.3 Mn TEU/Year

1 Under Construction
- DPW Sokhna CT2
  - QUAY 1350 M

1 Upcoming
- EPS CT2
  - QUAY 2000 M

8.8 Bn EGP

Investments Cost

25 KM² Logistics Area

EPS Hub

SOKHNA Hub
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

- TEDA SUEZ
- ELSEWEDY INDUSTRIAL DEVELOPMENT
- OIC EIN SOKHNA
- SRPC
- THE EGYPTIAN CHINESE JV Company for Investment
- GATEWAY INDUSTRIAL PARK
- SIDC
- DP WORLD
- Egypt Teda Investment Company
- MDC Main Development Co. For Economic Zone North-West Gulf of Suez
- Oriental For Industrial Projects S.A.E
- ELDORADO INDUSTRIAL PARK
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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EAST PORT SAID Infrastructure Projects “Industrial Area”

3- Industrial Zones

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”**

9 Roads with lengths 64.395 km

Estimated cost: 2.7 Billion EGP
Execution: 75%

2 Mega Tunnels in Port Said Execution: Fully Operated

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

- SCCT Terminal: Quay Length 2.85 KM
- 2.4 km Current Terminal + 450 m Expansion

- Port Development
East Ismalia

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 of agricultural land

Access to population hubs
- 30km from Ismailia city (~1.2 million people)
Thank You
Suez Canal Economic Zone
2020