Boldly setting benchmarks

Robust economic reforms coupled with a rapidly-growing population are a magnet for ambitious international investors seeking lucrative returns from openings in a welcoming, stable and attractive environment.
Boasting one of the fastest-growing economies in Africa, Egypt’s solid socioeconomic development is the result of political stability, major foreign direct investment (FDI), and the energy of a young and fast-growing population.

An ambitious series of fiscal reforms introduced by the pro-business government of President Abdel Fattah el-Sisi has created a welcoming investment environment for international partners.

Among the major legislative reforms that have improved the business climate are new laws covering aspects like industrial licensing, investment, capital markets, and changes to companies law.

Recent fiscal highlights include strong GDP growth, falling inflation, plunging unemployment, booming foreign reserves, and strong FDI inflows across a diverse range of business sectors and industries.

Spearheading the drive to attract investors who wish to benefit from the country’s vast human resources and strategic location at the crossroads of continents, is the Ministry of Investment and International Cooperation.

In accordance with its commitment to supporting competitiveness in global trade, the ministry recently launched a digital investment map to showcase openings.

“Our investment map is an online platform that provides a 360-degree view on Egypt’s investment climate and investment opportunities,” states Dr. Sahar Nasr, Minister of Investment and International Cooperation.

“The map also indicates where ongoing development projects are located, enabling investors to plan ahead, and national mega projects with all their details and connected opportunities.”

We take pride in our shared achievements on every project and welcome the contribution our success makes towards social and economic progress.
Promising investment climate offers golden returns

Encouraged by economic reforms and streamlined business legislation, investors are racing to gain lucrative footholds in all sectors, including banking and financial services.

With a huge market of more than 90 million consumers — almost half aged 20 or under — Egypt’s appetite for FDI shows no signs of being satisfied anytime soon.

The streamlining of business rules and introduction of laws that provide greater protection to investors mean players in the banking and financial services sector are far more engaged than in previous years.

**Strong upward momentum**

“Investment conditions for US companies in Egypt in 2018 are very promising,” confirms Thomas Goldberger, Chief of Mission and Chargé d’Affaires of the US.

“Major American multinationals have really become part of the Egyptian fabric, they are part of the local business community.

“The integrated, local corporate structures are testimony to the strong collaboration between Americans and Egyptians.

“The Egyptian workforce is highly qualified, very energetic and given the similar language capacities, there is a lot of motivation for American multinationals to employ local talent.”

New York-headquartered investment management company Concord International Investments Group is one of the world’s leading fund managers of Egyptian securities.

Senior executives are confident this success will continue into the long-term as the public and private sectors are pulling in the same direction.

“Egypt’s very young population is a very lucrative industry and a fantastic engine for growth. Many developments are happening; it is an exciting time.”

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The series of initiatives include free trade zones and investment zones that are being established across the country.

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Investing in Egypt’s future
Concord International Investments Group

For further information please visit www.prisma-reports.com
By developing key infrastructure projects in Egypt and abroad, Orascom Construction is building a better future for millions.

A primary focus of the el-Sisi government is the large-scale development of Egyptian infrastructure and the creation of housing for the rapidly increasing number of citizens.

With the Egyptian population forecast to reach around 140 million by 2050, housing and infrastructure is a necessity. This pressing need is reflected in the number of mega-projects underway in the country, including the ambitious new capital city — a development the size of Singapore.

Slowly rising out of the desert some 30 miles east of the famous, bustling capital, the modern city will serve as the country’s financial and administrative headquarters, and house around five million people.

Construction companies are working around the clock to create the gleaming metropolis, building homes, offices, schools, roads, and key support infrastructure such as sewer systems.

The construction industry is primed for growth as it seeks to satisfy the huge appetite for new buildings for increasing numbers of local and foreign residents, workers, and students.

Award-winning giant Orascom Construction is at the forefront of infrastructure efforts across the country, with the group playing a pivotal role in new projects.

An enviable track record of creating huge infrastructure projects on time and to budget — including metro systems, power plants, tunnels, highways, renewable energy projects and desalination systems — means the global engineering and construction contractor sets the benchmarks for others to follow.

“Our model has always been centred on the creation of lucrative and sustainable partnerships,” says Orascom Construction’s CEO, Osama Bishai.

“This has been a cornerstone of our success. We have invested in a variety of sectors, from construction to industries and now to energy. A main element of the way we do business, is our prudence.”

“We have a very conservative approach to our projects — we want to be confident about our sources of funding, viability, bankability, these are major elements that have played a role in the sustainability of the Orascom enterprise.”

Proud project portfolio

According to the senior executive, the group’s risk management processes, Orascom seeks to select its clients before they select them.

“We mitigate our risks and analyse things very, very carefully before we launch a project,” Bishai continues.

“Orascom has survived many Egyptian regimes and two revolutions and we are, today, a main partner of the government. I believe in ‘survival of the fittest’.

“Our conservative approach to projects and the way we protect ourselves and our clients, has offered our firm a lot of credibility.

“For investors interested in Egypt, if they are focussed on doing the right thing, they can flourish. For a foreigner, it is imperative to have a local partner; they should not try to do things on their own.

“The CEO adds investment openings in renewable energies like windfarms are ripe for development by overseas players, assuming the right local partners can be found.

Orascom: Setting the standard

The award-winning engineering and construction group has completed dozens of major infrastructure projects.

Given its history and experience, Orascom Construction needs little introduction when it comes to attracting new business in Egypt and beyond.

The firm has carried out numerous large and complex projects throughout the world that it has developed a wide range of niche core competences that enhance its market positioning in key regional and international markets.

Projects range from commercial buildings and high-rises to residential communities, leisure centres, and high-end hotels and resorts.

Among the showcase constructions are the giant Nile City Complex that comprises a luxury hotel and two 34-storey office towers, as well as the spacious Cairo Festival City that houses more than 400 retail outlets.

In the industrial manufacturing arena, the pioneering group has built a range of factories and plants in a diverse range of sectors.

These include buildings that house enterprises involved in areas such as pharmaceuticals, steel, food and beverages, agricultural seed and grain, production lines, and warehousing.

Egypt’s enviable natural resources have also created a wealth of openings in the oil and gas and petrochemical sectors, with Orascom Construction having worked on major projects with international partners.

They include the Damietta LNG (liquefied natural gas) sea terminal, one of the largest LNG trains in the world with an annual output capacity of five million metric tons.

Orascom has the track record of being a reputable Egyptian player who has an international reach,” says Bishai. “We have our subsidiaries in the US and we have been active in projects throughout the world.

“Foreign players should look to local contractors who have experience in the field that they are interested in pursuing within Egypt. We have done a lot of projects and our services and human capital is world-class.

“We have worked with all the large multinationals and they have always been very satisfied. We have very high standards. If multinationals are looking to Egypt, they should strongly consider Orascom as that partner.”
Under the sands of Egypt’s Western Desert, Apache is showing how fruitful US-Egyptian relations can be

The achievements of Apache Corporation in Egypt are leading the way in showcasing the strengths of cross-border investments in the energy sector

The Egyptian Ministry of Petroleum’s efforts in the development of a comprehensive near to medium-term strategy for a complete reform of Egypt’s energy industry are leading to a fully integrated, modernized energy sector. Enabling private investments, strengthening capital bases and promoting healthy competition are some key elements of its strategy, while the International Monetary Fund (IMF) reports that continued reform of energy subsidies will be critical to achieving its goals.

At the forefront of cross-border investments in the sector is Apache Corporation. Bringing Texan flavor to the land of the pharaohs, Apache has been a key player in this dynamic market for over two decades. David Chi, Region Vice President and General Manager of Apache Corporation in Egypt, states, “Apache had humble beginnings in Egypt, initially producing around 40,000 barrels of oil per day. Today, we have grown to become the largest oil producer in the country and the third-largest natural gas producer, with gross production exceeding 340,000 barrels of oil equivalent per day. We have 5.6 million acres of exploration and development concessions that we are now operating — it is an area bigger than New Jersey. This vast, resource-rich area gives us tremendous opportunities and the foundation to continue growing our business in Egypt.”

He acknowledges that the company’s onward — and upward — growth trajectory is due to the exploitative quality of its acreage, its technical expertise and the superior technology at its disposal. In 2017, Apache began shooting high-resolution 3D seismic surveys in its concessions, a first of its kind in Egypt. This investment is projected to help Egypt and Apache in unlocking significant production potential from the Western Desert.

The company, as the largest American investor in the country, plays a critical role in Egypt’s societal fabric by generating a multitude of employment opportunities, directly and indirectly. In doing this, it tackles one of the country’s main constraints, as identified by the IMF, which advises that a dynamic Egyptian private sector will be at the heart of socioeconomic growth.

At the core of all of Apache’s operations, is the adage “we give where we live.” Apache is changing the lives of thousands of Egyptians through its corporate social responsibility (CSR) initiatives. Its flagship program is the Springboard Schools initiative, where it is reaching out to underprivileged Egyptian girls in rural areas.

“Through close partnership with the government, we have helped educate over 10,000 girls and have roughly 7,000 students currently enrolled in the 201 schools we have built and maintain,” says Chi; “Our CSR-programs are focused on people’s current and future needs. For us, it’s not only about making a profit, we have to make an impact on the communities we are part of.”

Private enterprises fuel success

Egypt’s economic rebound proves progress can be achieved by combining dynamism with discipline

While the sterling efforts of the government in revitalizing the republic’s economy create the majority of headlines, the role of thousands of privately-owned firms should not be overlooked.

Millions of people work in countless large companies and small and medium-sized enterprises (SMEs) across the entire spectrum of business sectors, generating billions of dollars in revenue for the state, and boosting living standards. International development partners like the World Bank and the International Monetary Fund (IMF) have been quick to recognize and support — through funding and adv
Key real estate sector has room for growth

Hill International has established an enviable reputation for professionalism in Egypt's booming property sector

With billions of dollars of investment pouring into the real estate sector, experienced and talented property players are taking advantage of openings in the residential, commercial, retail, and leisure sectors.

Hill International provides program and project management, construction management, cost engineering and estimating, quality assurance, inspection, scheduling, risk management and claims avoidance to clients involved in major construction projects.

The US company has participated in more than 10,000 project assignments with a total construction value of more than $500 billion, meaning it has the skills, knowledge and experience to maximise openings in Egypt.

“Hill International, as an advisor and project manager, is seeing the landscape of Egyptian real is truly changing — the size of the projects are now of a different magnitude,” states Vice President, Waleed Abdel-Fattah.

“Most developers are realising the requirements of the market are not only found in high-end developments. The dynamics of projects are changing, with the market focussed on youth. “The old neighbourhoods of Cairo and even New Cairo cannot cater for the growing population.”

Hill counts famous Egyptian developer and engineer, Ahmed Sabbour, among its partners. The pair are involved in the giant state-of-the-art new metropolis El Mostakbal City.

“The market has reacted exceptionally well to this development,” Abdel-Fattah adds. “It has been a pleasure to work alongside Sabbour.”

Mega projects showcase Egypt’s rich talent pool

Opportunities await investors, developers, and lenders

The sheer scale of Egypt’s infrastructure development program has created mutually-beneficial relationships for investors, developers and lenders.

International and foreign investors have cash to burn and are seeking attractive returns in low-risk real estate developments in existing and new urban areas, and projects on the shores of the Red Sea and the Mediterranean.

The strong flow of FDI and government spending on infrastructure projects has, in turn, seen many developers with full order books and meant they are performing exceptionally well.

Key projects include major new cities, highways, ports, tunnels, airports, offices, shopping malls, luxury hotels and resorts.

Among the world-class real estate developers spearheading exciting new projects are Palm Hills, headed by CEO Tarek Rahman, and Tatweer Misr, lead by CEO Ahmed Shalaby.

Meanwhile, major financial institutions are kept busy putting in place the necessary lending structures for all the new projects and guarding against risk.

Banks and insurance firms are thriving in a healthy and competitive investment climate that is boosting socioeconomic development nationwide.

Esteemed IMF says outlook is bright

- In July 2018, the Washington D.C.-based financial giant released a highly positive report on Egypt's economic reform program. Highlights include:
  - FDI is forecast to surge to $9.5 billion in the current fiscal year, up from $7.8 billion in the previous 12-month period.
  - Reforms have helped boost growth, reduced inflation and unemployment, and narrow external and fiscal deficits.
  - Healthy foreign reserves and flexible exchange rate will help manage any potential volatility acceleration in capital outflows.
  - GDP should jump 5.5% in the current fiscal year due to higher natural gas production and higher tourism arrivals.
  - Ongoing fuel subsidy reform contributes to reductions to the budget deficit and provides extra resources for social programs for society’s most vulnerable.
Minapharm: Transforming medicine

Minapharm is leading the health-care industry in Egypt toward biotechnology and advanced therapy medicinal products.

“Egypt’s pharmaceutical sector is seeing increasing attention from investors and, starting in 2018, we foresee growing stability for businesses capable of adjusting to the new economics of a changing industry,” states Dr. Wafik Bardissi, chairman and CEO of Minapharm Pharmaceuticals, one of the leading pharmaceutical companies in Egypt and the Middle East.

His company is at the forefront of this changing industry. “The global approach to unmet medical needs is shifting from small molecules to complex genetically engineered products and next-generation advanced therapy medicinal products (ATMPs).”

While the focus in Egypt is still on small molecules, Minapharm was an early recognizer of the shift in the health-care industry and embarked on a transition towards large, complex molecules ready to bridge to next-generation medicines,” he explains.

The company has long spearheaded Egypt’s pharmaceutical industry. It established the country’s first privately owned factory and has over 60 years of experience and regional leadership in the sector.

“We now cover a broad spectrum of medicines. We partner with other global leaders to manufacture and market branded products and first-to-launch galenic formulations, as well as biopharmaceuticals, and we make over 150 products for numerous medical specializations,” details Bardissi.

In 2001, Minapharm entered into a joint venture with Rhein Biotech in Germany, to establish Rhein-Minapharm, the first research and development (R&D), and manufacturing biopharmaceutical facility in Egypt, Africa, and the Middle East.

Minapharm further consolidated its biotechnology business model and global market position in 2010, by acquiring the Berlin-based ProBioGen, the leading contract development and manufacturing organization that focuses on cell-line engineering.

Since then, as well as working with Minapharm, “ProBioGen has free reign to expand its business and strengthen its solid customer base, which includes large pharmaceutical players from across Europe, the US and the Far East,” says Bardissi.

As a result of this acquisition, Minapharm advanced from a regional technology-driven manufacturer of affordable complex medicines, into a global provider of intelligent technologies for the biotechnology industry at large.

“The establishment of a hybrid bioengineering R&D community of Egyptian and German scientists allows us to constantly innovate, with synergistic projects driving technology transfer between Minapharm and ProBioGen.”

He believes that partnerships with other leading pharmaceutical companies in Europe and the US would help achieve this faster: “Cooperation at a technology-transfer level with international businesses is needed to exploit the opportunities in Egypt and neighboring markets, and bring even more biotechnological success.”

“Egyptian Roots ... Global Reach
Breaking scientific and economic barriers with innovative medicines and intelligent technologies

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