

# Privatization in Egypt

Quarterly Review  
January – March 2004



*Privatization Implementation Project*

Implemented by IBM Business Consulting Services  
Funded by USAID

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## LIST OF ACRONYMS

CAA	Central Auditing Agency
CBE	Central Bank of Egypt
CMA	Capital Markets Authority
ERP	Early Retirement Program
ERS	Early Retirement Scheme
FY	Fiscal year represented by the period 1-July to 30-June
GOE	Government of Egypt / Arab Republic of Egypt
HC	Holding Company
JV	Joint Venture
MFT	Ministry of Foreign Trade
MOTS	Ministry of Trade & Supply
MPE	Ministry of Public Enterprise
NA	Not Available
PBSIC	Public Business Sector Information Center
PE	Public Enterprise
PEO	Public Enterprise Office
PIP	Privatization Implementation Project
US	United States
USAID	United States Agency for International Development

## Overview

The success of the Privatization Program administered by the Government of Egypt has fluctuated over the past few years. For the most part, progress, or lack of, has tracked the global economy. During the boom years of the late 1990's when the global economy experienced high investment and high growth, the program completed about 30 transactions per year, the height of its achievements. When the economy slowed, investors became more risk averse; thus sellers had to compete more effectively to attract capital.

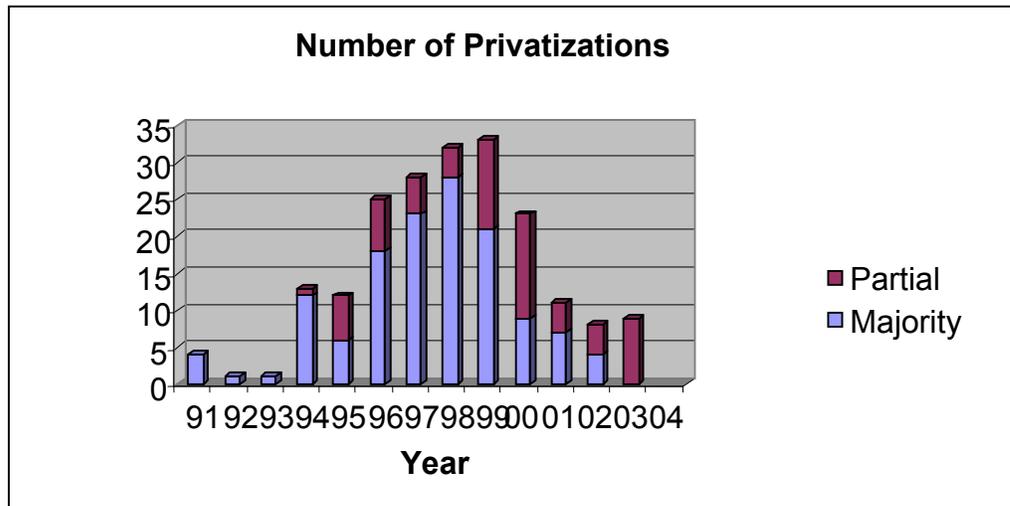
The Privatization program has primarily focused on selling companies under Law 203 of 1991 to release the burden of supporting these companies from the Government, to improve competitiveness, enhance the environment for private investment (domestic and foreign), and to provide growth and employment opportunities. Laws and presidential decrees have been enacted in other sectors, such as banking and insurance, to support this effort and have likewise been effected – discussed in Section of this report.

The following table shows the trend for the Public Enterprises, where almost all privatization progress has been recorded:

Number of Privatizations	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Privatizations	6	12	6	18	23	28	21	9	7	4	0	1	135
Partial Privatizations	0	1	6	7	5	4	12	14	4	4	4	3	64
Total Privatizations	6	13	12	25	28	32	33	23	11	8	4	4	199
Proceed (LE Millions)	0	664	1216	2791	3148	2358	2785	2476	1093	71	110	585	17297

Note : Privatizations include majority privatizations and 33 liquidations. These are sales of assets that result in dissolution of the company. Partial privatizations include asset sales and leases, as well as minority share sales

In the early years, the results were slow, but picked up abruptly for the period 1996-1999. During these boom years, over 140 companies were privatized. The goals set for the upcoming years were aggressive but failed in comparison to prior years. Three partials and one majority (a lease).



As the global boom began to recede, the success of the Privatization Program dwindled. Fewer investors were interested in assets in the Middle East and investors were not willing to bid as high as companies were valued by the Government of Egypt. There were several probable factors beyond Egypt's control that led to the continued slow down in the sale of state-owned enterprises:

- Reduced prospects for economic growth and investors became more risk averse;
- Political instability in the region;
- Many of the profitable companies have been privatized, leaving mostly more problematic, less attractive companies available (although many attractive companies remain to be privatized);

The Ministry of Public Enterprise responded to these evolving factors customizing incentives to stimulate investor interest, discussed later in this report, The Ministry has also enhanced its website to access a broader market. Recent changes (noted later in this report) have made it easier to financially restructure some of the more problematic, less attractive companies prior to tendering.

On the other hand, in addition to the generally poor investment environment and regional political instability, during recent years several factors which continue to impede faster privatization are within the capability of the government to control.:

- The investment incentives available are often ineffective in attracting investment and/or are often not implemented effectively to foster investment;
- The Government is presently not organized effectively to carry out accelerated privatization.
- Stability of the Egyptian pound has been less than desired by foreign investors, although several devaluations and a new float policy has improved the situation.

- Transparency in selling and coordination among government entities responsible for the selling process could be improved.

Coordination among many government entities involved in selling decisions and the Holding Company managements, as well as flexibility to accept prices determined by competitive bid, are areas in which the government can demonstrate its commitment to privatization, a keystone in its economic reform program.

The USAID funded Privatization Implementation Project has been terminated as of March 31, 2004 according to the terms of its technical assistance agreement. Goals for the privatization program set out at the initiation of USAID's technical assistance have not been fully achieved due to a variety of factors, some of which were not within Egypt's control and others of which were.

The Privatization Implementation Project (PIP), implemented by IBM Business Consulting Services (previously PricewaterhouseCoopers) and funded by USAID, has served as an advisor to the Government of Egypt from August 2000 until March 2004 and makes no implied representation or warranty and assumes no responsibility or liability with respect to the adequacy, accuracy, completeness or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set out in this document. The PIP including its partners, officers, employees and agents does not owe a duty of care to any interested person or any recipient of this document, either in relation to the information included herein or any other information which a potential buyer is provided at any time.

## MINISTRY OF PUBLIC ENTERPRISE

### A. Privatization Accomplishments

During the first quarter of 2004, Egyptian Starch and Glucose, a Joint Venture, was purchased an Americana Consortium, which bought 93.4% of the shares for a total purchase price of LE 118.2 million. The consortium includes Americana Group , Cairo Poultry and Egyptian Company for Tourism. The consortium bought 4.298 million out of 4.6 million shares available with at a price of LE 27.5 per share. The Government portion sold amounted to 42.5% of outstanding shares for a total price of LE 54.4 million.

Arab Ceramics (“Aracemco”) was purchased by Lecico-Egypt, which acquired a 43.525% Equity Stake for LE 10.5/share, for a total purchase price of LE 27.7 million.. The tender experienced intense competition between Lecico Egypt and Salsabel.

The remaining government shares representing a 40% interest in Cairo Barclays Bank were purchased by Barclays Bank for LE 345 million and provided a ready source of capital for Banque du Caire, the seller.

Also privatized under long term leases were two groups of cinemas under the Housing, Tourism and Cinema Holding Company, one for present value of LE 76.3 million and another for LE 81.3 million.

**Table 1**  
Number and Types of Privatizations through March 2004

Year	Majority Privatization (>51% sold)				Partial Privatization & Leases				
	Anchor Investor	Majority IPO	ESA	Liquidation	Majority Total	Minority IPO	Asset Sales	Leases	Partial Total
1991				4	4				
1992				1	1				
1993				1	1				
1994	3		7	2	12	1			1
1995		1	3	2	6	6			6
1996	3	14		1	18	6	1		7
1997	3	14	3	3	23	2	1	2	5
1998	2	8	12	6	28	1	3		4
1999	9		5	7	21		4	8	12
2000	5	1		3	9		6	8	14
2001	3		2	2	7		3	1	4
2002	1		2	1	4		4		4
2003							6	3	9
2004*		1			1	2		2	4
<b>Total</b>	<b>29</b>	<b>39</b>	<b>34</b>	<b>33</b>	<b>135</b>	<b>18</b>	<b>28</b>	<b>24</b>	<b>70</b>

Source: PEO; compilation and presentation by PIP \* First Quarter Only

## B. Holding Company Performances For Year Ending 30 June 2003 (continued from earlier quarterly reports)

The performance of the Construction and Development, Food, and Spinning and Weaving Holding Companies performances as of 30 June 2003 are summarized below (Source: Public Enterprise Office).

### 1. Construction and Development Holding Company

- a. Revenues: Total Revenues decreased by 4% from LE 3.514 billion in FYE 2002, to LE 3.376 billion for fiscal year-ended June 30, 2003.
- b. Net Profit: Aggregate net profit after tax decreased even more, by 36%, from LE 211.5 million in FY 2002 to LE 135.1 million in FY 2003.
- c. Wages: Total wages dropped from LE 427.5 million in FYE 2002 to LE 410.7 million in FY 2003, while the annual average wage increased from LE 8,600 to LE 11,566 over the same period, an increase of 34.5%.
- d. Number of employees: decreased by 2,573 during the period FY 2002 to FY2003 to reach 35,511 in the companies affiliated with the Holding Company.
- e. Short-term Debt: Improved by 5%, from LE 446.4 million at FYE 2002 to LE 424.4 at FYE 2003.
- f. Long-term Debt: Decreased by 4% from LE 1.517 billion at FYE 2002 to LE 1.457 billion at FYE 2003

**Table 2**  
Construction and Development HC Financial and Employment Summary  
(LE million)

	FYE 30 June 2002	FYE 30 June 2003
Total Revenues	3,514	3,376
Net Profit	211.5	135.1
Total Wages	427.5	410.7
Employees (number)	38,084	35,511
Short-term Debt	446.4	424.4
Long-term Debt	1,517	1,457

### Major developments during FY 2003:

1. Red Sea Contracting Company merged with Egyptian Buildings Company.
2. Nile General Contracting Company merged with Alexandria General Contracting.
3. Nile General Engineering Company was added to the HC's portfolio.

The contracting sector is passing through a critical stage as a result of the extraordinary increase in prices of all materials, which started before the liberalization of exchange rates in January 2003. Unanticipated increases in costs adversely affected uncompleted projects contracted before January 2003 by percentages ranging from 15% to 60% according to circumstances of the affected projects. This caused subcontractors to nearly halt their work and resort to the insurance coverages. After numerous trials, a committee was formed in May 2003, which approved some compensation adjustments, but which did not fully compensate for total increased costs. In spite of this, contract relationships became entangled in disputes.

## 2. Food Industries Holding Company

The Food Holding Company (FHAC) has interests in thirty-eight affiliate companies, comprised of both:

- Law 203 Companies: Twenty -two enterprises
- Law 159 Companies: Sixteen joint ventures

The FHC plays an important role in a developed strategy that the government is implementing for the privatization program. All of the affiliate companies are planned for restructuring..

**Table 3**  
Food Industries HC Financial Summary

	(LE 000)	
	<b>FYE 30 June 2002</b>	<b>FYE 30 June 2003</b>
Total Revenues	11,737,396	12,091,674
Net Profit	515,594	517,201
Net Losses	(12,719)	(14,540)
Total Wages	896,848	953,539
No. Of Employees	108,286	105,811

*Source PEO*

- Operating revenues for FY 2003 amounted to LE 12.0 billion compared to LE 11.7 billion, an increase of 3%.
- Affiliate companies' net profits for FY2003 amounted to LE 517.2 million compared to LE 515.6 million for FY2002, an increase of 0.31%.
- Total wages for FY 2003 amounted to LE 953.5 million compared to LE 896.8 for FY 2002,an increase of 6.3%.

### 3. Spinning & Weaving Holding Company

For FY2003 the textile holding company had positive results as per the following indicators:

1. Finished products value increased from LE 1804 million in FY 2002 to LE 2364 million in FY 2003.
2. Total value of sales increased from LE 2011.2 million in FY2002 to LE.2418.8 million in FY 2003.
3. Total revenues increased from LE 2138.3 million in FY2002 to LE.2562.6 million in FY2003.
4. Exports increased from LE 557.3 million in FY2002 to LE.772.8 million in FY2003.

The current international crisis in all textile raw materials has lead to a sharp increase in prices. The affiliate companies managed to increase domestic and export sales at higher prices leading to a significant improvement in the financial status of the overall Holding Company.

**Table 4**  
Spinning and Weaving HC Financial Summary

	<b>FYE 30 June 2003</b>
Total Revenues	4,843,973
Net Profit	(2,201,272)
Total Wages	1,031,369
Employees (number)	1,266,281
Debt	10,836,223

### 4. Pharmaceutical Holding Company

The Pharmaceutical Holding Company had the following financial results in fiscal year 2003:

**Table 5**  
Pharmaceutical HC Financial Summary

	<b>FYE 30 June 2003</b>
Total Revenues	3,644,626
Net Profit	293,424
Total Wages	300,550
Employees (number)	19,710
Debt	640,145

### C. Law 203 Tender Announcements

On February 19, the Ministry of Public Enterprise published a list of companies and assets slated for privatization. The Ministerial Privatization Committee approved a list of new incentives and valuation principles for privatizing and modernizing companies and production assets. This list includes 34 companies, shown below, of which the largest number are affiliates of the Spinning and Weaving Holding Company :

**Table 6**  
The Privatization program of 2004

<b>Holding Company</b>	<b>Affiliate Company</b>
Spinning and Weaving	1. Mit Ghamr Spinning & Weaving
	2. Mahmoudia Spinning & Weaving
	3. Kom Hamada Spinning & Weaving
	4. National Spinning & Weaving
	5. Menya El Kamh factory
	6. El Menia and El Fayoum factories affiliated to Middle Egypt spinning & Weaving
	7. Sohag factory affiliated to Upper Egypt Spinning & Weaving
	8. Polyester Threads factory affiliated to Egypt Fiber and Polyester Threads Company
Chemical Industries	1. National Plastics Co.
	2. Dyestuffs and Chemicals
	3. El Nasr for Electrical Apparatus (NEEASAE)
	4. El Nasr Rubber Products (NAROUBIN)
	5. El Nasr Leather Tanning
	6. Egyptian Shoes Company (BATA)
	7. Gypsum and integrated business affiliated with El Kawmeya Cement
Housing, Tourism and Cinema	1. Floating Hotels: Tut, Aton, Ani and Hotep
	2. Al Ein Al Sokhna Hotel
	3. Aswan Amoun Hotel
	4. Oberoi Aswan Hotel and Elephantine project
	5. Thomas Cook land near the World Trade Center
	6. Princess Malaks land on the Luxor Corniche

<b>Holding Company</b>	<b>Affiliate Company</b>
Metallurgical Industries	1. Cairo Metal Products (automated casting)
	2. El Nasr Casting
	3. Spark plugs factory – Affiliated with SABI
	4. Metallic powder factory – Affiliated with SABI
	5. Locks and pad locks factory – Affiliated with SABI
	6. Sanding factory - Affiliated with SABI
Trade	1. Modern Fashion House Company (Hannaux)
	2. Clothes and Consumption Goods Company (Sednawi)
	3. Misr Car Trading Company
Food Industries	1. Rice Marketing Company
	2. Mansoura and Damietta factories affiliated to Misr Dairy Company
Inland & Maritime Transport	1. Engineering Automotive Manufacturing Company
	2. Nile Car Repair Company

*Source: PEO; compilation and presentation by PIP*

## D. List of Incentives

Preface:

The Ministry of Public Enterprise has prepared a Privatization Plan for the upcoming years 2004 through 2007. It is expected that the pace of the program will pick up to capitalize on the improvement in regional and local circumstances that could foster foreign direct investment. The efforts by the Ministry of Public Enterprise to realize this take off are multifaceted including diligent attempts for better outreach to local, Arab and foreign investors, offering them more incentives, and restructuring and repackaging the companies and assets to be offered for sale. Those efforts aim at bridging the gap between the pricing expectations of the seller (the Government) and the value perceptions of the market for state-owned assets.

Package of Incentives:

The Ministry of Public Enterprise produced a set of incentives and procedures addressing various aspects of privatization transactions from valuations to the commitment of all related parties to the contractual arrangements involved in a transaction.. Those incentives were approved by the Ministerial Privatization Committee as well as by the Cabinet, and are now considered to be an integral part of the Privatization Program of 2004..

The following are the most important of the incentives:

A. Optimization of Investment:

- Excess land and other idle assets can be transferred to the relevant holding company prior to the offering to downsize the company under sale and make it more financially attractive.
- Working capital items like inventory and receivables can be transferred as well to the holding company upon request.

B. Valuation of Assets:

Details of incentives related to the valuation vary depending on the activity of the company from trading to transportation to industrial activities. However, generally the incentives applicable to all companies are:

- Price of utilized land will be determined using the price per square meter in the nearest new industrial community. Terms of payment in those communities are granted to the investor conditional on his acceptance to preserve the full labor force of the sold company.
- Buildings are to be valued at net book value with a minimum of LE 150 per square meter.
- Machinery, equipment and furniture will be valued at net book, as well as furniture.
- Inventory and receivables also are valued at net book value.

C. Financial Mix:

One of the major incentives offered to potential investors is the readiness of the Government to transfer outstanding debt to banks as well as other liabilities on the books of the company under sale to the relevant holding company.

D. Other Incentives:

- Investors can enjoy tax holidays and other incentives stipulated by Investment Incentives Law No.8/ 1997.

The approved incentives stipulate that all government entities are bound to abide by all the contractual commitments resulting from the transaction and that the potential investor or lessee should not bear the consequences of any legal disputes between any of those entities and the public enterprises

The Ministry of Public Enterprise is finalizing details of an ***Action Plan*** whereby, those incentives will be made to reach investors along with other necessary information on the privatization program as well as on the companies/assets slated for privatization.

## **E. Impact of Privatization on other Sectors**

### **1. Banking Sector**

Law 155/1998, which received parliamentary ratification in June 1998, permits the privatization of the four-sector public banks, allowing for full private-sector ownership.

The Law also allows for private sector representation on the boards of these banks, in proportion to the percentage owned, within a margin ranging from five to 15 directors.

As of September 2003, the banking sector consisted of 7 public banks, 35 private and joint-venture banks, and 13 operating branches of foreign banks.

As part of the government's continued efforts to develop the financial sector through the introduction of non-traditional services, the two real estate banks were merged in June 1999. The paid in capital of this new financial entity, the Egyptian Arab Land Bank, was LE 212 billion.

The government is monitoring efforts made by state banks to reduce their ownership in the remaining joint-venture banks.

An agreement was reached with Barclays of London to sell all government-owned shares in the Cairo Barclays Bank. This transaction was concluded in March 2004.

In July 1999, the Supreme Privatization Committee, overseen by the Prime Minister, approved the sale of public shares in Misr America International Bank, Misr Iran Bank for Development and the International Islamic Bank for Investment and Development. To date none of these joint venture interests has been transferred.

Government ownership of the four major commercial banks, National Bank of Egypt, Banque Misr, Banque du Caire and Bank of Alexandria continues with no imminent plan for further privatization, the banks do have new managements whose professional careers were primarily in the private sector.

### **2. Insurance Sector**

As part of the government's plan to liberalize the insurance sector, the following steps have been taken:

As a preliminary step towards the privatization of the four state-owned insurance companies, a valuation process was completed. Two international investment banks, Fleming's and Morgan Stanley, undertook the process of valuation. Morgan Stanley valued Al Chard Insurance and National Insurance, while Fleming's conducted valuations for Misr Insurance and Egypt Re. The valuation process involved both an actuarial and an accounting assessment.

In August 1999, the public share in the Arab International Insurance Company was sold to AXA – France, now Allianz. The company acquired 80% ownership and has the approval from EISA to work onshore in the local market.

The Egyptian American Insurance Company operating in a free zone area was also privatized. ACE, a leading American insurance company acquired a 50% stake, while a remaining 48% went to the Commercial International Investment Company (CIIC) of Egypt.

### **3. Early Retirement Scheme**

An optional early retirement program was launched in 1997. The program addresses the problem of redundant workers allowing increased flexibility for the privatization process. The program was applied to approximately 182,000 workers, paying an average of LE 23,600 for each worker, reaching to date an aggregate total of LE 4.3 billion.

In 1999, the management and control of inflows and outflows of proceeds became the function of a new restructuring fund.

In addition, financial restructuring plans through debt settlement agreements gained momentum. Debt owed by 178 public enterprises to 5 banks declined by 32% from LE 44 billion to LE 30 billion. Creditor banks have so far not been successful in negotiating an enterprises' bank debt settlement agreement.

### **Observations on privatization progress in Egypt**

Progress was consistent between 1996 and 2000, with 23 to 32 transactions per year producing annual privatization proceeds between LE 2.4 billion and LE 3.1 billion. The benefits of those privatizations are clear. In addition to the equivalent of more than US\$4 billion<sup>1</sup> in privatization proceeds, the economic burden imposed by many unprofitable companies was eliminated; costs of eighteen closed or merged holding companies were eliminated; tax receipts have increased; and an estimated US\$1 billion of new investment has been injected into the privatized companies.

Nevertheless, the pace of privatization dropped sharply from 2001. This is partly a result of uncontrollable circumstances – the weak world economy, the decline in Egyptian and world stock markets from 2000 to 2002, the somewhat lower quality of the remaining companies, and regional political uncertainties – that have reduced the flow of investment, both foreign and domestic. On the other hand, there are controllable or partially controllable impediments to investment in Egypt perceived by many potential investors, not only those interested in investing in privatized enterprises. These include a rapid drop in the exchange rate after 2000, issues of contract enforcement, excessive bureaucracy, foreign investors' unsatisfactory past experiences, and excessively discretionary customs and taxation practices.

### **Cost of Not Privatizing Assessment**

The Privatization Implementation Project undertook an assessment of the cost of not privatizing in Egypt. The purpose was to quantify and make visible the costs of inaction, to demonstrate the burden that slow privatization imposes on the Egyptian economy. The Study first estimated the costs of not privatizing to the Government of Egypt in budgetary terms, but also sought to address the macroeconomic losses.

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<sup>1</sup>

In order to provide a more comprehensive base to use in considering the budgetary impact of not privatizing rapidly, PIP also assessed the budgetary impact of not privatizing 100% government-owned commercial banks and insurance companies, as well as selected economic authorities.<sup>2</sup>

The budgetary cost of not privatizing for the sectors covered is on the order of LE 100 billion in present value terms. The Study then estimated the macroeconomic implications, showing how delayed privatization increases unemployment, reduces investment, reduces economic growth, and puts downward pressure on the exchange rate.

The results of this exhaustive study were available prior to year-end

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<sup>2</sup> The coverage of the Study was in itself conservative because it excluded joint venture companies, various businesses operated directly by ministries, and various government owned companies – most notably in telecommunications, power generation, and air transport -- that do not come under Law 203 of 1991.

## F. Public Announcements

Privatization related public announcements disseminated in the press during the reported period are translated and presented hereafter.

### **LE 405 million for a New Fertilizers Factory**

The board of directors of the Egyptian Industrial and Financial Company decided to establish a new factory in Suez for the production of fertilizers and expand the production of concentrated Sulphuric acid with total investments of LE 405 million. Chemist Yehia Kotb Chairman of the company revealed that the company share in the capital of the new factory would be 99.2% and the remaining 0.8% will be distributed amongst 10 business partners. Kotb revealed that the reason behind establishing this new factory is to supplement the production of fertilizer and Sulphuric acid especially during the next two years. The new company will be established under the umbrella of the guarantees and incentives investment law no. 8 of 1997, which exempts the company from taxes for 10 years.

*Al Alam Al Youm 26/2/2003*

### **Lecico offers LE 10.5/share for Aracemco share**

Competition has enhanced the price for the Aracemco deal where Lecico has offered LE 10.5/share. Competition has been going on for several weeks between Salsabel Trading Company and Lecico to buy Aracemco shares owned by the public sector. Salsabel opened by offering to buy 43.52% of Aracemco shares for LE 8.75/share; subsequently, Lecico counter-offered at LE 9/share. Competition continued with Salsabel countering at LE 9.75/share, leading to Lecico submitting its latest offer with an increase of 85 pt/share.

*Al Alam Al Youm 26/2/2003*

### **Representatives of 24 Scottish Companies visit the Middle East in different economic activities**

Dr. Mohamed El Ghamrawy Head of the Investment Authority met with a Scottish Trade Delegation currently visiting Egypt to investigate the investment environment and opportunities in Egypt. Dr. El Ghamrawy said that the delegation includes representatives from 24 Scottish Companies, which is considered to be the largest gathering of Scottish companies to visit the Middle East during the last two years. A large number of British businessmen revealed interest in finding Egyptian partners for projects in the areas of gas and petroleum, and security systems. An agreement was reached with the delegation to promote these projects through the promotion sector at the General Investment Authority.

*Al Abram 24/2/2003*

### **Investment Authority agrees to establish nine projects for ready-made garments, computers and cooling materials**

The General Investment Authority agreed to establish nine new investment projects under the free zone system. Dr. Mohamed El Ghamrawy Head of the Investment Authority stated that these projects reflect the stability of the investment environment in Egypt as well as investor confidence in the Egyptian economy. These projects will help increase Egyptian exports as well as create job opportunities for Egyptian youth. The most significant of the projects is a project for modern isolation materials, materials for fixing and repairing

historical buildings and producing ‘Epoxy’ based liquids. The project will be located in the general free zone in Alexandria on an area of 2000m<sup>2</sup> with total investment of US\$3 million, which will provide 30 new jobs for Egyptians, and the business will export 75% to external markets. It has also been agreed to establish three ready made garment projects at the Port Said, Ismailia and Nasr City free zones with total investments of US\$3.5 million, which will provide 1350 job opportunities; these projects will export all of their products to external markets.

*Al Abram 23/2/2003*

#### **El Danf: Semaf will not be offered to foreign investors.**

Chemist Adel El Danf chairman of the metallurgical holding company announced that Semaf would not be offered for sale to foreign investors. The Arab Organization for Industrialization indicated interest to increase the company’s capital or to buy all the company’s shares. Semaf was previously offered for privatization by capitalization during 2002.

*Al Alam Al Youm 21/2/2003*

#### **The Arab Trade Funding Program offers LE 100 million to increase Exports.**

Prime Minister Dr. Atef Ebeid stated that the Government would offer new assistance and incentives to exporters on the condition that exporters remit 75% of export proceeds to banks, which will be responsible for funding their obligations. Ebeid added that the Egyptian Export Development bank had signed a credit line agreement with the Arab Trade Funding Program for a total of LE 100 million to be used to support trade between Egypt and other Arab Countries.

*Al Akhbar 20/2/2003*

#### **50 British companies investigating the cooperation with Egyptian information companies**

The City of London witnessed intensive Egyptian activity in the information and communication industries, where the representatives of 27 Egyptian companies are meeting with the specialized British company. Dr. Ahmad Nazif Minister of information witnessed the signature of the establishment of a consortium of 5 British and an Egyptian company with VOLVO company, to extend the services of VOLVO in the Arab region. Dr. Nazif also witnessed the signature of a joint venture between the Egyptian ‘‘Barchotel’’ and the British Bibliotheque, where the Egyptian company translates the company’s programs and systems for marketing them in the Arab region. Atef El Barkouky, Chairman of Barchotel believes that this joint venture will open sales opportunities of approximately 2 million British pounds.

*Al Alam Al Youm 18/2/2003*

#### **An Emirates media and tourism delegation in Egypt to flourish the Arab tourism market during the summer**

An Emirates tourism and media delegation arrived in Cairo through an invitation from Egypt Air to discuss the promotion of Egyptian tourism from the Emirates as well as using the all-inclusive ticket; which includes passenger transportation, hotel booking and local tours.

*Al Alam Al Youm 18/2/2003*

**Plan to improve cotton agriculture and weaving industry and assigning a specialized company to study market dynamics**

Dr. Youssef Wali Minister of Agriculture confirmed the decision of implementing an urgent plan in accordance with the Ministry of industry and universities to prosper the production and marketing of cotton internationally. As well as opening new markets for the Egyptian cotton which is known for its reputation, pointing out that the share of cotton agriculture in export commodities reached 7%, using in this activity 4 million industrial and agricultural labor.

*Al Alam Al Youm 18/2/2003*

**LE 724 million exports of The Food Holding Company**

The recent report of the Food Holding Company indicates that the performance of its affiliates during the first six months of 2003/2004 achieved a surplus of LE 189 million while the value of production reached LE 5.9 billion and the total sales was LE 6.4 billion. Eng. Mohamed Asaad Chairman of the Food Holding Company stated that during 2002/2003 the Holding Company and its affiliates achieved a total surplus of LE 552.5 million, total production LE 12.3 billion, sales LE 12 billion, while the exports to the Arab and International markets were LE 724 million.

*Al Abram 15/2/2003*

**Khattab: Settlement of public enterprise debts to the banks.**

Dr. Mokhtar Khattab Minister of the Public Enterprise Office stated that an agreement was made to settle the public enterprise debts to the banks through a fund created from the excess revenues and proceeds of the profitable companies from privatization. Unutilized assets of the Holding Companies will be transferred to the Ministry of Finance in order to be sold at their market price.

*Al Abram 14/2/2003*

**The Maritime Holding Company allocates LE 55 million loans to improve the Engineering Automotive Manufacturing Company.**

The recent performance report of the Engineering Automotive Manufacturing Company indicates that the Maritime Holding Company allocated a loan of LE 55 million to help the company open new lines of credit in the banks to buy new busses. EMAC shows a surplus during the first half of the current year reaching LE 2 million, sales increased by 170% compared to last year. The report expects that exports will reach EURO 3 million due to contracts with the UN and implementing the export agreements with Iraq.

*Al Abram 14/2/2003*

**The Economist: 3.2% expected economic development during 2004.**

Economists expect that the Egyptian economic development will reach 3.2% during 2004, while the current account surplus will increase by 0.3%. The official indicators for the economic development during 2003 was 3.1% an increase of 0.7% over the Economist rate, the current account was 3.3 % an increase 1.4% over the Economist rate.

*Al Alam Al Youm 11/2/2003*

**LE8.5 billion increase in Investments**

Dr. Osman Mohamed Osman Minister of Planning stated that the investment plan budget for 2004/2005 is LE 85 billion with an increase of L.E 14 billion compared to 2003/2004 investments, he added that the government share of the investments is 35%, Holding companies, companies under law 97 and private sector add up to 65%. The plan aims at improving the standard of living, salaries and increasing employment opportunities.

*Al Abram 9/2/2003*

### **LE2 billion total exports of the Metallurgical Companies**

Chemist Adel El Danf Chairman of the Metallurgical Holding Company announced that the metallurgical companies total exports improved by 169% with an increase in value by 142% during the period 1/7/2002-30/6/2003 compared to the previous year 2001/2002, he added that the Iron and Steel company achieved 2.982 million tons compared to 1.822 million, Misr Aluminum exports 1.812 million tons compared to 74,000 ton and Delta for Steel exports 1045 tons compared to 925 tons.

*Al Abram 8/2/2003*

### **The Ministry of Public Enterprise finalizes the list of unprofitable companies**

The Ministry of Public Enterprise finalized the list of unprofitable companies to be offer for sale to an Anchor Investor starting this year and until the end of 2006. Dr. Mokhtar Khattab Minister of the Public Enterprise Office will announce the list of companies during his next meeting with the ministers committee for discussion and approval, he added that the list includes 105 companies, the schedule is to offer 35 company's each year.

*Al Wafd 8/2/2003*

### **Khattab: LE 12 billion expected revenues from privatization**

Dr. Mokhtar Khattab Minister of Public Enterprise stated that expected revenue from the privatization program for the next three years will approximately be LE 9.12 billion He added that this revenue will result from implementing the new program that aims at privatizing 35 unprofitable companies with a value LE 3.4 billion. If these companies remain state owned, losses will reach LE 10 billion.

*Al Alam Al Youm 5/2/2003*

### **Decrease in the production and sales of local Cement**

The data from the Ministry of Public Enterprise stated that there is a reduction in the production and sales of cement during October 2003 by 145,000 tons reaching 2.304 million tons compared to 2.449 million tons during September 2003, while the total sales decreased by 598,000 tons reaching 1.773 million tons compared to 2.371 million ton, which was due to the increase of the cement prices in the local market.

*Al Wafd 3/2/2003*

### **Chairman of the Trade Holding Company: Improving the companies' performance to attract foreign partners**

Engineer Hady Fahmy, Chairman of the Trade HC during his meetings with the chairman's of the affiliate companies explains the work priorities in the next period which focuses on improving the economic performance of the companies to attract foreign partners, raising the work spirit for the employees and the cooperation directly with the producers and the businessmen to increase our exports.

*Al Abram 1/2/2003*

**The Americana Consortium succeeded in the Starch and Glucose bid**

Americana Consortium bought 93.4% of the Starch and Glucose shares with a total value of LE 118.2 million. The consortium includes Americana with 42%, Cairo Poultry and the Egyptian Company for Tourism projects. The consortium bought 4.298 million out of 4.6 million shares available with a value of LE 27.5 per share.

*Al Alam Al Youm 28/1/2003*

**Khattab: LE 500 million for restructuring Spinning and Weaving Companies**

Dr. Mokhtar Khattab, Minister of the Public Enterprise Office announced that at least three spinning and weaving companies would remain owned and supervised by the government without privatization including Misr Spinning and Weaving, Misr Helwan and Kafr EL Dawar. Minister Khattab states that it is possible to have specialized companies manage these companies and he added that they received offers from investors to buy some of the spinning and weaving companies. The Ministry also approved a budget of LE 500 million for restructuring the companies in order to reach 185,000 weaved tons by 2005.

*Al Akhbar 27/1/2003*

**Ebeid: Cancellation of dumping fees on imported Iron**

Prime Minister, Dr. Atef Ebeid announced that the government would cancel the dumping fees on iron imported from Romania, Russia, Turkey and Ukraine. He added that the cancellation of the dumping fees at the same time with the reduction of the Custom tariff on the iron from 20% to 5% will create a balance on the iron price in the market. Chemist Adel El Danf, Chairman of the Metallurgical Industries Holding Company had assured the commitment of the Holding Company and its affiliates to the government decree and added that the Holding Company will participate in a monthly committee that will review the selling price of iron compared to the cost set by the CAA.

*Al Alam Al Youm 13/1/2003*

**Preparations for the Sale of Public Sector Holdings in 33 Joint Venture Companies**

The Ministry of Public Enterprise finalized the sale of public sector holdings in 33 Joint Ventures companies through their sale agent. The net profit for the companies is LE 720 million and its operating capital is LE 6.5 billion. The Companies activities vary between Food industry (Delta for Sugar, Dakhliya for Sugar and El Watania for Corn Production), Four Housing companies, (Zahraa El Maadi, Egypt For Real Estate Investment, Arab For Urban and Investment and Arab Contractors) and a Chemical company (Egyptian Cement). National Investment Bank, Misr Bank and Misr International Company each hold 10% stake and the Chemical Holding Company and Alexandria Bank each hold 5% stake of the company.

*Al Alam Al Youm 8/1/2003*

**Table 7**  
JV Transactions through March 2004

Company	Date of Sale	Public Sector Shares Sold %	Remaining State Share (%)	Value of Sale in (LE million)
Egyptian American Insurance Co.	Aug. 00	98	0	39
Egyptian British Bank	Sep. 00	6	5	63
Developing Upper Egypt Industrial Co.	Oct. 00	14	9	0.2
National Food Industries (SONAT)	Dec. 00	10	0	3.6
Arab Financial for Exchange	Feb. 01	25	0	1.1
Fast Tourism Projects & Ambulances	Feb. 01	10	0	1.4
Misr Amereyah Spinning and Weaving	Apr. 02	Lease	N/A	850
Egyptian Glass Company - EGC	Jun. 02	67	0	206
El Gezira Hotels and Tourism Company - Gezira Sheraton Hotel	Nov 02	64.9	0	181
Ideal Standard	Sept 03	20	0	26.2
May Press	Dec.03	17.5	0	2.6
Starch & Glucose	Jan. 04	96	4	121
<b>TOTAL</b>				<b>1,843.6</b>

Source; PEO

**Table 8**  
Majority Privatization: Sales to Anchor Investors

Name of Company	Date of Contract	Private Sector %	ESA %	Remaining HC Share %	Total Sale Value (LE million)	Approval to Law 159
Pepsi Cola	11-4-1994	90.00	10.00	0.00	131	16-12-94
Coca-Cola	20-04-94	90.00	10.00	0.00	286	16-12-94
El Nasr Boilers	27-09-94	100.00	0.00	0.00	16	6-12-1994
El Nasr Transformers (Elmaco)	25-02-96	90.00	0.00	10.00	115	13-07-96
Al Nasr Utilities	4-8-99	90.00	0.00	10.00	40	30-06-97
Al Ahram Beverages	13-11-96	90.00	10.00	0.00	298	18-02-97
Misr Mechanical and Electrical Projects (Kahromica)	26-8-96	61.00	10.00	29.00	103	18-09-97
Modern Textiles (Bolivara)	30-06-97	100.00	0.00	0.00	33	N/A
Delta Industries (Ideal)	Dec-97	90.00	10.00	0.00	311	5-1-1998
Kaha for Preserved foods	Aug-98	90.00	10.00	0.00	154	Feb-01
El Wadi for Exporting Agricultural Products	17-11-98	68.00	27.00	5.00	122	18-12-98
Nobareya for Seeds Production - Nobaseed	24-02-99	100.00	0.00	0.00	103	20-04-99
Gianaclis	4-3-1999	100.00	0.00	0.00	32	N/A
Beni Suef Cement	5-7-1999	76.00	5.00	19.00	427	29-08-99
	(2-02-00)	19.00	-	0.00	100	
Delta Sand Bricks	5-7-1999	90.00	10.00	0.00	62	25-09-99
Arabia Foreign Trade	Aug-99	90.00	10.00	0.00	15	27-04-00
Assiut Cement	Nov-99	77.00	10.00	13.00	1,197	1-11-1999
	(Jun-00)	13.00	-	0.00	183	
Alexandria Cement	30-11-99	90.00	10.00	0.00	670	Feb-00
Industrial Gases	22-12-99	90.00	10.00	0.00	60	Feb-00
Telephone Equipment	Dec-99	80.00	10.00	10.00	100	12-2-2000
	14-02-02	10.00	-	0.00	11	
Torah Portland Cement	26-01-00	76.40	5.00	18.60	1,226	Mar-00
Plastic & Electricity Industry	3-2-2000	90.00	0.00	10.00	94	Feb-00
Ameriyah Cement	Mar-00	29.00	0.00	0.00	527	1-10-1998
Ramsis Agriculture	30-01-00	100	0.00	0.00	161	Oct-98
Egyptian Engineering & Equipment (MICAR)	Jun-00	90.00	10.00	0.00	25	15-07-00
Alexandria Confectionary	Aug-00	90.00	0.00	10.00	28	Nov-99
Egyptian Gypsum	8-2-2001	90.00	0.00	10.00	83	7-12-2000
Arab for Carpets	5-7-2001	100	-	-	50	14-4-2001
Abou Zaabal Fertilizer* (lease)	23-11-01	0.00	0.00	100	183	13-1-1999
Egypt Shipbuilding and Repair	Jan-00	100	0	0	17.5	Nov-02
<b>Total</b>					<b>6,964</b>	

Source: PEO

**Table 9**  
Majority Privatization: Public Offering

Name of Company	Date of Sales	Private Sector %	ESA %	Remaining HC Share %	Total Sale Value (LE Million)	Approval to Law 159
United Arab for Spinning & Weaving	(1994) 1998	60.40	6.90	32.70	121	5-5-1997
Ameriyah Cement	(1994) 1998	61.00	10.00	0.00	768.2	1-10-1998
Alex. For Spinning & Weaving	(1995) 1998	94.60	5.40	0.00	82.4	5-3-1998
Egyptian Electrical Cables	(1995) 1997	95.00	5.00	0.00	320.8	8-12-1997
Extracted Oils	30-03-95	42.53	8.54	48.93	85	26-04-98
Paints & Chemicals (Pachin)	(1995) 1997	53.75	8.00	38.25	691.8	3-10-1997
Helwan Portland Cement	(9-11-95)	47.20	5.00	47.80	541	4-1-1997
	12-3/-996					
	(6-09-01)	47.80	0.00	0.00	661.2	
United Housing (& Construction)	12-2-1996	3.11	7.00	0.00	5	21-05-96
Abou Kir Fertilizers	May-96	2.80	0.00	0.00	20	See Notes
Medinet Nasr Housing / Construction	13-05-96	64.94	10.00	25.06	189.6	30-06-96
Egyptian Financial & Industrial Co	26-05-96	64.70	10.00	25.30	70	30-06-96
Egyptian Starch & Glucose	18-06-96	51.03	10.00	38.97	67.6	10-9-1996
Middle & West Delta Mills	30-06-96	51.00	10.00	39.00	177.1	30-10-96
Nile Matches (and Prefabricated Houses)	Sep-96	55.67	8.90	35.43	33.9	28-09-96
Kafr El Zayat for Insecticides	Sep-96	70.00	5.00	25.00	59.5	28-09-96
	(Feb-01)	25.00	0.00	0.00		
Misr Oil & Soap	7-8-1996	50.92	10.00	39.08	73.2	17-09-96
Arabia Cotton Ginning	Sep-96	90.00	10.00	0.00	87.1	21-12-96
Telemisr	9-1-1996 (03-1999)	90.00	10.00	0.00	59.1	25-11-96
Upper Egypt Flour Mills	4-11-1996	51.00	10.00	39.00	165.3	4-11-1996
East Delta Mills	18-11-96	51.00	10.00	39.00	109.9	18-11-96
Nile Cotton Ginning	Jan-97	90.00	10.00		294.8	27-07-97
Misr for Free Shops	2-2-1997	87.40	10.00	2.60	132.7	21-05-97
Cairo Housing & Construction	24-03-97	69.38	10.00	0.00	117.8	29-04-97
Development & Engineering Consulting	30-04-97	88.00	10.00	0.00	104.4	21-05-97
Nobareya Agricultural Eng.	14-05-97	79.38	20.00	0.62	26.9	21-06-97
KABO	11-6-1997	63.00	0.00	7.00	196.9	18-05-96
Middle East Co. for Paper SIMO	22-06-97	75.00	0.00	25.00	54.8	19-08-97

Upper Egypt Contracting	6-5-1997 (4-07-98)	75.00	10.00	15.00	15	29-06-97
Nasr Dehydrated Agricultural Products	11-8-1997	90.00	10.00	0.00	23.6	14-12-96
El Giza Contracting	15-09-97	70.00	10.00	20.00	33.2	16-11-97
Industrial & Engineering Projects	29-10-97	80.00	10.00	10.00	299.1	30-12-97
El Nasr Casting	Dec-97	0.00	32.50	0.00	47.5	24-11-97
Mahmoudia Contracting	17-01-98	69.75	10.00	20.25	54.4	15-02-98
El Shams Housing	Oct-98	50.46	5.00	44.54	30.8	13-10-98
El Nasr Civil Works	24-05-98	70.67	10.00	19.33	104.6	30-06-98
Arabia & United Stevedoring	5-16-1998	29.50	21.95	49.00	16.6	11-1-1999
	11-8-1998					
Bisco Misr (Second Tranch for ESA)	(Jun-00) 5-26-1998	45.69	9.30	45.01	88.7	Oct-98
Cairo Co. for Oil & Soap	Jul-00	61	0.00	39.00	33	Jul-98
<b>Total</b>					<b>6,064</b>	

Source: PEO

**Table 10**  
Majority Privatization: Majority Sales to ESAs

Name of Company	Date of Contract	Private Sector %	ESA %	Remaining HC Share %	Total Sale Value (LE Million)	Approval to law 159
Consulting Office for Irrigation	25-Jun-94	4.00	95	1.00	1.3	27-04-94
Kom Ombo Valley	15-Sep-94	4.73	95	0.27	70.1	27-04-94
General for Land Reclamation	11-Oct-94	4.86	95	0.14	60	27-04-94
Egyptian Real Estate	16-Nov-94	4.70	95	0.30	45.7	27-04-94
General Mechanical Excavation	16-Nov-94	4.76	95	0.24	23.4	27-04-94
Egyptian Dredging	12-Jun-94	4.17	95	0.83	18.5	27-04-94
Upper Egypt Dredging	12-Jul-94	4.80	95	0.20	8	27-04-94
Regwa	1-Mar-95	4.77	95	0.23	28.3	27-04-94
Arabia for Land Reclamation	1-Jul-95	4.77	95	0.23	61.2	27-04-94
El Beheira Company	16-Feb-95	3.20	95	1.80	49	27-04-94
El Nile for Heavy Transport	15-Nov-97	0.00	95	5.00	27.2	18-10-98
El Nile for Goods Transport	15-Nov-97	0.00	95	5.00	24.1	24-10-98
El Nile for Inland Transport	15-Nov-97	0.00	95	5.00	27.3	18-10-98
Damietta & Bilkas Mills	1-Jan-98	0.10	90	9.90	48.6	27-06-99
Sharkeya Mills	7-Jan-98	0.10	90	9.90	38.7	4-3-1999
Kafr El Sheikh Mills	27-Jul-98	0.10	90	9.90	13	19-09-99
Rasheed Mills	26-Sep-98	0.10	90	9.90	11.5	30-10-99
El Beheira Mills	26-Sep-98	0.10	90	9.90	21.8	8-8-1999
Dakahleya Mills	10-Mar-98	0.10	90	9.90	36.7	27-06-99
Alexandria Mills	10-Oct-98	0.10	90	9.90	26.8	10-7-1999
Marine Supp. & Contracting	19-Oct-98	-	51	49.00	16.4	5-11-1998
Amoun Shipping Agencies	11-Apr-98	51.00	44	5.00	25.9	11-3-1999
	30-Jan-99					
Abu Simbel Shipping Agencies	11-Apr-98	51.00	44	5.00	26	11-3-1999
	(30-01-99)					
Memphis Shipping Agencies	11-Apr-98	51.00	44	5.00	43.3	11-3-1999
	30-Jan-99					
Martrans	11-Oct-98	44.00	51	5.00	42.7	11-3-1999
San El Hagar Agricultural	3-Jan-99	0.00	95	5.00	18	14-03-99
Egyptian for Irrigation	1-Jan-99	60.00	30	10.00	5.2	14-03-99
Transport Works	7-Jan-99	0.13	95.00	4.87	11.8	25-12-99
Direct Transport	7-Jan-99	0.08	95.00	4.92	17.7	25-12-99
Suez Stevedoring	24-Oct-99	0.19	61.88	6.69	21.8	1-2-2000
Gharbeya Mills	Jul-01	0.00	90	10	51.2	19-7-2001
Misr for Export & Import	30-Jul-01	0.00	95	5.00	17.9	1-11-1998
United for Trade	19-Feb-02	0.00	98	2	4.9	2-11-2002
Arab Textiles	19-Feb-02	0.00	98	2	5.8	2-11-2002
<b>Total</b>					<b>950</b>	

Source: PEO

**Table 11**  
Majority Privatization: Liquidations

Name of Company	Date	Liquidator
Upper Egypt Agricultural	17-04-90	Ahmed Serrafy
West Nobareya Agricultural	10-11-91	Ahmed Abu Hadab
Middle Delta Agricultural	10-11-91	Farouk Omar
Al Nahda Agricultural	26-11-91	Mahfouz Boutros
El Nile for Corps Export	7-1-1992	Youssef Al Hayatmi
Cairo for Building & Prefab Houses	15-06-93	Mohamed Shoukri
South Tahrir Agricultural	28-02-94	Mahfouz Boutros
Faraskor for Wood	7-5-1994	Mohamed Mounir - Abdel Aziz Hareedi
General for Foundations	23-02-95	Abdel Halim Abdel Fattah
General for Contracting & Sanitary Works	23-02-95	Abdel Moneim Akl
High Dam for Civil Works	18-03-96	Moustafa Nour
Canaltex	26-08-97	Badr El Dakar
Pre-Fabricated Houses	5-11-97	Saad Salem
General for Batteries	1997	Mohamed Rashid
Cairo for Silk Textiles	1-7-1998	Wageeh Rady
Industrial Fittings & Services	13-07-98	Yousry Yousry
Graphite & Stationary Co.	15-09-98	Ali Waly
General for Metallurgical Wealth	28-09-98	Mohamed Shalakany
Maryout Agriculture	17-10-98	Abdel Bary Abdel Bary
Egyptian for Leather Tanning	25-11-98	Hosny Mowafy
Sand Bricks	6-2-99	Fekry Fashara
Egyptian General Agriculture Co.	11-9-99	Hamed Abu Ghaleb
General Co. for Production & Agricultural Services	11-9-99	Essam Zerd
Egyptian Co. for Meat Production and Dairy	23-09-99	Fardous Badran
North Tahrir Agricultural Co.	25-09-99	Mohamed Borhan
Egyptian Gypsum Quarry & Marble - Gemco	14-10-99	Sarwat Abdullah
Al Nasr Refractories - Sornaga	29-12-99	Mr. Ali El Din Mohamed Badra
General Co. for Engineering Works	8-5-2000	Samir Kenaway
Egyptian Refractories	13-02-00	Osama Mahmoud
United Poultry Production	24-06-00	Hamed Abu Ghaleb
Egyptian Electrical Equipment (Shaher)	Jan-01	Eng. Nagwa Fakher
Egyptian Company for Metal Trade (Segal)	Jan-01	Maher Abdullah
Alexandria for Cooling	13-8-02	Ahmed Ibrahim Ismail

Source: PEO

**Table 12**  
Privatization Achievements: Minority Public Offerings

Name of Company	Date of Contract	Private Sector %	ESA %	Remaining HC Share %	Total Sale Value (LE Million)
Arab Bureau for Design	24-Jul-94	5.00	40.00	55.00	4
Misr for Chemicals	Jan-95	51.10	0.00	48.90	65.4
North Cairo Mills	29-May-95	33.42	8.25	58.32	136
Eastern Tobacco	22-Jun-95	28.70	5.00	66.30	549
	(06-03-1997)				
Heliopolis Housing	15-Aug-95	10.47	9.53	72.86	135
	14-Dec-96	7.14			
Alexandria Pharmaceuticals & Chemicals	1995	30.00	10.00	60.00	52
	(1996)				
Nile Pharmaceuticals	1995	23.30	10.00	66.70	55
	(1998)				
Middle Egypt Mills	10-Apr-96	30.07	10.00	59.93	32
South Cairo Mills	26-May-96	30.00	10.00	60.00	30
Memphis Pharmaceuticals	Sep-96	30.00	10.00	60.00	48
Arab Pharmaceuticals	Sep-96	30.00	10.00	60.00	18
General for Silos	28-Oct-96	30.00	10.00	60.00	148
Cairo Pharmaceuticals	Nov-96	30.00	10.00	60.00	62
Alexandria Mills	29-Jun-97	30.00	10.00	60.00	125
Misr Aluminum	1997	8.00	0.0	92.00	221
Mokhtar Ibrahim	24-Jun-98	3.45	10.00	86.55	76
Aracemco	Feb-04	43.5			27
Cairo Barclays Bank	Mar-04	40			76
<b>Total</b>					<b>1,934</b>

Source: PEO

**Table 13**  
Privatization Achievements: Production Assets Sold

<b>Sold Assets Statement</b>	<b>Owner</b>	<b>Date of Selling/ Contracting</b>	<b>Value (LE million)</b>
Cairo Sheraton	EGOTH	14-Nov-96	350
Al Borg Hotel	Egyptian Hotels	6-Nov-97	6
San Stepheno Hotel: Lands & Premises	Egyptian Hotels	Aug-98	271
Siklam Factory	N/A	27-Aug-98	19.5
Distillation Factory	Egyptian Koroum	8-Oct-98	26
Plastic Factory in Kabari	National Plastics	22-Jun-99	2.53
Kowar Grinding Balls Factory	Delta for Steel	Aug-99	28
Production Line for Yoghurt & Ice Cream	Plastic Factory - Victorya	24-Nov-99	0.6
Basatin Factory	Sabi Company	30-Nov-99	14
Tinning Factory in Ghamara	Cairo Metal Products	22-Jan-00	0.6
Nile Hotel	N/A	Feb-00	49
Agriculture Dehydration factory	Gianaclis	Jun-00	3.7
Oil and Olive Production	Gianaclis	Jun-00	0.5
Barrel Factory	Alex Metal Products	Jul-00	11
Home Appliances Factory	Neeasae Company	Dec-00	19.3
Nozha Factory	Alex Metal Products	Jan-01	25
Factory for Steel Enamel Sheets	Cairo Metal Products	Jan-01	2.65
Nadler Factory	Alex Confectionary	30-Jan-01	10.5
Medical Ampoules Factory	El Nasr Glass and Crystal	Apr -02	20
Shobra Armenian Factory	Cairo Metal Products	Jul-02	8.5
Liquid Batteries factory	National Plastics	Nov-02	1.2
Bags factory	National Plastics	Nov-02	2
Isis Floating Hotel	EGOTH	Mar-17-03	8.9
Osiris Floating Hotel	EGOTH	Mar-17-03	7.6
Yassin Factory	El Nasr Glass and Crystal	Sept. 203	31
Medical Ampoules Factory	El Nasr Glass and Crystal	Nov.03	15
The Bottles Factory	El Nasr Glass and Crystal	Nov.03	48
The Shoes Factory	Al Nasr Leather Tanning	Nov.03	2.2
<b>Total</b>			<b>1,044</b>

Source: PEO

**Table 14**  
Privatization Achievements: Multiyear Leases

Name of Leased Assets	Company Name	Date of Contract	Annual Lease LE 000 (unless otherwise stated)	Duration (years)	Total in LE Million (unless otherwise stated)	Management Company
Agha Factory	El-Dakahlia for Spinning & Weaving	5-8-97	1,560	5	7.8	N/A
New Weaving Factory Mostorod - Kalyobia	Industrial Shops for Silk & Cotton (Esco)	15-10-97	\$750+3% net FOB for raw material	10		N/A
Group (1): Miami(Cairo)-Al Chark (Cairo)-Radio(Alex)-El Horeya(Alex)-Misr(Port-Said)	Misr Company for Distribution & Cinema Show Rooms	20-3-99	2,200	20	44	N/A
Group (2): Begal (Cairo)-Roxy (Cairo)-Winter Rio (Alex)-Summer Rio (Alex)-Opera (Sohag)		20-3-99	2,600	20	52	N/A
Group (3): Diana (Cairo)-Winter Normandy (Cairo)-Ferial (Alex)-Al Ahli (Damanhour)-Rashid (Rashid)		20-3-99	2,500	20	50	N/A
Menia El Kamh Factory	El Sharkeya for Spinning & Weaving	1-7-99	9,000	5	45	Islamic Co. for Plastic & Weaving
String Dye Factory	Cairo Dying & Preparation	Sep-99	336	5	1.68	Mr. Said Ramzy Hanna
Fibers Factory		Oct-99	1,600	5	8	Mr. Sabry Ishak Missiha and Mr. Emad Sabry Ishak
Galal Studios	Misr Studios and Cinema Production	2-1-00	379	20	7.58	Studio 13 Co. for Artistic Production & Distribution
El Ahram Studios		Feb-00	2,100	20	42	Egyptian Co. for Media Production City
Misr Studios		Feb-00	2,250	20	45	El-Exeer for Technical Services
Cinema City Studios		Feb-00	5,400	20	108	Egyptian Co. for Media Production City

2 Floating Hotels Anni & Hotob	Egyptian For Tourism & Hotels	9-3-00	\$1,200	5	\$6M	N/A
2 Floating Hotels Isis & Osiris		19-4-00	\$672	5	\$3.3M	N/A
2 Floating Hotels Tut & Aton		3-5-99	\$1,000	5	\$5M	N/A
Gypsum Factory—Sadat	GYMCO	19-2-01	2,000	4	8M	N/A
3 Movie Theatres: (1) Cairo, Heliopolis, Radobis, Normandy, Fontana, El Hamra, El Horeya (El Khanka) , Starnd (Alex), Andalus (Ras El Bar), Sphinx	Misr Company for Distribution & Cinema Show Rooms	1-1-03	3,660	1	3.6	N/A
Group(1): Cairo, Heliopolis, Radobis, Normandy, Fontana, El Hamra, El Horeya (El Khanka) , Starnd (Alex), Andalus (Ras El Bar)		1-1-04	3,046	25	76.1	N/A
Group (2): Opera, Lido, Honolulu Summer, Honolulu Winter, Hadikat El Nasr, Al Ahram Summer, Rex (Alex)		1-1-04	3,246	25	81.2	N/A

Source: PEO