

Privatization in Egypt

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I INTRODUCTION

The Government of Egypt (GOE) continues to make progress toward creating a market driven economy despite the sluggish economic conditions being experienced in the region. The GOE issued two important decrees that will facilitate divesting its minority shares in joint ventures to the private sector. One provides that the Director of the Public Enterprise Office will head the Divestiture Committee (responsible for divesting and valuing public sector shares in joint ventures), and the other centralizes with the Ministry of Public Enterprise the responsibility for certain divestitures of joint venture holdings. These decrees are important steps toward developing alternative methods and solutions to resume the momentum of its privatization program.

During the year ending September 2002, the GOE sold six wholly owned companies and divested its interests in two minority-owned companies. During this period, the GOE also announced it is seeking bids to divest its interests in six other wholly owned and partially owned companies. These are significant achievements in the context of the poor economic conditions, but leave a large number of other transactions to complete.

There are 179 Law 203 companies remaining to be sold within the ten Law 203 holding companies and minority interests in another 518 joint venture companies. Divesting these companies will be a challenge under current global and regional circumstances, especially since there are various obstacles to overcome including poor performing business operations, excess employment in many companies, and large debts owed by some holding companies and their affiliates, and held by state-owned banks.

These GOE achievements and challenges, as well as other important economic and private sector information relating to privatization, are provided in this report. This information is intended to provide a better understanding of the privatization program within three main sections: the Ministry of Public Enterprise, the Ministry of Foreign Trade and a Quarterly Economic and Financial Review with relevant and detailed information on Law 203 and joint venture companies.

This document is the first edition of the quarterly privatization program report prepared and disseminated by the Privatization Implementation Project (PIP). The changes within the report reflect PIP's understanding of the privatization program and the reporting components most relevant to the GOE efforts toward achieving its privatization objective within its overall economic reform plans. Currently, PIP is assisting the GOE in a comprehensive review of all transactions completed through the end of 2002, and the next quarterly report will reflect a review of all privatization activity for Law 203 and joint venture companies.

مقدمة:

تحرز الحكومة المصرية تقدماً في اتجاه إيجاد اقتصاد موجه للسوق على الرغم من الظروف الاقتصادية المتردية في المنطقة ككل. ولقد أصدرت الحكومة قراراتين مهمين من شأنهما تسهيل بيع الأسهم التي تمتلكها في الشركات المشتركة للقطاع الخاص. وينطوي قرار منهما على أن يرأس مدير مكتب قطاع الأعمال العام لجنة التقييم والتصرف في الشركات (اللجنة مسؤولة عن تقييم وبيع أسهم القطاع العام في الشركات المشتركة) أما القرار الآخر فيحدد مسؤولية وزارة قطاع الأعمال العام عن بيع الحصص التي تمتلكها الشركات القابضة والتابعة في الشركات المشتركة. ويمثل القراران خطوات هامة تجاه وضع أساليب وحلول بديلة لاعطاء دفعة جديدة لبرنامج الخصخصة.

وخلال العام المنتهى في سبتمبر 2002، قامت الحكومة ببيع ست شركات مملوكة بالكامل كما باعت حصتها في شركتين ملكيتها فيها أقلية. وخلال هذه الفترة، أعلنت الحكومة عن سعيها لبيع نصيبها لإيجاد عطاء لبيع فوائدها في ست شركات مملوكة بالكامل وملكية جزئية. وتعد هذه إنجازات مهمة في ظل الظروف الاقتصادية المتدنية مع وجود عدد كبير من الصفقات الأخرى لم تكتمل بعد.

وما زالت هناك 179 شركة خاضعة لقانون 203 ستباع من خلال عشر شركات قابضة تخضع للقانون ذاته مع أنصبة أقلية في 518 شركة مشتركة. ويمثل بيع تلك الشركات تحدياً في ظل الظروف العالمية والإقليمية الحالية وبخاصة مع المعوقات العديدة التي يتعين التغلب عليها بما في ذلك ضعف الأداء، والعمالة الزائدة في كثير من الشركات، والديون الضخمة على بعض الشركات القابضة وشركاتها التابعة المستحقة للبنوك المملوكة للدولة.

ويعرض هذا التقرير إنجازات الحكومة والتحديات الماثلة بالإضافة إلى معلومات أخرى جوهرية- معلومات اقتصادية ومعلومات عن القطاع الخاص- فيما يتصل بالخصخصة. والغرض من تلك المعلومات هو توفير فهم أفضل لبرنامج الخصخصة داخل ثلاث قطاعات رئيسية: وزارة قطاع الأعمال العام، وزارة التجارة الخارجية، فضلاً عن عرض اقتصادي ومالي ربع سنوي مع إتاحة كافة المعلومات التفصيلية ذات الصلة بالقانون رقم 203 والشركات المشتركة.

وتمثل هذه الوثيقة النسخة الأولى من التقرير ربع السنوي حول برنامج الخصخصة والذي تولى إعداده ونشره لبرنامج الخصخصة PIP. وتعكس التعديلات التي أدخلت على التقرير فهم مشروع PIP مشروع تنفيذ الخصخصة ومجهودات حكومة جمهورية مصر العربية من أجل تحقيق أهداف الخصخصة من خلال خطط إصلاح اقتصادي العون للحكومة من خلال مراجعة شاملة لكافة الصفقات المبرمة مع نهاية عام PIP شامل. وحالياً، يقدم مشروع 2002. وسوف يعكس التقرير ربع السنوي القادم كافة أنشطة الخصخصة للشركات الخاضعة لقانون رقم 203 والشركات المشتركة.

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This report is submitted by IBM Business Consulting Services (IBM), successor-in-interest to the business and operations of PwC Consulting, formerly a business unit of PricewaterhouseCoopers LLP. Novation of this contract to IBM is pending.

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II MINISTRY OF PUBLIC ENTERPRISE

The Ministry of Public Enterprise has made efforts toward the progress of the privatization program. This section lists the primary events taken during the reporting period to include the recent ministerial decrees and restructuring initiatives, tender announcements and privatizations, as well as the challenges and the history of the Law 203 companies.

II.1 Quarterly Development of Law 203 Companies

II.1.1 *New Prime Minister Decrees*

*Joint ministries
coordination for
privatizing JVs*

- **Decree no. 1502/2002 of privatizing public sector shares in Joint Venture Companies.** The Prime Minister has issued a decree stating that the Ministry of Public Enterprise is to undertake the responsibility of selling public participation of Law 203 holding or affiliate company in any joint venture company, under the Ministry of Foreign Trade. Refer to the MPE quarterly development for additional details.

*Reformulating the
Divestiture
Committee*

- **Decree no. 1500/2002 of divesting public sector shares in Joint Venture Companies.** A Prime Minister decree reformulating the Divestiture Committee in charge of divesting and valuing public sector shares in JVs is to be headed by the Director of the Public Enterprise Office to include representation from the Ministry of Public Enterprise, Legal Advisor of the Ministry of Public Enterprise, Central Auditing Agency, Central Bank of Egypt, Ministry of Planning, Ministry of Foreign Trade, Capital Market Authority.

II.1.2 *New Methods of Privatizing Selected Law 203 Companies*

*Privatization
by
capitalization*

The GOE is currently discussing and developing alternative methods to privatize Law 203 companies that have been operating under unfavorable conditions. The GOE is exploring new methods to promote sales, such as capitalization to include the revaluation of fixed assets, settling bank debts, and increasing the capital base.

II.1.3 *Restructuring Measures*

In compliance with the capitalization model, the Ministry of Public Enterprise is currently undergoing some restructuring measures for Law 203 companies to alleviate their financial burdens. These reform measures include the settlement of debts, restructuring company management, merging and separating companies, as well as creating consortiums.

*Settlements of
bank debts*

- **Settlement of Law 203 companies' bank debts.** Debt settlement has been carried out mainly through privatization proceeds. As of June 2001, debts of Law 203 companies owed

to national banks were estimated to reach LE 25 billion. The GOE decided to take action during 2002/2003 to address these debts. Refer to Level of Debts section for more details on the total debt settlement per holding company.

*Developing
Law 203
company
management*

- **The development of management efficiency.** The Minister of Public Enterprise has decided to address management efficiency for 50 of the Law 203 companies. This training will be provided not only to Law 203 companies but also to 100 joint venture companies through technical advice provided by specialized management companies. To gain support from company management, company procedural manuals are to be modified in the coming period to permit these management changes.

*Merger of
Metalco &
Steelco was
finalized*

- **Merging Law 203 companies with similar production to create large and strong entities.** As a result of companies merging, a voluntary early retirement scheme would eliminate positions that overlap, e.g., the merger of Metalco and Steelco. The companies' machinery and equipment were transferred to one location in Helwan whereas the other outlets located in residential areas with a high price per squared meter are to be sold. Selling proceeds are expected to finance restructuring the new merged company. The newly formed entity is restructuring.

*Splitting Al
Nasr Saline
to facilitate
bank debt
negotiation*

- **Splitting existing companies into several to increase efficiency, viability, and marketability to potential investors.** The Extraordinary General Assembly meeting of Al Nasr Saline Co., under the chairmanship of the Chemical Industries HC's Chairman, has decided to divide the company into two parts one with the same name of Al Nasr Saline, which would include the salines of Sebeika and Borg El Arab, while the other company of Alexandria Saline Co. would hold the El Mexx and Port Said salines. The reason for the separation is to facilitate negotiating bank debts, which was mainly to finance Borg el Arab Saline, and reschedule it in a feasible way.

*Consortium to
promote a lease
and sale of seven
spinning
companies*

- **Promotion for the spinning and weaving Law 203 companies.** An American and European Consultant consortium is to be established for promoting a lease of seven Law 203 spinning and weaving companies. These companies include Delta Ginning Co., STIA, Port Said Spinning and Weaving, Misr Shebeen El Kom Spinning and Weaving, Orient Linen Co., Dakahleya Spinning and Weaving, and Damietta Spinning and Weaving companies.

II.2 Tender Announcements

The following table lists Law 203 companies announced for sale during the quarter and the status of this effort.

Table 1
Law 203 Announcements

<i>Company Name</i>	<i>For Sale</i>	<i>Tender Opened</i>	<i>Tender Closed</i>	<i>Status</i>
National Plastic	Battery factory	6-Feb-02	5-Mar-02	To be presented to the Ministerial Committee for approval
Sornaga Ceramics	90% of assets	2-Jun-02	31-Jul-02	Negotiations underway
National Plastic	Assets	8-Jun-02	17-Jul-2002	One production line of Shobra factory received an offer. Currently pending presentation to the Ministerial Committee
Helnan Shepheard Hotel	Assets	20-Jul-02	26-Aug-02 postponed to 25-Sep-02	One bid received and under consideration
Al Nasr Glass & Crystal	2 production lines	1-Sep-02	15-Oct-02	NA

Source: PEO; compilation and presentation by PIP

Other announcement

The Misr Hotels Company, an affiliate of the Housing Tourism and Cinema Holding Company announced it would increase its issued and paid in capital from LE 13.2 million to LE 49.5 million or from LE 4 to LE 15 per share. This change in the capital structure will be accounted by reallocating shareholders equity from retained earnings without any change in the shares number. All legal procedures were finalized and the trade of shares will be based on the new value.

II.3 Privatization to Date

II.3.1 Privatizations By Method and Year

*133 companies
privatized*

As of September 2002, the GOE has privatized 133 companies and partially privatized and leased 56 companies. The table below summarizes the number and type of privatizations per year since the beginning of the GOE privatization program.

Table 2
Summary of Privatizations ending September 2002

Year	<i>Majority Privatization (>51% sold)</i>				<i>Partial Privatization & Leases</i>				
	<i>Anchor Investor</i>	<i>Majority IPO</i>	<i>ESA</i>	<i>Liquidation</i>	<i>Majority Total</i>	<i>Minority IPO</i>	<i>Asset Sales</i>	<i>Leases</i>	<i>Minority Total</i>
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			2	1*	3		3		3
	28	38	34	33	133	16	21	19	56

*Alex for Cooling was reported as an anchor investor transaction during 2001 but later changed to a liquidation transaction during 2002.

**Misr Aluminum lease contract terminated by the HC; previously reported as two leases.

Source: PEO; compilation and presentation by PIP

Privatized Law 203 companies during 2002

Since January 2002, there have been six transactions with Law 203 companies, three majority privatizations through an ESA and liquidation, and three partial/minority privatizations through asset sales. These transactions include:

- | | |
|-------------|---|
| ESA | <ul style="list-style-type: none"> • United Trading Co. through a management buy-out • Arab Co. for Textiles through a management buy-out |
| Liquidation | <ul style="list-style-type: none"> • Alex for Cooling shareholders determined to liquidate rather than sell to an anchor investor (as previously reported) |
| Asset Sale | <ul style="list-style-type: none"> • Al Nasr Glass and Crystal through the sale of the ampoules factory production line • Cairo Metallurgical Products sold its Shobra Armenian factory • Sabi Company sold its land and production facility in Mostorod |

II.3.2 Majority Privatization By Holding Company

Proceeds of LE14.2 billion

The following table summarizes the number and value of affiliated companies with a majority privatization by Holding Company based on the type of transaction ending September 2002.

Table 3
Privatization Transactions by Type ending September 2002

<i> Holding Company</i>	<i> IPO</i>	<i> Anchor Sale</i>	<i> ESA's</i>	<i> Liquidate</i>	<i> Total</i>
Spinning & Weaving	3	2	0	0	5
Trade	3	3	15	19	40
Engineering Industries	3	4	0	0	7
Metallurgical Industries	4	5	0	7	16
Chemical Industries	4	4	0	4	12
Pharmaceutical	0	0	0	0	0
Food Industries	9	4	8	0	21
National Construction	7	3	0	4	14
Housing, Tourism & Cinema	4	2	0	0	6
Transport	1	0	11	0	12
Total	38	28	34	33	133
Sales Proceeds (LE billion)	6.3	6.95	0.95	N/A	14.2

Source: PEO; Compilation and Presentation by PIP

- The Trade HC has had the most transactions with 40 of the 133 (30%) total majority privatizations. The least number of transactions is with the Pharmaceutical HC (zero).
- The most privatizations by transaction type is by an initial public offering (IPO) with 28.5% of the total majority privatizations. The Food HC has the most transactions (9) while the Pharmaceutical has none.
- Proceeds from IPOs and anchor sales contributed 93% of the LE14.2 billion from privatization. Note that the value from liquidation transactions is not available and would influence the percent of contribution from IPOs and anchor sales.

II.3.3 Minority Privatization Transactions Per Holding Company

*Proceeds of
LE2.6 billion*

The following table summarizes the number and value of affiliated companies with a minority privatization by Holding Company based on the type of transaction ending September 2002.

Table 4
Minority Privatization and Sale Methods ending September 2002

<i> Holding Company</i>	<i> Minority PO</i>	<i> Asset Sale</i>	<i> Lease</i>	<i> Total</i>
Spinning & Weaving	0	0	4	4
Trade	1	0	1	2
Engineering Industries	0	7	0	7
Metallurgical Industries	2	3	1	6
Chemical Industries	1	2	0	3
Pharmaceutical	5	0	0	5
Food Industries	5	2	0	7
National Construction	2	0	0	2
Housing, Tourism & Cinema	0	7	13	20
Transport	0	0	0	0
Total Privatized Companies	16	21	19	56
Sales Proceeds (LE billion)	1.76	0.89	N/A	2.65

Source: PEO; Compilation and Presentation by PIP

II.4 Law 203 Privatization Proceeds

II.4.1 Proceeds per Holding Company

Metallurgical HC with the highest proceeds

The proceeds derived from majority and minority privatizations, excluding liquidation and lease income transactions, by Holding Company are listed in the following table.

Table 5
Collected Privatization Proceeds as of September 2002

<i> Holding Company</i>	<i> Privatization Transactions</i>	<i> Proceeds * (LE billion)</i>	<i> % of total</i>
Spinning and Weaving	9	0.6	3.6%
Trade	42	1.3	7.7%
Engineering Industries	14	1	5.9%
Metallurgical Industries	22	6.7	39.6%
Chemical Industries	15	2.1	12.4%
Pharmaceutical	5	0.2	1.2%
Food Industries	28	2.2	13.0%
National Construction	16	1.2	7.1%
Housing, Tourism & Cinema	26	1.4	8.3%
Transport	12	0.3	1.8%
Total	189	16.9	100%

Source: PEO; Compilation and Presentation by PIP

* Proceeds exclude liquidation and leases.

Proceeds exclude liquidation and lease values

- The value of a liquidation and lease transaction is excluded from the privatization proceeds. A liquidation transaction value is difficult to determine because the terms of the lease agreement generally extended for ten or more years and documents are not available to estimate other cash flows, e.g., bank debts and other liabilities. The proceeds from a lease are the property of the affiliate and its HC and are not part of privatization proceeds.
- The Metallurgical Industries Holding Company, which represents large industrial companies, has the most proceeds from privatization (40%).
- The Transport (Inland & Maritime) Holding Company generated the least proceeds as most of its affiliated companies are sold as an ESA.

II.4.2 Proceeds Distribution

Proceeds are transferred to the Restructuring Fund

At the beginning of the privatization program, collected proceeds were distributed to the Ministry of Finance (two-thirds) and the privatizing holding company (one-third). In December 1999, a Prime Minister decree no. 4328 changed the distribution pattern to transfer 50% of the proceeds to the Law 203 Restructuring Fund instead of the privatizing holding company and 50% to the Ministry of Finance.

The purpose of the Restructuring Fund is to support various activities of the privatization program. As shown in the following table, the settlement of law-203 company bank debt and early retirement consumed the majority (50%) of the funds.

Table 6
Use of Collected Proceeds as of September 2002

<i>Description</i>	<i>Sep. 30, 2001</i>	<i>Change</i>	<i>Sep. 30, 2002</i>
Proceeds Collected			
Cash inflow from privatization proceeds			14,293
Dividends paid from holding companies			396
Total	14,669	20	14,689
Proceeds Used			
Transfers to the Ministry of Finance	(6,628)		(6,628)
Setting banks' debts	(4,488)	(25)	(4,513)
Early retirement, compensations, & wages of losing companies	(2,683)	(22)	(2,705)
Technical & administrative reform	(554)	(16)	(570)
Various uses	(8)		(8)
Total	(14,361)	(63)	(14,424)
Balance of the restructuring fund September 2002	308	(43)	265

Source: PEO; Compilation and Presentation by PIP

(LE million)

II.5 Remaining Portfolio of Law 203 Companies

There are 179 Law 203 companies remaining to be sold within the ten holding companies. Divesting these remaining companies will be a challenge since there are many obstacles to overcome, such as poor performing business operations and the reflective difficulty with attracting potential investors; excess employment and limited options for their redeployment; and large debts owed by some holding companies and their affiliates, which is held by state-owned banks. Below is a summary of the statistics being performed by the GOE to monitor these challenges.

II.5.1 Challenges for the Remaining Portfolio

*Private
Sector's view
on remaining
Law 203
portfolio*

The private sector expects that the remaining companies to be privatized are uncompetitive and beset with inefficient operations as well as the process of acquiring or transitioning the business operations will be problematic. Therefore, the focus should continue to be directed toward the development of a globally competitive private sector and not on the privatization process itself of which in the latter stages needs to divest the GOE's interest in the operations of unproductive companies within the industrial, agricultural, and service areas.

On the other hand, a large number of the privatized Law 203 companies have a strong share of the market for their products, competitively experienced and skilled employees, and regionally recognized brand names. Accelerating the pace of privatization would send a clear signal to the local and global private sectors that the GOE is serious about divesting its interest in the direct provision of goods and services and refocusing its efforts on establishing competitive private markets interdependent on regional and global ones.

II.5.2 Profit and Loss Analysis

*Financial
burden caused
by Law 203
companies*

For the period ending June 2001, a significant number of companies in the Law 203 portfolio reported net losses totaling LE2.3 billion or LE6.4 million per day. This result represents an amount greater than the net profits generated from the profitable companies in the portfolio.

Table 7
Law 203 Profitability Ending June 2001

<i>Holding Company</i>	<i>P/L' LE million</i>	<i>Companies with Net Profit</i>	<i>Companies with Net Loss</i>	<i>Ratio of Net Loss to Total Companies</i>	<i>ROE²</i>
Spinning and Weaving	(1647)	11	28	16%	4.4%
Trade	(217)	5	6	3%	2.8%
Engineering	(200)	6	11	6%	1.0%
Metallurgical	97	13	3	2%	1.2%

<i> Holding Company</i>	<i> P/L¹ LE million</i>	<i> Companies with Net Profit</i>	<i> Companies with Net Loss</i>	<i> Ratio of Net Loss to Total Companies</i>	<i> ROE²</i>
Chemicals	438	15	5	3%	4.4%
Pharmaceutical	348	11	0	0%	8.6%
Food	274	17	6	3%	6.2%
National Construction	210	20	0	0%	2.3%
Housing Tourism and Cinema	335	9	0	0%	10.4%
Transport	256	10	3	2%	10.3%
Total	(106)	117	62	35%	100%

Source: PEO; Compilation and Presentation by PIP

1 Net profit or losses after interest and tax (if any)

2 Return on Equity of Profitable Companies (Net profit/net worth)

- Ending June 2001, the remaining 179 Law 203 companies realized a net loss of LE 106 million, which represents 35% of the total companies.
- The return on equity for 80% of the holding companies is below 10% and excludes the results of companies with net losses.

*Companies
with largest
loss and
profit*

The company with the largest **loss** is **Misr Spinning and Weaving Co.** in Kafr El Dawar with LE253 million or approximately 11% of the LE2.3 billion loss. The most **profitable** company is **Eastern Tobacco Company** with a net profit of LE278 million – considered the only manufacturer of cigarettes in Egypt.

Table 8

Misr Spinning and Weaving and Eastern Tobacco as of June 2001

<i>Affiliated Company</i>	<i>Net Profit/Loss LE million</i>	<i>No of workers Thousand</i>	<i>Net Worth LE million</i>	<i>L.T.D. LE million</i>	<i>Overdraft LE million</i>
Kafr El Dawar	(253)	15.2	(1,200)	425	603
Eastern Tobacco	277.8	12.1	887.5	-	-

Source: PEO; Compilation and Presentation by PIP

II.5.3 Employment

The following section provides an overview of the employment dynamics within Law 203 HCs with respect to the number and cost of employees, revenue per employee, and is followed with a description of the early retirement program as of June 2001.

As shown in the following table, there were more than 450 thousand people employed in Law 203 companies ending June 2001 with an annual cost of LE4.5 billion.

Table 9
Employment Analysis per Holding Company as of June 2001

<i>Holding Company</i>	<i>No. of Employees</i>	<i>Annual Salaries LE million</i>	<i>Total Cost¹ LE million</i>	<i>Annual Salaries per Total Cost</i>	<i>Average Salary (LE) per Employee</i>
Spinning and Weaving	138,949	1,029	4,984	20.7%	7,408
Trade	19,038	138	1,651	8.4%	7,253
Engineering	24,380	262	1,448	18.1%	10,726
Metallurgical	51,712	771	4,592	16.8%	14,915
Chemicals	41,928	532	3,729	14.3%	12,693
Pharmaceutical	21,600	285	2,927	9.7%	13,212
Food	75,902	649	7,319	8.9%	8,550
Construction	41,737	385	3,172	12.1%	9,230
Housing, Tourism and Cinema	7,329	104	634	16.5%	14,239
Transport	27,664	319	957	33.4%	11,549
Total	450,239	4,476	31,414	14.2%	9,941

Number and cost of employees

Source: PEO; Compilation and Presentation by PIP

¹ Direct and indirect operating costs

- The Spinning and Weaving and Food HCs employ 48% of the total number of Law 203 company employees with the lowest average annual cost per employee.
- The heavy-industry Metallurgical HC has the highest average cost per employee with approximately LE 15 thousand per year.

Analyzing employees productivity

The following table indicates employee productivity by comparing revenues to the number of employees. As shown below, an employee generated average revenue of LE 65 thousand as of June 2001 based on total revenue of LE 29 million for the portfolio of Law 203 companies.

Table 10
Revenues per Employee as of 30 June 2001

<i>Holding Company</i>	<i>Total Revenues LE million</i>	<i>Revenues per Employee LE thousand</i>	<i>Revenues per LE salary</i>
Spinning & Weaving	3017	21.713	2.93
Trade	1,527	80.208	11.06
Engineering Industries	1130	46.349	4.32
Metallurgical Industries	3,882	75.070	5.03
Chemical Industries	4,267	101.770	8.02
Pharmaceutical	3327	154.028	11.66
Food Industries	6,864	90.432	10.58
Construction	3,385	81.103	8.79

Revenue per employee

<i>Holding Company</i>	<i>Total Revenues LE million</i>	<i>Revenues per Employee LE thousand</i>	<i>Revenues per LE salary</i>
Housing, Tourism & Cinema	964	131.532	9.24
Transport	1249	45.149	3.91
Total	29,612	65.770	6.62

Source: PEO; Compilation and Presentation by PIP

*Ranking HCs
by average
revenue*

- The Pharmaceutical and Housing, Tourism and Cinema HC employees have the highest average revenue per employee with LE 154,028 and LE 131,532, respectively.
- The Spinning and Weaving HC has the lowest revenues per employee and would be an indicator of low revenues and/or a labor-intensive industry.

II.5.4 Early Retirement Program

The GOE has an Early Retirement Program and tracks the historical and future cost the initiative. The tables below summarize the actions taken and to be taken by HC as of December 2001 with respect to the number of employees and cost of the program.

Table 11
Workers Benefiting from the ERP as of December 2001

<i>Holding Company</i>	<i>No. of Employees Participated</i>	<i>Cost of ERP per Employee (LE)</i>	<i>Total Cost (LE million)</i>
Spinning & Weaving	23,359	21,148	494
Trade	45,954	17,430	801
Engineering Industries	17,041	29,282	499
Metallurgical Industries	28,057	32,434	910
Chemical Industries	14,594	27,409	400
Pharmaceutical	5,281	21,966	116
Food Industries	20,338	18,783	382
National Construction	8,247	23,766	196
Housing, Tourism & Cinema	10,692	34,138	365
Transport	8,916	26,357	235
Total	182,479	24,101	4,399

Source: PEO; Compilation and Presentation by PIP

*Historical
Achievements
of the ERS
program*

- The cost per employee is within the program rule that states the compensation per employee is between LE 15 thousand and LE 35 thousand.
- The average annual salary and the years of service determine the compensation amount per employee.

- The total cost of early retirement (LE 4.4 billion) was funded from the proceeds made available through the Restructuring Fund (LE 2.7 billion) – refer to table 9 for details, and proceeds from the HCs.

II.5.5 Level of Debts

Debt restructuring by HC

The level of debt owed by HCs has declined due to repayment and other restructuring initiatives, such as debt forgiveness. The decrease in debt through the repayment and forgiveness is relatively the same as shown in the following table.

Table 12
Law 203 Debts as of June 2001

<i> Holding Company</i>	<i> Total Debt</i>	<i> Debt Forgiven</i>	<i> Debt Repaid</i>	<i> Ratio of Debt Repaid to Forgiven</i>	<i> Remaining Debt</i>
Spinning and Weaving	9.73	0.17	0.50	294%	9.05
Metallurgical	8.49	1.34	0.73	54%	6.43
Construction	4.25	0.86	1.62	188%	1.76
Housing Tourism & Cinema	0.65	0.36	0.14	39%	0.14
Chemicals	3.09	0.29	0.20	69%	2.60
Pharmaceutical	0.49	0.09	0.00	-	0.40
Engineering	3.19	0.68	0.69	101%	1.82
Trade	1.29	0.18	0.08	44%	1.03
Transport	1.02	0.52	0.46	88%	0.04
Food	2.43	*0.65		-	1.78
Total	34.61	5.14	4.41	98%	25.05
Total Debt Forgiven and Repaid			9.56		

Source: PEO; Compilation and Presentation by PIP (LE billion)

* Food HC does not distinguish amount between Debt Forgiven and Debt Repaid

A ratio of debt repaid to forgiven that is less than 100% indicates more debt was forgiven than repaid. Forgiven debt is representative of debt that has been reorganized through restructuring and negotiating terms of the debt between the HC, its affiliates and the holders of the debt instruments.

II.6 Historical Development of Law 203 Companies

Original Law 203 Portfolio:

Since the inception of the privatization program in 1991, the Ministry of Public Enterprise has reduced its portfolio of Law 203 companies from 314 to 179. This reduction has come from transfers to other Ministries, anchor sales, initial public offers through the stock market, sold to the Employee Shareholding Association, as well as through liquidations and mergers and consolidations of companies.

The following table and graph summarizes the development of Law 203 companies ending September 2002.

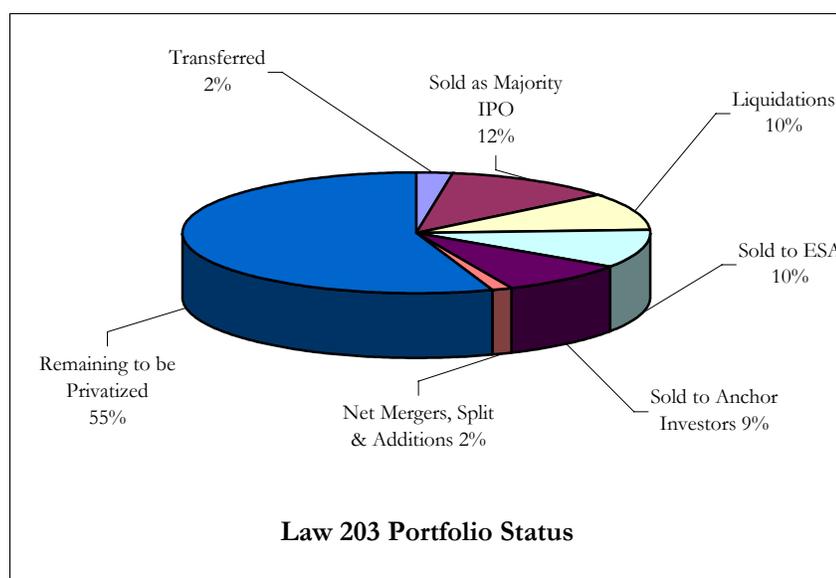
Table 13
Distribution of Law 203 Companies as of September 2002

Distribution of Law 203 Companies:

Description	Distribution
Law 203 Original Portfolio	314
Transfers to the Ministry of Electricity	-8
Sold to Anchor Investors	-28
Sold as Majority IPO	-38
Sold to ESA / Management Buy-out	-34
Liquidations	-33
Net Mergers, Splits and Additions	+6
Remaining to be Privatized	179

Source: PEO; Compilation and presentation by PIP

Privatization Overview by percentage



Companies transferred to the Ministry of Electricity

In 1998, the following eight companies were transferred from Law 203 to the Ministry of Electricity’s portfolio.

Eight companies transferred to the Ministry of Electricity:

- Cairo Electricity Distribution
- Alexandria Electricity Distribution
- Beheira Electricity Distribution
- North Delta Electricity Distribution
- South Delta Electricity Distribution
- North Upper Egypt Electricity Distribution
- South Upper Egypt Electricity Distribution
- Canal Upper Egypt Electricity Distribution

The Ministry of Electricity's role in developing other legislation for creating competition suggests that they may be in a better position to privatize these firms.

Companies sold to public sector entities but not privatized

The sale of a former Law 203 firm to another public sector firm is a sale but certainly not a privatization. These transactions could lead to operational improvement through restructuring and eventual to privatization.

*Companies
sold but not
privatized*

As with the joint stock venture banks, the share of public sector sales can be intractable because of the reporting system that prevents tracking of ownership from later sales. In such cases it is improbable to find sufficient supporting documentation to determine the extent of public sector ownership and thus to determine the real privatization status of the entity. However in some cases, it appears that sales to the public sector can be determined as shown in the following table. This is the case for the sale of the former Law 203 companies that should not be defined as privatization. For each of these companies, the transaction has not led to a strengthening of private sector control over how its scarce resources are allocated. Refer to Annex A for details on privatization transactions.

Table 14
Former Law 203 Companies Sold but Not Privatized

<i>Affiliated Company</i>	<i>Holding Company</i>	<i>% Sold</i>	<i>Comments</i>
United Housing	Housing	10.1	Remaining percent owned by a government authority.
Abou Kir Fertilizers	Engineering Industries	2.8	Remaining percentage owned by other government authorities
Al Nasr Casting	Metallurgical Industries	32.5	Debt Equity Swap with a publicly owned bank.
Ramsis Agriculture	Cotton	100.0	Sold to the Egyptian Endowment Authority Fund. Refer to Annex A for details.
Arab for Carpets	Textiles	100.0	A production line was sold to the Egyptian Endowment Authority Fund after the general assembly decided to liquidate the company. Refer to Annex A for details.
Al Nasr Transformers (Al Maco)	Electricity Distribution (previously)	90.0	Sold to a majority (90.0%) public-owned joint venture company.

*Companies
sold to public
sector entities*

Source: PEO; Compilation and presentation by PIP

Law 203 companies divided into two or more

Four companies split to facilitate the sale of profitable factories:

As is often appropriate, some Law 203 affiliated companies have been split to facilitate the sale of the profitable factories and property as well as the liquidation and restructuring of others. These are presented in the following table. The primary purpose to divide a company into two or more separate entities is to isolate property that could be used more productively and efficiently as a stand-alone company and facilitate its privatization.

Table 15
Divided Law 203 Companies

<i>Law 203 Company Before Split</i>	<i>Law 203 Company After Split</i>
Dakahlia Spinning & Weaving	Dakahlia Spinning & Weaving Mit Ghamr for Spinning & Weaving
Sharkia Spinning & Weaving	Sharkia Spinning & Weaving Menya El Khamh Spinning & Weaving
Arab for Carpets	Arab for Carpets Alexandria Carpet Alexandria Dying
Misr Spinning & Weaving Kafr el Dawar	Misr Spinning & Weaving Kafr El Dawar Mahmoudia Spinning and Weaving Koum Hamad Spinning & Weaving

Source: PEO; Compilation and presentation by PIP

Companies not for majority privatization

Companies' privatization not to exceed 40%

Some Law 203 firms are considered strategic by the GOE and cannot be majority privatization. These industries operate in the food and pharmaceutical sectors and include the rice and flourmills and the Sugar & Integrated Industries Company. Pharmaceutical companies are considered socially important by the GOE and can be only 40% privatized. These companies provide Egyptians with inexpensive medicines.

III MINISTRY OF FOREIGN TRADE

The Ministry of Foreign Trade monitors the activities of the joint venture companies within the GOE's portfolio. This section provides a summary of the primary events that occurred during the reporting period to include the recent ministerial decrees and restructuring initiatives, tender announcements and privatizations, as well as the challenges and the historical highlights of joint venture companies.

III.1 Quarterly Development

III.1.1 New Laws, Regulations and Comments

The most significantly important laws approved recently by the People's Assembly are as follows:

- Support for the new Export Promotion Law*

 - **Export Promotion Law no. 155/2002.** In an effort to reduce the country's trade deficit, the People's Assembly has approved a new Export Promotion Law. In parallel, a presidential decree was issued to establish a fund for the promotion and support of the law. This law is to be effective October 2002.
- Law with special taxes and customs regulations*

 - **Special Economic Zones Law no. 83/2002.** In September 2002, the Prime Minister endorsed the executive regulations of the Economic Zones of Special Nature law 83/2002 whereby special taxes and customs regulations for economic zones projects were included.
- JV privatization responsibility*

 - **Privatization decrees no. 1500/2002 and 1502/2002.** In September 2002, the Prime Minister has issued a decree no. 1502/2002 announcing the Ministry of Public Enterprise rather than the Ministry of Foreign Trade will be responsible for the privatization all joint venture companies that are minority or majority owned by a publicly-owned holding company or any of its affiliates after being authorized from the other state-owners. Decree 1500/2002 was issued to restructure the Divestiture Committee in charge of divesting and valuing public participation in these JVs. For more details, refer to the Ministry of Public Enterprise new laws and regulations section.
- NDP approves new fiscal and taxation policies*

 - **Suggested Amendments to the Customs Tariff and Taxation System.** In an attempt to activate the Egyptian economy, the National Democratic Party has approved a number of new fiscal and tax policies to be implemented in the coming period. Among these policies is the restructuring of the customs tariff to benefit the import of raw materials and production inputs. In parallel, customs tariff management should be reformed in a way that accelerates the pace of commodities' movement inside and outside Egypt and avoids

potential problems between importers and exporters. A taxing system should be also reformed to simplify taxing procedures by adopting the one tax rate system on personal income.

III.2 Tender Announcements

During the quarter, the GOE announced the offer of two joint venture companies.

Table 16
JV Announcements

<i>Company Name</i>	<i>For Sale</i>	<i>Announcement Date</i>	<i>Status</i>
El Gezira Hotels and Tourism Company (Misr Insurance, Egyptian Re and CIIC) Gezira Sheraton	214,953 shares or 57.75% of PIC	18-Aug-02	The French company Accor placed a bid to purchase 241 thousand shares valued at \$39.15 million or \$162 per share.
Amereya Pharmaceutical Industries Co.	7,200,000 shares (100%)	10-Sep-02	Pharco Pharmaceutical Company announced its desire to purchase all the shares.

Source: PEO, Compilation and presentation by PIP

Also, the Pharco Pharmaceutical Company announced it would purchase not less than 3,672,000 or 51% of its issued shares.

III.3 Privatization to Date

Statistical achievements

The following table summarizes JV privatization transactions ending September 2002.

Table 17
JV Privatization Transactions ending September 2002

<i>Company</i>	<i>Date of Sale</i>	<i>Public Sector Shares Sold</i>	<i>Value of Sale in Thousands</i>	<i>Remaining State Share (%)</i>
Egyptian American Insurance Co.	Aug. 2000	98%	US\$ 11,319	0
Egyptian British Bank	Sep. 2000	6%	LE 63,473	5%
Developing Upper Egypt Industrial Co.	Oct. 2000	14%	LE 217.5	9%
National Food Industries (SONAT)	Dec. 2000	10%	LE 3,600	0
Arab Financial for Exchange	Feb. 2001	25%	LE 1,100	0
Fast Tourism Projects & Ambulances	Feb. 2001	10%	LE 140	0
Misr Amereyah Spinning and Weaving*	Apr. 2002	Lease	LE 800,000 to LE 900,000	N/A
Egyptian Glass Company - EGC	Jun. 2002	67%	LE 206,360	0

Source: PEO, Compilation and presentation by PIP

** Lease with an option to buy during the first five years. Value of sale is an estimate (includes LE and US\$ stated in LE) based on the option to buy being exercised in the fifth year. Reported value will be updated when more information is available.*

The value of the sale in the table includes public and private ownership interests.

III.4 JV Privatization Proceeds

Unlike Law 203 companies, the proceeds from JV transactions are paid to the company shareholders/owners. The shareholders are generally represented through a bank or insurance company.

III.5 Remaining Portfolio of Joint Venture Companies

*Paid-in capital
by sector:*

There are an estimated 518 joint venture companies remaining in the portfolio with a paid-in capital (PIC) of approximately LE 67 billion, as shown in the following table.

Table 18
Joint Venture Companies by Sector

<i>Sector</i>	<i>Number of JVs</i>	<i>Percent of total JVs</i>	<i>Paid-in Capital (LE Million)</i>	<i>Percent of total PIC</i>
Construction	62	12.0%	3,450	5.1%
Agriculture	44	8.5%	3,543	5.2%
Services	115	22.2%	14,628	21.6%
Industrial	153	29.5%	15,564	23.0%
Power	9	1.7%	830	1.2%
Tourism	62	12.0%	4,349	6.4%
Trade & Commerce	10	1.9%	215	0.3%
Transportation	12	2.3%	1,529	2.3%
Insurance	7	1.4%	1,906	2.8%
Banking	44	8.5%	21,582	31.9%
Total	518	100	67,596	100

Source: Ministry of Foreign Trade

The information in the table indicates that:

*Banking sector
with largest
GOE JV
investment*

- The banking sector has the highest concentration of capital with approximately 32% of the LE 67 billion total GOE investments. The trade and commerce sector has the least amount of capital with less than one percent.
- The services and industrial sectors account for more than 51% of the total 518 JVs of which comprise of 44% of the total GOE investments in JVs.

III.6 Historical Development of Joint Ventures

*Laws of JV
companies*

A joint venture company can be established (1) under the investment law 43 of 1974 and its amendment concerning the investment of Arab and foreign funds, (2) the joint stock company law 159 of 1981, or (3) the investment and free zone law 8 of 1999. All joint ventures are considered private sector companies even if the public-sector ownership exceeds 51% of its paid-in capital.

*Legal Basis of
Privatizing
Egypt's joint
ventures*

The presidential decree no. 341/96 provides the basis for the GOE to privatize by means of decreasing its ownership in JVs to include banks and insurance companies. A decrease in ownership does not necessarily mean a reduction to zero percent but rather to achieve the GOE's objective to increase private sector participation as well as stimulate reform and JV restructuring to increase their efficiency and profitability. This objective is consistent with the GOE's strategy to create a more private sector oriented economy that can compete with in global markets.

*The purpose of
the Joint
Venture
Valuation
Committee*

Currently, the Ministry of Foreign Trade¹ through a privatization unit is responsible for tracking the JV portfolio. This responsibility was transferred from the Ministry of Trade and Supply (MOTS). A JV valuation committee, created by the previous Minister of Economy and Foreign Trade issued decree 282/2000, suggests and approves privatization strategies, reviews technical valuations, evaluates market values of companies, and suggests fair prices. The intent of the committee is to improve the implementation of GOE's restructuring and reform program and includes representatives from the MFT, MPE, the Central Auditing Agency (CAA), and the Capital Market Authority (CMA).

¹ Previously the Ministry of Economy and Foreign Trade and/or the Ministry of Economy

IV QUARTERLY ECONOMIC AND FINANCIAL OVERVIEW

A number of economic and financial changes have taken place during the third quarter of 2002. The economic indicators released by the Ministry of Foreign Trade suggest the economy is slowing of which will make it difficult for the private sector to absorb the public businesses earmarked for privatization. Despite these indicators of a sluggish market, the GOE moved forward and passed new laws and regulations for banks, stock markets, and other monetary tools to amend and promote economic and financial development. The primary developments during this quarter are detailed below.

IV.1 New Laws, Regulations, and Presidential Decrees

The People's Assembly recently approved and issued new laws. Laws concerning Trade and Public Enterprise Ministries are summarized in their related sections. Other laws are:

*Fighting
illegal funds*

- **Anti-Money Laundering Law no. 80/2002.** Pursuant to the international concepts of fighting funds emanating from or invested in illegal operations, the People's Assembly has enacted a law combating such sources of funds. The law's executive regulations are currently being drafted.

*Protection of
rights*

- **The Intellectual Property Rights Law no. 82/2002.** The law is a link between Egypt and the rest of the world for the protection of rights under global international standards. The new law enacted by the People's Assembly in May 2002 and currently being drafted, is an effort from the government to comply with WTO agreements (TRIPs).

*ULL is
deferred until
November*

- The People's Assembly approved the **Unified Labor Law** in principle during June 2002. Article-by-article discussion and enactment is deferred for the November 2002 Parliamentary session.

IV.2 Development In Financial Sectors

The GOE is currently carrying out a financial and monetary policy reform as the cornerstone for promoting economic development. Among the curative decisions taken are:

*Restructuring
bank debts*

- **Defaulting bank clients to settle debts.** Following a meeting with bank chairmen and the Governor of the Central Bank of Egypt, the Prime Minister announced that banks would invite defaulting clients to restructure their debts. Debtors would be encouraged to submit a proposal to settle their debts as deemed feasible provided that a convenient timing schedule for the settlement is proposed. Banks will not forgive debtors from repaying their debts but offer a grace period of 4 weeks within which both parties should negotiate and discuss the settlement procedure. Restructuring incentives would include lower interest rates, extension of repayment terms, and granting more facilities.

Otherwise, the bank is free to take the necessary legal action against them.

Public sector banks to strengthen their financial position

- **State-owned and specialized banks will increase their paid-in capital by** 10% to 20% an estimated LE 350 million to LE 700 million. This increase will raise the capital adequacy ratio from 8 to 10 and be financed through the issuance of treasury bonds or the exemption of taxes for these banks in the coming period.

New price ceiling system

- The Cairo & Alexandria Stock Exchange implemented a **new price ceiling system**. This pricing system relaxed the 5% ceiling imposed on the change in the price of daily transactions for the twelve most actively traded stocks in the market.

Margin trading of shares

- The Capital Market Authority's Board of Director **approved the margin trading of shares²** to allow for the partial settlement of at least 50 percent of the marketable securities prices.

CBE creates primary dealer system

- In April 2002, the Ministry of Foreign Trade issued Decree 480 to initiate the **primary dealer system**. This decree established the procedures for the selection and regulation of primary dealers that buy and sell government securities in direct dealings with the CBE.

Listing requirements for companies

- The CMA announced **new listing requirements** for companies at the stock exchange and previously listed companies are granted a one-year grace period to comply with the new requirements. The new rules require a company to have a minimum capital and publish their financial statements to include additional disclosures before being listed at the stock exchange.

The following table provides three main stock market indicators for the months April to August 2002.

Table 19
Capital Market Indicators Monthly Profile as of year 2002

	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>
Market Capitalization (LE billion)	117.4	118.0	118.62	118.37	119.3
Value of traded Securities listed (LE million)	2213.8	1874.9	2952.77	1522.5	1600
Volume of traded securities listed (million)	49.3	53.8	51.7	75.8	75.9

Source: Ministry of Foreign Trade, Monthly Economic Digest, September 2002

**Figures may differ from those of the CMA due to differences Exchange Rate calculations*

² This is to be finally approved by the Minister of Foreign Trade and incorporated in the executive regulations of the Capital Market law (95 of 1992).

The month of July 2002 witnessed a 48.4% decline in the value of traded securities as compared to June 2002 while their volume increased by 46.4%. This observation indicates a high level of trades of low-priced securities

IV.3 Other Organization Development

*New HC under
the Ministry of
Transportation*

Holding Company for Roads and Bridges with Four Affiliate Companies. President Mobarak is expected to issue a presidential decree to establish a HC for roads and bridges under the supervision of the Ministry of Transportation. Four companies will be affiliated with this HC to include the General Nile Co. for Roads and Bridges, the General Nile Co. for Desert Roads, the General Nile Co. for Construction and Paving, and the General Nile Co. for Establishing Roads.

*New HC under
the Ministry of
Supply and
Internal Trade*

Establishing a Holding Company for the Construction of Grain Silos. The Council of Ministers, under the chairmanship of Prime Minister Atef Ebeid, approved the establishment of a HC affiliated to the Minister of Supply and Internal Trade. The purpose of the HC is to construct 50 metallurgical silos for grain storage with a total cost estimated at LE 1.5 billion of which will be financed in coordination with the Islamic Development Bank, Denmark Development Agency, and the National Investment Bank. The silos will increase the product standard of flour in terms of quality and homogeneity as well as save more than LE 100 million annually from spoilage due to transporting and storing grains in the governorates.

IV.4 Economic Indicators

The Ministry of Foreign Trade recently released its report that indicates the economy is slowing. The real GDP growth reached a four-year low and the unemployment rate a four-year high.

Table 20
Major Economic Indicators per Annum

<i>Economic Indicators</i>	<i>97/98</i>	<i>98/99</i>	<i>99/00</i>	<i>00/01</i>	<i>01/02 *</i>
GDP (LE billion)	278	302	339	362	388
Real GDP (LE billion)**	269	286	300	311	320
Real GDP Growth Rate	4.6	6.3	5.1	3.3	3.1
Unemployment Rate	8.5	8.2	7.9	8.4	9
Average Annual Inflation Rate	3.8	3.8	2.8	2.4	2.4
End of Period Inflation Rate	4.1	2.9	2.5	2.2	2.7
Total External Debt (US\$ million) – period end	28,076	28,224	27,783	26,560	28,667

Source: Ministry of Foreign Trade, Monthly Economic Digest, August 2002

** Projected*

*** Based period for 97/98 is 96/97 and the base period for previous years is 91/92*

*IMF forecasts
a positive
economic
performance*

A delegation of the IMF forecasts a positive economic performance for the current fiscal year (2002/2003) as compared to the previous year. The delegation expects Egypt's growth rate to increase from 3% to 4-4.5%. Inflation is expected to remain at 2.4% - 2.5%, and the source of foreign exchange is anticipated to improve as a result of the increase in commodity exports and petroleum proceeds.

Table 21
Exchange Rate for Major Currencies

<i>(LE/currency units)*</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>Jan-Aug 02</i>
US Dollar	3.418	3.652	4.067	4.630
Pound Sterling	5.521	5.380	5.871	6.853
Euro	3.622	3.274	3.644	4.281

Source: Ministry of Foreign Trade, Monthly Economic Digest, September 2002

** Bid/Ask average*

The official exchange rate of the Egyptian Pound to the US Dollar has stabilized during the first six months of 2002. The unofficial market rate, however, fluctuates between LE 5-5.2 per US Dollar, which varies by 10% from the official rate.

IV.5 Illustrative Public Announcements

This section contains translations of excerpts from public announcements in the press during the reported period. The purpose of this section is to provide a summary of the information being disseminated to the general public relevant to the privatization program.

Strategy for Offering Public Hotels for Sale to an Anchor Investor

A decision has been made to offer Shephard hotel for sale without imposing on the buyer new investments. The latter increases the technical capacity of the hotel and creates new employment opportunities. Experts stated that the government should reconsider its policies for privatizing public sector hotels following the Meridien Hotel example (with the construction of the Nile Tower Hotel) and avoiding Cairo Sheraton Hotel (by transferring the ownership from the public to the private sector managing the Hotel). *Al Abram, August 31st, 2002*

Execution of Al Ahram Beverages Sale to Heineken

The Dutch company Heinenen has offered \$287 million for the purchase of Al Ahram Beverages, which company has a monopoly over the production of alcoholic beverages in the Egyptian market. *Al Alam Al Youm, September 14, 2002*

After two weeks, the stock market witnessed the execution of the transaction for sale of Al Ahram Beverages to Heineken at a total value of \$284.976 million. The sale involved approximately 20 million shares at a price of \$14 per share, representing 98% of total company shares. *Alam El Youm, September 30, 2002*

Warnings that Liquidity Could Fall by LE One Billion

A memorandum prepared by the Alexandria Businessmen's Association has warned that the new amendments made to the USAID Commodity Import Program could result in a reduction of available liquidity for individuals and factories by LE one billion during the current year. *Al Alam El Youm, Sep. 22, 02*

Draft Law to Rectify the Path of the Privatization Program

Following the unsuccessful privatization of Kaha Preserved Goods Company which was reclaimed from the anchor investor following a three year dispute, a number of members of the Peoples Assembly have started the preparation of a draft law entitled "rectifying the path of the Egyptian privatization program", for review by the PA in its new session. *Al Alam Al Youm, August 14, 2002*

How Can We Sell Off Loss Making Companies

Experts have indicated that the best possible methodology for the reform and sale of public enterprise companies is to manage these companies through efficient technical management contracts, and not to run after the investor who provides the highest price. Experts indicated that management should operate with full freedom, removed from government routine, and be accountable for production, as well as a separation of management from ownership thereby realizing one of the most important principles of corporate governance. *AL Abram August 18, 2002*

Do Holding Companies Obstruct the Privatization Program

Holding Companies Chairmen have objected to the contents of the quarterly report April June 2002 issued by the Privatization Support and Coordination Unit affiliated to USAID. Holding Companies' Chairmen indicated that the role of holding companies was necessary and essential in order to follow up on the performance of affiliated companies at the end of the fiscal year with the aim of improving performance and coordinating between companies. *Al Abram, August 29, 2002*

Ebeid: No Privatization of Public Utilities

Prime Minister Atef Ebeid has stated that the government has no intention of privatizing public utilities including water, sanitation, roads, bridges, hospitals, electricity companies, and group transportation means, adding that these utilities would continue to be under state ownership. Ebeid stated that these utilities would witness development of management techniques in an economic manner, which would lead to the ability of these utilities to meet the needs of lower income groups. *Al Wafd, August 4, 2002*

Holding Company Requests the Provision of LE 400 Million to Save the Spinning Industry

The Spinning and Weaving Holding Company has requested the immediate provision of LE 400 million for use in saving problematic companies from collapse. Mohsen Gilani, Chairman of the Spinning and Weaving Holding Company

indicated that a memorandum had been dispatched to the Minister of Public Enterprise Mokhtar Khattab requesting immediate intervention to provide the required amount in order to implement the new restructuring plan approved by the Minister. *Al Alam El Youm September 29, 2002*

In a Challenge to the Capital Market, ASEC Considering the Payment of Helwan Cement Coupons in Installments

ASEC Cement has continued its challenge to the Capital Market Authorities, with an outcome being the potential damage of small shareholders' interests. ASEC is currently studying the settlement of the value of the LE 4 coupon due to shareholders in installments, for the first time ever in the Egyptian Stock Market. The company is seeking to keep the value of the LE 100 million coupons due to shareholders, in order to benefit from the highest possible interest earnings. *Al Wafd, August 19, 2002*

Public Sector and Public Enterprise Sector Absorb One Third of Labor Force Despite Privatization

A study prepared by the National Planning Institute regarding developments in the structure of the Egyptian workforce and unemployment, has indicated that the public sector and the informal private sector absorbed above 75% of total manpower despite privatization and labor reduction procedures. *Al Abram, September 10, 2002*

V ANNEX A

V.1 Definitions

Majority Privatization

The terms used in the following tables for majority privatization are defined as follows:

- **Sales to Anchor Investors** lists companies in which over 51% of shares have been sold to a strategic investor. The table gives the date(s) of sale, amount held by the private sector, the company's ESA, the residual stakes still held by the holding company, and the total value of the sale.
- **Majority Public Offerings/Share Sales** provides details on companies sold through the stock market to the private sector. The remaining Holding Company's share should be less than 50%. The table gives the name of the company, date(s) of sale, amounts sold to the private sector, company's ESA, and the remaining HC share.
- **Majority sales to Employee Shareholding Associations (ESA)/Management buy-out or Employee buy-in/out** lists the companies in which over 51% of the shares were sold to the company's employees and/or management. The table provides the date, value and percentage of sale. The ESA usually has between 5 and 10 years to pay the HC for the company and accumulate board credits.
- **Company Liquidations** lists companies that have incurred losses of

more than 50% of its paid-in capital and the Extraordinary General Assembly has approved to assign and liquidate. Values are not available.

Minority Privatization

A minority privatization to include **Minority Public Offering and Assets Sales** occurs when the transfer of ownership to the private sector is less than 50% of the paid-in capital. In cases where successive minority privatizations and/or asset sales add up to 51% these are noted as a privatization. For example, Ameriya Cement was initially reported as a minority IPO sale but later reclassified as a majority privatization.

A **lease** is considered a privatization activity if the annual payments are equal or greater than its book value and there is an option to buy at the end of the lease agreement.

V.2 Notes to Highlight

- During the fourth quarter 2001, the PEO updated their review of transactions through December 31, 2001. The source of information contained within these tables is from the PEO. Companies whose shares were sold in tranches are reported in the year of the largest or most significant sale. The year in which the sale is recorded is given and tranche sales are shown with parentheses.
- **Arabia United Stevedoring and Bisco Misr** are also reported as Majority IPO however less than 51% of the company is in private sector

hands. The ownership of the ESA and the private sector total to more than 51%.

- **Amoun Shipping Agencies, Abou Simbel Shipping Agencies, Memphis Shipping Agencies, and Egyptian Irrigation** are reported as privatized through ESAs while less than 50% is held by the ESA but over 51% is held by both the ESA and the private sector.
- The buyer of **Abu Zaabal Fertilizers Co.** will lease the company for a period of three years before purchasing the company. The PEO records this transaction as lease with a deferred sale. The contract was signed and the government received collateral to guarantee buyer commitments.
- There are 38 companies shown as being sold as a majority IPO in the following table but less than 51% of the paid-in capital for **United Housing, Abou Kir Fertilizers, and El Nasr Casting** is in private sector.
- Out of the 28-recorded companies sold to anchor investors, **Ramsis Agriculture**, and **Arab for Carpets** were sold to the Egyptian Endowment Fund and **El Nasr Transformers** was sold to a joint venture company owned by a major public sector shareholder.
- **Misr Aluminum Co. – Darphala factory** is reported by the PEO as a long-term lease. During 2002, the Metallurgical Industries HC

terminated the contract due to noncompliance with the agreement terms and conditions – nonpayment of lease payments from the lessee.

- **Alexandria for Cooling** will be liquidated rather than sold to an anchor investor. This company was reclassified during 2002.

V.3 Other Notes

- Values are rounded to the nearest million and (totals) may include rounding errors.
- The biggest sale value and percentage is reported in the years without brackets and other years indicate minor sale percentage.
- The date given in the approval column identifies when a company's general assembly approved the change to Law 159.
- When percentages do not add to 100%, the information has not been provided.

V.4 Statistical Achievements

The information in the figures below provides detailed statistics on privatization achievements.

The PEO is currently updating the status of companies privatized with respect to their transfer to law 159.

Figure 1
Majority Privatization: Sales to Anchor Investors

	Name of Company	Date of Contract	Private Sector	ESA	Remaining HC Share	Total Sale Value (LE millions)	Approval to Law 159
1	Pepsi Cola	11/4/1994	90.00%	10.00%	0.00%	131	16-12-94
2	CocaCola	20-04-94	90.00%	10.00%	0.00%	286	16-12-94
3	El Nasr Boilers	27-09-94	100.00%	0.00%	0.00%	16	6-12-1994
4	El Nasr Transformers (Elmaco)	25-02-96	90.00%	0.00%	10.00%	115	13-07-96
5	Al Nasr Utilities	10/11/1996	90.00%	0.00%	10.00%	40	30-06-97
		(4-08-99)	10.00%	-	0.00%		
6	Al Ahram Beverages	13-11-96	90.00%	10.00%	0.00%	298	18-02-97
7	Misr Mechanical and Electrical Projects (Kahromica)	19-06-97 (26-08-97)	61.00%	10.00%	29.00%	103	18-09-97
8	Modern Textiles (Bolivara)	30-06-97	100.00%	0.00%	0.00%	33	N/A
9	Delta Industries (Ideal)	Dec-97	90.00%	10.00%	0.00%	311	5-1-1998
10	Kaha for Preserved foods	Aug-98	90.00%	10.00%	0.00%	154	Feb-01
11	El Wadi for Exporting Agricultural Products	17-11-98	68.00%	27.00%	5.00%	122	18-12-98
12	Nobareya for Seeds Production - Nobaseed	24-02-99	100.00%	0.00%	0.00%	103	20-04-99
13	Gianaclis	4/3/1999	100.00%	0.00%	0.00%	32	N/A
14	Beni Suef Cement	5/7/1999	76.00%	5.00%	19.00%	427	29-08-99
		(2-02-00)	19.00%	-	0.00%	100	
15	Delta Sand Bricks	5/7/1999	90.00%	10.00%	0.00%	62	25-09-99
16	Arabia Foreign Trade	Aug-99	90.00%	10.00%	0.00%	15	27-04-00
17	Assiut Cement	Nov-99	77.00%	10.00%	13.00%	1,197	1-11-1999
		(Jun-00)	13.00%	-	0.00%	183	
18	Alexandria Cement	30-11-99	90.00%	10.00%	0.00%	670	Feb-00
19	Industrial Gases	22-12-99	90.00%	10.00%	0.00%	60	Feb-00
20	Telephone Equipment	Dec-99	80.00%	10.00%	10.00%	100	12-2-2000
		14-02-02	10.00%	-	0.00%	11.4	
21	Torah Portland Cement	(9-12-94)					
		(5-05-95)	76.40%	5.00%	18.60%	1,226	Mar-00
		26-01-00					
22	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
23	Ramsis Agriculture	30-01-00	100%	-	-	161	See Notes
24	Egyptian Engineering & Equipment (MICAR)	Jun-00	90.00%	10.00%	0.00%	25	15-07-00
25	Alexandria Confectionary	Aug-00	90.00%	0.00%	10.00%	28	See Notes
26	Egyptian Gypsum	8/2/2001	90.00%	0.00%	10.00%	83	See Notes
27	Arab for Carpets	5/7/2001	100%	-	-	50.1	See Notes
28	Abou Zaabal Fertilizer	23-11-01	0.00%	0.00%	100%	182.8	See Notes
Total						6,946	

Source: PEO

* Total sale is recorded as majority IPO

Figure 2
Majority Privatization: Majority Public Offering

	Name of Company	Date of Sales	Private Sector	ESA	Remaining HC Share	Total Sale Value (LE Millions)	Approval to Law 159
1	United Arab for Spinning & Weaving	(1994) 1998	60.40%	6.90%	32.70%	225.7	5-5-1997
2	Ameriyah Cement	(1994) 1998	61.00%	10.00%	0.00%	768.2	1-10-1998
3	Alex. For Spinning & Weaving	(1995) 1998	94.60%	5.40%	0.00%	82.4	5-3-1998
4	Egyptian Electrical Cables	(1995) 1997	95.00%	5.00%	0.00%	320.8	8-12-1997
5	Extracted Oils	30-03-95	42.53%	8.54%	48.93%	85	26-04-98
6	Paints & Chemicals (Pachin)	(1995) 1997	53.75%	8.00%	38.25%	835.8	3-10-1997
7	Helwan Portland Cement	(9-11-95)	47.20%	5.00%	47.80%	516	4-1-1997
		12/3/1996					
		(6-09-01)	47.80%	-	0.00%	661.2	
8	United Housing (& Construction)	12/2/1996	3.11%	7.00%	0.00%	5	21-05-96
9	Abou Kir Fertilizers	May-96	2.80%	0.00%	0.00%	20	See Notes
10	Medinet Nasr Housing / Construction	13-05-96	64.94%	10.00%	25.06%	189.6	30-06-96
11	Egyptian Financial & Industrial Co	26-05-96	64.70%	10.00%	25.30%	70	30-06-96
12	Egyptian Starch & Glucose	18-06-96	51.03%	10.00%	38.97%	67.6	10-9-1996
13	Middle & West Delta Mills	30-06-96	51.00%	10.00%	39.00%	177.1	30-10-96
14	Nile Matches (and Prefabricated Houses)	Sep-96	55.67%	8.90%	35.43%	33.9	28-09-96
15	Kafr El Zayat for Insecticides	Sep-96	70.00%	5.00%	25.00%	59.5	28-09-96
		(Feb-01)	25.00%	-	0.00%		
16	Misr Oil & Soap	7/8/1996	50.92%	10.00%	39.08%	73.2	17-09-96
17	Arabia Cotton Ginning	Sep-96	90.00%	10.00%	0.00%	87.1	21-12-96
18	Telemisr	9/1/1996 (03-1999)	90.00%	10.00%	0.00%	59.1	25-11-96
19	Upper Egypt Flour Mills	4/11/1996	51.00%	10.00%	39.00%	165.3	4-11-1996
20	East Delta Mills	18-11-96	51.00%	10.00%	39.00%	109.9	18-11-96
21	Nile Cotton Ginning	Jan-97	90.00%	10.00%		294.8	27-07-97
22	Misr for Free Shops	2/2/1997	87.40%	10.00%	2.60%	132.7	21-05-97
23	Cairo Housing (& Construction)	24-03-97	69.38%	10.00%	0.00%	117.8	29-04-97
24	Development & Engineering Consulting	30-04-97	88.00%	10.00%	0.00%	104.4	21-05-97
25	Nobareya Agricultural Eng.	14-05-97	79.38%	20.00%	0.62%	26.9	21-06-97
26	KABO	11/6/1997	63.00%	0.00%	7.00%	196.9	18-05-96
27	Middle East Co. for Paper SIMO	22-06-97	75.00%	0.00%	25.00%	54.8	19-08-97
28	Upper Egypt Contracting	6/5/1997 (4-07-98)	75.00%	10.00%	15.00%	15	29-06-97
29	Nasr Dehydrated Agricultural Products	11/8/1997	90.00%	10.00%	0.00%	23.6	14-12-96
30	El Giza Contracting	15-09-97	70.00%	10.00%	20.00%	33.2	16-11-97
31	Industrial & Engineering Projects	29-10-97	80.00%	10.00%	10.00%	299.1	30-12-97
32	El Nasr Casting	Dec-97	0.00%	32.50%	0.00%	47.5	24-11-97
33	Mahmoudia Contracting	17-01-98	69.75%	10.00%	20.25%	54.4	15-02-98
34	El Shams Housing	Oct-98	50.46%	5.00%	44.54%	30.8	13-10-98
35	El Nasr Civil Works	24-05-98	70.67%	10.00%	19.33%	104.6	30-06-98
36	Arabia & United Stevedoring	5/16/1998	29.50%	21.95%	49.00%	16.6	11-1-1999
		11/8/1998					
37	Bisco Misr (Second Tranch for ESA)	(Jun-00)	45.69%	9.30%	45.01%	88.7	Oct-98
		5/26/1998	-	8%	37.01%		
38	Cairo Co. for Oil & Soap	Jul-00	61%	0.00%	39.00%	33	See Notes
Total						6,287	

Source: PEO

Figure 3
Majority Privatization: Majority Sales to ESAs

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

Source: PEO

Figure 4
Majority Privatization: Liquidations

	Name of Company	Date	Liquidator
1	Upper Egypt Agricultural*	17-04-90	Ahmed Serrafy
2	West Nobareya Agricultural*	10-11-1991	Ahmed Abu Hadab
3	Middle Delta Agricultural*	10-11-1991	Farouk Omar
4	Al Nahda Agricultural*	26-11-91	Mahfouz Boutros
5	El Nile for Corps Export*	7-1-1992	Youssef Al Hayatmi
6	Cairo for Building & Prefab Houses	15-06-93	Mohamed Shoukri
7	South Tahrir Agricultural*	28-02-94	Mahfouz Boutros
8	Faraskor for Wood	7-5-1994	Mohamed Mounir - Abdel Aziz Hareedi
9	General for Foundations	23-02-95	Abdel Halim Abdel Fattah
10	General for Contracting & Sanitary Works	23-02-95	Abdel Moneim Akl
11	High Dam for Civil Works*	18-03-96	Moustafa Nour
12	Canaltext	26-08-97	Badr El Dakar
13	Pre-Fabricated Houses	5-11-1997	Saad Salem
14	General for Batteries	1997	Mohamed Rashid
15	Cairo for Silk Textiles	1-7-1998	Wageeh Rady
16	Industrial Fittings & Services	13-07-98	Yousry Yousry
17	Graphite & Stationary Co.	15-09-98	Ali Waly
18	General for Metallurgical Wealth	28-09-98	Mohamed Shalakany
19	Maryout Agriculture	17-10-98	Abdel Bary Abdel Bary
20	Egyptian for Leather Tanning	25-11-98	Hosny Mowafy
21	Sand Bricks	6-2-1999	Fekry Fashara
22	Egyptian General Agriculture Co.	11-9-1999	Hamed Abu Ghaleb
23	General Co. for Production & Agricultural Services	11-9-1999	Essam Zerd
24	Egyptian Co. for Meat Production and Dairy	23-09-99	Fardous Badran
25	North Tahrir Agricultural Co.	25-09-99	Mohamed Borhan
26	Egyptian Gypsum Quarry & Marble - Gemco	14-10-99	Sarwat Abdullah
27	Al Nasr Refractories - Sornaga	29-12-99	Mr. Ali El Din Mohamed Badra
28	General Co. for Engineering Works	8-5-2000	Samir Kenaway
29	Egyptian Refractories	13-02-00	Osama Mahmoud
30	United Poultry Production	24-06-00	Hamed Abu Ghaleb
31	Egyptian Electrical Equipment (Shaher)	Jan-01	Eng. Nagwa Fakher
32	Egyptian Company for Metal Trade (Segal)	Jan-01	Maher Abdullah
33	Alexandria for Cooling	13-8-2002	Ahmed Ibrahim Ismail

Source: PEO

* Liquidation Complete

Figure 5
Privatization Achievements: Minority Public Offerings

	Name of Company	Date of Contract	Private Sector	ESA	Remaining HC Share	Total Sale Value (LE Millions)
1	Arab Bureau for Design	24-Jul-94	5.00%	40.00%	55.00%	4
2	Misr for Chemicals	Jan-95	51.10%	0.00%	48.90%	65.4
3	North Cairo Mills	29-May-95	33.42%	8.25%	58.32%	135.9
4	Eastern Tobacco	22-Jun-95	28.70%	5.00%	66.30%	549
		(06-03-1997)				
5	Heliopolis Housing	15-Aug-95	10.47%	9.53%	72.86%	134.7
		14-Dec-96	7.14%			
6	Alexandria Pharmaceuticals & Chemicals	1995 (1996)	30.00%	10.00%	60.00%	51.7
7	Nile Pharmaceuticals	1995 (1998)	23.30%	10.00%	66.70%	54.6
8	Middle Egypt Mills	10-Apr-96	30.07%	10.00%	59.93%	32.3
9	South Cairo Mills	26-May-96	30.00%	10.00%	60.00%	29.8
10	Memphis Pharmaceuticals	Sep-96	30.00%	10.00%	60.00%	47.5
11	Arab Pharmaceuticals	Sep-96	30.00%	10.00%	60.00%	18.2
12	General for Silos	28-Oct-96	30.00%	10.00%	60.00%	148.2
13	Cairo Pharmaceuticals	Nov-96	30.00%	10.00%	60.00%	61.9
14	Alexandria Mills	29-Jun-97	30.00%	10.00%	60.00%	125.1
15	Misr Aluminum	1997	8.00%	0.0%	92.00%	221
16	Mokhtar Ibrahim	24-Jun-98	3.45%	10.00%	86.55%	75.6
Total						1,755

Source: PEO

Figure 6
Privatization Achievements: Production Assets Sold

	Sold Assets Statement	Owner	Date of Selling/ Contracting	Value (LE millions)
1	Cairo Sheraton	EGOTH	14-Nov-96	350
2	Al Borg Hotel	Egyptian Hotels	6-Nov-97	6
3	San Stepheno Hotel: Lands and Premises	Egyptian Hotels	Aug-98	271
4	Siklam Factory	N/A	27-Aug-98	19.5
5	Distillation Factory	Egyptian Koroum	8-Oct-98	26
6	Plastic Factory in Kabari	National Plastics	22-Jun-99	2.53
7	Kowar Grinding Balls Factory	Delta for Steel	Aug-99	28
8	Production Line for Yoghurt & Ice Cream	Plastic Factory - Victorya	24-Nov-99	0.6
9	Basatin Factory	Sabi Company	30-Nov-99	14
10	Tinning Factory in Ghamara	Cairo Metal Products	22-Jan-00	0.6
11	Nile Hotel	N/A	Feb-00	49
12	Agriculture Dehydration factory	Gianaclis	Jun-00	3.7
13	Oil and Olive Production	Gianaclis	Jun-00	0.5
14	Barrel Factory	Alex Metal Products	Jul-00	11
15	Home Appliances Factory	Neeasae Company	Dec-00	19.3
16	Nozha Factory	Alex Metal Products	Jan-01	25
17	Factory for Steel Enamel Sheets	Cairo Metal Products	Jan-01	2.65
18	Nadler Factory	Alex Confectionary	30-Jan-01	10.5
19	Medical Ampoules Factory	El Nasr Glass and Crystal	2002	20
20	Shobra Armenian Factory	Cairo Metal Products	2002	8.5
21	Sabi Location at Mostorod (land & production facility)	Sabi Company	2002	23
Total				891

Source: PEO

Figure 7
Privatization Achievements: Multiyear Leases

	Name of Leased Assets	Company Name	Date of Contract	Annual Lease in LE (unless otherwise stated)	Duration (years)	Total in LE Million (unless otherwise stated)	Management Company *
1	Aga Factory	El-Dakahlia for Spinning & Weaving	5-Aug-97	1, 560,000	5	7.8	N/A
2	New Weaving Factory Mostorod-Kalyobia	Industrial Shops for Silk & Cotton (Esco)	15-Oct-97	\$750,000 +3% net FOB for raw material	10		N/A
3	First Group: Miami(Cairo)-Al Chark (Cairo)-Radio(Alex)-El Horeya(Alex)-Misr(Port-Said)		20-Mar-99	2,200,000	20	44	N/A
4	Second Group: Begal (Cairo)-Roxy (Cairo)-Winter Rio (Alex)-Summer Rio (Alex)-Opera (Sohag)	Misr Company for Distribution & Cinema Show Rooms	20-Mar-99	2,600,000	20	52	N/A
5	Third Group: Diana (Cairo)-Winter Normandy (Cairo)-Ferial (Alex)-Al Ahli (Damanhour)-Rashid (Rashid)		20-Mar-99	2,500,000	20	50	N/A
6	Menia El Kamh Factory	El Sharkeya for Spinning & Weaving	1-Jul-99	9,000,000	5	45	Islamic Company for Plastic & Weaving
7	String Dye Factory		Sep-99	336,000	5	1.68	Mr. Said Ramzy Hanna
8	Fibers Factory	Cairo Dying & Preparation	Oct-99	1,600,000	5	8	Mr. Sabry Ishak Missiha and Mr. Emad Sabry Ishak
9	Galal Studios		2-Jan-00	379,000	20	7.58	Studio 13 Co. for Artistic Production & Distribution
10	El Ahram Studios		Feb-00	2,100,000	20	42	Egyptian Co. for Media Production City
11	Misr Studios	Misr Studios and Cinema Production	Feb-00	2,250,000	20	45	El-Exeer for Technical Services
12	Cinema City Studios		Feb-00	5,400,000	20	108	Egyptian Co. for Media Production City
13	2 Floating Hotels Anni & Hotob		9-Mar-00	\$1,200,000	5	\$6M	N/A
14							
15	2 Floating Hotels Isis & Osiris	Egyptian For Tourism & Hotels	19-Apr-00	\$672.00	5	\$3.3M	N/A
16							
17	2 Floating Hotels Tut & Aton		3-May-99	\$1,000,000	5	\$5M	N/A
18							
19	Gypsum Factory—Sadat	GYMCO	19-Feb-01	2,000,000	4	8M	N/A

Source: PEO

* Holding Companies reported data

V.5 Remaining Law 203 Portfolio

Figure 8
Employment & Financial Data by Affiliated Law 203 Company

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
Chemical Industries HC										
1	Al Mansoura for Resins	272	278	2.37	2.50	21,719	15,821	2,074	(4,242)	18
2	Al Nasr Fertilizers	1,841	1,845	25.21	27.10	86,116	90,645	5,721	4,455	215,835
3	Al Nasr Leather Tanning	667	710	4.10	4.60	13,082	19,135	202	(10,818)	40,059
4	Al Nasr Salines	1,653	1,802	31.12	29.10	119,935	115,543	13,471	10,296	399,171
5	Alexandria Sodium Carbonate	2,022	-	-	-	21,488	-	-	NA	328,508
6	Chemical Industries - Kima	2,193	2,214	25.26	24.20	108,563	97,629	17,934	16,096	0
7	Delta Fertilizer	4,562	5,098	77.54	60.50	324,177	273,974	43,571	19,918	110,857
8	Dyestuffs	929	943	10.21	9.60	26,558	24,706	(10,940)	(6,948)	60,592
9	Eastern Tobacco	12,163	12,943	182.11	168.90	2,444,286	2,266,088	277,810	266,067	0
10	Egyptian Shoes - Bata	2,086	2,095	10.02	5.80	13,053	11,156	96	(8,609)	75,569
11	General for Trade & Chemicals	402	421	3.91	4.80	51,544	97,208	(4,501)	2,240	0
12	Misr Chemical Industries	1,105	3194	12.37	30.20	86,415	77,698	10,777	9,142	239,209
13	Moharam Press	1,454	978	16.52	8.20	87,343	47,260	1,554	511	19,335
14	National Cement - Kawmia	3,732	3,834	68.67	49.10	501,257	558,857	78,659	(49,560)	668,397
15	National Paper Company	1,232	1,257	10.96	12.40	64,028	61,025	261	260	32,722
16	National Plastic Company	1,208	1,225	8.57	8.30	30,253	33,414	(10,416)	(5,533)	78,818
17	Paper Manufacturing - RAKTA	2,070	1,624	20.85	17.40	131,295	17,560	11,821	7,857	0
18	Paper Manufacturing - VERTA	717	1,110	7.58	11.20	43,673	58,935	(439)	(10,787)	43,938
19	Sinai Magnesium	494	546	6.63	7.00	65,356	27,836	(3,884)	(73,312)	193,477
20	Tanta Flax	1,126	1,163	8.19	7.80	27,168	31,463	3,944	1,810	89,865
	TOTAL*	41,928	43,280	532.20	488.7	4,267,309	3,925,953	437,715	168,843	2,596,370

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
Construction HC										
21	Alex Contracting	341	358	2.91	3.00	34,607	36,770	339	1,806	3,089
22	Arab Foundations (Vibro)	1,349	1,444	7.91	7.90	71,570	61,224	4,526	6,300	21,596
23	Arab General Contracting	409	479	3.15	3.20	18,663	46,412	416	4,323	858
24	Atlas General Contracting	1,359	1,542	8.31	9.60	78,402	71,168	396	2,205	124,662
25	Cairo General Contracting	1,116	1,158	6.57	4.60	42,719	50,401	441	2,217	9,989
26	Egyco	1,843	2,155	26.65	25.70	297,008	294,912	3,999	4,502	122,549
27	Egyptian Contracting (El Abd)	1,337	1,550	16.13	20.40	185,731	285,422	2,623	10,931	38,470
28	Egyptian General for Building	265	276	3.30	3.80	56,649	53,901	4,633	5,405	879
29	El Wady El Gedid Contracting	425	480	3.37	3.00	23,665	41,604	106	2,165	7,491
30	General Construction Company - Roulan	486	520	3.60	3.10	45,361	55,521	463	1,354	10,752
31	General Electric Projects - Elelect	3,987	3,111	28.82	32.40	137,340	195,050	3,140	7,030	49,877
32	Hassan Allam Contracting	7,888	8,164	78.88	85.60	971,540	953,999	67,439	95,769	567,270
33	Heliopolis (Misr El Gedida) Housing & Development	1,289	1,139	12.46	12.50	125,128	161,089	54,467	50,730	56,574
34	High Dam electrical Projects	3,292	1,980	26.01	21.30	153,881	187,340	3,325	7,170	45,103
35	Maadi Housing	602	618	8.48	9.90	79,115	109,323	30,424	34,358	167,654
36	Misr for Concrete	3,835	4,348	36.44	41.70	142,950	230,809	864	5,187	174,013
37	Mokhtar Ibrahim Contracting	10,168	6,291	99.72	45.90	802,413	756,675	29,873	56,531	313,692
38	Nile Concrete Development - SPEECO	1,046	1,003	6.83	7.70	60,059	85,195	596	2,668	68,999
39	Nile General Contracting	394	451	2.60	2.90	24,625	35,773	1,125	3,707	391
40	Red Sea Contracting	306	329	3.08	2.90	33,118	19,352	1,150	337	0
	TOTAL*	41,737	37,396	385.22	347.1	3,384,544	3,731,940	210,345	304,695	1,783,908
Engineering Industries HC										
41	Al Nasr Automotive	5,619	7,622	77.45	101.40	307,840	344,822	(58,372)	(99,971)	437,581

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
42	Al Nasr Cooling-KOLDAIR	576	571	5.77	5.60	10,678	13,660	(4,241)	(7,496)	14,320
43	Al Nasr Electrical Apparatus (NEEASA)	576	2,414	5.77	21.50	10,388	56,483	(4,278)	(23,687)	14,333
44	Al Nasr Forging	1,065	1,127	12.15	8.90	20,627	17,642	(9,048)	(10,119)	39,778
45	Al Nasr Rubber - Naroubin	862	858	8.30	8.10	10,600	16,349	(3,459)	(6,602)	16,003
46	Al Nasr Television	817	890	7.16	8.90	11,027	20,778	(26,393)	(37,287)	102,875
47	Alexandria for Metal Products	98	106	1.67	0.96	3,265	21,253	(4,478)	2,141	974
48	Cairo Metal Products	780	829	5.80	6.60	14,515	21,722	469	450	27,318
49	Egyptian Copper Factories	2,621	2602	24.22	23.40	150,373	241,700	(44,393)	(58,900)	232,973
50	Egyptian Light Transport Industry	685	633	11.36	7.50	23,164	29,636	(33,484)	(52,552)	204,269
51	Egyptian Pipes - SIEGWART	3,483	3,590	24.55	24.00	51,203	66,566	0	3,349	131,255
52	Engineering Car Industry	1,544	-	23.58	NA	260,699	-	6,762	NA	4,467
53	Nile General Engineering	695	720	4.51	3.20	7,181	8,799	(11,336)	(6,188)	11,331
54	Precision Industries - SABI	151	163	1.71	2.80	3,649	7,054	549	452	938
55	Tractors & Engineering	784	701	4.92	3.90	40,882	60,274	(8,849)	(8,664)	74,021
56	Transport & Engineering	3,637	3458	37.91	37.90	188,255	194,095	0	(12,015)	493,227
57	Transportation Facilities Industry	387	285	4.62	4.70	15,606	16,084	306	208	15,606
	TOTAL*	24,380	26,569	261.44	269	1,129,952	1,136,917	(200,245)	(316,881)	1,821,269
	Food Industries HC									
58	Al Ahram Consumption Outlets	1,579	NA	9.42	NA	87,765	43,312	(537)	(3,602)	2,911
59	Alex Consumption Outlets	1,396	NA	11.52	NA	104,760	83,281	(3,766)	(6,356)	2,030
60	Alex Oil and Soap	3,582	3,700	19.26	21.50	307,605	349,543	9,261	9,259	96,839
61	Alexandria Flour Mills	3,419	3,405	22.75	18.60	308,649	379,934	979	7,178	92,791
62	Edfina For Preserved Food	995	962	9.53	7.80	58,948	68,306	6,366	3,009	7,243
63	Egypt Meat, Poultry and Supplies	886	NA	6.99	NA	93,191	132,500	(5,423)	(6,710)	16,405

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
64	Egyptian for Fish Marketing	1,650	NA	12.43	NA	38,967	46,213	(11,991)	(13,425)	17,409
65	Egyptian Starch & Glucose	1,467	1,530	11.24	10.70	62,985	70,055	12,523	12,493	0
66	Egyptian Wholesale trade	2,541	NA	26.84	NA	632,067	485,900	712	(3,533)	0
67	General Greater Cairo Bakeries	3,716	4,583	32.23	26.00	120,658	102,653	24,453	(2,200)	50,782
68	General Silos and Storage	3,716	4,041	32.23	33.00	120,658	0	24,453	24,270	122,706
69	General For Trade & Wholesale	3,498	NA	35.01	NA	792,682	549,590	(277)	(18,604)	0
70	Middle Egypt Flour Mills	4,684	4,908	38.63	NA	514,340	507,562	29,026	26,891	49,108
71	Misr Dairy Products	1,232	1,098	8.99	3.40	47,933	57,315	558	428	39,225
72	Nile Consumption Outlets	2,271	NA	15.57	NA	99,642	79,245	(8,524)	(12,698)	26,159
73	Nile Oil and Detergents	2,960	3,013	27.66	24.20	292,752	331,602	21,484	19,631	27,268
74	North Cairo Flour Mills	4,845	4,966	40.05	34.30	508,150	552,985	26,086	47,858	3,278
75	Packing and Distribution Co - SHIMTO	77	109	0.86	0.95	6,507	15,854	4,456	4,338	15,204
76	Rice Marketing Co.	608	569	4.63	3.60	45,908	53,178	2,897	5,027	935
77	Salt & Soda Co.	2,933	3,021	21.08	22.20	229,198	249,320	18,351	17,030	3,005
78	South Cairo Flour Mills	3,588	3,767	22.64	NA	296,886	286,537	10,306	13,809	54,618
79	Sugar and Integrated industries	20,348	20,677	216.65	203.80	1,840,854	2,005,115	102,158	106,157	1,108,249
80	Tanta Oil And Soap	3,911	3,853	22.76	22.90	253,315	277,366	10,027	10,000	40,778
	TOTAL*	75,902	64,202	648.96	433.0	6,864,420	6,727,366	273,578	240,250	1,776,943
	Housing, Tourism & Cinema HC									
81	Al Maamoura Housing & Urbanization	652	682	12.06	10.20	99,350	110,027	36,277	30,986	0
82	Al Nasr Housing	603	611	8.91	8.60	75,242	63,208	18,205	26,858	8,258
83	Delta General Contracting	343	389	5.42	4.60	88,608	81,339	11,292	11,148	524
84	EGOTH	1,853	2,497	31.36	28.80	223,800	219,093	175,338	167,227	17,187
85	Gomhureya Contracting	383	438	4.81	4.30	60,908	68,730	16,324	16,188	1,564

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
86	Misr Distribution and Movie Production	1,059	1,140	5.53	7.70	20,895	NA	9,894	6,420	974
87	Misr for Sound And Light	379	368	5.28	3.80	28,680	28,823	12,897	12,883	729
88	Misr Hotels	90	92	2.18	1.90	53,106	50,610	37,068	35,399	10,969
89	Misr Travel	1,967	2,191	28.81	24.90	313,094	276,032	17,331	16,392	0
	TOTAL*	7,329	8,408	104.36	94.8	963,683	897,862	334,626	323,501	40,205
	Maritime and Inland Transport HC									
90	Alex Containers Handling	2,113	2,078	30.96	28.40	201,037	217,428	100,362	96,600	30,934
91	Alex Shipyards	NA	2,850	30.35	32.70	30,594	41,136	(13,275)	(25,712)	0
92	Canal Shipping Agencies	1,547	1,600	20.32	421.00	70,449	93,760	52,634	56,100	0
93	Damietta Containers Handling	1,103	1,005	13.01	11.30	114,625	90,812	43,252	33,200	0
94	East Delta Bus	5,522	5,538	41.59	40.30	153,463	146,565	18,915	23,831	0
95	Egyptian General Warehouses	1,103	1,677	18.19	4.00	73,243	97,878	15,586	21,192	255
96	Egyptian Navigation	1,374	1,111	22.41	26.50	146,448	154,464	(14,323)	(17,083)	6,437
97	Egyptian Shipbuilding and Repairs	1,035	1,075	7.57	8.50	14,340	19,101	(2,273)	(1,100)	0
98	Middle Delta	2,785	2,992	20.12	20.30	56,453	60,660	1,611	1,962	842
99	Nile Car Repair	620	638	3.20	3.80	31,675	52,736	375	1,192	2,537
100	Port Said Containers Handling	2,502	2,594	45.32	42.00	146,019	132,873	42,989	42,300	0
101	Upper Egypt Bus	5,460	5,508	45.73	41.60	139,161	125,658	6,691	11,301	852
102	West Delta Bus	2,500	2,235	20.74	19.60	71,817	67,704	3,958	4,097	0
	TOTAL*	27,664	30,901	319.49	700.0	1,249,324	1,300,775	256,502	247,880	41,857
	Metallurgical Industries HC									
103	Alexandria Refractories	558	437	7.99	8.40	68,712	21,305	4,001	3,349	996
104	Al Nasr Mining	1,396	1,802	19.17	29.10	108,917		12,065	-	296,615

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
105	Al Nasr for Coke	4,289	4,821	102.45	102.60	615,779	524,121	16,183	28,252	456,244
106	Al Nasr Glass & Crystal	2,173	2,292	21.49	20.00	96,696	91,256	24	0	27,352
107	Al Nasr Refractory and Ceramic - Sornaga	107	94	0.99	0.30	7,486	3,007	1,005	402	185
108	Al Nasr Steel Pipes	2,546	2,611	35.02	32.80	127,115	127,883	(35,458)	550	114,108
109	Delta Steel	2,384	2,416	23.80	22.70	103,603	103,774	(18,012)	936	266,018
110	Egyptian Ferroalloys	1,468	1,455	13.97	14.00	84,872	93,429	1,218	1,758	13,160
111	Egyptian General for Irrigation Workshops (Tersana)	475	NA	4.95	NA	15,490	9,415	(9,559)	(3,980)	49
112	Egyptian Iron and Steel	16,113	19,858	309.00	370.70	883,687	935,980	40	57	3,266,645
113	Egyptian Metal Construction - Metalco	4,158	4,165	29.79	25.10	62,880	68,733	10	50	119,348
114	General Metals Company	1,276	1,251	12.15	11.80	130,240	134,448	177	594	87,437
115	Misr Aluminum	10,341	9,578	155.00	137.20	1,482,951	1,303,172	115,453	76,404	1,485,004
116	Porcelaine & Tableware-SHINI	1,100	1,130	9.15	9.20	34,040	34,493	1,478	4,051	92,869
117	Railway Wagons Co. - SEMAF	1,716	1,974	16.80	5.30	38,243	143,354	8,283	10,165	188,807
118	River Transport Co.	1,612	1,721	9.57	9.60	21,592	18,315	0	94	9,626
	TOTAL*	51,712	55,605	771.28	798.8	3,882,303	3,612,685	96,908	122,682	6,424,463
	Pharmaceutical Industries HC									
119	Al Nasr Chemical	2,908	3,139	35.55	33.70	190,743	134,703	25,273	10,516	158,695
120	Alexandria Pharmaceuticals & Chemicals	1,392	1,480	18.54	18.50	167,021	168,953	34,863	34,362	0
121	Arab Pharmaceuticals & Chemicals (ADCO)	1,258	1,542	7.04	14.20	131,148	119,288	15,767	13,807	8,419
122	Cairo Pharmaceuticals & Chemicals	2,476	2,619	31.89	32.10	167,311	168,018	33,519	30,957	17,798
123	Chemical Industries Development (CID)	2,284	2,234	31.53	32.70	197,056	196,508	37,390	33,571	15,418
124	Egyptian Pharmaceutical Trading	3,500	3,991	48.49	49.40	1,470,312	1,402,522	67,556	73,042	0
125	El Gomhureya Pharmaceuticals	1,527	1,592	19.69	20.70	497,370	418,519	59,357	49,863	107,188
126	Memphis Pharmaceuticals & Chemicals	1,495	1,523	18.76	6.40	132,133	129,924	28,242	27,378	7,198

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
127	Misr Pharmaceutical Industries	1,593	1,666	20.58	19.60	100,507	81,405	9,673	7,560	8,477
128	Nile Pharmaceuticals	2,434	2,300	35.15	31.10	239,442	221,637	34,141	35,334	16,918
129	Pharmaceutical Packaging Co.	733	523	18.08	6.70	33,865	28,144	2,578	2,059	54,546
	TOTAL*	21,600	22,609	285.29	265	3,326,908	3,069,621	348,359	318,449	394,657
	Cotton, Spinning and Weaving HC									
130	Al Nasr Spinning, Weaving & Dyeing (MAHALA)	6,218	6,517	45.10	44.20	70,313	84,394	(75,246)	(58,744)	390,006
131	Al Nasr Wool & Selected Textiles - STIA	4,940	5014	43.80	35.20	119,304	127,666	(15,946)	(32,206)	80,726
132	Egyptian for Wool-Wooltex	4,131	4,492	33.24	30.90	6,563	14,830	(90,674)	(77,878)	425,760
133	Alexandria Commercial (Trading) Co.	528	545	8.64	9.30	159,057	232,004	6,197	20,030	614,584
134	Cairo Cotton	447	484	10.36	1.50	146,230	140,821	7,958	12,108	368,745
135	Cairo Dyeing & Finishing	634	618	3.54	3.20	0	492	(4,558)	3,247	9,253
136	Cotton Trade & Export Co.	526	573	10.37	11.30	150,160	172,136	8,964	12,832	109,432
137	Dakahleya Spinning	3,440	3,758	23.64	22.90	55,950	77,189	(56,777)	(38,766)	271,105
138	Damietta Spinning & Weaving	3,966	4,144	26.15	25.30	70,627	69,286	(69,457)	(55,244)	294,875
139	Delta Cotton Ginning	742	784	9.45	10.20	72,202	67,292	6,339	6,186	21,462
140	Delta Spinning & Weaving	5,032	5,115	28.90	27.20	97,212	108,297	(38,572)	16,932	147,816
141	Egyptian Cotton Pressing	766	766	8.80	8.80	22,467	30,808	13,852	19,499	0
142	El Mahmudeya Spinning	1,279	1,343	8.58	7.60	8,084	6,517	(5,927)	(7,691)	
143	El Seyouf Spinning & Weaving	4,758	5,050	30.85	30.30	30,536	49,597	(74,211)	(68,042)	294,685
144	El Wady Cotton Ginning	1,024	683	7.49	1.60	36,935	43,200	4,073	4,200	11,073
145	General for Jute products	1,957	2,205	12.43	15.70	6,838	18,335	(9,995)	(11,425)	61,975
146	Industrial Establishment for Rayon & Cotton (ESCO)	3,807	4,086	20.04	29.00	1,806	800	(84,421)	(89,838)	287,699
147	Kom Hamada spinning	2,078	2,134	13.03	1.10	19,536	15,030	(8,795)	(10,504)	139
148	Menya El Kamh Spinning	1,500	1,393	NA	7.20	69	(1,287)	(18,823)	(7,587)	100,234

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
149	Middle Egypt Spinning & weaving	2,640	2,735	15.72	20.20	10,292	18,158	(69,158)	(71,728)	347,514
150	Misr Beida Dyers	4,625	5,062	32.29	35.00	35,741	46,479	(62,905)	61,498	234,113
151	Misr Cotton Ginning	947	1,064	10.08	10.30	33,755	29,414	4,040	3,147	28,925
152	Misr Fine Spinning - Kafr El Dawar	15,203	16,627	103.82	103.30	140,398	132,013	(252,780)	(257,462)	1,027,916
153	Misr For Cotton Export	501	536	10.95	9.90	146,936	237,023	10,923	16,694	24,272
154	Misr for Rayon - silk	5,684	7,459	45.11	56.70	30,939	44,664	(142,851)	(74,123)	674,157
155	Misr for Textile Equipment	548	578	4.50	5.60	14,054	16,836	(4,802)	(4,325)	33,569
156	Meet Ghamr Spinning (newly split)	2,350	2,393	27.44	16.70	61,753	NA	(48,909)	(24,634)	31,117
157	Misr Helwan Spinning	6,200	6,256	39.93	32.10	31,161	46,128	(128,962)	(93,118)	37,613
158	Misr Polyester (newly split)	1,442	1,393	11.32	10.70	43,637	NA	(17,408)	(14,537)	0
159	Misr Spinning & Weaving - Mehalla	27,881	27,965	207.62	195.30	759,392	687,050	(142,607)	(87,839)	704,281
160	National Spinning & Weaving	2,662	3,396	18.67	21.60	14,012	34,836	(131,625)	(109,020)	207,649
161	Port Said For Cotton export	773	813	12.16	1.20	163,766	187,957	10,674	14,835	471,203
162	Port Said Spinning & Weaving	1,154	1,192	10.75	10.40	12,654	22,032	(9,724)	8,620	51,313
163	Sharkeya Cotton	2,181	593	12.95	14.80	180,383	267,902	21,661	17,043	659,494
164	Sharkeya for Cotton & linen	2,181	2,462	14.92	15.20	30,539	51,219	(58,356)	(20,403)	206,633
165	Sharkeya Spinning	2,662	2,851	14.55	14.90	25,913	38,378	(24,742)	(19,881)	125,364
166	Misr Shebin El Kom Spinning & Weaving	6,002	6,605	57.23	60.40	171,949	60,253	10,000	12,128	66,719
167	Shourbagy & Tricono	2,146	2,113	11.82	16.80	4,604	9,356	(52,618)	(65,200)	317,217
168	Upper Egypt Spinning & Weaving	3,394	3,870	23.17	21.20	30,970	25,419	(50,871)	(78,116)	289,611
	TOTAL*	138,949	145,667	1,029.39	994.8	3,016,737	3,212,524	(1,647,039)	(1,149,312)	9,028,249
	Trade HC									
169	Al Nasr Export and Import	651	666	3.50	2.60	438,369	573,012	(143,496)	2,391	402,093
170	Alexandria Cooling	566	657	4.15	4.00	11,924	16,369	(4,471)	1,502	-

Serial	Affiliate Company	No. of Workers		Salaries (LE million)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		00/01	99/00	00/01	99/00	00/01	99/00	01/00	00/99	00/01
171	Benzayoun Department Stores	1,988	2,148	12.87	13.40	113,144	140,282	(17,559)	(74,021)	169,528
172	Commercial Co. for Wood	923	1,804	15.50	17.40	30,480	31,063	(28,345)	(29,164)	11,663
173	Arab Bureau for Design	919	926	16.69	18.10	28,809	31,568	6,840	6,880	-
174	Hannaux Department Stores	2,319	2,309	11.15	15.30	128,408	135,947	413	2,170	35,986
175	Misr Car Trading	356	324	2.68	1.30	13,011	31,564	411	380	2,927
176	Misr Foreign Trade	402	296	3.64	1.60	54,936	68,093	466	2,952	5,798
177	Omar Effendi Department Stores	5,462	5,152	35.66	33.10	449,166	482,837	6,581	9,057	114,576
178	Selling Egyptian products	2,817	2,973	15.65	17.50	84,400	126,411	(32,792)	(68,990)	158,223
179	Sednawi Department Stores	2,635	2,907	16.59	16.60	174,328	181,015	(4,589)	1,030	133,276
	TOTAL*	19,038	20,162	138.08	140.9	1,526,975	1,818,161	(216,541)	(145,813)	1,034,070
	GROSS TOTAL*	450,239	454,799	4,475.7	4,533	29,612,155	29,433,804	(105,792)	114,294	24,941,991

Source: PEO

* Totals in year 99/00 slightly differ from the PEO as a result of companies split, merged, or privatized.

LIST OF ACRONYMS

ASEC:	Arab Swiss Engineering Company
CAA:	Central Auditing Agency
CBE:	Central Bank of Egypt
CIIC:	Commercial International Investment Company
CMA:	Capital Market Authority
EISA:	Egyptian Insurance Supervisory Authority
ERP:	Early Retirement Program
ERS:	Early Retirement Scheme
GDP:	Gross Domestic Product
GOE:	Government of Egypt
HC:	Holding Company
IMF:	International Monetary Fund
JV:	Joint Venture
MOEFT:	Ministry of Economy & Foreign Trade
MOTS:	Ministry of Trade & Supply
MPE:	Ministry of Public Enterprise
NA:	Not Available
PA:	Peoples' Assembly
PIP:	Privatization Implementation Project
TRIP:	Trade Related aspect of Intellectual Property right agreement
ULL:	Unified Labor Law
USAID:	United States Agency for International Development
WTO:	World Trade Organization