



Foreign Investment in Egypt Report



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Introduction

Cairo

6th of October

Conclusion

Information in this report is based on official announcements by both developers and the Egyptian government. All figures and facts obtained through news mediums have been confirmed from at least two different sources. This text is intended solely for general market evaluation purposes. Any decisions based on conclusions from this document is the sole responsibility of the reader. Reproduction of any part of this document is prohibited without written consent.



INTRODUCTION

Reeling from the political and social instability brought on by the 2011 uprising, Egypt has found itself struggling to regain favorable relations with investors. The latest series of economic reforms, IMF loans, the EGP float, and investment law modifications are all contributors to renew investor confidence in Egypt.

The tides appear to be changing. Egypt's foreign direct investment (FDI) inflows for the Q1 of FY of 2016-17 registered at USD 1.9 bn, compared to USD 1.4 bn in Q1 of FY2015-16, marking a 37.5% y-o-y increase. In FY2015-16, FDI inflows increased by 7.2% to USD 6.8 bn from FY2014-15's USD 6.4 bn.

According to General Authority for Investment and Free Zones (GAFI), 6,442 newly-established companies were registered H1 of FY2016-17 with exported capital worth EGP 10.2 bn.

The real estate sector in Egypt is no stranger to foreign investment, even during the economic upheaval of the nation and currency woes.

1. CAIRO

a. iCity

Sisban Holding, a Saudi Arabian real estate developer, plans to build a USD 3.6 bn residential project, iCity, in collaboration between Egypt's Mountain View and the Ministry of Housing's New Urban Communities Authority (NUCA). The iCity project comprises of two square kilometers to house approximately 18,000 housing units over an area of 500 acres. The project will feature state of the art villas, iVillas, ranging from 100 to 500 square meters in size.

The public-private partnership grants the Mountain View-Sisban alliance 60% ownership, with the rest owned by NUCA.

b. Al Burouj

Capital Group Properties, a UAE-based real estate developer, is to develop Al Burouj residential project in the area between Suez and Ismailia Desert Road. Al Burouj is a USD 2.18 bn (EGP 40 bn) project to be implemented on three phases sprawling over 1,212 acres and featuring 30,000 housing units upon its completion.

Planned to be an integrated residential city, Al Burouj will include a medical complex, a cultural center, and a 70-acre farm for organic products.

c. Housing Units in Badr City by Kuwait Eskan: Link

Kuwait's Amwal, the real estate arm of Iskan Global Group, is to launch its first project in Egypt with the Cairo-Alexandria Desert Road. A residential compound, the project's estimated worth is EGP 1.5 bn and will encompass an area of 180 acres.

The company also plans to build a residential integrated compound in Sheikh Zayed City over 20 acres of land. The compound will host medical clinics, educational centers and schools, retail malls, and residential housing units targeting higher-income customers.

d. Burj Global New Cairo Project: Link

Burj Global for Real Estate, a Kuwait-based company, commenced the development of an integrated residential project in New Cairo worth USD 70 mn in investment. The project sprawls over 35 acres and comprises a five-star hotel, retail mall, residential buildings, and different-sized villas. Project development is set to take place in three phases and is to be delivered in 2020.

e. Government District in the New Administrative Capital: Link

China State Construction Engineering Corporation (CSCEC) will develop the governmental district in the New Administrative Capital, a USD 3 bn investment. CSCEC construction work will entail 12 ministerial buildings, new cabinet's building, a new convention center, a fairground, and 15,000 residential units. The first phase of the project encompasses an area of 10,500 acres.

f. Riyadh Project: Link

The Saudi Egyptian Construction Company (SECON) is developing a comprehensive residential compound in New Cairo for a total of EGP 2.8 bn and EGP 3 bn (approximately USD 152 mn). The compound will include 120 residential buildings with 1,928 units, to be implemented over three phases.

In addition, three new projects will be developed in the areas of New Cairo, New Damietta, and New Assiut.



g. Asala Compound

Asala Compound, a residential compound built by the Kuwaiti Asala Holding, is an integrated compound in New Cairo. The project's investments amount to USD 13.9 mn (EGP 250 mn) and comprise of 6 buildings, 26 villas, and townhomes.

2. 6TH OF OCTOBER

In another public-private partnership, the Mountain View and Saudi Sisban Holding Alliance will develop 470 acres of land in 6th of October City with expected revenues worth EGP 26 bn.

MALL OF EGYPT

Majid Al Futtaim is set to inaugurate the EGP 6 bn Mall of Egypt in March 2017. Located in 6th of October City, Mall of Egypt will see the launch of the continent's first indoor ski slope, Ski Egypt, and the country's first Vox Cinemas Cineplex. Sprawling over an area of 455,500 square meters, the mall will house 6,500 parking spaces.

City Center Almaza

Majid Al Futtaim plans to open City Center Almaza, another shopping mall, by 2019 at a total investment cost of EGP 4 bn.

3. SUEZ

Ask-Capital Alliance, a coalition of Egyptian, Saudi, and Lebanese companies, will develop a 6 mn square meter project at Suez's industrial zone with about USD 200 mn worth of investments. The company also signed a USD 10 mn contract to develop a city for marble and granite industries in a space of one million square meters.

Additionally, SCZone signed a contract with Raya for the development of 200,000 square meters in the industrial zone in the Suez area, with expected investments worth EGP 200 mn.

As for the fifth contract, SCZone stated in its report that it was signed with investors for the development of industrial zone in the Suez area on an area of 1.16 mn square meters, at a total investment cost of USD 170 mn.

4. SINAI

The Saudi Development Fund and Egypt's Ministry of International Cooperation have signed an MoU to develop the Sinai Peninsula for USD 1.5 bn. The signed agreements comprise several projects to be imple-

mented in the North and South Sinai governorates. The program includes 12 major development projects over the course of five years, namely, a network of roads and utilities to facilitate access to the Suez Canal, the establishment of several agricultural, industrial, and urban zones, nine housing complexes, and King Salman University.

Kuwait approved a USD 164 mn (KWD 50 mn) loan to develop agriculture in Sinai through land reclamation and well drilling.

5. GIZA

Kuwait's Amwal, the real estate arm of Iskan Global Group, launches this year its first project in Egypt, which is a residential compound worth EGP 1.5 bn, near the Cairo-Alexandria Desert Road.

6. Red Sea

Qatari Diar, in collaboration with the Tourism Development Authority (TDA), is working to resume building a touristic project in the Red Sea following a 9-year hiatus. The project will cover an area of 29 mn square meters.

7. MARSA MATROUH

Marina Alamein Center

In the North Coast, UAE's Sharbatly Group and the Ministry of Housing are to co-develop the Marina Alamein Center for EGP 26 bn. The project will be implemented over 2,800 acres and is set to include touristic residences, hotels, sports complexes, water parks, Bedouin villages among many others.

8. NORTH AND EAST COAST

Marseilia Real Estate Investment, an Egyptian-Gulf company, is building a broad range of residential units across Egypt's North and East coasts over the next two years with investments worth EGP 1.7 bn. The primary focus of company's project is beach communities in the North Coast and near Alexandria City.

9. BENI SUEF, MINYA

The UAE-based Al Nebras for Real Estate and General Contracting, Agricultural and Animal Development, and Tourism plans to develop 10,000 housing units in Beni Suef and Minya governorates. The housing units will sprawl over 16 acres of land with residential unit's prices ranging from EGP 300,000 to 350,000 for 110-meter units.



10. SHARM EL SHEIKH

In Sharm El Sheikh, Kuwait Project Management (KPM), a Kuwait-based real estate marketing company will buy a tourist residential project for USD 39.5 mn. The touristic project includes 12 buildings and 28 villas.

11. EGYPT'S INTEGRATED MEDICAL CITY

India's NMC Healthcare plans to build a USD 1.6 bn full-scale medical city in Egypt. The project will include hospitals, medical schools, medical tourism facilities, and nursing centers – all using state-of-the-art technologies.

12. DAMIETTA

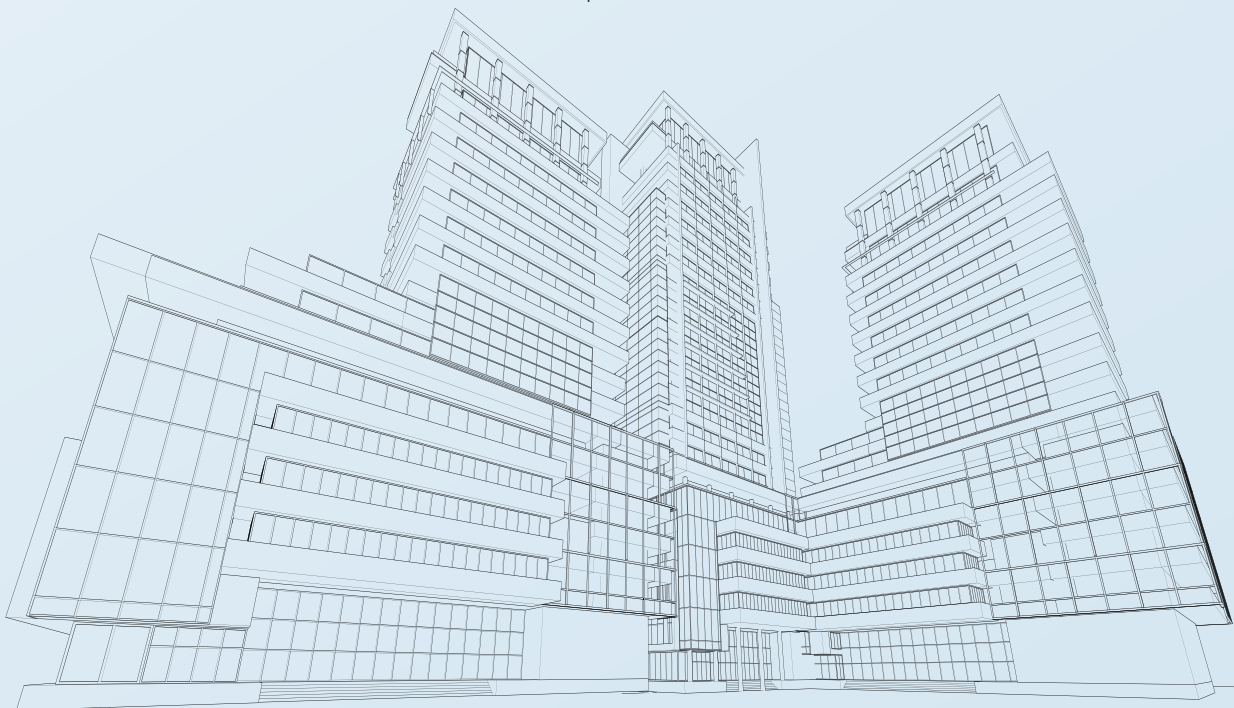
In another partnership between the Saudi and Egyptian government, a touristic resort is to be built in New Damietta. The touristic resort will sprawl over 17 acres of land and will include residential units and a four-star hotel managed by Hilton.

coming three years, according to Minister of Investment Dalia Khorshid.

Investment legislation has been heavily amended to simplify the current process and ease off unnecessary bureaucratic procedures. It now includes incentives to foreign investors such as reduced customs, reduced sales tax rates, and ensuring quality between local and foreign investors when acquiring lands, and entailing provisions for voluntary liquidation within a 120-day deadline. The recently implemented basket of economic reforms have led around USD 7 bn to be pumped into the Egyptian banking system, according to a CBE statement.

Conclusion

Egypt's FDI inflows indicators for the past two years promise years of growth ahead. With the float of the EGP and its ratifications to investment legislation, the government seeks to attract USD 10-15 bn in the up-





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