INVESTIGATE

RESEARCH & ANALYSIS

MARKET WATCH

BY **DINA EL BEHIRY**

MARCH
2021

CITIZEN INVESTMENT PLAN

IN FY 2020/21

CITIZEN INVESTMENT PLAN IN FY 2020/21

PUBLIC INVESTMENTS

Time Period
FY 2020/21

Plan
Citizen Investment Plan

Target
Bridge Gaps Between Different Governorates

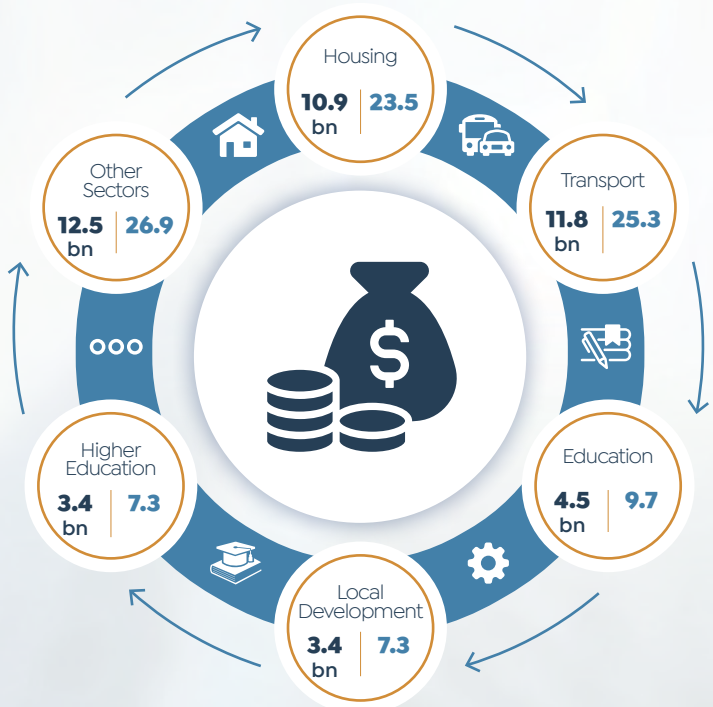
CAIRO

No. of Development Projects
772

Investments
EGP **46.5** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)



SUEZ

No. of Development Projects
163

Investments
EGP **15.7** bn

INVESTMENTS BREAKDOWN

	Investments (EGP)	Share (%)
Housing	546.56 mn	3.5
Oil & Gas	10.16 bn	64.7
Transport	1.86 bn	11.8
Suez Canal	1.08 bn	6.9
Higher Education & Sceintific Research	820 mn	5.2
Other Sectors	1.25 bn	7.9

SHARQIYA

No. of Development Projects
401

Investments
EGP **6.37** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

HOUSING	EDUCATION	LOCAL DEVELOPMENT	TRANSPORT	HIGHER EDUCATION	OTHER SECTORS
3.5 bn	984.5 mn	606.4 mn	389.2 mn	316 mn	555.8 mn
55.2	15.5	9.5	6.1	5	8.7

Source: Ministry of Planning & Economic Development (MPED)

ASWAN

No. of Development Projects
273

Investments
EGP **6.9** bn

INVESTMENTS BREAKDOWN

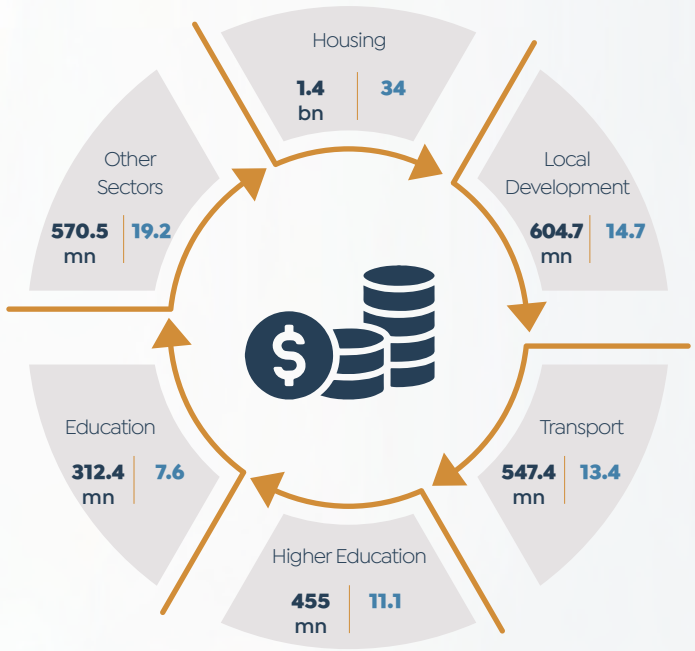
	Investments (EGP)	Share (%)
Housing	2.7 bn	39.5
Irrigation	1.2 bn	17.8
Transport	999.7 mn	14.5
Local Development	383 mn	5.5
Higher Education	317 mn	4.6
Other Sectors	1.3 bn	18.1

MINYA

No. of Development Projects
327

Investments
EGP **4.1** bn

INVESTMENTS BREAKDOWN



FAYOUM

No. of Development Projects
191

Investments
EGP **2.9** bn

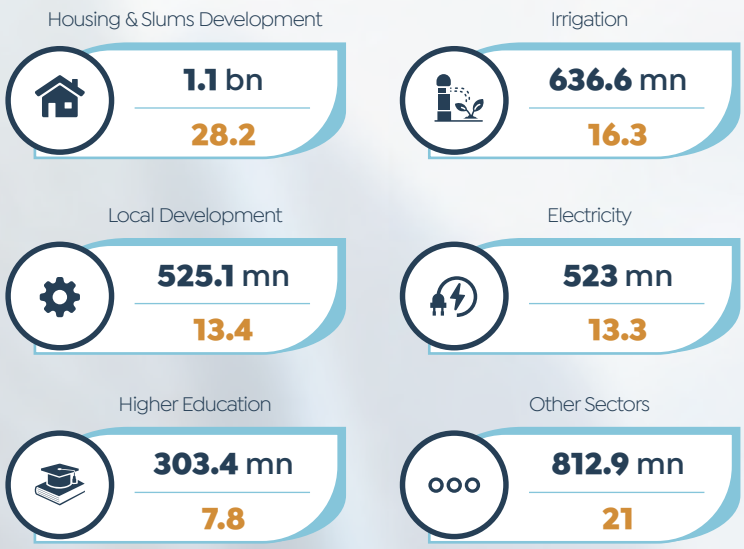
INVESTMENTS BREAKDOWN

	Investments (EGP)	Share (%)
Housing	988 mn	34
Local Development	491.6 mn	17
Education	411 mn	14.2
Higher Education	276 mn	9.5
Electricity	173 mn	6
Other Sectors	560.4 mn	19.3

BENI SUEF

Investments
EGP **3.9** bn

INVESTMENTS BREAKDOWN



Source: MPED

BEHEIRA

Investments
EGP **5.7** bn

INVESTMENTS BREAKDOWN

	Investments (EGP)	Share (%)
Housing & Slums Development	2.5 bn	43.8
Education	807.4 mn	14.2
Local Development	802 mn	14
Transport	525.1 mn	9.2
Irrigation	407.5 mn	7.1
Other Sectors	658 mn	11.6

GHARBIA

Investments
EGP **4.7** bn

INVESTMENTS BREAKDOWN

	Investments (EGP)	Share (%)
Housing	1.6 bn	34
Higher Education	850 mn	18
Education	559 mn	18
Oil & Gas	458 mn	9.8
Local Development	430 mn	9.1
Other Sectors	765 mn	16

ISMAILIA

Investments
EGP **7.2** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

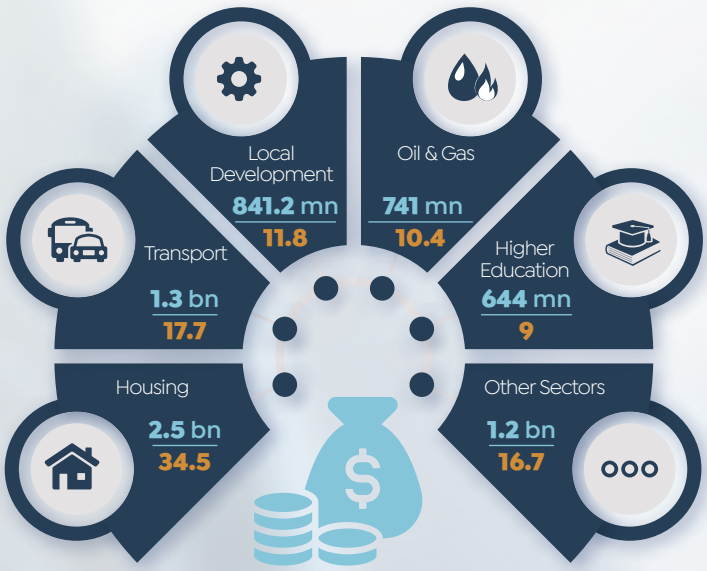
Suez Canal	4.7 bn	66
Housing	903.3 mn	12.6
Local Development	351 mn	4.9
Health	329.7 mn	4.7
Higher Education	271 mn	3.9
Other Sectors	469 mn	6.5

ASSIUT

Investments
EGP **7.1** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)



Source: MPED

DAMEITTA

Investments
EGP **4.2** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

	Investments (EGP)	Share (%)
Housing	1.1 bn	25.1
Transport	1.5 bn	35.2
Local Development	389.2 mn	9.3
Higher Education	356 mn	8.5
Irrigation	322.5 mn	7.7
Other Sectors	594.2 mn	14.2

DAQHLIYA

Investments
EGP **6.7** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

	Investments (EGP)	Share (%)
Housing	2.3 bn	34.6
Higher Education	1.3 bn	19.6
Transport	1.2 bn	17.8
Education	659.7 mn	9.8
Local Development	515.2 mn	7.7
Other Sectors	713.5 mn	10.6

QENA

Investments
EGP **6.6** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

	Investments (EGP)	Share (%)
Housing	2.7 bn	41
Local Development	1.3 bn	19.7
Higher Education	650.5 mn	10
Education	507.6 mn	7.7
Irrigation	275.4 mn	4.2
Other Sectors	1.1 bn	17.4

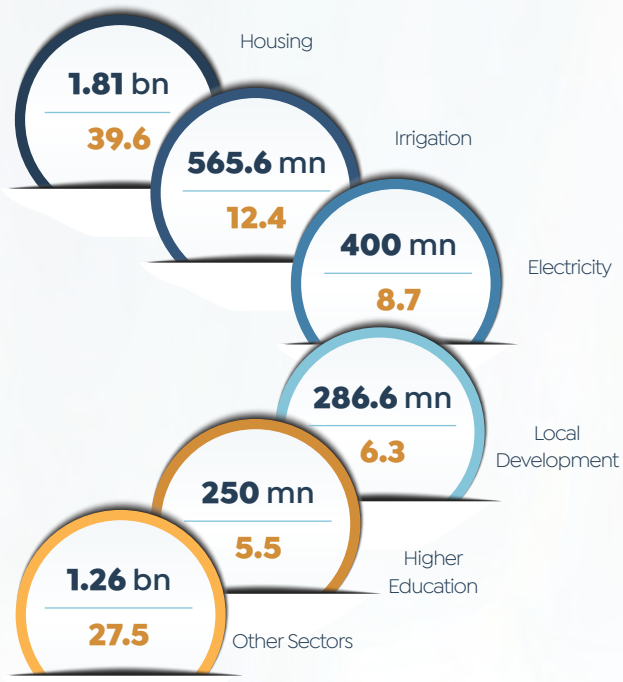
Source: MPED

NORTH SINAI

Investments
EGP **4.58** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

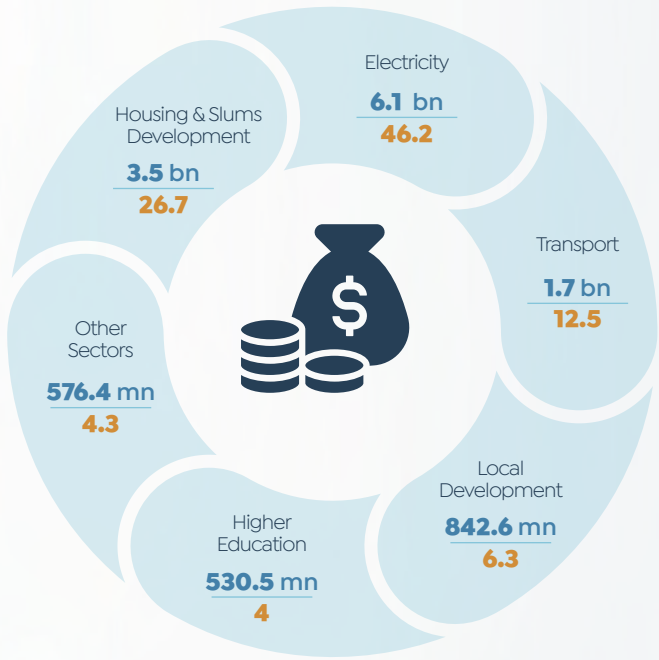


MARSA MATROUH

Investments
EGP **13.3** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

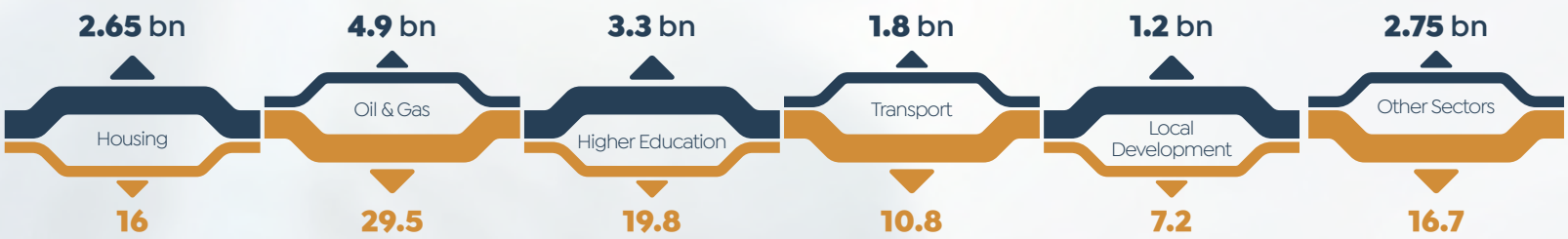


ALEXANDRIA

Investments
EGP **16.6** bn

INVESTMENTS BREAKDOWN

Investments (EGP) | Share (%)

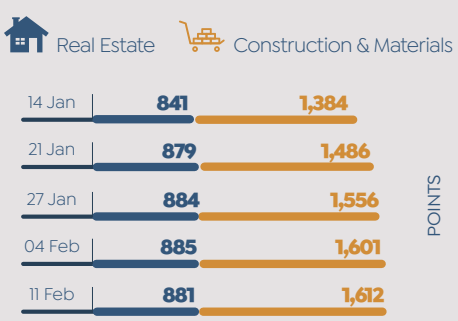


PRICES OF CONSTRUCTION MATERIALS (JANUARY 2021) (EGP)

STEEL BARS	CRETAL STEEL	PORTLAND CEMENT	COARSE SAND
(per ton)	(per ton)	(per ton)	(per sqm)
13,800	14,500	750	75
(YOY 32.7%)	(YOY 28.6%)	(YOY -6.3%)	(YOY 7.1%)

SOLID CEMENT BRICKS	BRICK HOLLOW CONCRETE
(per 1,000 bricks)	(40x20x12 cm) (per 1,000 bricks)
1,050	6,800
(YOY -4.5%)	(YOY 30.8%)

REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2020)



ONLINE MONTHLY SURVEY (%)

Which field do Egyptian women find the largest share of job opportunities in the local property market?

- **33%** Managerial Positions
- **33%** Fieldwork Jobs
- **22%** Sales & Marketing
- **11%** Advertising & Public Relations

Source: MPED, Ministry of Housing, Utilities & Urban Communities, Egyptian Exchange (EGX) & Invest-Gate R&A

NEW CITIES
UPDATE

NEW CITIES UPDATE

EXTENSION FOR PAYMENT OF REAL ESTATE ARREARS

March **15**
DEADLINE

Residential & Non-Residential Units
PROPERTIES TYPE

Start: January **13**
DECISION EFFECTIVENESS

Approving The Extension of Full Payment Arrears, With Fines Exemption
STATUS

Prompting Investors & Buyers To Pay Their Financial Dues
TARGET

PLOTS ALLOCATION (NUCA'S 1ST OFFERING)

New Alamein City
LOCATION

8
NO. OF PLOTS

270 Acres
TOTAL AREA

Between **24-56** Acres
PLOT AREAS

EGP **30** bn
INVESTMENTS

February **8- 15**
TIME PERIOD OF RECEIVING REQUESTS

200,000
EXPECTED NO. OF JOB OPPORTUNITIES

Establishment of Complete Urban Activities
TARGET

UPDATES ON GOV'T DISTRICT

NAC
LOCATION

More Than EGP **45** bn
INVESTMENT COST

STATUS

Construction Works: **90%** Complete

Ministries To Transfer Headquarters To NAC in March

JANNA

New Damietta City
LOCATION

1,056 (44 Buildings)
NO. OF HOUSING UNITS

Buildings, Electrical Supply, Utilities & Roads: Complete
STATUS

Source: New Urban Communities Authority (NUCA), Ministry of Housing, Utilities & Urban Communities & New Damietta Development Authority.

NEW RESIDENTIAL TOWERS

New Alamein City
LOCATION

5
NO. OF TOWERS

STATUS: Egypt & China Agrees To Implement The Towers | NUCA To Fund The Project

SUPPLY VOLUME

Iconic Tower			
Height	No. of Floors	Height	Delivery Date
250 m	68	465,000 m²	After 45M

4 Other Towers			
Height	No. of Floors	Height	Delivery Date
200 m	56	320,000 m²	After 39M

SOCIAL HOUSING PROJECT

New Port Said City "Salam"
LOCATION

4,340
NO. OF RESIDENTIAL UNITS

800,000
EXPECTED NO. OF INHABITANTS

85%
COMPLETION RATE

70%
UTILITIES COMPLETION RATE

UPDATES ON HOUSING FOR ALL EGYPTIANS INITIATIVE

Capital Gardens
LOCATION

29,496 (1,124 Buildings)
NO. OF RESIDENTIAL UNITS (PHASE I)

EGP **7.5** bn
INVESTMENTS

72%
COMPLETION RATE

Next July
DELIVERY DATE

EGP **160** mn
UTILITIES INVESTMENTS (PHASE I)

UPDATES ON DAR MISR PROJECT (PHASE II)

Obour City
LOCATION

20
NO. OF READY BUILDINGS FOR DELIVERY

From February **16** To March **15**
DELIVERY DATE

UPDATES ON SAKAN MISR PROJECT (PHASE IV)

October Gardens
LOCATION

576 (24 Buildings)
NO. OF READY BUILDINGS FOR DELIVERY

From February **7** To March **14**
DELIVERY DATE

Source: Ministry of Housing, Utilities & Urban Communities & Capital Gardens Development Authority.

UPDATES ON SOCIAL HOUSING PROJECT & HOUSING FOR ALL EGYPTIANS INITIATIVE

Sadat City
LOCATION

5,640
NO. OF HOUSING UNITS

SOCIAL HOUSING PROJECT (LAST PHASE)

Nour District
LOCATION

2,460
NO. OF EXECUTED HOUSING UNITS

EGP **545** mn
INVESTMENTS

HOUSING FOR ALL EGYPTIANS

3,180
NO. OF HOUSING UNITS UNDERWAY

UPDATES ON SAKAN MISR PROJECT (PHASE III)

New 6th of October City
LOCATION

408 (**17** Buildings)
NO. OF READY UNITS FOR DELIVERY

From February **1** To March **1**
DELIVERY DATE

TOURIST RIVER STRIP PROJECTS

New Aswan City
LOCATION

Adhere To Specific Timetables To Implement The Project
TARGET

150
NO. OF VILLAS

NILE WALK PROJECT

1,800 m
LENGTH

OPEN THEATER

5.5 Acres
AREA

3,000
NO. OF SPECTATORS

SOUTHERN PART

4,200 m
LENGTH

SUPPLY VOLUME

- Shops
- Restaurants
- Marina
- Nubian Village
- Pedestrian Walkway

Preparations Are Underway To Implement The Marina, with A Length of **1,850** m
STATUS

Source: Ministry of Housing, Utilities & Urban Communities

PRIVATE REAL ESTATE PROJECTS
UPDATE

PRIVATE REAL ESTATE PROJECTS UPDATE

NEW RESIDENTIAL PROJECTS

GREENE AVENUE

Developer: EBNY Real Estate Development

LOCATION
New Sohag City

AREA
20 Acres

STATUS
EBNY Partners with Sabbour Consulting
TARGET : Supervise The Project

SUPPLY VOLUME

Villas	Residential Buildings
Hotel Apartments	Commercial & Entertainment Mall

CAPITAL GARDENS

Developer: Talaat Mustafa Holding Subsidiary;The Arab Company for Urban Investment

LOCATION
Suez Road

AREA
5,000 Acres

TOTAL INVESTMENTS
EGP **500** bn

NO. OF INHABITANTS
600,000

STATUS
The Company Succeeds in Purchasing Land from NUCA

SUPPLY VOLUME

	Villas	Residential Buildings	
Services	Post Offices	Fire Stations	Police Points
	Private & International Schools	International Hospitals	Clubs
	6,000-Acre Facilities	**4,000**-Acre Green Spaces	

Source: Developers' Official Statements

LAKE SIDE VILLAS (NEW PHASE)

Developer: Mountain View

LOCATION	AREA	TOTAL INVESTMENTS
Chillout Park	**53** Acres	EGP **3.5** mn

SUPPLY VOLUME

Villas	Unit Areas → **185-500** m², with **3** Different Heights of Up To **18** m	
Central Park	Green Spaces & Lakes	Walking & Meditating Areas

KATAMEYA CREEKS COMPOUND

Developer: Star- Light Company for Urban Development and Tourism

LOCATION	TOTAL INVESTMENTS	STATUS
New Cairo	EGP **1.46** bn	The Company Partners with ELSEWEDY ELECTRIC's Subsidiary;Rowad Modern Engineering (RME)

TARGET
- Establishing The Compound
- The Contract To Be Implemented Over **36**M, on Turnkey Basis

NEW PROJECT (NAME N/A)

Developer: Diamond Group Subsidiary; Sky Abu Dhabi Real Estate Development

LOCATION	AREA	TOTAL INVESTMENTS	INVESTMENT PORTFOLIO	NO. OF JOB OPPORTUNITIES
R8 District, NAC	**23** Acres	EGP **4** bn	EGP **15** bn	**270,000**

SUPPLY VOLUME

Residential Units (Apartments & Duplexes) → **80**% of The Project	
Commercial Complexes → **20**% of The Project	
Green Spaces → **82**% of The Project	
Outdoor Areas for Events & Activities	Clubhouse

Source: Developers' Official Statements

NEW PROJECT (NAME N/A)

Developer: El-Manara Development

LOCATION
Galala City, Ain Sokhna

TARGET
Turn Galala City into Urban Community

SUPPLY VOLUME

Residential & Tourist Resort

NEW RESIDENTIAL COMPOUND (NAME N/A)

Developer: Future Homes Developments & Nasr Housing and Development Company

LOCATION	AREA	EXPECTED INVESTMENTS	DELIVERY DATE	ESTIMATED SALES
South Cairo	**9,000** m²	EGP **250** mn	By: **2024**	EGP **350** mn

SUPPLY VOLUME

No. of Housing Units → **300** (**15** Buildings) | Unit Areas → **90**-**175** m²

Payment Plan → **10**% Upfront
→ Installments Up To **7** Yrs

NEW COMMERICAL PROJECTS

UNI TOWER 1

Developer: UC Developments

LOCATION	AREA	TOTAL INVESTMENTS	STATUS
NAC	**11,000** m²	EGP **5** bn	The Project To Be Launched in **2021**

SUPPLY VOLUME

Commercial, Administrative & Medical Project | Hotel

No. of Floors:**10** | Prices of Commercial Units: Start EGP **65,000**/m²

Prices of Administrative Units: Start EGP **18,000**/m² | Prices of Medical Units: Start EGP **27,000**/m²

Up To **14**-Yr Payment Plan in Equal Installments | **10**% Down Payment, No Interest

Source: Developers' Official Statements

ONYX

Developer: Grantie Company

LOCATION
Sheikh Zayed

AREA
300 m

TOTAL INVESTMENTS
EGP **10** mn

SUPPLY VOLUME

Medical Complex	Specialized Clinics from Egypt, France & Germany		
Specializations	Dermatological Surgery	Laser	Cosmetics
	Obesity & Nutrition Treatments	Female Beauty	

ALLURE 2.0 (NEW PHASE)

Developer: Misr Italia Properties (MIP)

LOCATION
Cairo Business Park, New Cairo

AREA
18 Acres

SUPPLY VOLUME

Business Spaces	Unit Areas: → **60-290** m²	Payment Plans of **6** Yrs & More

RIVAN TOWERS

Developer: Al Tameer Arabian

LOCATION
NAC

TOTAL INVESTMENTS
EGP **1** bn

STATUS

The Company Contracts with
DMA Engineering Consulting Office

TARGET : Lay Out Engineering Designs
Supervise The Project Implementation
Constructin Works & Implementation To Start in **Q3 2021**
The Company Aims To Achieve EGP **500** mn in Contractual Sales

SUPPLY VOLUME

Commercial Units	Administrative Spaces	Hotel Apartments

Source: Developers' Official Statements

Projects Underway

GOLF RESIDENCE

Developer: Beta Egypt for Urban Development

LOCATION
Golf Corner Mall, October Gardens

AREA
22 Acres

Mall's Area
6,000 m^2

NEWS
Housing and Development Bank Opens A New Branch
Branch Location: Mall's 1st Building, Golf Corner 1

TARGET
Serve Residents in October Gardens

CITY OVAL

Developer: Master Group

LOCATION
NAC

AREA
37 Acres

NO. OF RESIDENTIAL UNITS
Bougainvillea: **31** Villas
Wisteria: **34** Twin Houses
Azalea: **1,021** Residential Units

NEWS
Master Group Contracts with Ehaf Consulting Engineers

TARGET
Become A Consultant Designer & Supervisor of The Project

Source: Developers' Official Statements

SIDI ABDEL RAHMAN VILLAGE

Developer: Emaar Misr

LOCATION
Marsa Matrouh

NEWS
Tahya Misr Fund & Emaar Misr Signed Cooperation Protocol

Value
EGP **30** mn; Part of 'We Share for Humanity' Initiative

TARGET
- Implement Sustainable Development Plan
- Enhance Life Quality of Residents
- Provide Neediest Groups with Coronavirus Vaccine

GOAL
- Build New Primary School, with Capacity of **33** Classrooms
- Develop The Village's Preparatory School, with Capacity of **9** Classrooms
- Create Secondary Education Building, with Capacity of **14** Classrooms
- Provide Administrative Equipment & Furniture for the Youth and Child Library

MARASSI SIDI ABDEL RAHMAN

Developer: Emaar Misr

LOCATION
North Coast

NEWS
- Emaar Announces The Establishment of **2** New Hotels: Address Beach Resort Marassi & Vida Marina Hotel
- **7** Hotels More To Be Built in Marassi
- Hassan Allam Holding To Undertake Construction Works for Address Beach Resort
  Construction Investments: EGP **1.2** bn
- Orascom Construction To Build Vida Marina Hotel
  Construction Investments: EGP **1** bn

TARGET
Work in Line with Egypt's Gov't Plan To Develop North Coast

Source: Developers' Official Statements

ECONOMIC
SNAPSHOT

ECONOMIC SNAPSHOT

INTEREST RATES

OVERNIGHT DEPOSIT RATE	8.25%
OVERNIGHT LENDING RATE	9.25%
RATE OF MAIN OPERATION	8.75%
DISCOUNT RATE	8.75%

*Based on MPC Meeting on February 4

BALANCE OF PAYMENT (BOP)

BOP DEFICIT

Q1 2019/20	Q4 2019/20	Q1 2020/21
USD **227** mn (Surplus)	USD **3.5** bn	USD **69.2** mn

CURRENT ACCOUNT DEFICIT (USD BN)

SERVICE SURPLUS BALANCE

Q1 2019/20		Q1 2020/21
USD **4** bn	78.3%	USD **876.3** mn

ANNUAL HEADLINE INFLATION

DECEMBER **5.4%** ↓ JANUARY **4.3%**

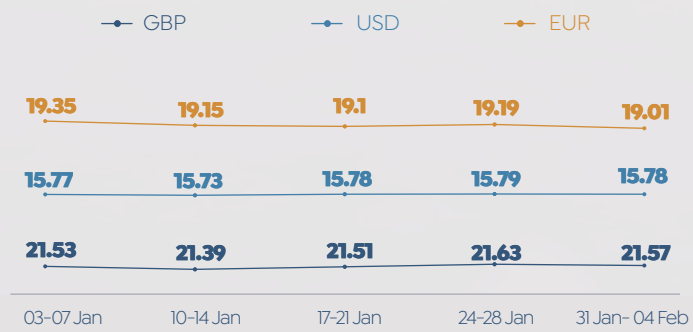
NET INTERNATIONAL RESERVES (USD BN)

DECEMBER **40.06** ↑ JANUARY **40.1**

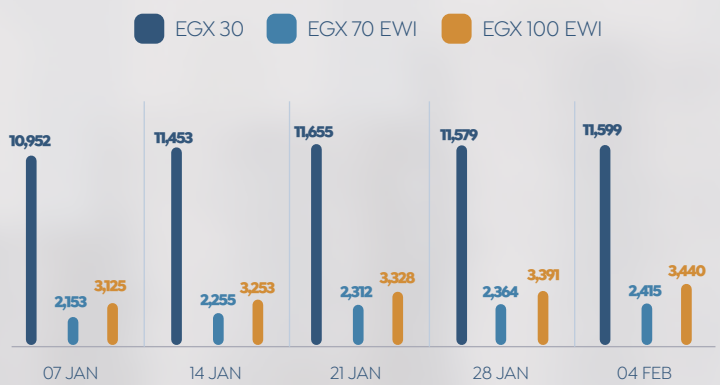
PURCHASING MANAGERS' INDEX (PMI)

DECEMBER **48.2** ↑ JANUARY **48.7**

EXCHANGE RATES



CAPITAL MARKET INDICATORS



Source: Central Bank of Egypt (CBE), Central Agency for Public Mobilization & Statistics (CAPMAS), IHS Markit & EGX.

TRANSPORT SECTOR REVENUES (USD BN)

Q1 2019/20
2.3

26%

Q1 2020/21
1.7

NON-OIL TRADE DEFICIT (USD BN)

Q1 2019/20
8.2

6.1%

Q1 2020/21
8.7

NON-OIL IMPORTS (USD BN)

12.9

4.1%

13.4

2019/20

2020/21

Q1

OIL TRADE BALANCE (USD MN)

Q1 2019/20
606.2
(DEFICIT)

Q1 2020/21
143.7
(SURPLUS)

REMITTANCES (USD BN)

6.7
Q1 2019/20

19.6%

8
Q1 2020/21

INVESTMENT INCOME DEFICIT (USD BN)

Q1 2019/20
3.3

6.06%

Q1 2020/21
3.1

NET INFLOWS OF CAPITAL & FINANCIAL ACCOUNTS

Q1 2019/20	Q1 2020/21
USD **657.9** mn	USD **3.9** bn

PORTFOLIO INVESTMENT IN EGYPT (USD BN)

Q1 2019/20
2
(Net Outflows)

Q1 2020/21
6.7
(Net Inflows)

NET FLOWS OF FDI TO EGYPT (USD BN)

Q1 2019/20
2.4

31.8%

Q1 2020/21
1.6

SUEZ CANAL REVENUES (USD BN)

Q1 2019/20
1.5

8%

Q1 2020/21
1.38

Source: CBE

OTHER INDICATORS

EGYPT'S EXTERNAL DEBT (USD BN)

Q4 2019/20: **123.5**

1.4%

Q1 2020/21: **125.3**

Government Debts	CBE's Debts	September FY 2020/21
USD **73.1** bn (**58.3%** of Total Debts)	USD **25.9** bn	USD **16** bn (**14.6%** YOY Increase)

CABINET SIGNS OFF NEW OVERDRAFT

Time Period
FY 2020/21 State Budget

Value
EGP **2** bn

Target
Help Measures To Prop Up Economy
Assist Other Sectors Amidst Pandemic

BUDGET DEFICIT

H1 2019/20 **4.1%**

H1 2020/21 **3.6%**

Primary Surplus	EGP **14** bn
State Revenues	**16**% YOY Increase, Making Up The **9.9**% Increase in Spending
Tax Revenues	**10**% Increase Dropped by EGP **115** bn in FY 2019/20

EGYPT UPGRADES EXPECTATION ON GDP GROWTH RATES

Time Period	Expected GDP Growth Rate
FY 2020/21	**2.8- 4%**

FOREIGN INVESTMENTS IN EGP BONDS (USD BN)

November 2020: **23**

13%

Beginning of 2021: **26**

EXPECTATIONS ON DEBT-TO-GDP RATIO

Previous Expectation **83%**

Amended Expectation **89%**

Source: CBE, Cabinet & Ministry of Finance.

PROJECTED OVERALL DEFICIT

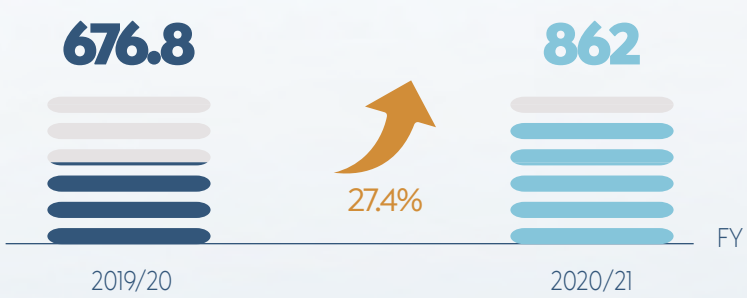
Previous Expectation	Amended Expectation
6.3%	7.9%

PRIMARY SURPLUS (EGP BN)

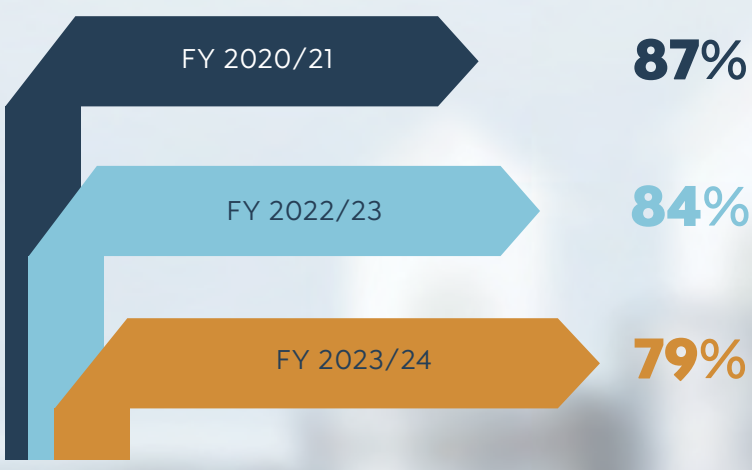
130	35-40
Previous Expectation	Amended Expectation

Around EGP **150-200 mn** of Revenues Are Expected To Drop Due To Pandemic Havoc

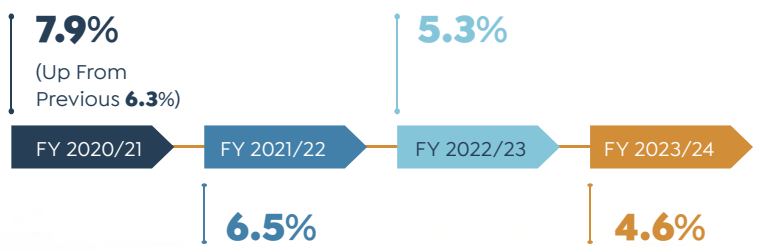
EXPECTED TAX REVENUES (EGP BN)



EXPECTED PUBLIC DEBT TO GDP



EXPECTED BUDGET DEFICIT TO GDP



Expected Primary Surplus in FY 2020/21
0.6%

EGYPT IN EYES OF INTERNATIONAL INSTITUTIONS

WORLD BANK FORECASTS GLOBAL OUTPUT LEVEL

2021	4%	2022	3.8%

EGYPT'S GDP GROWTH RATE FORECASTS

FY 2020/21	FY 2021/22
2.7% (Higher than Previous Forecast of **2.3%** & **2.1%**)	**5.8%** (Return To Pre-Pandemic **Growth Levels**)

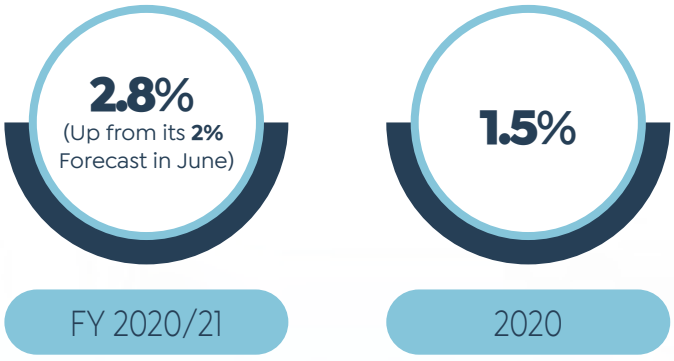
MENA'S GROWTH RATE FORECASTS

2020	Shrank by **5%**	2021	**2.1%**

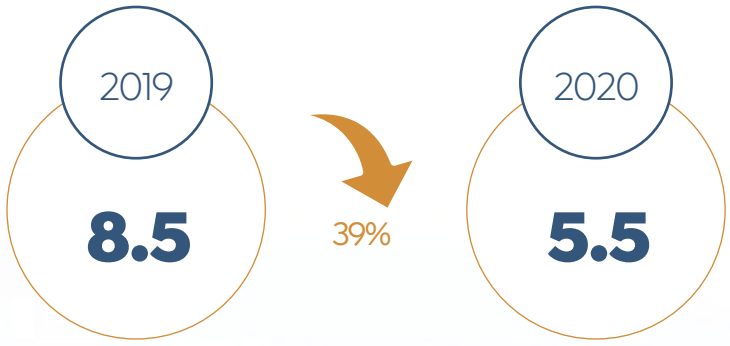
EMERGING ECONOMIES' EXPECTED GROWTH RATE

Source: Ministry of Finance & World Bank's Semi-Annual Global Economic Prospects Report.

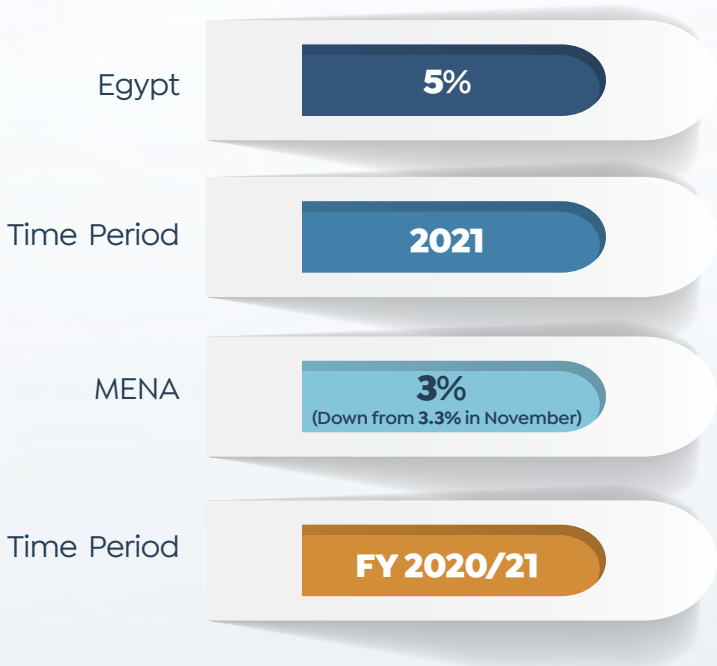
IMF'S GROWTH OUTLOOK FOR EGYPT



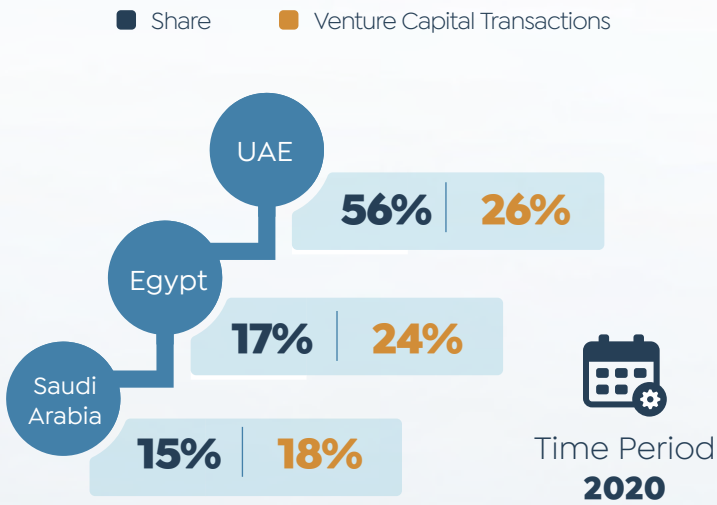
EGYPT IS AFRICA'S TOP FDI RECIPIENT (USD BN)



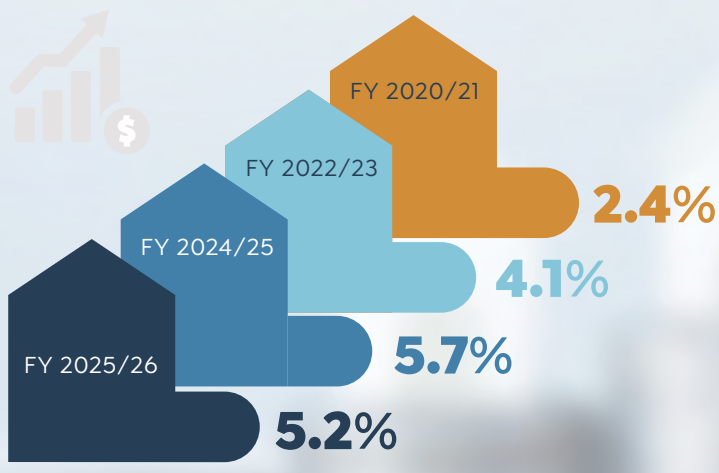
FITCH SOLUTIONS' EXPECTATIONS ON GROWTH RATES



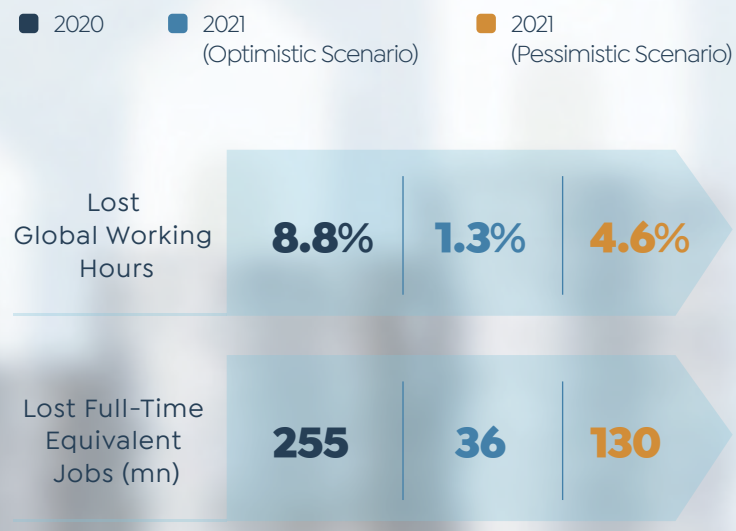
EGYPT'S RANKING IN VENTURE CAPITAL INVESTMENT IN MENA



THE ECONOMIST PREDICTIONS ON EGYPT'S ECONOMIC GROWTH RATE



GLOBAL LABOR MARKET'S DISRUPTIONS DUE TO PANDEMIC



Source: International Monetary Fund (IMF), Fitch Solutions, The Economist Intelligence Unit's (EIU) January Report, UNCTAD's Investment Trends Monitor & International Labor Organization (ILO).

FULL ANALYSIS

FACTS & FIGURES

GOV'T PLANS STAY ON COURSE

WHILST BUILDING STRATEGIC AGILITY

BY **DINA EL BEHIRY**

Despite the Coronavirus havoc that has been triggering many damages worldwide, the world has been figuring out some adjusting strategies to confront the pandemic. When it comes to Egypt, the government spares no effort to develop all governorates and push forward the sector status in each one of them. In tandem with the government plans, the Ministry of Planning and Economic Development has announced the Citizen Investment Plan in fiscal year (FY) 2020/21.

The Citizen Investment Plan clarifies the prominent economic features for each governorate including the gross domestic product (GDP) growth rate, unemployment rate, the value of public investments, and others. It is important to remark that the projects within the grand plan target bridging development gaps among numerous governorates.

Honing in on Public Investments

Focusing on the public investments directed to all governorates, the government has allocated around EGP 46.5 bn to Cairo. Out of this amount, EGP 10.9 bn (23.5%) is allocated to the housing sector.

As for the Suez development, around EGP 15.7 bn is directed, of which about EGP 546.56 mn (3.5%) goes to the housing sector. Moreover, about EGP 6.37 bn is allocated to Sharqiya governorate, of which EGP 3.5 bn (55.2%) is directed to the housing sector development.

Furthermore, about EGP 6.9 bn is designated to Aswan, with around EGP 2.7 bn (39.5%) allocated to the housing sector. Also, about EGP 2.9 bn is directed to Fayoum, with around EGP 988 mn (34%) allocated to the housing sector development. Additionally, around EGP 16.6 bn is directed to Alexandria, and about EGP 2.65 bn is used for the development of the housing sector.

Around EGP 4.1 bn and EGP 3.9 bn are directed to the development of Minya and Beni Suef, respectively. Of which, about EGP 1.4 bn and EGP 1.1 bn are used for pushing the development wheel in both governorates, respectively. Looking to Beheira and Ismailia, the government has allocated around EGP 5.7 bn and EGP 7.2 bn, respectively, with around EGP 2.5 bn and EGP 903.3 mn earmarked to the development of the housing sector in both governorates.

Besides, around EGP 4.7 bn and EGP 7.1 bn are used for developing Gharbia and Assiut, respectively. Both governorates have directed around EGP 1.6 bn and EGP 2.5 bn, respectively, to the housing sector. Adding to that, Damietta and Daqhliya have been directed to them about EGP 4.2 bn and EGP 6.7 bn, respectively, with utilizing around EGP 1.1 bn and EGP 2.3 bn to the development of the housing sector.

Roughly EGP 6.6 bn and EGP 4.58 bn have been allocated for Qena and North Sinai, respectively, with around EGP 2.7 bn and EGP 1.81 bn allotted to the housing sector. Also, about EGP 13.3 bn is directed to Marsa Matrouh, using EGP 6.1 bn of it for the housing sector.

Enhancing Investment Climate

In a bid to further reinforce the real estate industry in Egypt, the Minister of Housing, Utilities, and Urban Communities Assem El Gazzar has approved the extension of full payment of residential and non-residential arrears to March 15, with fines exemption.

The announcement, effective as of January 13, came during El Gazzar's meeting with officials from the New Urban Communities Authority (NUCA) to extend an earlier decision issued under Law No. 146 in November 2020.

According to the minister, the move is aimed at prompting investors and buyers to pay their financial dues on residential, administrative, and commercial properties. That is in addition to residential, commercial, service, investment, and industrial land plots, on top of beach units built by NUCA across the country.

With an eye on new cities, it is worth remarking that the ministries headquarters are scheduled to move to the New Administrative Capital (NAC) in March, as the construction works and the implementation rate in the government district has reached 90%, Khaled Abbas, Deputy Minister of Housing mentioned to a local news show. Besides, Abbas mentioned that the investment cost of the district has reached more than EGP 45 bn.

Additionally, El Gazzar; Mohamed Al-Badri, the Egyptian Ambassador to China; and Liao Liqiang, the Chinese Ambassador to Egypt, sign a contract for the implementation of five residential towers in the New Alamein City.

El Gazzar elaborates that the project consists of five fully-finished residential towers overlooking an artificial lake. The complex encompasses an iconic tower with a height of 250

m (68 floors) and a total surface area of 465,000 sqm, which is scheduled to be implemented on 45 months, and four towers with a height of 200 m (56 floors) and a total surface area of 320,000 sqm, which is scheduled to be implemented on 39 months. He further confirms that New Urban Communities Authority will fund the project.

Furthermore, Mohamed Ragab, head of the New Damietta Development Authority and the supervisor of the New Mansoura, inspects JANNA in New Damietta City.

Ragab tours the project in the companionship of the officials of the agency, as part of the periodic follow-up of the various projects in the city. Ragab, further, follows up the building's implementation on the site with a total of 44 buildings (1,056 housing units) ready for delivery, stressing the need to complete the remaining works to speed the delivery of the units' required specifications.

Moreover, the head of the New Damietta City Authority indicates that the implementation of the buildings, the electrical supply, utilities, and roads have been completed. He also praises the project location on the Mediterranean coast and the coastal road, not to mention the availability of various services such as schools, commercial markets, mosques, etc.

PRIVATE SECTOR UPDATES

The Arab Company for Urban Investment, one of the Talaat Mustafa Group Holding, buys 5,000 acres from New Urban Communities Authority (NUCA) for the development of Capital Gardens.

According to the agreement, the Arab Urban Investment Company is to develop Capital Gardens on an area of 5,000 acres to be a fully-integrated urban project on Suez Road.

Approximately 50% of the project land is dedicated to housing. It includes buildings and villas ranging from 45% to 50% of the housing area. Various public services such as fire stations, post offices, police points, private and international schools, international hospitals, and clubs have a 4% of the total area of the project with percentages ranging from 8% to 12%.

Furthermore, the project includes various facilities on an area of nearly 6,000 acres and green spaces of approximately 4,000 acres.

The company aims to establish an integrated urban project, with residential areas (apartments and villas) and a group of integrated educational, medical, commercial, administrative, tourism and entertainment services, with investment estimated at EGP 500 bn, the statement reads.

In another context, Egypt's property developer EBNY Real Estate Development announces its partnership with Sabbour Consulting to supervise its "Greene Avenue" project in New Sohag City. Greene Avenue extends over an area of 20 acres as an integrated residential compound divided into villas, residential buildings, hotel apartments, and a commercial mall.

Mountain View, on the other hand, announces the launch of a new phase of its project "Lake Side Villas", with investment worth EGP 3.5 bn on an area of 53 acres. The new phase encompasses villas ranging from 185 to 500 m^2 designed with three different heights, up to 18 m, overlooking a central park, and large green spaces and lakes extending all over it; in addition to walking and meditating areas.

When it comes to energy infrastructure, ElSewedy Electric, the leading wires and cables, and integrated energy solution provider in the Middle East and Africa, announces on February 3 the partnership between its subsidiary Rowad Modern Engineering (RME) and Star-Light Company for Urban Development and Tourism.

The agreement aims at establishing the Katameya Creeks compound in New Cairo at an estimated value of EGP 1.46 bn. The contract will be implemented over 36 months as of the signing date on a Turnkey basis.

With an eye on the commercial segment, UC Developments launches its first project, named "Uni Tower 1" in Egypt's real estate market at NAC. The commercial, administrative, and medical project covers a total building area of 11,000 m^2 and consists of 10 floors of commercial, administrative, medical, and hotel with a unique design.

The prices of commercial units start from EGP 65,000 per meter, while administrative starts from EGP 18,000, and medical starts from EGP 27,000 with a payment period of up to 14 years in equal installments and 10% down payment without interest.

On the medical front, Grantie company announces the inauguration of ONYX, the largest integrated medical complex in Sheikh Zayed with an investment cost of EGP 10 mn.

ONYX includes several specialized clinics run by the most famous doctors and specialists from Egypt, France, and Germany in dermatological surgery, laser, cosmetic, obesity, nutrition treatments, and female beauty. The company is keen to open its branch in Sheikh Zayed City due to the high population and the development movement in infrastructure, roads, integrated services, traffic regulation, and cleanliness.

Misr Italia Properties (MIP) announced the launch of a new phase of Allure 2.0 Cairo Business Park, New Cairo's first fully integrated business community.

Allure 2.0 is to create an ideal and efficient work environment for business professionals, providing business spaces that vary from 60 m^2 to 290 m^2 with a competitive installment plan of six years and more.

Al Tameer Arabian is set to launch Rivan Towers, its third project in NAC at an investment cost of EGP 1 bn. The project includes commercial, administrative units, and first-time hotel apartments.

ECONOMIC SITUATION

As Egypt battles to continue moving forward despite the Coronavirus havoc, positive signs have been witnessed and achieved. Amongst these indicators, the net international reserves surge up by USD 38.2 mn in January, reaching USD 40.1 bn versus USD 40.062 bn in the previous month. It is worth highlighting that the net international reserves lost around USD 10 bn since the beginning of the pandemic.

Looking at the annual inflation rate, it drops to its lowest rate since September 2020, reaching 4.3% in January compared to 5.4% in December 2020. On a monthly basis, the inflation rate records -0.4%, as the prices of vegetables dropped significantly, in light of weak domestic demand due to the pandemic woes.

On the other end of the spectrum, based on the Purchasing Managers' Index (PMI) issued by IHS Markit, the non-oil business activity is still in contraction for the second month in a row, reaching 48.7 in January, up from 48.2 in December. This all happens because of the fears of the consequences of the pandemic's second wave.

In a bid to further reinforce the economy, the Monetary Policy Committee (MPC) decides on its meeting on February 4 to keep the overnight deposit rate, overnight lending rate, and the rate of the main operation on hold at 8.25%, 9.25%, and 8.75%, respectively. The same applies to the discount rate at 8.75%.

With an eye on the Balance of Payment (BOP) in Q1 2020/21, the current account deficit improves by 27.2% reaching USD 2.8 bn versus USD 3.8 bn during the preceding quarter. However, when it is compared to the corresponding quarter, the current account deficit widens from USD 1.4 bn due to the pandemic restrictions.

That improvement in the current account deficit is due to the drop in the service balance surplus by 78.3% to post USD 876.3 mn, in addition to the drop in the investment income deficit by 6.06%. The good news is that Egyptian expats' remittances climbed up by 19.6% reaching USD 8 bn versus USD 6.7 bn in the corresponding quarter.

Additionally, the Egyptian external debt upsurges by 1.4% in Q1 2020/21 to post USD 125.3 bn compared to USD 123.5 bn in the preceding quarter. Besides, the budget deficit narrows to 3.6% in H1 2020/21, from 4.1% in H1 2019/20. State revenues increase by 16% year-on-year (Y-o-Y), and tax revenues jumps by 10% during the same period.

Moreover, the cabinet signs off on an EGP 2 bn overdraft for the FY 2020/21 state budget. This overdraft helps implement finance measures to reinforce the economy to confront the pandemic battle.

According to our current economic status, Mohamed Maait Minister of Finance has amended the expected GDP growth rate to be between 2.8% to 4%, while the debt-to-GDP ratio is penciled in at 89%. The projected overall deficit is now expected to come in at 7.9%, up from the 6.3% originally penciled into the budget.

When we look at the Egyptian situation in the eyes of international institutions, we find that the World Bank anticipates that Egypt will end the current fiscal year with 2.7%, in addition, it predicts that by FY 2021/22 the economy will return to its pre-pandemic levels of 5.8%.

When it comes to the International Monetary Fund (IMF), it foresees that Egypt's economy will reach 2.8% at the end of the current FY. Moreover, Fitch Solutions sees that Egypt will achieve 5% by the end of 2021 due to the distribution of new vaccines and governmental investments.

Based on this, we can say that Egypt is on the right side of the tracks, and despite harsh circumstances, no efforts are spared to achieve our goals of development and sustainability.