

## Breaking News

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### UK House Prices rise by 10.5% in April 2010

According to the latest figures from Nationwide, house prices in the UK have continued to rise in April by 10.5% year-on-year, this is the highest rise since June 2007. Much of the rise is caused by the price rebound that started last Summer as the housing market started recovering from the global downturn. Figures further indicate a 1% rise in prices from March to April; the average home price currently stands at £167,802. Nationwide predicts that the rise in house prices will cause a slight shift in supply-demand balance as sellers will outnumber buyers by the end of the year.

### Orascom Telecom Could Merge With South Africa's MTN

Egypt's Orascom Telecom Holding (OTH) is going through a severe financial crisis as ongoing tax disputes between Orascom Telecom Algeria and the Algerian government continue. OTH has delayed repaying debts contracted from foreign banks and France Telecom. Financial difficulties have led to cuts in salaries of Algerian branch 'Djezzy', OTH now states that it is in talks with South Africa's MTN to discuss a possible merger.

## In Depth: EU Economic Government

### 'Do You Agree?'

*The upcoming Parliamentary (2010) and Presidential (2011) elections in Egypt will have an impact on its economic performance.*

As Egypt prepares for three major elections in the next two years, the Shoura Council, Parliamentary and Presidential elections, the country will feel the effects of its undefined future. Like is the case for any country in the world, Egypt's election climate will create opportunities and will have negative consequences. The ruling National Democratic Party will do its utmost to gain support from the voters in Egypt. They will attract voters by promises to improve education and healthcare, subsidies (currently Egypt's subsidies cost the government almost LE 100 billion), and above all pledges to create better housing; this is one of the essential systemic problems in the country.

Unfortunately impending elections more often cause a delay in vital decisions, implementation of promises made by the ruling government will likely be suspended until after the elections. Moreover, the three elections will undoubtedly cause social unrest as the voices of the opposition grow louder. There is apprehension about the potential inheritance of the presidency and a cry for change of the constitution by creating more openness and fairer elections. This will also improve Egypt's global image.

Only time will tell if the potential economic benefits in the election run-up will outweigh social instability and delays in decision-making.

[Comment](#)



### LATEST NEWS FROM EGYPT

- ◆ Egyptian Finance Minister Youssef Boutros-Ghali has announced a 10% profit tax to be instated on used automobiles.
- ◆ Egypt and China have agreed to impose tighter control measures on bilateral commodity trade in order to combat smuggling. China is now taking steps to curb goods from Egypt.
- ◆ EGX 30 index notes a 2.1% rise on Tuesday following two consecutive days of losses



### LATEST NEWS FROM THE UK

- ◆ The European crisis worsened yesterday after Spain's credit rating was downgraded and Greece's debt was issued junk status. The Euro plunged against the Dollar but recovered today to \$1.326
- ◆ BAA seeks compensation for the loss of £28 million following Iceland's ash cloud losses.



## Chambers Working Together Review

The EBCC organised a Chambers Working Together event that took place on Wednesday 28 April 2010 at the BIS Conference Centre. The aim of the event was to improve cooperation between the EBCC and all regional UK Chambers and provide a platform to discuss enhancing the trade documentation process. The event was very well received and long overdue according to all participating Chambers.

The event was divided into two interactive group discussions on trade documentation and business development. The first session raised issues such as the necessity of legalisation, cost of stamp duties on sales agreements and the potential for implementation of E-certification for the complete certification and legalisation process. In general the participating Chambers were satisfied with the efficiency of the EBCC's certification process.

The second session discussed potential for more cooperation in event organisation and promotion as well as the need for improved communication between the Chambers and the EBCC regarding all their activities, priority areas for development and trade products. The EBCC has agreed to work on setting up regional events focussing on Egypt with many participating Chambers.



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Event	Date
<b>Seminar Business Opportunities in Egypt</b> Reading, Thames Valley Chamber of Commerce	18 May
<b>Annual Conference: Potential Investment in Retail Business</b> London, Thistle Marble Arch	13 July
<b>Workshop Setting up Your Business in Egypt</b> London, Royal Lancaster	14 July
<b>Inward Trade Mission to Scotland</b> Edinburgh	Late 2010



### 'Do You Agree?'

*The UK is at serious risk of a cut in its AAA credit rating causing a crisis similar to Greece, Spain and Portugal considering its high budget deficit.*

## Seminar Invitation



**- Spotlight on Egypt -**  
Hilton Hotel, Reading - 18 May 2010



Thames Valley Chamber of Commerce in partnership with the Egyptian-British Chamber of Commerce is organizing a seminar on business opportunities and the investment climate in Egypt. The Seminar focuses on Tourism, the ICT Sector and Food Industry.

For further information or to book your place call the Thames Valley Chamber of Commerce on 01753 870500, or visit their website:

[www.thamesvalleychamber.co.uk/event/44182/](http://www.thamesvalleychamber.co.uk/event/44182/)



**Appetite For Life**  
Italian Style Café based in Egypt  
London-Jeddah-Amman



## Food Industry in Egypt

Food processing in Egypt is the second largest industry after textiles & garments. The entire food processing production has an annual value of around \$US 7 billion. Between 2000 and 2010 the industry has reported a strong average annual growth of 22%. Egypt is the fifth largest exporter of processed food to the larger Arab Region. Egypt's exotic fruit and vegetables are highly cost competitive on the international market and come in plentiful supply. However, the agribusiness sector lacks adequate processing and distribution facilities which leads to a lower quality and value of export products.

Egypt is an attractive destination for agribusiness as it has a population of around 80 million people, growing at a rate of 1.2 million per year. Moreover, Egyptians spend around 50-55% of their income on food and beverages; this is very high compared to an estimated 10-15% spent on clothing.

According to BMI's (Business Monitor International) business environment rating, Egypt places fifth for the entire Middle East and North Africa (MENA) region. However, Egypt's forecast for the food processing industry is the most favourable of among MENA countries; BMI expects that the country will enjoy a strong food consumption growth through to 2013 and labels Egypt as an emerging market with high volume potential.

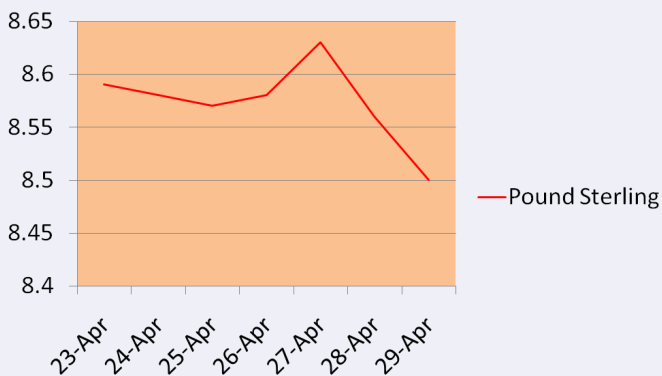
Egypt's trade agreements with the EU, COMESA and the Greater Arab Region creates a favourable investment climate for international players. Its central location serves as a gateway to the Middle East, Europe, Africa and Asia and makes Egypt one of the Middle East's most exciting investment destinations according to BMI.

*Source: Business Monitor International*

## Exchange Rates

29/04/10	Egyptian Pound
GBP	8.5
USD	5.59
EUR	7.37

**Egyptian Pound vs. Sterling over a week**



Source: Central Bank of Egypt

## UK-Egypt Trade Figures Jan-Feb 2010

The figures for the period January and February 2010 indicate that trade is picking up in the Middle East and North Africa (MENA) region. While Egypt has consistently performed well compared to the MENA region during the global crisis, the latest figures indicate that Egyptian trade with the UK has decreased year-on-year. UK imports from MENA have picked up by 28.3% in Jan-Feb 2010 compared to the same period the year before. UK imports from Egypt however have decreased by 8.4% year-on-year. While Egypt's share of MENA exports to the UK still stood at 8.9% in Jan-Feb 2009, the figure has dropped to 6.3% for the same period in 2010.

UK exports to the MENA region have increased by a strong 21.7% in Jan-Feb 2010 compared to Jan-Feb 2009. UK exports to Egypt have decreased by 9.1% year-on-year over the same period. Egypt's percentage of MENA imports from the UK has dropped by 1.9% from 7.9% in Jan-Feb 2009 to 6% in Jan-Feb 2010.

Egypt's ranking among MENA countries remains unaltered, Egypt is the 7th largest exporter to the UK and 5th largest importer from the UK.

Looking at these figures it is important to note that Egypt's percentage of MENA trade is usually between 7 %and 7.5%. Egypt has combated the global downturn comparatively well compared to other countries in the MENA region as can be seen from last year's figures stating a percentage share of MENA exports to the UK of 8.9% and imports from the UK of 7.9%. The latest figures furthermore indicate that the effects of the crisis have not yet dissipated but projections are difficult to make based on a two-month period.

*Source: HM Revenue & Customs*