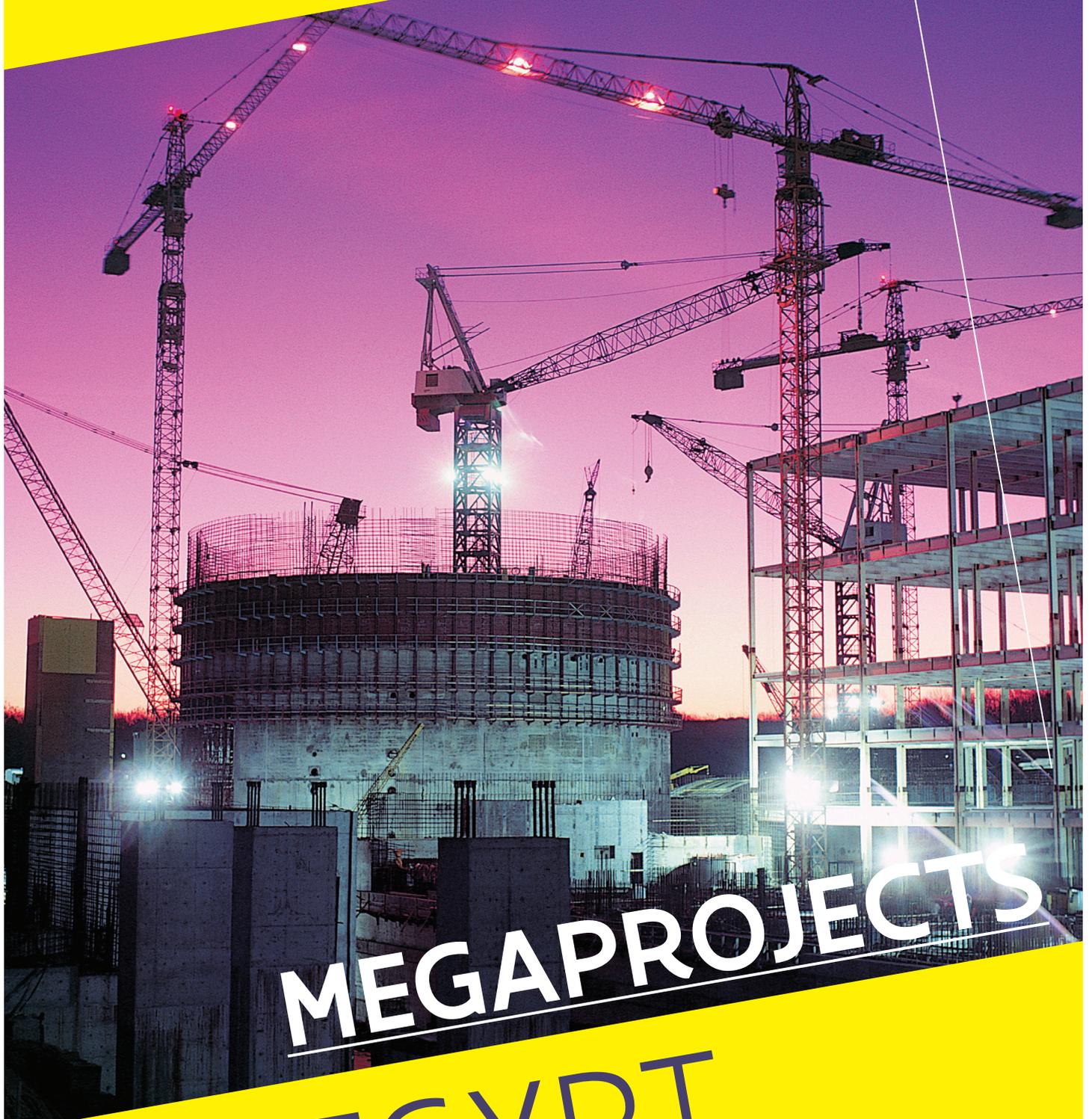




Flanders
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MEGAPROJECTS

IN EGYPT

FLANDERS INVESTMENT & TRADE MARKET SURVEY



EGYPT'S MEGA PROJECTS

1.12.2018



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1. CONSTRUCTION PROJECTS

1.1 THE NEW ADMINISTRATIVE CAPITAL

The new administrative capital will strengthen and diversify the country's economic potential by creating new places to live, work and visit for 7 million people. To draw people to this new city, a series of key catalyst developments will be established at its core. This includes a new government administrative district, a cultural district and a wide variety of urban neighborhoods. The new city is located 45 kilometers (28 miles) east of Cairo and just outside the Second Greater Cairo Ring Road in a currently largely undeveloped area halfway to the seaport city of Suez. According to the plans, the city would become the new administrative and financial capital of Egypt, housing the main government departments and ministries, as well as foreign embassies.

The country estimates that around USD 8 billion will be invested in the new capital within the coming 10 years. China is establishing an electric train with 11 stops and providing the wagons with a loan of USD 740 million. The train will link the capital with main key cities and accelerate the migration of locals to the new capital. It will also facilitate the transport of goods and production materials to and from the cities and industrial areas located along the railway line.

A new power plant has been established in the New Administrative Capital to support its industrial and urban projects and social housing has been completed within its borders.

Phases of the project

Phase 1 includes: 40,000 FD/ 168 km²

- Governmental district
- 20 residential districts with capacity for a 6.5 million population
- Academic city
- Business city
- Constitutional Court
- Diplomatic district
- Opera House
- Smart City
- Medical City
- Hotels
- Conference center
- Presidential palace
- International Park
- Investment zones
- Information center

A desalination plant with a capacity of 150 thousand cubic meters is under construction to serve the city. In addition, a road is being developed to connect the city through different routes. The road starts from the south of Port Said till the 92nd km on the Ismailia Desert Road, then cuts the Suez and Ain Sokhna Road in the Wadi Hjul area. There are plans to complete the road from the south to reach the west of Hurghada and west of Safaga and then 'Abu Ramad' and Halaib and Shalatin up to the area 'Perforkit' on the international border with Sudan. In addition, a 13-kilometer-long emergency link will connect the coastal road with the main road.

1.3 DEVELOPMENT OF 10TH OF RAMADAN CITY

Projects include:

- South Fangary Bridge Corridor with the aim to ease congestion between east and west Cairo;
- a drinking water plant in New Cairo has also been implemented at two billion EGP (= 97.6 million EUR) with a total capacity of 500,000 cubic meters;
- 'Dar Misr' housing project which consists of 960 residential units;
- Shubra-Banha road with a length of 40 kilometers and a total cost of EGP 3.6 billion (=175.8 million EUR);
- Cairo-Ain Sokhna road developing project;
- social housing project in 10th of Ramadan city which costs around 165 million EGP (= 8 million EUR).

1.4 THE NORTHWEST COAST DEVELOPMENT PROJECT

The Northwestern Coast development project is the third national project of a series of development national projects all over Egypt. The projects is drawn by the National Strategic Plan for Urban Development in 2052, where the government has recently taken some serious steps. The first project is the New Suez Canal and the second one is the Golden Triangle for mining in the Eastern desert.

This project coincides with the plan that is being implemented by the government to demarcate the future borders of the governorates, provide development and investment opportunities and establish new urban communities to accommodate the population increase that is being expected in the coming decades.

This plan includes the addition of three new governorates, these governorates are Central Sinai, Oases (Bahariya Oasis and Farafra), and al-Alamein (el-Alamein, el-Dabaa, el-Hamam, and Fukah), which was affiliated to Matrouh governorate. The Northwestern Coast extends from al-Alamein to Salloum about 500 kilometers and has a desert hinterland extending to 280 kilometers, covering an area of about 160 thousand km².



The region is rich in metallic and non-metallic minerals, including iron, copper, gold, silver, granite and phosphate. These products are involved in the manufacturing of many high economic industries and the manufacturing of construction and cement materials.

The Golden Triangle lies on the outskirts of Qena and is home to Abou Tartour, a mining area in Egypt which holds the largest phosphate reserves, estimated at almost a billion tons of phosphate rock. The Golden Triangle is a 9,200 square kilometer plot with identified untapped mineral reserves. Egypt is ranked 7th worldwide in terms of phosphate ore reserves, despite mining/production levels remaining flat for the last few years.

This mining wealth will allow the region to set up new factories that produce cement, glass, silicon, chemicals and computer chips. Other projects will utilize raw materials to manufacture cement from clay and limestone, and produce gasoline from oil-based clay.

The region is also rich with tourist attractions that can lead to a number of tourism projects. For example, the Qena Qeft Road served as a road of pilgrimage in the past. Another tourism opportunity lies in the many inscriptions and pharaonic drawings on the road to Qena Safaga, a possible destination for organized tours.

The road also contains the largest mine for 'Alsamiqaa Imperial' stones, historically used by the Roman Empire to decorate their temples. Several touristic resorts are being planned for Dendara, Laqeta and Qena Valley, as well as between the Safaga and Al Qusayr areas.

To support this opportunity, a new law has recently been passed which created an independent authority to develop the Golden Triangle area. It will govern investments in the economic zone, cut red tape, reduce bureaucratic processes and provide a familiar environment for international investors. Investments in the Golden Triangle are subject to special incentives and will receive fast track licenses.

Finally, agricultural land is being allocated within the Golden Triangle area for reclamation and cultivation under strong incentives by the new investment law. Egypt has successfully raised USD 150 million from the International Finance Corporation for the development of its agricultural sector.

1.7 THE GRAND EGYPTIAN MUSEUM

The Grand Egyptian Museum (GEM) is intended to be the world's largest museum of Egyptian art and culture. Poised between two worlds, the 5,000 years of ancient civilization and the modern one has been conceived as a portal through time.

The GEM will be a world-leading scientific, historical and archaeological study center with a total area extending over 491,000 m². The colossal building covers 168,000 m², housing 100,000 artefacts, some of which have never been shown to the public before. The building is intended to accommodate up to 15,000 visitors a day.



The total capacity of the Jabal al-Zeit wind station is stated to be 580 megawatts, with a production rate of 2 megawatts per turbine. The first project includes 120 turbines, the second includes 110 turbines, while the third includes 60 turbines.

The plant contains a system that has the ability to monitor migrating birds through the radar and stop turbines when they pass and re-operate after they leave. This system is used for the first time ever in the world.

The station consists of three administrative buildings, including the control rooms building of the station, which was created and designed in line with the latest international standards and the latest technologies. In this way, staff members are able to monitor all the turbines at the same time and connect them to the national power grid.

2.3 EL BURULLUS POWER PLANT

El Burullus power plant is a 4800 MW natural gas-fired combined-cycle power plant (CCPP) to be located north of Kafr esh-Sheikh Governorate, along the Mediterranean Sea shoreline in Egypt. It is one of the world's biggest gas-fired power plants.

2.4 BENBAN 1 SOLAR PLANT

The project is completed at a cost of EGP 250 million (EUR 12 million). The total capacity of the Benban solar plant is stated to be 525 MW. The project is located in Aswan's village of Benban. Aswan was chosen to host the mega project due to its perfect solar location.

Benban's solar power project is considered to be one of the largest solar generation facilities in the world. The project's purpose is to contribute to Egypt's energy self-sufficiency.

Egypt has been pumping in billions of pounds to meet the dramatic increase in power demand by upgrading, modernizing and expanding its power infrastructure and networks.

Egypt's national strategy aims to bring the contribution of electricity from renewable energy to 20 percent by 2022. The Benban solar park is set to generate the equivalent of 90 percent of the energy produced by Aswan's High Dam.



The total investment costs of the electricity and renewable energy projects that were implemented during the period June 2014 till the end of 2018 is estimated to be around EGP 515 billion (EUR 25 billion), besides other electricity projects like: the Dabaa Nuclear Power Plant, future projects which include pumping, storage, combustion, and coal, in addition to the cost of private sector investments in renewable energy, which amounts to be about USD 2 billion in foreign investments.

To counter the increase of electricity loads and demand, the ministry has announced a five year plan 2022-2027 to increase the number of new power stations. Therefore, the ministry is now implementing South Helwan Electricity Station, Assiut Power Plant, West Cairo Electricity Station in addition to other pumping and storage projects that are being studied in Luxor and Arment located in Qena.

2.7 NEW ASSIUT BARRAGE

President Abdel Fattah El Sisi opened the New Assiut Barrage project and its hydraulic power plant, at a cost of EGP 6.5 billion (EUR 317 million), with the participation of a group of youths and engineers who contributed to the implementation of the project.

The project's administrative building includes the operation room of the barrage that will provide irrigation water to 690,000 hectares of lands. The hydraulic power plant aims at reducing carbon emissions to preserve the environment.

The New Assiut Barrage Project consists of an embankment dam, a gated spillway, a river hydropower plant and a navigation lock in the River Nile. The new project was implemented by a consortium of international and national companies. The barrage includes two navigation locks on the right side of the Nile and eight semi-diagonal gates.

2.8 COAL-FIRED POWER PLANT - HAMRAWAIN

This 6,000 MW coal-fueled power plant in Hamrawein, Hurghada, is developed by the Ministry of Electricity & Energy. It is expected to take 5 to 6 years (till 2023) to complete over three phases. The esteemed value of the project is USD 5.5 billion.



According to Law No. 83, 2002, the SCZone will have a special customs and tax administration system and the plan is to develop Port Said, Ismailia and Suez to serve logistical and industrial projects that employ hundreds of thousands of people.

Several projects are in progress of being developed, some of which include:

- upgrading the Cairo-Suez and Ismailia-Port Said roads to free roads;
- establishing 6 tunnels that connect the area and the Suez Canal banks;
- developing Nuweiba Port to form a free zone;.
- upgrading Sharm El Sheikh Airport;
- upgrading the ports of East Port Said, West Port Said, Al Arish, Adabeya, Tur, and Ain El Sokhna.

Ismailia is intended to become the administrative center of the zone and is expected to host specialized clusters for R&D activities in both Communication and Information Technology (CIT) and renewable energy, as well as some light industries such as agribusinesses and textiles. An urban area at Qantara and New Ismailia City will be developed and will be able to host over 350,000 residents.

A new canal has been dug to create a two-way travel along the Suez Canal. The canal was deepened to allow larger cargo ships to pass. Three tunnels under the Suez Canal will be finalized by the end of 2018, two of which will be designed for cars while the third will be a railway tunnel. These tunnels are expected to benefit strategic projects at the Suez Canal and facilitate trade activities by linking the canal cities. The total costs are expected to be around EGP 18 billion (EUR 878.8 million).

Almost 97% of the road work has been completed for the Suez Desert Road project, which is a 70-kilometer road stretching from the Regional Ring Road up to Suez City. The Suez Desert Road is considered one of the largest national road projects and involves 120 kilometers, with a cost of EGP 1.5 billion (EUR 73 million). The Authority of the SCZone enjoys a level of autonomy and its Board of Directors puts policies and regulations in place to achieve the zone's goals such as the standards of urban planning and construction, rules pertaining to the management of ports, airports and their efficient operation and conditions relating to real estate authorization, notarization and legalization. This contributes to a more business-friendly environment that is supportive of private sector growth.

4.2 EAST PORT SAID INDUSTRIAL ZONE

In Port Said, the government of Egypt is planning on establishing an industrial zone that focuses on light-intermediate industries with a capacity to support 80,000 jobs. Targeted industries include agribusiness, textiles, automotive assembly, pharmaceuticals and other export oriented industries. New urban areas will be developed at East Port Said and Bardawil City, hosting up to 250,000 residents.

The East Port Said Zone is currently being developed into a major transshipment center with a multi-modal logistics center, this area occupies 44 km² adjacent to the East Port Said Port. With planned and existing urban communities in the immediate vicinity, 40 km² of the area is earmarked for medium and light industries and commercial activities. The expansion of East Port Said Port in the northwest part of the area is spurring industrial developments.



5. MINISTRY OF TRANSPORT PROJECTS

5.1 LUXOR TO CAIRO - HIGH-SPEED RAILWAY SYSTEM

Project Type: Railway
Est. Project Value: USD 7.4 billion
Project Stage: Concept
Est. Completion Date: Q2 2020
City: Luxor

The 700 km high-speed railway is expected to carry about 3.4 million passengers per year between Luxor and Cairo.

5.2 LUXOR TO HURGHADA - HIGH-SPEED RAILWAY SYSTEM

Project Type: Railway
Est. Project Value: USD 4.2 billion
Project Stage: Tender
Est. Completion Date: Q4 2021
City: Hurghada

The 300 km high-speed railway from Luxor to Hurghada is expected to carry around 1.5 million passengers per year.

5.3 GREATER CAIRO METRO - LINE 6

Project Type: Metro & Subway
Est. Project Value: USD 4 billion
Project Stage: Under Construction
Est. Completion Date: Q4 2021
City: Cairo
Developer: Egyptian Co. for Metro Management & Operation

The 20 km metro line will include 24 stations of which 12 will be built underground.



