



BREAKING NEWS

Royal Bank of Scotland is planned to lose 9,000 jobs

Only hours after it was confirmed that the Government's stake in the bank has increased from 58% to 70% RBS announced that it will lose 9,000 more jobs on top of the 2,700 already cut earlier this year. Both unions and politicians were angered at the news after a promise of no further job cuts two weeks earlier. RBS sought to head off criticism of the cuts with a statement of its determination to minimise compulsory redundancies.

Source: Times UK

France Telecom Mobinil Deal Suspended

Arbitration ruled that Orascom is to sell all its shares in Mobinil to France Telecom at a share price of LE 273. The deal is now suspended following the insistence of Egyptian Capital Market Authority on a common arbitration price for all shareholders. After an 18 month arbitration period in which France Telecom had committed to paying LE 273 they are now offering to still pay LE 187 after a drop in share prices over this period to LE 149.

IN-DEPTH: G20 LONDON SUMMIT



The G20 summit held in London on 2 April brought with it a vast array of different reactions long before the event had even taken place. In light of the current economic crisis, the Group of Twenty called for this emergency summit to come to a coordinated global recovery plan, people's reactions varied between scepticism, hope and anticipation. Planned protests overshadowed the summit in the first half of the week, culminating in riots in the City of London on 1 April. Participants of the summit were also temporarily shaken up by the news of a German-Franco opposition against plans from the US and UK to create a global coordinated fiscal stimulus plan that would boost spending. Their focus was on tackling the bonus culture among bankers and on the cracking down on tax havens and the creation of a 'name and shame' list for countries that refuse to sign up to OECD rules to fight money laundering and tax evasion. As the day of the summit progressed, news came of some successful developments, final result is a new \$1 trillion stimulus package through new loans and liquidity boosts, the scale of the package surprised many but it remains to be seen if it will be enough to kick-start the economy of not only developed countries but also of the emerging markets and less developed countries (LCD's). \$500bn of the stimulus package will go to the IMF, the emergency lender for countries in financial trouble and \$250bn will go into special drawing rights, an overdraft facility that the world's poorest countries can call on. Other results were stricter sanctions on tax havens, the planned publication of a name and shame list in Autumn; tougher limits on the financial system; measures to clamp down on bankers pay; and a \$250bn boost to trade financing. *Continued on page 2*

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LATEST NEWS FROM EGYPT

- ◆ Egyptian urban consumer inflation falls to 12.1%, a year low in March source: Noozz
- ◆ \$ 100m equity fund to target SME's in Egypt would make its first investment by September this year source: Egyptian Gazette

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LATEST NEWS FROM THE UK

- ◆ Aon, one of the world's biggest insurers, slashes payments to pensions for its workers by up to half source: Guardian UK
- ◆ European Investment Bank grants green loans to Jaguar and Nissan in first round of money for UK-based carmakers source: Times UK

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CHAMBER NEWS

Issue 4, 08 April 2009

Now more than ever the Chamber is working hard on constantly improving communication with its members and sister organisations. We are focussing on identifying opportunities and creating events in order to build and promote strong partnerships between organizations in Egypt and the UK. In order to do so, the EBCC has initiated this e-newsletter and is currently concentrating on improvements of its website which is under re-construction at present. It promises to be available to the public again shortly with updated and added communication facilities. Furthermore, we are creating a marketing plan for the development of new brochures and flyers for the Chamber alongside of the continuing work on our full events agenda. Note that in two weeks, on April 21 we will host our bi-monthly informal get-together again at the EBCC premises from 4pm to 6pm, all are welcome.



*Do you agree?
'This is the beginning of the end' says Gordon Brown at the G20 summit in London. The world will be out of the economic crisis by 2010.*

EBCC SEMINAR CONTINUED...

This issue of the EBCC newsletter has a special focus on the Egyptian real-estate sector, with this in mind we take a closer look at the informative presentation by Ian Marsh, Chairman of Think Egypt, held at the EBCC seminar on March 16. Egypt has an outstanding capacity for real-estate investment thanks to the combination of climate and culture; historical bonds; increasing openness to Europe and the World; strong impetus and support of the government, and good entry prices. The real-estate sector offers a lot of investment opportunities in hotels as well as partly developed projects, and the creation of master plans for new projects. These projects create business opportunities in a vast amount of sectors varying from finance for property purchase to furniture purchase. He predicts that the crisis will have its effect on the real-estate sector in the form of a slow-down of plan sales, financial problems for international developers and huge developments, and an increase in the price of land.



Ian Marsh speaking at the conference

(CONTINUED) G20 LONDON SUMMIT

Continued from page 1: Interesting is that any talk of reform of the financial institutions, especially of the IMF given its importance within the new stimulus package, has been strangely absent. It is very likely then that any bail-outs or loans given through the IMF will still come with severe strings attached. Regulation, although global in principle, will still be applied nationally. Confidence seems to have picked up a little following the outcome of the summit, this became apparent in the rise of shares on world markets, U.S. shares soared 216 points the following day. Although confidence is key to recovery, only time will tell if the summit can be considered the first step to the recovery of the global economic crisis.

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UPCOMING EVENTS

Date	Event
April 21	Get Together EBCC office, 299 Oxford Street, London
May 20	Seminar 'Investor in People' with CQL & BEBA British Embassy Ball-room, Cairo, Egypt
June 10	Parliament debate (subject tbc)
June 14-19	Inward Automobile Trade Mission with SMMT & EEC-EG The Midlands, UK
June 23	Get Together EBCC office, 299 Oxford Street, London
July 13	Conference 'Infrastructure & Energy Projects in the Arab region' with MEA & Federation of Arab Businessmen Victoria No.1, London

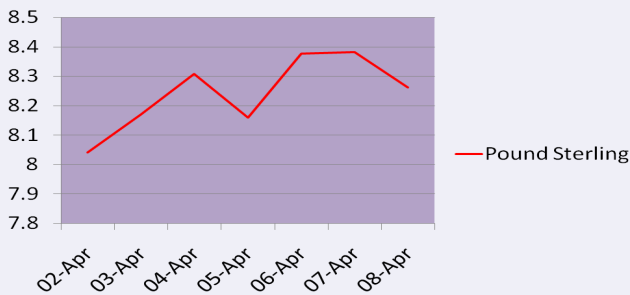


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EXCHANGE RATE

08/04/09	Egyptian Pound
GBP	8.26189
USD	5.62304
EUR	7.44381

LE vs GBP over a week



Source: Central Bank of Egypt

BUSINESS OPPORTUNITIES

FDI Inflows for Real-Estate Sector



Savoy Resort

The real-estate sector in Egypt recorded that incoming investments from the Arab Gulf to buy land and properties remarkably dropped in price. Gulf investors are ceasing to invest in their home markets in favour of the Egyptian market which is still reasonably competitive. These Gulf investors are now attempting to revive stagnant projects in Egypt. The Association of Egyptian Real-estate spokesman declared that the Egyptian market is still attractive with the exception of the luxury property market. Market experts vowed that this investment inflow will help stabilize the market value of properties and projects under construction. They have also said that the real-estate market in Egypt will not be back to normal before 2010. The public response to this statement has been one of scepticism. They claim that this announcement is a way for tycoon developers in Egypt to keep the prices up. The EBCC still believes that buying property in Egypt is a good opportunity for business investors and pensioners.

Source: Egyptian Press



HIGHLIGHT: EIU (ECONOMIST) REPORT ON EGYPT-MARCH 2009

The budget for fiscal year 2008/2009 remains on target. For the first 7 months total revenue rose by 59.1% year on year. The Economist Intelligence Unit is unsure whether the total projected annual increase of 71% will be met. Although taxes on international trade held up well in 2008, with a reported 22.8% year on year increase in January, it is likely to be far lower in the second half of 08/09 due to the global recession. The Egyptian banking sector is faring well compared to Western banks. This is because of a tightening in regulation and banking consolidation over the past 4 years; borrowing is sourced domestically and the provision of mortgage finance is relatively underdeveloped. Remarkably given the current global crisis, capital adequacy in Egypt improved in the fourth quarter of 2008. Inflation has been recorded at 18.3% in 2008, with a high of 23.7% in August. It is expected that inflation will decline substantially to an average of 8.1% in 2009 and 6.5% in 2010. The slowdown of the GDP has consequences for the labour market; unemployment rate stood at 8.4% in 2008 but is expected to increase to 9.0% in 2009 and 9.5% in 2010 largely because of returning migrant workers. The current account deficit increased from \$ 293.7m to \$2.5bn. The merchandise trade deficit has widened from \$11.3bn to \$14.6bn, with exports remaining almost flat and imports increasing from \$24.3bn to \$28.2bn. FDI shrank from \$7.8bn to \$4bn. The weakening balance-of-payments position meant a reduction in foreign exchange reserves from \$35bn in mid 2008 to \$33bn, this still covers six months of import. The current account is projected to narrow to 0.5% of GDP in 2009 compared to 0.8% of GDP in 2008. Foreign debt will decrease from \$30bn in 2008 to \$27.9bn in 2009. Expected is that there will be a slight increase in public debt in 2010 to \$28.1bn.