

Vote 2011: Liberal Democrats Suffer Significant Losses

More than 19 million people took part in the alternative vote (AV) referendum on 5 May on whether to replace first-past-the-post, where voters put a cross next to their preferred candidate, with AV, which sees candidates ranked in order of preference. More than two-thirds of those who took part in the poll opposed replacing the current method for electing MPs with the AV system. The Conservatives backed keeping the existing system, while Mr. Clegg's Liberal Democrats urged change and Labour was split on the issue. Thursday's referendum was a key concession secured by the Liberal Democrats as the price of forming a coalition government with the Conservatives. But the rejection of the proposal by 13 million votes to 6 million potentially marks a new phase in the relationship between the two parties. Prime Minister David Cameron said the referendum was always going to be a "difficult moment" for the Tory-Lib Dem coalition, but added that the result had been "clear".

It proved a difficult day for Lib Dem leader Nick



Campaign: David Cameron 'No to AV' and Nick Clegg 'Yes to Fairer Votes'

Clegg as his party also suffered significant losses in English and Scottish local elections. The Lib Dems lost around 700 councillors in the English local elections - more than a third of the seats they were defending - and 12 of its 17 MSPs at Holyrood, where the Scottish National Party scored a historic victory. Clegg is paying the price for backing what was seen as Tory policies.

Sectarian Violence Condemned by Egypt's Majority

12 Egyptians were killed and 240 injured in sectarian clashes between Muslims and Christians Saturday over a Coptic woman who allegedly converted to Islam and was held captive in one of the churches. The attack in the Imbaba district of Cairo further resulted in a fire at two churches. Egyptian authorities announced that the attack was instigated by counter revolutionary groups and that it suspected involvement of former members of the NDP. The strife represents another challenge to Egypt's military council that is trying to restore law and order after President Hosni Mubarak was forced to step down.

The January 25 revolution has left Egypt in something of a political and a security vacuum while its interim government is faced with multiple challenges - meeting huge expectations, reviving a struggling economy and managing a rushed timetable for new elections.

The Supreme State Prosecution (SSP) on Tuesday opened investigation into the sectarian violence. The Supreme Council of the Armed Forces (SCAF) has referred 190 of those arrested after Saturday's clashes for military trials. It urged all segments of Egyptian society to unite against attempts to sow sedition.

Critics have suggested the party could be wiped out at the next general election unless they do more to re-establish their party identity within the coalition. Nick Clegg has promised "a louder Lib Dem voice" in government and says he will show the party is "a moderating influence on the Conservatives". The Lib Dem leader appears to be fighting back with a National Health Service (NHS) pledge. Clegg said he expected significant changes to the planned NHS revamp and would block the legislation unless he was happy with it. At present, the controversial NHS reform bill - which would give General Practitioners control of much of the NHS budget - is on a "pause" in its progression through Parliament while the government listens to concerns.

BBC News

Egypt In Brief...



Suez Canal Revenue Increases

Revenue from Egypt's Suez Canal rose 15.9 percent year-on-year to US\$434.6 million in April, and rose 5.1 percent compared to March. Revenue in April 2010 was US\$374.9 million. The waterway is a vital source of foreign currency in Egypt, along with tourism, oil and gas exports and remittances from Egyptians working abroad.

Egypt's Consumer Inflation Rises

Urban consumer inflation in Egypt accelerated to 12.1 percent in April, its highest in a year, on the back of soaring food prices which contributed to the mass protests that toppled President Hosni Mubarak earlier this year. Inflation hit its highest level since March 2010 and was up from 11.5 percent year-on-year in March. On a monthly basis, prices increased 1.2 percent in April.

Nuclear Project Still on Track

Dr. Ibrahim Al-Asiri, advisor to Egypt's nuclear programme, has denied rumours about the postponement of the bid on Egypt's first nuclear power station until after the Presidential elections. Minister of Electricity and Energy, Dr Hassan Younis is preparing a report listing the justification of continuing and dangers of delaying this project.

The UK In Brief...



Retail Sales Rebound in April

Retail sales jumped 5.2 percent in April compared to the previous month, according to the British Retail Consortium (BRC). The jump is mainly contributed to the warm weather and two long bank holiday weekends. BRC warned that the underlying picture for the retail industry remains weak on the back of climbing costs and public spending cuts

UK Construction Slower Growth

Growth in the UK construction industry slowed sharply in April, weighed down by a contracting in housing activity. The Purchasing Managers' Index fell from 56.4 in March to 53.3 in April. Although the UK economy returned to growth in Q1 of 2011, construction remained a weak spot with the sector shrinking by 4.7 percent.

Sainsbury's Profits up by 12.8%

Supermarket group Sainsbury's has reported a 12.8% increase in annual pre-tax profit to £827m. The UK's third largest supermarket chain saw its market share rise by 0.2 percent to 16.3 percent this year. Chief Executive Justin King explained that non-food items will be a key area of growth, already rising at more than three times the rate of food this year.

Do You Agree?

Young Demonstrators from Tahrir Square Should be Included in Egypt's Cabinet of Ministers in Honour of Their Achievements

Egypt's youth movement is working to found its own opposition party in the wake of the revolution that ousted former president Mubarak and disbanded his regime. The aptly-named Coalition of the Youth of the Revolution, not yet officially registered, is set to gain a significant number of followers on the back of their remarkable achievements earlier this year. Members of the Coalition include the April 6 Youth Movement and central figures of the revolution such as Wael Ghonim, the Google marketing executive who started an internet campaign against police abuse. He created a memorial page for Khaled Said, victim of police brutality, called 'We Are All Khaled Said', that resonated all over the world. Further members include supporters of Mohamed El Baradei and the youth movement of the Muslim Brotherhood.

But what will happen when its representatives are elected as Cabinet Ministers? Egypt's Ministers have for years been senior and

I am Khaled Said



I am Egypt

experienced candidates. Some say younger Ministers will form a welcome relief and stimulate modernisation, others favour experience over fresh faces. They are rightly concerned that younger candidates will not

be taken seriously by their older peers. It is of course of essential importance that younger Ministerial candidates and their potential positions are carefully evaluated before instatement. Yes the younger generation should be honoured for its achievements, but not at the expense of the country's stability. Egypt's interim government and Council of Armed Forces appears supportive of rejuvenation of its future government. After all, around 60 percent of the population of Egypt is under 30, yet the average age of current cabinet Ministers is 68.

[Comment](#)

Chamber News

The EBCC warmly welcomes the following new members to the Chamber:

- Mr Hany Tawfik, Chairman - Naeem Holding for Investments
- Dr Hassan Rateb, Founder & Chairman - Sama Group
- Mr Ben Goodwin, Trader, NHG Timber Ltd



Alistair Burt MP, the British Minister for the Middle East and South Asia expressed his government's admiration for Egypt's peaceful revolution. He added that relations between Egypt and Britain are strong, and there are many common interests between the two countries.

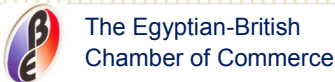
Burt announced during his interview with Egyptian programme Al Hayat El Youm (Life Today), that Britain is working hard to support the Egyptian economy during the coming period via a "Partnership Fund" that will provide financial support. In addition he urged the EU to promote investment in Egypt.

Next Issue...Do You Agree?

The Budget of the Entire Nation Should be Subject to the Approval of Egypt's Parliament. These Include Previously Hidden Budgets such as Defence, Interior, Presidency and Intelligence; the So-called Sovereignty Budgets

[Comment](#)

Upcoming Event - Textile Exhibition



The Egyptian-British Chamber of Commerce



Egyptian Textile & Garment Exhibition

The Egyptian-British Chamber of Commerce and Sahara Group are organising an Egyptian Textile & Garment Sourcing Exhibition to take place on 21 July 2011 at the Radisson Blu Portman Hotel in London.

Today, the textile industry is one of the most important sectors in Egypt, representing 25 percent of total industry and accounting for 30 percent of all Egyptian jobs. Egypt produces an average of 315 million garments and exports roughly 300,000 tonnes of textile every year. 80 percent of those exports go to the United States and 20 percent to the EU and Arab countries.

Egypt's textile production is unique, it is completely processed within the country. In the past, government owned companies dominated this industry but the role of the private sector is becoming increasingly important. Private companies mostly produce high value added items; in 2009 around 1,500 private companies were operating in the Egyptian textile industry. The total apparel production output is \$3bn; \$1.3bn of this comes from the textile and garment sectors.

The purpose of this important event is to stimulate stronger textile trade relations between Britain and Egypt. The exhibition will also support the promotion of Egyptian business in the country's transition towards democracy.

More information will be available shortly on our website, www.theebcc.com

Events Calendar

Get Together Reception

EBCC Office, London

19 May 2011

Workshop: The Challenges of Establishing a Private Sector in the Arab World

King's College London

20 June 2011

Egypt Open for Business

Surrey & Kingston Chamber of Commerce

5 July 2011

Egyptian Textile & Garment Exhibition

Radisson Blu, London

21 July 2011

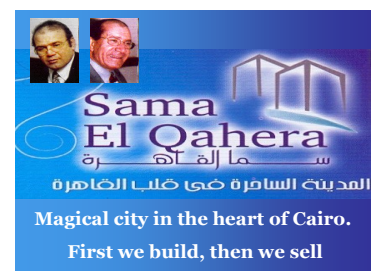


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No Strong Foothold for Islamist Extremism in Egypt

In 1952 the Free Officers Revolution eliminated King Farouk from power and established a Revolutionary Command Council as the governing body of Egypt. Gamal 'Abd al-Nasser became the true leader of this revolution. He began a process whereby Egypt became a truly independent state formed under his idea of Arab Nationalism and the Socialist idea of government. His successor Anwar al-Sadat took on a very different role both domestically and internationally.

The popularity of Nasser meant that Sadat constantly operated under his shadow. In an attempt to detach himself from Nasser, he formed his economic 'open door' policies and used Islam as a form of legitimacy for his government. Sadat drafted the 1971 Permanent Constitution which read that Egypt would be a "democratic, socialist state based on the alliance of the working forces of the people," it further called on Islamic Jurisprudence to be the source of legislation in the country, an amendment to Article 2 of Egypt's 1923 Constitution. This fundamental change to Nasser's radical secularism policy shaped Egypt today. Sadat attempted to gain political and popular legitimacy via the Islam; in 1980 he instated Islamic Jurisprudence as the principal source of Egyptian law. He broke trade ties with the former USSR and expelled Soviet military experts from Egypt. During Sadat's reign, Egypt aligned itself more with Western governments, particularly the United States. Sadat's economic reforms (Infitah) – initially not very successful – gained the support of the US via foreign aid.

The Muslim Brotherhood was established in 1928 under the direction of founder Hassan Al-Banna. The group was initially a movement against Western imperialism, which was seen as a political, economic and cultural threat to

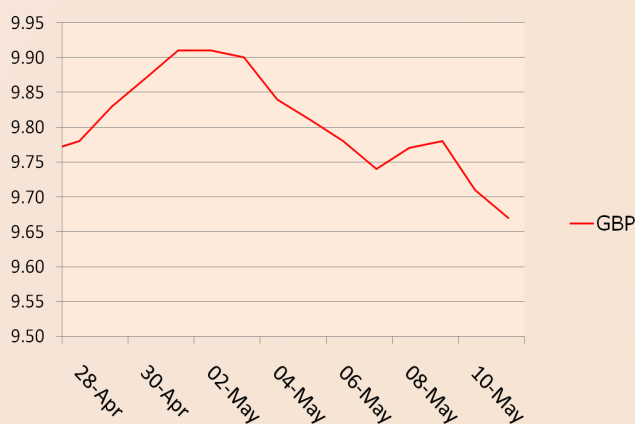
Muslim identity. It is important to note that the Brotherhood did not oppose modernisation. The group was forced underground at the end of King Farouk's reign and during Nasser's presidency; both did not believe in religious influence on the governance of Egypt. President Sadat did not allow the group to form an official party, since Egyptian Party Law to this day forbids the establishment of parties with a religious background. However, Sadat did allow the group to openly promote its ideals and continue its social activism programme, he became the patron of rehabilitation of the Muslim Brotherhood and new Islamic organisations in Egypt. The Brotherhood gained many followers during Sadat's reign, particularly in lower and middle income groups, this still holds true today.

Sadat managed to expand political representation and in 1978 formed both the National Democratic Party and the El Wafd Party. The NDP immediately became the vast majority party and ruled Egypt until earlier this year when the 25 January Revolution successfully overthrew Egypt's government and former president Mubarak.

Despite Sadat's support of Islamist organisations, they never gained a strong foothold in Egypt. They gained some popularity both during the reign of Sadat and Mubarak because they addressed social problems in healthcare, education and unemployment that both governments failed to sufficiently tackle. Today, Egypt's Party Law still bans formation of religious and class based parties. The millions that supported the January 25th Revolution protested in support of a democratic and civil Egypt; they do not support governance based on religious principle. The Muslim Brotherhood is in the process of forming an official party by the name of 'The Freedom and Justice Party' and now allows for non-Muslim and women members. There are clear indications of a division within the Brotherhood; many are advocating a moderate Party programme without influence of the Islam. Based on the moderate nature of Egypt's population, Taher El Sherif, the Secretary-General of the EBCC, believes that the new Freedom and Justice party (and other smaller Islamist parties) will not gain more than around 20 percent of Egypt's vote during the upcoming Parliamentary elections, set to take place this October.

Financial Market Information

28 April - 11 May 2011 EGP against GBP



Exchange Rates

	EGP
GBP	9.67 ▼
USD	5.91 ▲
EUR	8.48 ▲

EGX30 · Egyptian Stock Exchange

Open	High	Low	Close	% Change
4,957.68	5,002.91	4,955.77	5,002.82	0.911

For interactive chart [click here](#)

FTSE 100 · London Stock Exchange

Open	High	Low	Close	% Change
6,018.89	6,040.24	5,965.26	5,976.00	- 0.713

For interactive chart [click here](#)