

E**BCC** E-Newsletter

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Business in Egypt & the
United Kingdom



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NEWS | OPINION | LATEST EVENTS | FINANCE | INVESTMENT

Egypt's Survey for Presidential Elections

The Supreme Council of Armed Forces has conducted a month-long survey on facebook to gauge the popularity of 18 candidates for the Egyptian presidential elections taking place in December/January. The survey revealed that Mohamed ElBaradei, former director of the International Atomic Energy Agency (IAEA), is the most popular candidate within the facebook community. He received 25 percent, or 68,000 of the total 274,357 votes. ElBaradei is followed in the polls by Dr. Muhammad Salim Al-Awa with a total of 48,000 votes (17 percent). Former political prisoner Ayman Nour has gained substantial ground on Dr Ahmed Shafik and Amr Moussa and is in third place with a total of 35,000 votes (13 percent).

The online survey has been criticised as unrepresentative and limited to the facebook community, particularly because only one fifth of Egypt's population has access to internet. However, critics say that the result could be an indicator of the front-runners prior to balloting.

1. Mohamed ElBaradei

Born in Egypt in 1942, ElBaradei studied law at the University of Cairo. He began his career in the Egyptian Ministry of Foreign



From left to right: Mohamed ElBaradei, Muhammad Al-Awa, and Ayman Nour

Affairs in 1964, and worked in Egypt's permanent mission to the UN both in New York and in Geneva. Mohamed ElBaradei is a former Egyptian diplomat who joined the International Atomic Energy Agency (IAEA) and became its director 13 years later. ElBaradei won the Nobel Peace Prize in 2005 for his efforts to prevent nuclear proliferation. Analysts say that for some Egyptians Mr ElBaradei's appeal lies in the fact that he is a civilian.

UK Phone Hacking Scandal

David Cameron faced tough questions from MPs about his party's links to a phone-hacking suspect, as he made an emergency statement on the scandal to the House of Commons on 20 July.

The Commons debate – following a battery of revelations around phone hacking that have surfaced in the last week – came as a report by the all-party home affairs select committee concluded that Rupert Murdoch's News International "deliberately" tried to block a Scotland Yard criminal investigation into phone hacking at the News of the World.

The police investigation took place when Andy Coulson was editor. Coulson was later hired by Cameron to be his director of

communications, before resigning in January 2011.

The revelations will add to the pressure on Cameron, who arrived home from a shortened trip to Africa on Tuesday night as the crisis deepened after it emerged that Neil Wallis, the former News of the World deputy editor arrested last week over allegations of phone hacking, was an adviser to the Conservative party before the general election.

Wallis helped Coulson in 2009 in preparations for the election campaign. Both men have been arrested and bailed in connection with the Scotland Yard hacking inquiry.

2. Muhammad Al-Awa

Born in 1942, Mohammad Salim Al-Awa is an Egyptian Islamist thinker, widely considered to belong to the moderate Islamic democratic strain. He is the former Secretary General of the International Union for Muslim Scholars based in London, and head of the Egyptian Association for Culture and Dialogue.

3. Ayman Nour

Born in 1964, Ayman Nour established the al-Ghad Party in 2004 after defecting from the New Wafd in 2001. His liberal credentials brought him into direct competition with the youthful wing of the governing party, headed by President Hosni Mubarak's son, Gamal. In January 2005 he was charged with forgery and sentenced to five years in prison. His arrest was widely condemned by the West as politically motivated. He is not officially eligible to run due to his forgery conviction, although the Supreme Constitutional Court can issue a ruling waiving his ineligibility. Ayman Nour participated actively in the protests that began on January 25, 2011.

Egypt in Brief...



Egypt Stock Slips on Non-Arab Selling

For the third day in a row, Egypt's main index was in the red on Thursday on non-Arab selling, traders said. The country's benchmark index EGX 30 slipped by 0.11 per cent, ending the week at 5,136.78 points, according to Bourse data. The broader index EGX 70 added 0.29 per cent to 641.33 points. Egypt's heavyweight Commercial International Bank (CIB) rose by 0.3 to LE27.1 per share. EFG-Hermes, the country's biggest investment bank by market value, shed 0.56 per cent to LE19.7 per share.

Steel Rebar Prices Increase 11.8%

Steel rebar prices increased by 11.8% in June, reaching an average of LE5257 per ton, compared to just LE4699 at the end of May, according to the Central Agency for Public Mobilization and Statistics. The Cairo Chamber of Commerce attributed the rise to stability in global steel prices, noting that the factories' price increases began in the middle of last May, when prices approached LE5000 per ton despite economic stagnation.

International Aid Money for Egypt

The European Investment Bank will give 1.5 billion euros (US\$2.1 billion) to Egypt between 2011 and 2013 for projects including housing and water, according to MENA news agency. The news agency further quoted UK Ambassador to Egypt James Watt, who said that Britain will offer US\$ 30 million in financial aid. British aid money will be used in educational and technical training fields, Watt told reporters during a site visit in Alexandria.

The UK in Brief...



UK Retail Sales Post Modest Rise

Retail sales recovered slightly in June as stores started their summer sales early to attract customers, official figures have shown. Like-for-like sales excluding petrol were 0.8% higher than May, said the Office for National Statistics (ONS). Compared with June 2010, sales were up 0.2%. It comes after sales declined by a revised 1.5% in May from April. Marks and Spencer is one of the main retailers to have already cut prices.

Osborne Urges Debt Euro Response

UK Chancellor George Osborne has urged Eurozone members to "get a grip" on the sovereign debt crisis plaguing Europe to prevent it spreading further. Osborne told the Financial Times unless action was taken there was the risk of economic damage on the scale caused by the 2008 banking crisis. The Eurozone is looking at ways for the private sector to take a bigger role in supporting Greece's debts - potentially by expanding the bail-out package to include the purchase of Greek bonds.

B&Q Sales Fall on Tough Trading

Sales at Kingfisher's 330-store DIY chain B&Q have slumped, with the company warning of "challenging" trading conditions. Like-for-like sales at B&Q in the 11 weeks to 16 July fell 6.7%. Overall, Kingfisher's UK sales dropped by 5.5% with a good performance by trade supplier Screwfix offsetting some of the downturn at B&Q. Kingfisher said B&Q was hurt by rival Focus DIY going into administration and cutting prices.

Do You Agree?

Egypt's Government Approved the Draft Parliamentary Elections Laws. They are Merely Designed to Improve the Country's Image Without Bringing About Real Democratic Change.

On 20 July Egypt's ruling Supreme Council of Armed Forces (SCAF) endorsed the amendments of two laws aimed at regulating the elections of the two houses of parliament - the People's Assembly and Shura Council. Controversially the district-based first-past-the-post (FPTP) system adopts a mix of two election systems: the party list and individual candidacy. The final law is an improvement from the draft released on 30 May this year stating that only one third of seats would be elected via proportional representation, the remaining two-thirds of the seats would be available for individual candidates. The new law provides a 50/50 division between proportional and individual seats. Most of Egypt's political parties are unhappy with the mix of two systems and insist that party-list system be adopted entirely.

Another source of disagreement stems from the fact that the amendments to Egypt's electoral law were not subject to any form of debate or public referendum.

Furthermore, the public is not convinced that the new law sufficiently avoids the pitfalls



created by the previous regime; it is not quite the revolutionary law they expected.

The new law received further criticism for maintaining the 47-year-old principle that 50 per cent of seats in parliament be reserved for representatives of workers and farmers.

The ten final members of the People's Assembly (Egypt's lower house) are directly appointed by the President.

The key improvement to the law is the re-establishment of Judicial supervision over the entire voting process. Former president Mubarak cancelled supervision of the ballot boxes during the previous election which resulted in a 97% victory for the NDP. The upcoming parliamentary elections will see full supervision by judges at the ballot boxes, the general committees and the supreme committee. This will guarantee a fair process but remaining voting restrictions prevent full change towards a democratic system.

[Comment](#)

Next Week Do You Agree?

UK Interest Rates Should be Raised to Ease Inflation and Continued Pressure on the Housing Market

[Comment](#)

Chamber News

- The Chamber held its Board and Executive meeting on 13 July 2011.
- On behalf of all members of the EBCC staff, I wish you a happy Ramadan. Please note that the next newsletter will be released on 1 September 2011.

Event Invitation

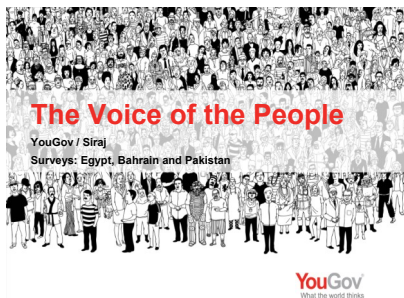
Get Together Reception; an EBCC Networking Event

15 September 2011

The Chamber invites you to attend our bi-monthly Get Together Reception at the EBCC office from 4pm to 6pm on Thursday 15 September. This informal event gives all Chamber members the opportunity to network and connect with the UK-Egypt business community.

Kindly **RSVP** to Karin van Wesep: Karin@theebcc.com / 020 7499 3100

The Voice of the People



A recent YouGov poll on the Middle East and Egypt supports the general sense of cautious optimism regarding Egypt's political and economic future. 62 percent of voters believe the country is headed in the right direction, and only 9 percent believe it is headed in the wrong direction.

Egypt's First priority is to re-establish political stability and ensure the security of the masses. Economic growth immediately follows stability

and security in the polls. Egyptians need more jobs, a better educational system and better healthcare facilities.

Egypt's principal reform priority is transparency, both in its Judicial system and in governance. Freedom to form political parties, and freedom of expression and religion are also central to Egypt's reform strategy. These are followed by the right to privacy, women's rights and freedom of press.

The overall majority (57 percent) in Egypt believe in a state where Islamic law is one of several sources for the constitution. 14 percent believe Egypt should be a secular state, and 25 percent believe Egypt should be an Islamic state governed according to the Koran.

[Click here to download the full YouGov poll results.](#)

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Events Calendar

Get Together Reception

@ EBCC Office, London

15 September 2011

Egyptian Textile & Garment B2B Mission

@ Hyatt Churchill, London

10 October 2011

Trade Mission to Egypt

@ Cairo

Autumn 2011

PPP Conference

@ London

November 2011

British Midland International 



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UK-Egypt Trade Figures Jan-May 2011

UK Imports from MENA

	Jan-May 2010	Jan-May 2011	% Change
MENA	£4,588bn	£6,370bn	39
Egypt	£288mIn	£390mIn	35
% of MENA	6.3	6.1	

UK Exports to MENA

	Jan-May 2010	Jan-May 2011	% Change
MENA	£5,683bn	£6,321bn	11
Egypt	£431mIn	£409mIn	-5
% of MENA	7.6	6.5	

UK Import Ranking

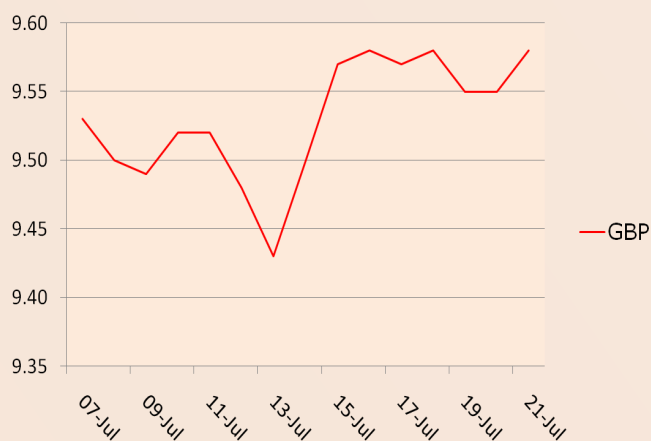
1	Qatar	£2,131bn	+164%
2	UAE	£760mIn	+23%
3	Kuwait	£689mIn	+74%
4	Israel	£620mIn	+16%
5	Saudi	£441mIn	+20%
6	Egypt	£389mIn	+35%
7	Libya	£325mIn	-32%
8	Algeria	£286mIn	-26%

UK Export Ranking

1	UAE	£1,850bn	+26%
2	Saudi	£1,221bn	+2%
3	Qatar	£658mIn	+30%
4	Israel	£605mIn	+18%
5	Egypt	£409mIn	-5%
6	Morocco	£248mIn	+70%
7	Algeria	£246mIn	+137%
8	Lebanon	£176mIn	+21%

Financial Market Information

07 July - 21 July 2011 EGP against GBP



EGX30 • Egyptian Stock Exchange

Open	High	Low	Close	% Change
5,142.45	5,147.61	5,131.87	5,136.78	-0.110

For interactive chart [click here](#)

FTSE 100 • London Stock Exchange

Open	High	Low	Close	% Change
5,853.82	5,934.28	5,797.48	5,899.89	0.787

For interactive chart [click here](#)

Exports to the UK for the period Jan-May 2011 increased by a significant 35 percent despite disruptions caused by the 25 January Revolution. Egypt's imports from the UK did feel the effect of the disruptions and fell by 5 percent. The Egyptian export figures to the UK are particularly encouraging in a time when UK imports from many other Middle East destinations facing unrest are down. Exports to Libya have dropped by 32 percent compared to Jan-May last year and UK exports to Tunisia are also down by 53 percent this year. The interim government is actively boosting foreign trade to minimise the losses caused by the revolution.

[Comment](#)