

BREAKING NEWS

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Egypt's Central Bank Cuts its Interest Rate

The Central Bank of Egypt (CBE) has cut its overnight deposit rate from 8.5% to 8.25% and its lending rate from 10% to 9.75%. These latest cuts show that the CBE is supportive of economic recovery in Egypt while it is consistent with maintaining the underlying inflation within the CBE comfort zone. Expected is that the CBE will further cut the interest rates by a quarter point during the remainder of the year. Economic growth has slowed from 7.2% in July 2008 to 4.7% in July 2009. Urban inflation dropped to 9% in August from 9.9% in July of this year. But will this cut benefit the depositors given the fact that 65% of deposits are family and pension deposits? Source: Egypt Daily News

G20 Summit to Give Regulators Power to Curb Bonuses

Ahead of the G20 Summit taking place in Pittsburgh, US today it has been announced that banker's pay and bonuses will feature prominently in the meetings. Alistair Darling, UK Chancellor has already indicated that he believes that regulations enforced by the Financial Services Authority will have to be used to limit the proportion of profits banks can hand out in bonuses. He also mentioned that successful employees need to be rewarded. The UK is warming to the proposal on the grounds that it will help financial institutions to divert more cash into building capital reserves. Source: UK Times

IN DEPTH: FSA RULES ON BONUSES

Do You Agree?

The UK's Financial Services Authority (FSA) should have pushed through its original stricter rules on the way banker's bonuses are structured under the new code published recently.

We have received the following answer on our 'Do You Agree?' section from Dr. Mahmoud Youssef:

There is no question that new guidelines are needed on how bonuses should be paid out. There is nothing wrong with rewarding success so in principle bonus payment should not be stopped, especially if it has been approved by the Board and AMG of the company. The criteria set for its award is what needs to be changed and more controlled. If a guaranteed bonus is included in a contract then its not a bonus any more, instead it becomes part of the salary and is no longer based on performance. Furthermore if the giving out of a bonus is based on short term gain then it will continue to encourage the person receiving it to take very high risks for short term gain. However if it's structured in a way to avoid these loop holes it can and should be encouraged as it will reward success. In no way should it ever reward failure no matter what the reasons are. I also don't encourage capping the bonus limit unless the proper guidelines are set. It is essential that these guidelines are implemented on an international scale. If the new guidelines were solely implemented nationally, skilled people would move to places where there are no such guidelines and The UK would loose out on hiring the top talents.

The implementation of new guidelines is essential if we are to stop the greed that is permeating the current banking climate. In this way, problems of today will be prevented in the future.

LATEST NEWS FROM EGYPT

- ◆ The swine flu has led to postponement of the start of the academic year to 3 October 2009 for schools & universities in Egypt. The number of Swine Flu cases after the Ramadan Umra was not as high as expected
- ◆ Egypt's industrial production has increased by 80% for fiscal year 2008-2009 compared to 2004-2005. Industrial production annual growth rates rose by 2.9% and private sector contribution to the sector rose to 87.8% for 2008-2009



LATEST NEWS FROM THE UK

- ◆ Governor of the Bank of England Mervyn King warns against too much optimism for a quick recovery of the UK economy stating that banks are still incapable of providing enough lending to fuel a solid recovery
- ◆ The FTSE falls by 1% after the announcement of the Federal Reserve that the US economic recovery is fragile and that interest rates need to remain between 0% and 0.25%



CHAMBER NEWS

- The EBCC welcomes Mr Mohamed Dawood as the new Head of the Commercial Office of the Egyptian Embassy. He is taking over from Mr Ali Laithy. Mr Dawood is the former Head of the Egyptian Commercial Office in Moscow and has worked for the Egyptian Commercial Office in Washington. The EBCC would like to wish him success in his post and also wishes Mr Ali Laithy all the best in his next position.
- The Secretary-General is flying to Edinburgh on October 6th to investigate future cooperation with Scottish institutes such as universities, banks, financial institutions and IT companies and will research opportunities for cooperation with these companies for the coming EBCC events.



Do you agree?

'The world will suffer another financial crisis, but it will be different,' claims Alan Greenspan, former Federal Reserve chief.

EGYPTIAN MINISTRY OF TRADE & INDUSTRY



HE Rachid M. Rachid,
Egyptian Minister of Trade
and Investment

On Thursday 24 September the Egyptian Minister of Trade & Industry, HE Rachid M Rachid was the key-note speaker at a Luncheon at the Dorchester Hotel in London. The Minister focussed on promoting business ties between UK and Egypt. The Minister mentioned the difficulties that the world is currently facing due to the economic downturn, but added to this that Egypt has weathered the storm well so far. There has been a reported increase in construction this year by 17% and the Egyptian Government is aiming at a GDP growth of over 5% for next year. It proves that the Government's reform programme that was started in 2004 has been successful in creating a stable trade and investment climate in Egypt, even in the face of this global crisis, and the Egyptian government is more focused on further reform than ever. The Minister also commented on the relevance of continued cooperation between the UK and Egypt and expressed his confidence that the central role of the UK in the world will assure its fast recovery.



Event Calendar	Date
Seminar: Direct & Portfolio Investment. Edinburgh, Scotland.	November 2009
Conference: Infrastructure Projects & PPP in cooperation with MEA	11 November 2009
Outward Textile Trade Mission to Egypt	21 - 25 November 2009
Conference on Further Education. Cairo, Egypt.	20 January 2010

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EGYPT'S PROTECTORATES



Egypt lies at the North-East corner of Africa, at the junction of four biogeographical regions, the Irano Turianan, Mediterranean, Sahara-Sindian and Afro-tropical.

The country is divided by the Nile and has a mostly arid and hyper-arid climate. However, due to its varied eco-zones, the country is home to flora and fauna that is extremely varied in composition, but is low in species numbers.

Because Egypt is enclosed to the north by the Mediterranean Sea and East by the Red Sea, the country nurtures reef systems that are among the richest in the world. The reefs and mangroves of the Red Sea contribute greatly to the health of the Sea.

Currently Egypt has declared 27 protectorates, one of the most well-known is Ras Mohamed National Park in South Sinai. The area was declared a marine reserve in 1983 and protects terrestrial and marine wildlife from damaging fishing methods. The park was also established to protect against urban sprawl from Sharm El Sheikh and other coastal developments. Other well-known protectorates are Santa Katrine and Taba in South Sinai, Lake Qarun and Wadi El Rayan in El Fayoum and Siwa in Matrouh.

For more information on Egypt's protectorates, go to: [www. http://www.ecaa.gov.eg/English/main/Protectorates.asp](http://www.ecaa.gov.eg/English/main/Protectorates.asp)



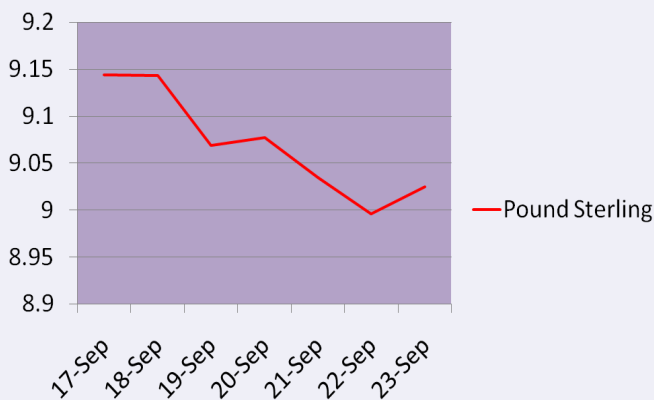
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Source: Ministry of state for Environmental Affairs

EXCHANGE RATES

24/09/09	Egyptian Pound
GBP	9.07
USD	5.53
EUR	8.18

Egyptian Pound vs Sterling over a week



Source: Central Bank of Egypt

UK TRADE FIGURES JAN-JUNE 2009 - WORLD TOTALS

	UK Imports 2009	2008	%	UK Exports 2009	2008	%
EU	£ 75.7bn	£92.6bn	-18%	£ 59.8bn	£72.2bn	-17%
Western Europe (excl EU)	£ 12.3bn	£16.4bn	-25%	£ 4.6bn	£5.2bn	-12%
Eastern Europe (excl EU)	£ 2.8bn	£3.6bn	-22%	£ 2.0bn	£2.6bn	-23%
North America	£ 18.3bn	£17.6bn	+4%	£ 17.9bn	£19.1bn	-7%
Other America	£ 3.2bn	£3.5bn	-7%	£ 1.7bn	£1.6bn	+1%
Sub Saharan Africa	£ 3.2bn	£3.8bn	-18%	£ 2.7bn	£2.9bn	-8%
Asia and Oceania	£ 29.1bn	£29.7bn	-2%	£ 12.7bn	£14.1bn	-10%
MENA	£ 3.7bn	£3.9bn	-5%	£ 5.9bn	£5.9bn	+1%
Egypt	£ 350m	£350m	0%	£ 466m	£393m	+19%