

MANUFACTURING PROJECT PROFILES

AGRIBUSINESS

SECTOR OVERVIEW

Global demand for food and food products to meet growing populations and changing tastes will drive the sector's growth over the next fifteen years. It is expected that global demand will increase by 25% from 10 billion tonnes today to 12.5 billion in 2030.

Consumer spending on food in the GCC is expected to reach \$106 billion in 2018 from \$83 billion year-end 2012. Food is the largest segment of consumer expenditure in the region at 28 per cent of the total spend. In particular, the GCC region's increasing demand for higher value added processed and packaged food within the home food mix means that the processed fraction's growth will exceed 10%. This will present opportunities to companies positioned to supply this market with processed and packaged food.

In Egypt, a large number of SMEs focus on niche products for regional and local markets: it is estimated that more than 87% of the food processing industries in the formal sector are either small scale or medium scale. This figure is similar to that of European countries, where the SMEs contribute to the production of more than 80% of processed food, which implies that successful operations do not require a substantial investment and that there are meaningful opportunities to cluster and optimise supply chains.

At present, much of the food and food product output from agribusiness goes to meet domestic demand, but with realistic additional investment in the sector coupled with income growth and credit conditions become more favourable for investment in plant and equipment, the sector is looking attractive.

KEY FACTS

4%

Growth in global food demand in 2014

US\$34bn

Value of output in 2012 in Egypt

22%

Sector's share of non-oil manufacturing output in Egypt

40%

Share of Egyptian agribusiness exports destined to the EU

5,600

Businesses

230,000

Total employment in 2012 in Egypt

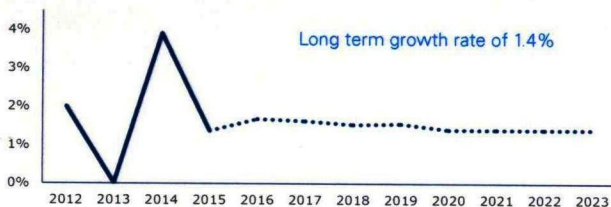
MARKET OVERVIEW

Food demand is increasing and its composition changing as a result of growing populations, rising incomes and an expanding middle class.

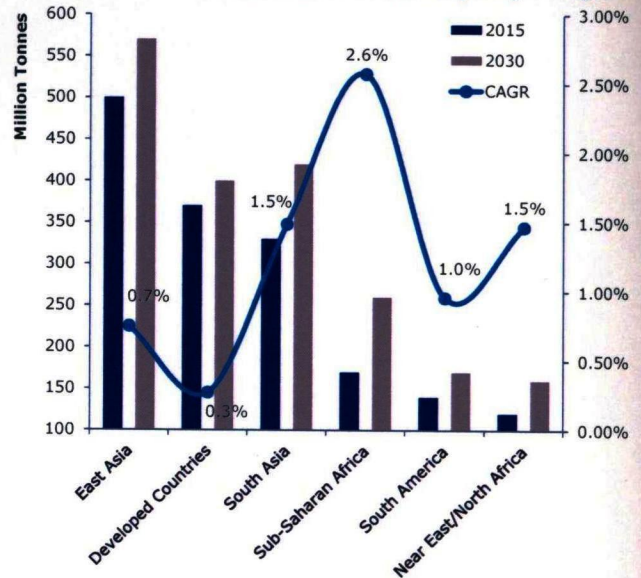
The sub-Saharan region is expected to experience average annual growth rates of around 3% between 2015 and 2030.

Importantly, the expected demand for processed foods in the MENA region will exceed 10% per annum.

World-wide Automotive Market Sales

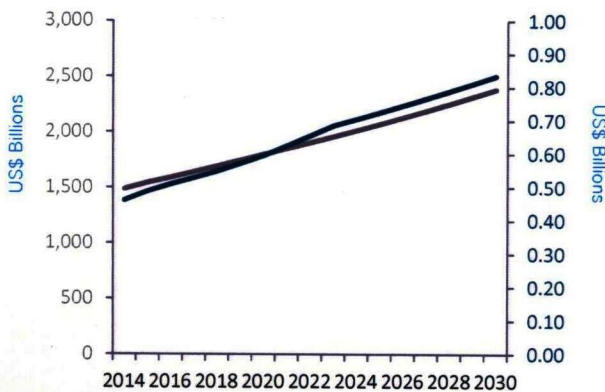


Global Food Demand by Major Region



Source: Derived from FAO and UN Figures

Output Levels (Nominal US\$ billions)



Source: Consultant Estimates derived from FAO & CAPMAS

KEY PLAYERS

Global brands present in Egypt:

- Coca Cola
- Nestle
- Kellogg
- Tetra Pak
- Kraft
- General Mills
- Unilever

Local Players:

- AWA
- Al-Watania Poultry
- El-Gamal Sweets
- Egyptian Canning Company

Egypt's share of
Global Output

2.33% 0.48%
2013 2030

INDUSTRY CHARACTERISTICS

Egypt possesses significant quantities and types of raw agricultural inputs; production is intensive and yields are high. The agribusiness industry (encompassing food processing, beverages and tobacco products) absorbs some 24% of labour in the manufacturing sector.

The sector is characterised by a small number of large firms that operate over multiple product sectors for local and export market with a large number of SMEs that focus on niche products for regional and local markets, providing attractive supply chain and cluster opportunities.

Key products include:

- Fruit juices
- Frozen vegetables
- Fresh fish
- Pasteurised milk
- Pasta
- Sweets
- Processed meat
- Beverages
- Milled cereals

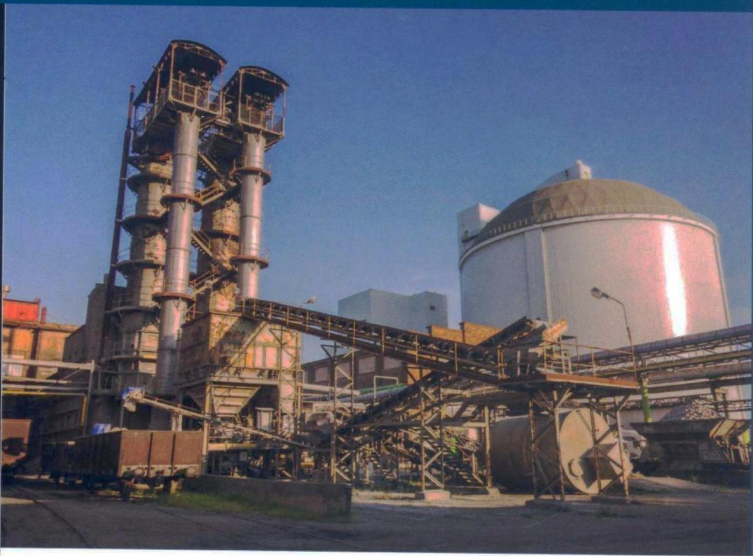


POTENTIAL OPERATING PROFILE

Processed Fish (frozen & canned) located in East Port Said in proximity to the fish farms.

Serviced Land available for light manufacturing activities:

East Port Said	3,800ha
Qantara	125ha
Ain Sokhna	4,000ha



PROJECT SCALE



Output

Phase 1

20,000 tonnes per annum

Phase 2

60,000 tonnes per annum



Land & Site Requirement (net)

10 units (3ha)

30 units (9ha)



Permanent Employment (operation)

1,000

3,000



Monthly Water Consumption

11,000m²

33,000m³



Monthly Power Consumption

1GWh

3GWh

CAPITAL EXPENDITURE COSTS

Phase 1: **US\$ 350 million**

Phase 2: **US\$ 500 million**



Location of Industrial Zones

East Port Said

Qantara

Ain Sokhna

ABOUT THE SCZone

The SCZone will be a world-class value-added services hub which will offer enhanced opportunities for investment across all economic sectors.

Key Sectors



With potentially in excess of 100km² of ports and logistics areas and over 400km² of industrial and real estate developments on offer, the SCZone will provide opportunities for businesses of all types and sizes.

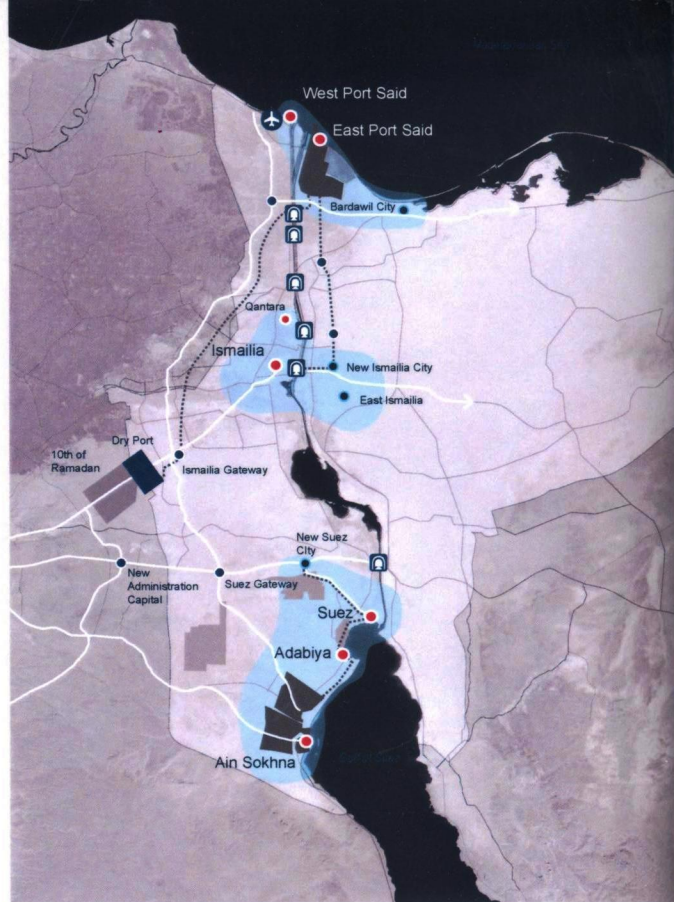
1 million new jobs created in the SCZone over the next 15 years



Additional 2 million residents in the SCZone over the next 15 years



Over 13,000ha of developable land immediately available



WHY THE SCZone?



At the heart of international trade

The SCZone benefits from its strategic location along one of the world's main trading routes. Complemented by world-class ports, high-quality logistics services and preferential trade agreements, the SCZone allows investors to efficiently, and competitively, access over 1.6 billion consumers in Europe, the Gulf, East and Southern Africa and Asia.



Access to Domestic Market

Egypt has a large and growing domestic market of some 90million people. With rising standards of living, the purchasing power of the domestic market will drive growth in many sectors.



Workforce

Egypt has a huge, competitively priced workforce available to meet investor requirements.



High Quality infrastructure and linkages

State of the art infrastructure services - including power, water, wastewater, telecommunication and transport linkages- will be offered to investors.



A supportive institutional framework

Created under Law No.83 of 2002, as amended in 2015, SCZone will be governed by the General Authority for the Suez Canal Economic Zone: an autonomous body with executive powers of regulation and approval, including full authority to oversee all areas of operation, staffing, funding and development of partnerships with developers.



One-Stop Shop Services

Unified and streamlined procedures and processes designed to minimise delays and costs to the investor.



Investment Incentives and Other Benefits

Investment and tax incentives will be offered to prospective partners and investors, including a multitude of preferential rates and business set-up and support services.

For more information:

SCZone
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dar **dar al-handasah**
shair and partners

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