

SUSTAINABLE CITY CLUB

of French companies in Egypt



TRÉSOR
DIRECTION GÉNÉRALE



CLUB DE LA VILLE
DURABLE

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The Economic Department of the French Embassy in Egypt wishes you all the best for 2018. Many projects will come out to promote the French expertise in the making of the Sustainable City. In continuity with last year transversal approach, the BATIMAT exhibition will take place from the 1st to the 4th of March and the Sustainable City Club will have its own corner within the “Stand France” organized by Business France. While maintaining this spirit in place for 2018, we will also develop a cluster-centered approach focusing on specific sectors (transportation, smart city) or projects (New Administrative Capital, urban renovation). Finally, we will also consider new horizons such as solid waste collection and management, in line with the upcoming national initiative to be launched by the Ministry of Environment.

Jérôme Baconin

Highlights from the Economic Department

As of the beginning of this year, we provide you with a **summary of the latest updates in new cities’ connection projects**. President Sisi raised the issue during his latest visit to France and the sector is currently being very dynamic with major projects announced:

- **A Light Rail Transit** worth 1.2 bn shall **connect Cairo to the New Capital**, with China providing 700 mn USD. The new 66km line will connect **El Salam’s multimodal station to the New Capital crossing El Obour, El Shorouk, 10th of Ramadan and Badr city**. Construction started last year and should be completed by the end of 2019. Its daily capacity shall be of 340.000 passengers at a maximal speed of 120 km/h.
- **The modernization and extension project of Alexandria’s tramway** aims at increasing its transportation capacity from 100.000 to 230.000 passengers while improving the connection of the city’s new districts and passengers’ comfort. The project worth 260 mn EUR shall get funding through IEB (180 mn EUR), **AFD (100 mn EUR)** and ministries’ own resources;
- Call for expression of interest was issued in December for a **High Speed Rail connecting Ain-Sokhna to New Al-Alamein** crossing through the New Capital, the southern Cairo Region, Giza and Alexandria (534 km in total);
- The Ministry of Transport is planning a **High Speed Rail project linking Alexandria – Cairo – Aswan**. Phase 1 connects Borg El Arab – Alexandria – Cairo. Phase 2 shall connect Giza to Aswan through Asyut and Luxor;
- **Two monorails are intended to connect 6th of October city to Giza (35 km) and the New Administrative Capital to Nasr City (52 km)** costing around 1.5 to 2 bn USD. Call for tenders for design, finance, construction, operation and maintenance were issued last December;
- The creation of an autonomous freight line connecting **6th of October’s dry port** to Alexandria’s harbor has sometimes been discussed during meetings;
- The authorities would like to see **Mansoura connected to New Mansoura** with a new railway;
- A need for connecting cities in Suez Canal’s Economic Zone to the New Capital might emerge. Egyptian authorities are also discussing the development of new railways connection over the Delta region.

Companies’ words: EDF

EDF group is the world’s leading electricity company and global leader for low-carbon energy production. Particularly well established in Europe, especially France, the United Kingdom, Italy and Belgium, as well as North and South America, the **Group covers all businesses spanning the electricity value chain** – from generation to distribution and including energy transmission and trading activities – to continuously balance supply.

A marked increase in the use of renewables is bringing change to its electricity generation operations, which are underpinned by a diversified and complementary energy mix founded on nuclear power capacity. EDF offers products and advice to **help residential customers manage their electricity consumption, to support the energy and financial performance of its business customers, and to help local authorities find sustainable solutions.**

The group had a significant footprint in Egypt; EDF had been involved in several projects contributing to the country's development. In the recent history of the group in Egypt, EDF was involved in the development of two fuel-fired power plants "Port-Said and Suez", under BOOT scheme, both ceded in 2006.

EDF owns, through its wholly-owned subsidiary **EDISON**, 9 permits for the exploration and production of gas (Abu Qir), contributing to approx. 7% of total Egyptian gas production.

The group was also involved in the "**Delta Dispatch Center**" development, Smart Metering Program.

Recently, the group took part of the Feed-in-Tariff Program, where it was entrusted to develop **2 x 50 MW solar parks** with its local partner.

Short News from Enterprise Newsletter (link to sources attached)

TRANSPORTATION: Government announces price hikes in train and metro tickets:

- [Train](#): a gradual increase of 20 to 25% will be implemented according to validation by Prime Minister's cabinet and by the Administrative Control Authority (ACA);
- [Metro](#): the Egyptian Company for Metro Management and Operation presented the Transport Ministry with two proposals for the planned increase of metro ticket prices. Both scenarios rely on a tier system for pricing:
 - The first scenario would set a base rate of EGP 2 for eight stations and a maximum rate of EGP 5 for a ticket that would cover all 35 metro stations. The scenario also includes two other tiers, both priced at EGP 3, for an undisclosed number of stops;
 - The second scenario would set a base rate of EGP 3 for nine stations, a second tier at EGP 4, and the maximum tier at EGP 5. The latter scenario is more likely to win approval, according to the sources.

WATER & SANITATION: several sewage and wastewater treatment projects announced:

- A [wastewater management plant](#) in Matrouh worth 350 mn EGP financed on the governorate's housing fund;
- Another [water treatment plant](#) in Matrouh worth 460 mn EGP financed by the Ministry of Housing, to be built by the Arab Organization for Industrialization (AOI);
- Also financed by the Ministry of Housing, [two desalination plants](#) in Matrouh governorate, one in Al Ruaila (57 mn EGP) and one in Basani (65 mn EGP);
- EIB approved a 400k mn EUR loan for a [feasibility study](#) on upgrading East-Alexandria wastewater treatment plant.

NEW CAPITAL: updates on investments in the New Administrative Capital:

- The New Administrative Capital Company has decided to [stop tendering land](#) intended for residential mixed-use developments at the new capital for the next 18 months. The company plans to auction off more land for phase two of development in early or mid-2019;
- Around 70% of the [governmental district](#) works are currently in place. The district is located in 4.8 mn square meters area and shall include the House of Representatives, Ministers' Council and Ministries' and public agencies' offices.

LEGISLATION: amendments and procedures approved:

- Ministers approved amendments to the [Unified Building Code](#) focused on insurance against potential damages and injuries during the construction process of new buildings;
- Housing Ministry's request to make the [New Urban Communities Authority](#) responsible for covering increased costs of social housing projects incurred by the Contractors Compensation Act. These extra costs currently stand at between EGP 5 and 7 bn;

Agenda

- **January the 30th to February the 1st:** [CI Capital's MENA Investor Conference](#), Four Seasons Nile Plaza, Cairo
- **March 1st to 4th of 2018:** [BATIMAT](#) Egypt's 2nd edition
- **March 28th to 31st of 2018:** [Cityscape Egypt](#), Cairo International Convention Centre, Cairo.