

# The Suez Canal Economic Zone

## Invest in the Future

**T**he Suez Canal Economic Zone (SC Zone) is an audacious mega project along the Suez Canal, developed in

line of a strategic national vision to capitalize on one of the world's most important maritime routes. The sagacity of the government to utilize this premier destination does not only stem from the pivotal role it plays in connecting the Red Sea to the Mediterranean, however, the embedded national strategy in place for SC Zone, is to become a world-class value-added services hub which will offer enhanced opportunities for investment across different sectors to spur economic developments, boost technological transfer, foster innovation, and competitiveness which will inevitably result in numerous cross sectoral opportunities for businesses to exploit.

SC Zone envisions to transform this inimitable region in the hinterland of the Suez Canal into a global industrial hub availing numerous opportunities for value chains and synergies through a cluster based development approach that caters for the business operations in the zone and enhance efficiency. The entrenched vision for the development of this region will stimulate national economic growth. SC Zone development strategy is not solely for the attraction of investments and employment generation and increasing GDP rates, but similarly creating sustainable communities for generations to come; SC Zone will attain that through attracting partners that share the same vision of creating successful integrated zones and townships. We are definite that our development strategy will propel as we have listened to all stakeholders and responded accordingly.

We are very confident that SMEs will play a significant role in the operation's economies of scale ; given the exports enhancement policy that Board dominates, and the transshipment/ logistics operations in the zone all of which will formulate in the increase of traffic volumes to and from the region, which is in line with our embedded strategy to transform this zone to an international business hub capitalizing on the ports facilities that we are also availing as a business opportunities to the maritime industry.

At SC Zone we are determinant to paving the road to success through a thorough understanding of the needs of investors and providing a new model of investment environment which will gradually echo in mainland Egypt. The board is an autonomous body with the capacities of all the pertinent Ministries , Authorities and Governorates in the jurisdiction of the 460km<sup>2</sup> zone.

**SCZone's Incentive Package**

Financial Incentives Three Major Tax Platforms	
Income Tax (No. 91\2005)	The investor could receive a preferential treatment of a 50% tax exemption from the investment cost over a seven- year time-period.
Value-Added Tax VAT (No.67\2016)	<ul style="list-style-type: none"> <li>• The VAT is <b>only</b> applicable on products exported to the local market.</li> <li>• Customs are withheld in the jurisdiction of the Zone.</li> </ul>
Custom tax (No.66\1963)	<p>All imports are exempted from Customs on the following conditions:</p> <p>1- Material that deems necessary for the production (equipment- raw material – spare parts – or any other necessary material).</p> <p>2- Re-Exports.</p> <p>3- Custom exemptions are granted when the final product is exported out bound. (Out of Egypt).</p> <p>4- Customs are due on the foreign components imported <b>only</b> when the final product is exported to Egypt.</p>
Other fees and taxes	All other types of taxes are not applicable in the Zone i.e. Stamp Duty, Real Estate Tax...etc.

<b>Non-financial incentives</b>	
Location	The zone is strategically located at the crossroads of major maritime international trade routes. It is the main entrance to the African Continent and connects the East to the West.
Labor	Egypt has an abundant labor resources with competitive wages.
Authorities	SCzone is administered by an autonomous Board of Directors comprised of representatives from different concerned ministries and private sector stakeholders.
The One-Stop- Shop	One-Stop-Shop provides investors with registration and after registration services.
International Agreements	<p>Egypt is a signatory of a number of international\ regional trade agreements to sustain the most business-friendly environment (Aghadir – COMESA – EU Partnership – QIZ.. etc).</p> <p><b>Egypt's Free Trade Agreements ensure free entry to <u>1.8 Billion</u> consumers in Europe, Asia, the Middle East and Africa.</b></p>
Simple Customary procedures that facilitate international trade movement	<ul style="list-style-type: none"> <li>- Products inspection.</li> <li>- A pricing system that complies with international standards.</li> <li>- Samples examination is highly censored to secure a precise and thorough check-up at a single place.</li> <li>- Fast issuance of the certificate of origin.</li> <li>- Rules and regulations of the imported products are transparent, simple and clear.</li> </ul>

Certificate of origins	The Authority issues certificates of origin.
The Zone does not apply the general-law regulatory framework on imports and exports	<ol style="list-style-type: none"><li>1- Investors can import objects\products directly or through a third party.</li><li>2- Companies in the zone do not need to register at the exporters\importers registrar</li><li>3- Companies and other operative entities can export products directly or through a third party with no need for an official permit.</li></ol>

# **“Why Invest in SC Zone”**

- The board is an autonomous body with the capacities of all the pertinent Ministries in order to streamline procedures and approvals of projects.
- Multi Modular contractual arrangements – Concession Fess- Profit Sharing- Revenue Sharing – Joint Venture - all are investment platforms that are considered
- Strategically located on one the most important maritime routes, connecting the Mediterranean with the red sea, as 8% of global trade flows through the Suez Canal.
- Competitive startup costs.
- Strategic plan in place to develop the zone in a cluster based approach to maximize value chain operations.
- Embedded ecosystem system for industrial metabolism.
- Multi Trade agreements providing free and preferential access to more than 1.4 Billion consumers.
  - **COMESA Agreement**
  - **European Union-Egypt Association Agreement**
  - **GAFTA Agreement**
  - **Agadir Agreement**
  - **QIZ Agreement**
  - **Egypt- Turkey Agreement**
  - **Egypt EFTA Agreement**
  
- Competitively priced governmental fees to start up a company
- Diversified Industrial activities
- Access to a local population of more than **90 Million Consumers**
- **State of the Art One-Stop Shop Services**
  - Comprehensive range of services, including registration, customs, construction and labor permits
  - Single point of contact for tenants, through dedicated relationship managers
  - Registration process within **1-3 days**
  - Licensing process within **3 days**
  
- Competitive utility rates (**1/3 of Europe, 0.04 USD/ KWh**)
- Competitive labor costs (**1/10 of the US, 140 USD/month for low skilled labor**)
- Competitive land lease rates
- **Customs exemption on import to the zone and on re-export**
- **Potential subsidies on training and social security**
- **40% Capex rebate for selected industries**

**“SCZONE OFFERS A UNUIQUE VALUE PROPOSTION BUNDLE FOR INVESTORS TO MAXIMIZE EARNINGS**

## **Four Detached Ports**

### **West Port Said Port**

A well-established transshipment port on the key global sea route between Europe and South Asia, West Port Said Port occupies 2 km<sup>2</sup> at the northern entrance of the Gulf of Suez from the Mediterranean Sea.

### **Adabeya Port**

Located on the western shore of the Gulf of Suez, about 10 km south of Suez, this port facility is slated to process large volumes of dry bulks. Covering an area of 1.8 km<sup>2</sup>, Adabiya Port's nine berths with a total length of 1,840 m can handle dry and liquid bulk cargo vessels bearing up to 60,000 tons. Further investment in the port is geared toward the creation of additional terminals to handle dry bulks, liquid bulk, general cargo and containers

### **Al Tor Port**

A strategic port for South Sinai occupying three hectares on the eastern bank of the Gulf of Suez, south of Abu Zenima. The majority of exports from Al Tor Port are minerals and dry bulks. This commercial port includes terminals for dry bulk cargo, general cargo and containers as well as fishing boats and a marina.

### **Al Arish Port**

Located on the shore of the eastern Mediterranean Sea with docks stretched over 40,000 m. Active as a cargo, fishery and tourist port, Al Arish Port plays a crucial role as an industrial and commercial port for North Sinai and Gaza.

### **Infrastructure Status**

All Infrastructure is available

# **T**he Project



The SC Zone project encompasses a total area of 460km<sup>2</sup> for industrial activity stretching along the banks of the Suez Canal. The SC Zone project leverages on the unique value propositions of each zone that is either naturally gifted through its abundant natural resources and ample labor resources or unique value chain activities that are already in place and yet to be unleashed.

The Project has two fully integrated Zones, The Ain Sokhna Integrated Zone in the Southern entrance of the Canal and East Port Said Integrated Zone in the northern entrance of the Canal; and two detached Zones, West Qanatra and West Ismailia Technology Valley along with four ports with strategic locations along the Suez Canal and Sinai.

## **Ain Sokhna Integrated Industrial Area:**

### **The Ain Sokhna Industrial Zone:**

A major industrial and logistics hub stretching along a unique leisure destination with a number of 5 star resorts in the vicinity of the zone; The zone combines port facilities, industrial zones, residential areas, and excellent road and rail linkages to Cairo and the city of Suez. The Ain Sokhna total area is approximately 210 km<sup>2</sup> which is earmarked for manufacturing. The area is designed to accommodate heavy, medium and light industries, as well as commercial facilities. Real estate development opportunities exist for building residential communities. Suitable maritime-related activities include ship building and repair services, bunkering, vessel scrapping and recycling.

The Sokhna Zone has 12 Developers whom will be responsible for developing, managing all infrastructure under their jurisdiction and marketing their zones within the parameters of the masterplan set by SC Zone.



## Investment Opportunities in Ain Sokhna Zone

- SME Cluster Park Development (All Value Chains Activities)
- Pharmaceutical Cluster Parks
- Residential Cities
- Recreational Facilities
- Waste Water Treatment
- Petrochemicals
- Oil Refineries
- Container Terminals/ Dry Bulk/ Liquid bulk / General Cargo
- Business Incubators





### Ain Sokhna Port

A major international gateway port for Egypt, the Arabian Gulf and Asia, Ain Sokhna Port is located on the western coast of the Gulf of Suez, 43 km south of the city of Suez. Covering an area of 22.3 km<sup>2</sup>, it has a depth of 18 m. Due to abundant surrounding land, the port is fast becoming a major industrial hub serving international and domestic markets. Expansion plans include new container terminals; dry bulks and general cargo terminals; liquid bulk terminals; logistics, warehousing and distribution centers; and a dry port. Further investment is geared toward port automation and state-of-the-art container handling equipment.



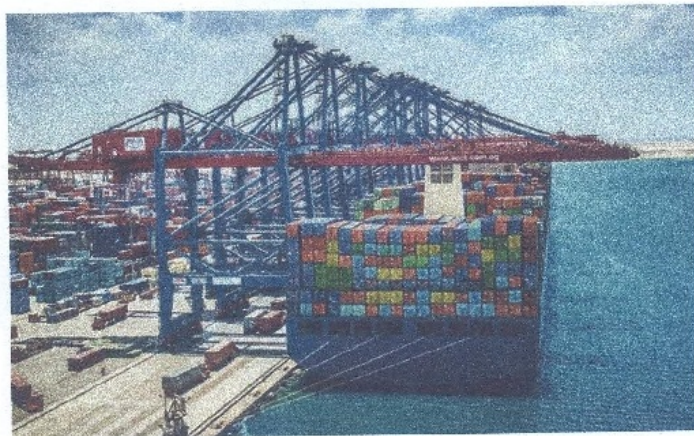
## **East Port Said Integrated Zone**

### **East Port Said Industrial Zone**

The East Port Said Zone is currently being developed into a major transshipment center with a multi-modal logistics center, this area occupies 44km<sup>2</sup> adjacent to the East Port Said Port. With planned and existing urban communities in the immediate vicinity, 40 km<sup>2</sup> of the area are earmarked for medium and light industries, and commercial activities. The expansion of East Port Said Port in the northwest part of the area is spurring industrial developments.

### **East Port Said Port**

A main international and domestic transshipment hub at the northern entrance of the Suez Canal. East Port Said Port is known for its sheltered deep-water facilities that allow it to accommodate large vessels, rendering it among the world's top 40 busiest ports and growing. In one of the most audacious construction works the work of a 5km<sup>2</sup> of port key walls has been completed and is availed for terminal operators to reap the unlimited potentials that this is port has to offer in an unprecedented place in the world. The port will contain container Terminals/ Dry Bulk/ Liquid bulk and General Cargo, all of which will leverage on this unique transshipment hub along with the industrial activities in the 44km<sup>2</sup> industrial activities in East Port Said Industrial area.



## East Port Said Industrial Area



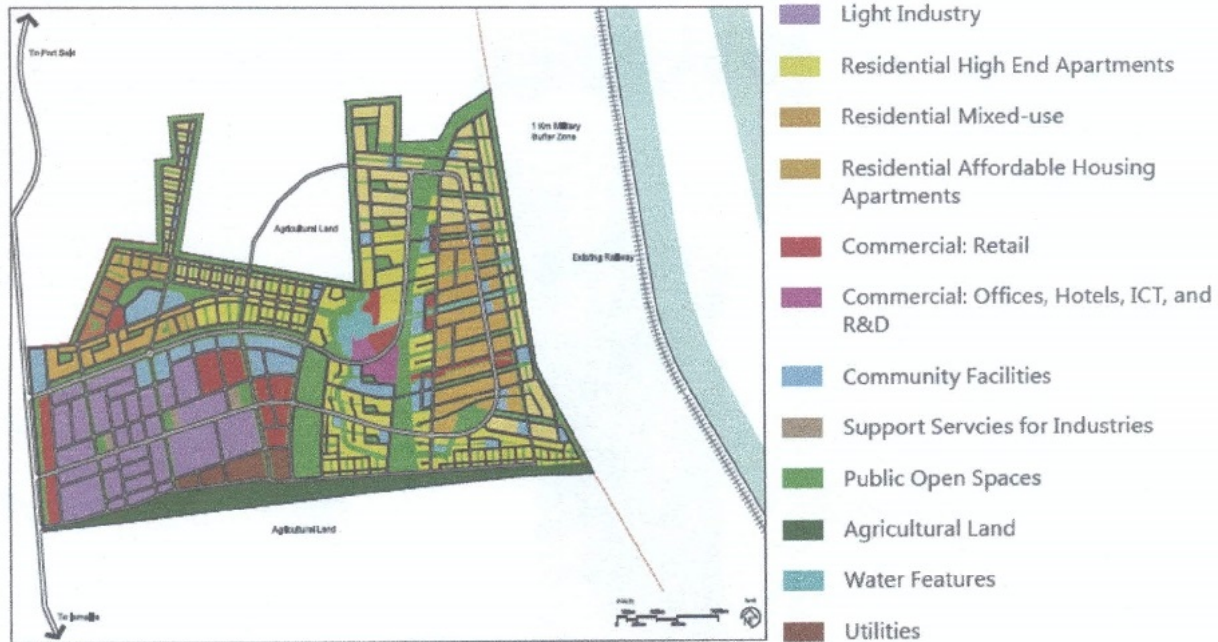
## Investment Opportunities in East Port Said Integrated Zone

- SME Cluster Park Development (All Value Chains Activities)
- Logistics Parks
- Textiles and readymade garments
- Food processing
- Electronics and ICT
- General Industries
- Pharmaceuticals
- General/ Feeding Industries

## West Qantara Zone

A new residential community with light industry and logistics centers easily accessible to the Suez Canal. Located close to farmland 30 km north of Ismailia on the road to Port Said, Qantara West benefits from proximity to the fertile Delta and is ideal for agribusiness. Currently, 13.6 km<sup>2</sup> are available for development in an area well supplied with water, electricity and sewage. Suitable logistics enterprises include warehousing and fulfillment services, transportation and distribution, freight forwarding, Pick & Pack, to name but a few.

### West Qantara

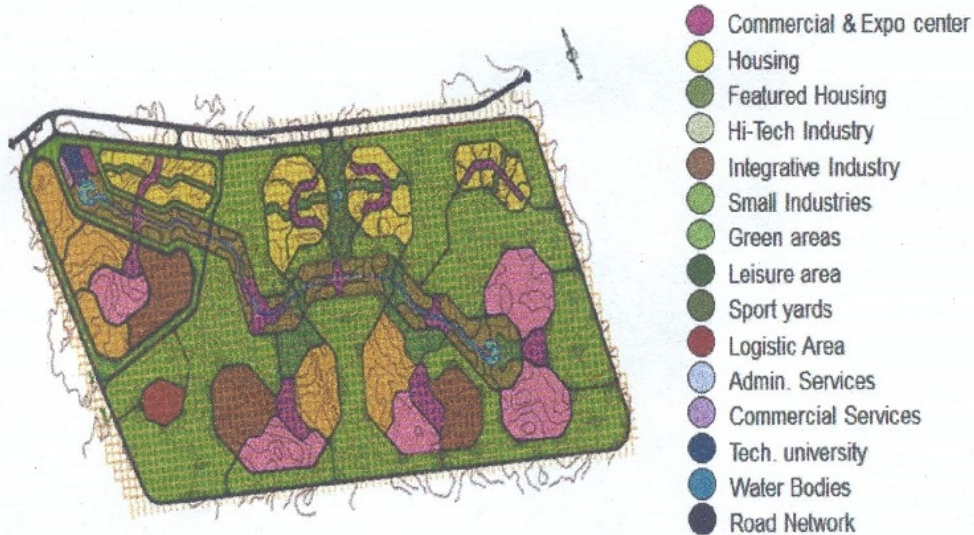


### Investment Opportunities in West Qantara Zone

- Agribusiness Parks
- SME Cluster Park Development
- Recreational Facilities
- Logistics
- Business Incubators.

## Technology Valley Zone

A new center for high-tech industries, as well as educational and scientific research institutions, East Ismailia is located 10 km east of the Suez Canal and covers an area of 71 km<sup>2</sup>. With excellent electricity and water supply, East Ismailia offers ample prospects for light and medium industry, research and development facilities, as well as commercial ventures and services. A tunnel is currently under construction to link East Ismailia with the Egyptian mainland, greatly decreasing east to west transportation time.



## Investment Opportunities in West Qantara Zone

- Integrative industries leveraging on the abundant natural resources in the Area
- High Tech Industries
- Recreational facilities
- Research facilities and Incubators
- Logistics
- Warehousing
- Vocational Training