



Maher Milad Iskander & Co.
LAWYERS & COUNSELORS



EGYPT

LAND OF OPPORTUNITIES

Invest in Textiles

An Economical Guide

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Additional detailed information on Egypt, and advice on how to access our market intelligence and services, can be obtained from Maher Milad Iskander & Co. Trade and Investment Team in Egypt. Full contact details are available at the end of this guide.

Whilst we make every effort to ensure that the information is accurate, we can accept no responsibility for any errors, omissions or misleading statements.

Maher Milad Iskander
Managing partner

Background of Textiles in Egypt:

This guide is designed to inform potential investors about the current and upcoming textiles market within Egypt. We hope that after you have completed looking through it you will have an understanding of the different types of textiles within the country, where the core areas of investment lie, the advantages of investing here, and the legal processes which must be incurred to successfully carry out a project within this sector. We have also included a section outlining relevant success stories within this field. At the end you can find a brief over-view of the Egyptian legal system and the services we provide should you decide to launch a project in Egypt.

History of Textiles

The Egyptian passion for textiles has resonated in their culture since the 19th century when Mohamed Ali introduced the production of long staple cotton in 1828 and until today this sector still plays a central role in the Egyptian economy. Reflective of the importance of this particular field, is the country's fully vertically integrated textiles industry, with the entire production process — from the cultivation of cotton to the production of yarns, fabrics and ready-made garments — being carried out domestically.

The industry accounted for approximately 30% of local employment, and 13.7% of non-petroleum exports in August 2014, according to General Organization of Export and Import Control (GOEIC). The textile production market (making up approximately 25% of the textile industry as a whole) is comprised of the following elements: 12% home textiles and 8% cotton yarn, while the remaining 5% is attributed to other cotton fabrics and textiles. The majority of spinning (50%), weaving (60%) and hemming (60%) capacity are

owned by medium to large scale public sector companies, whereas 90% of garmenting capacity is privately owned.

Egypt imports yarns from China, India, Turkey, Indonesia, Pakistan and other countries. Furthermore, finished fabrics are imported from China, Turkey, India, and other countries to feed the ready-made garments industry (RMG).

RMG's off-shore investment (Inland and free zones) has accounted for 30% of all investments in the sector

from 1970 till February 2010, with 1849 firms and total investments of USD 955 million. Furthermore, more than 70 Turkish textile firms have invested USD 16.25 million in the textile industry, with many Turkish sourcing offices now active in Egypt.

In 2006, Egypt and China agreed to facilitate Chinese investments in the Egyptian textile and RMG industry through the establishment of a Chinese-Egyptian industrial zone. The two countries have also agreed to set up an Egypt-based Textile Technology Service Center to help upgrade processes and technology used by producers based in Egypt.

There are a number of major market players in the industry, with Misr Spinning

and Weaving (El Mahala El Kobra) being the most central. The company is the largest and oldest enterprise of its kind in Africa and the Middle East which has been founded in 1927. Today, Misr Spinning and Weaving employs over 28,000 workers with a total annual production reaching 46,000 tons of high quality yarns, garments and household textiles, of which 50% are exported.

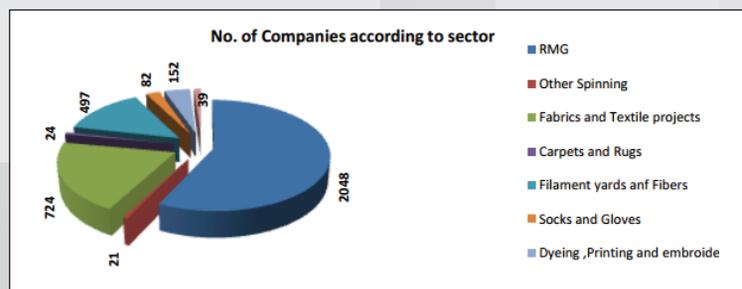
The company's factories are integrated industrial complexes, with ten factories for spinning, ten for weaving, and seven factories for apparel and Ready-made garments.

The Abo El Sebaa' weaving company is another enormous privately owned enterprise. Established in 1936, it has grown into a major

player in the textile export market, with more than 3,000 employees.

Currently, the government aims to boost exports to the European garment market by improving garment quality and vertically integrating the garment production value chain (e.g. use local extra-long staple (ELS) cotton, improve design and pattern making offering). Government plans also include improving low-end garmenting by establishing strong brands at both country and supplier levels.

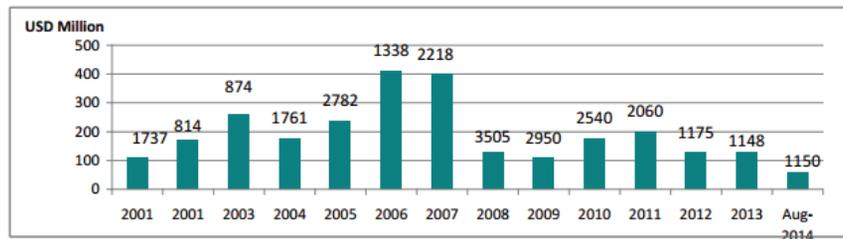
Also on the agenda is restructuring the domestic textile industry by privatizing mills and leveraging on low cost labor, in addition to a large domestic supply of high-quality cotton.



Statistics

- Textiles and RMG sector employ about 30% of local employment.
- Total exports of textiles and RMG reached USD 2 billion, representing 13.7 % of non-petroleum exports by August 2014.
- In 2014, roughly 51.8% of the exports were directed to EU Countries, 23.2% to USA and 14% to Arab Countries.
- Also the EU countries account for 38.7% of Egypt exports of textiles, 33.6% to USA and 8% to Arab countries.
- The United States accounts for 53.5% of Egypt exports of ready-made garments, having the largest share of Egyptian exports, about 31.7% to EU countries and 4% to Arab countries, according to the General Organization for exports & Imports Control (GOEIC).
- As of September 2014, the textiles industry consisted of 4428 companies, of which 4228 companies were operating inland and 200 companies operating in free zones with total investment of USD 5.79 billion, according to GAFI database.

Issued Capital in Textile sector



Source : General Authority for Investment and Free Zones

Core Areas for Investment:

1- Ready-made Garments

Arguably, the biggest investment opportunities can be found here as the market for readymade garments in Egypt remains largely under-utilized. While Egypt is not in the top ranks of apparel exporters to the U.S. such as China, Vietnam and Bangladesh, it is one of the largest producers in Africa exporting more than 340 million pieces annually without any of the acute occupational health, safety and human rights liabilities encountered in the prime exporting nations.

Egypt's comparative advantages lie in its geographic position, superior capabilities to deal with complex designs, and relatively low labor costs.

A key administrator of the field is the Ready-made Garments Export Council (RMGEC) in Egypt, a non-profit agency established by the Ministerial Decree No.207 for the year 2005. It is a Public Private Partnership between the Ministry of Trade and Industry and an assembly of the most prominent readymade garments exporters.

RMGEC's ultimate goal is to make Egypt an international hub for ready-made garments in terms of design, quality, cost-effectiveness and warehousing, vertical manufacturing, resources, geographical location and trade agreements, and the like.

In 2007, the council initiated its promotional project for the council and its members. The project was technically supported by

the council and its active members, financially supported by Expolink and implemented by XPOSE Communications.

The venture involved the readymade garments export council portal, filming factories of 100 members, interactive multimedia templates for 200 members, a detailed database for the members, quarterly newsletter containing local and international market news, and raising member awareness online whilst also increasing their awareness of the international market.

Their services extend to domain name and email creation for the members. In addition to local beneficiaries, the portal provides international traders with information regarding importing/exporting in Egypt and the establishment of joint ventures and partnerships.

The existence of such organizations which operate in accordance with the relevant ministry exhibits the strong support system which would be available for any business wishing to operate in this field. This support system will not only assist new comers in the market through exposure, but will also keep them linked to similar businesses, thus increasing their probability of success.

Working with business leaders like the American Chamber of Commerce in Egypt, the Ready-Made Garments Export Council will continue working meticulously to promote sound economic policies that encourage foreign direct investment and job growth.

RMGEC's services include:

- Assessing the export potential of the ready-made garments manufacturer.
- Researching foreign markets.
- Providing information on export planning.
- Determining routes to international markets.
- Promoting ready-made garments products.
- Determining pricing of products.
- Creating awareness to export financing and payments facilities available.
- Applying export documentation strategies.
- Preparing export plans.
- Creating awareness to IT related to the sector.
- Creating awareness to vocational/management training available services.

The advantages in quality, design, relatively low-cost labor, warehousing and vertical manufacturing have already won Egypt 260 ready-made garment manufacturers orders from well-known international brand names such as Aeropostale, Calvin Klein, Disney, Gap, Hanes brands, J.C. Penney, Macy's, Nautica, Timberland and Zara.

2- Dyeing and Weaving

Another underexploited area of the Egyptian textiles industry is local dyeing and weaving of materials. Historically, interest in this segment of the industry has been low because of the high cost of initial investment and long waiting period before turning a profit. This makes investors, including state sectors, venture instead into the finished products end of the business where the country faces direct competition from China, India, Pakistan, Bangladesh and Turkey.

Despite this however, the government's recent push to encourage foreign investment has meant that the barriers and costs for starting a company within Egypt have been significantly decreased recently. This

means that investors can make use of the gap in the market for locally dyed and weaved products, whilst also avoiding the cost and competition associated with purchasing finished products from the aforementioned countries. Investors can also benefit from highly skilled local employees and excellent quality dyeing and weaving resources. Eventhough the cost of dyeing and weaving locally maybe slightly higher than those in China, India, Pakistan and the like, the quality of products created will be far superior thus making the merchandise more appealing to western markets, especially since their purchase price will remain comparably lower than European or American brands.

3- Machinery

There is an increasing need for more advanced machinery and equipment in the textiles industry to enhance production capacity and quality of output. Currently, machines used in public sector mills are at least 25 years old and are poorly managed. Similarly, the misuse of local long staple cotton for coarse to medium count yarns impacts adversely on prices that are too high for local manufacturers but they have little choice but to buy from the public sector.

There is, therefore, a gap in the market for investors wishing to import the textile machinery into the country, particularly those required for cotton production and weaving. Investors can make the most of

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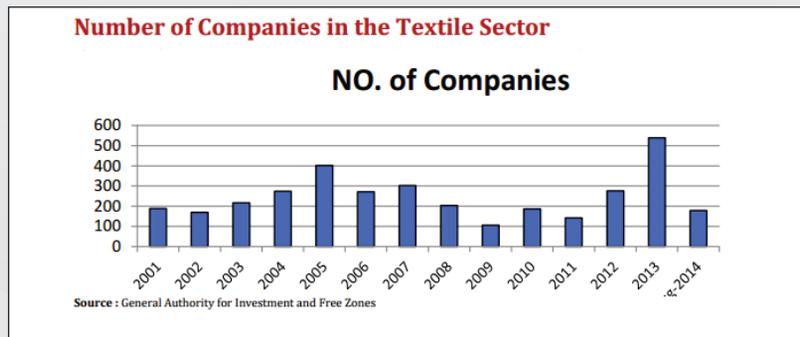
4. Home textiles

Another central sub-sector of this industry is home textiles, which are overseen by the Home Textiles Export Council (HTEC). The organization works within a regulatory framework set out by the Ministry of Foreign Trade and Industry combining representatives of exporters and producers. It is considered to be the sector's think tank where strategies & plans are prepared to increase exports of high quality home textile products, and increase sector competitiveness world-wide.

HTEC recognizes that Egyptian home textiles are internationally accredited for their high quality, and focuses on increasing export opportunities for these products. Currently, they provide members with programs and services that significantly assist the way they do business including

the provisions of trade shows, promotional programs, business education workshops, information and representation. They also provide potential investors with upcoming investment opportunities. According to their latest reports, there is a gap in the market for the export of rugs to Russia and the cotton to South Africa; however they also provide information for the rug and carpet market in Canada, and the home furnishing market in Spain.

Investors can benefit from the safety of working alongside this organisation which is both well connected and well informed, to initiate successful textile ventures.



Advantages of Investing in Textiles

- **High Quality Raw Materials:** Egypt's cotton is internationally prized and valued for its quality. In 2012/2013, Egyptian cotton exports reached about USD 120.3 million of raw cotton, and USD 91.2 million of cotton yarns, according to the Egyptian Central Bank statistics.
- **Competitively Priced Skilled Labor:** The textile industry is labor-intensive, and human resource costs can be a heavy burden on a large company. Wages in Egypt are among the most competitive and stable in the region. Additionally, training programs and government initiatives continuously upgrade the skills of Egyptian laborers, improving their usefulness to textile manufacturers.
- **Strategic Location:** The country's geographic location facilitates export to Asia, Africa and Europe; Egypt is also closer to the US than its competitors such as India and Indonesia. Egypt has 15 commercial ports to facilitate exports.
- **Feeder Industries:** Egypt has numerous feeder industries to serve the textiles industry. The established and growing agricultural industry is capable of supplying high quality raw materials needed for textiles production. Numerous domestic manufacturers of such inputs as dyes, buttons, zippers and packaging (not to mention the textiles themselves) facilitate production in the RMG industry. Established feeder industries add value at all levels of the production process.
- **Support Industries:** world class logistics and transportation companies are operating in Egypt and able to handle the country's import and export transportation and logistics

needs of a globally competitive textiles industry. Ease of transportation and import/export requirements facilitate global business needs.

- **Infrastructure:** Egypt's Air Cargo Airport currently has three cargo terminals, dealing with textiles, vegetables and many industrial products. There are also 15 commercial ports in addition to the country's well-established network of railways and roads. These established and extensive infrastructures have eased the movement of raw materials and finished goods within the country and to export destinations around the world.
- **Skilled Labor Force:** total labor force of about 27 million, including about 340 thousand university graduates each year. In addition, government and private training programs are upgrading the skills of the estimated 80 thousand Egyptians to work in the textiles industry. This means that there is a large pool of potential talent with the skills set necessary to succeed at all levels of the textile industry, ready and waiting for employment.

Government Support

The Egyptian government is actively looking to attract new private investments into the industry's rising sectors in order to sharpen the nation's competitive advantage in the global market.

The Minister of Trade and Industry, announced that the ministry is currently working on the expansion of the establishment of permanent exhibitions and opening of promotional and distribution centers for the Egyptian products to increase exports to various Arab and European markets. He pointed out that home wear textiles is an important sector, which has significant growth despite the challenges which exist within it. The ministry is keen to provide the necessary support for the sector development by raising competitiveness and opening more foreign markets. Moreover, he referred to the importance of providing the textiles sector with the neces-

sary trained technical labor, which is considered a vital part of this industry, through giving them specialized training programs, implemented by the Industrial Training Council to increase their production capacities and develop their skills. The IMC provides services that include training, technical assistance and export support, consulting in management and marketing, technical advice and training for individual companies.

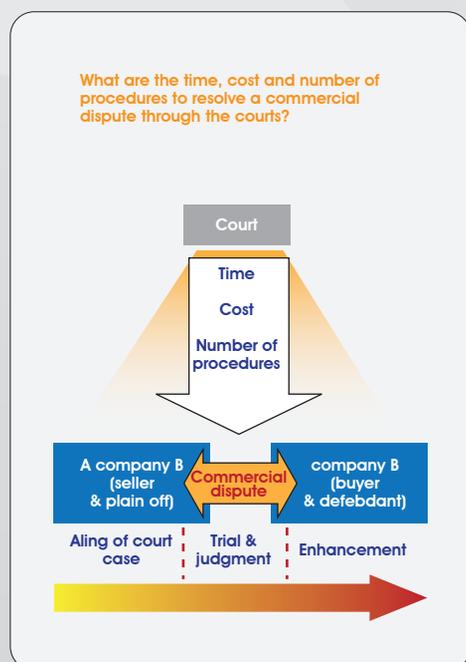
The General Authority for Investment and Free Zones (GAFI) operates a One-Stop Shop that streamlines and expedites investor services — most businesses can incorporate in 72 hours. In August 2014 the economic group, headed by the Prime Minister, agreed to increase subsidy allocations for local spinners from either the business sector or the private sector of the cotton crop for the current year 2013/2014.

This decision aims to support farmers and to encourage the local industry to use the Egyptian cotton as well as ensuring that

there is no left over crop entering the new season.

The Egyptian Legal System

Egypt's system of civil law is based on a legal code derived largely from the Napoleonic Code. Jurisdiction is determined on the basis of the claim value. Cases up to and including EGP 40,000 (US\$5,700) are heard by the lower division of the courts of first instance, and those above EGP 40,000 are heard by the upper division.



The Civil and Commercial Procedural Code regulates the procedures before all sorts of courts as laws, regulations and procedures are the same across cities. However, the court jurisdiction varies from one local court to another according to the nature of the dispute.

One way to reduce caseload is alternative dispute resolution (ADR). Since 2009, the International Finance Corporation (IFC) has supported an ADR project by providing professional training and certification for mediators, conducting awareness raising workshops, and assisting with the drafting of Egypt's first mediation law, which will regulate both private and judicial mediation. These efforts have already started to produce positive results. There is a now steady referral of cases to mediation at the three

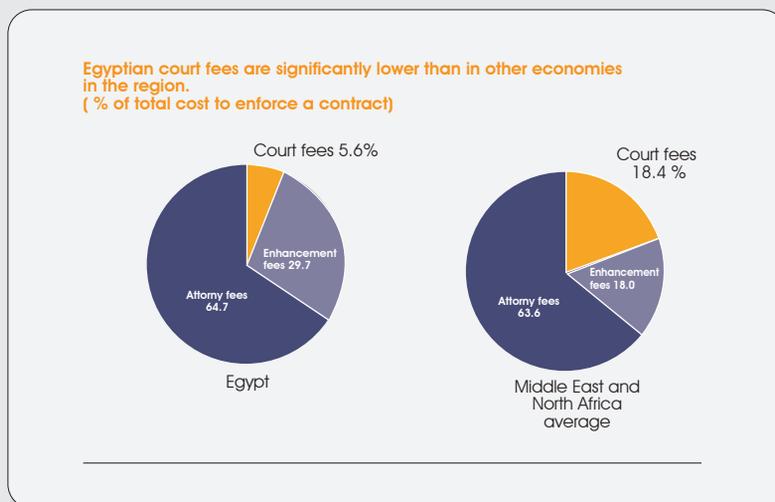
IFC-supported institutions—the Economic Courts, the General Authority for Investment and Free Zones, and the Cairo Regional Centre for International Commercial Arbitration—and the average number of days required for case resolution through mediation is 28.6 days.

The average cost of litigation in the Egyptian cities measured is 23.6% of the claim value, is significantly lower than the global average of 35.1% and below the regional average of 24.6%. Court and enforcement fees are regulated nationally by the Ministry of Justice as set by the Law on Court Fees and therefore are identical across cities. Egypt's court fees, at 1.3% of the claim

value, are among the lowest in the world. Together, the court and enforcement fees constitute 35.3% of the total cost, with court fees accounting for only 5.6%, compared with 18.4% of the total cost in the Middle East and North Africa. Court fees such as the fee to file a case are fixed, while the enforcement fees are largely based on a percentage of the claim value.

Egypt is one of the countries which take less time to issue a judgment. As the number of days it takes to consider a lawsuit is 1010 days. This is relatively good in comparison with Italy that takes 1185 days to consider a lawsuit.

Such period could be reduced in many governorates where an efficient computerized system allows judges and court registers to access case information including trial dates, adjournment and final judgment.



Importation & Exportation in Egypt

Industry Statistics:

- Egypt exported more than USD 2 billion worth of textiles, home textiles and ready-made garments in Aug 2014.
- High quality cotton was exported to about 30 countries in August 2014. Italy and Turkey are considered the main importers of Egyptian cotton as they represented 22.7% and 30.6% of Egyptian cotton exports respectively.
- United Kingdom and Turkey are the main importers of RMG while Germany and Saudi Arabia are the main importers of Home-Wear.
- Government objectives are to continue current growth level to reach USD 25 billion in exports in 2014, with RMG remaining one of the main dominant contributors. This level of activity will generate about 400 thousand jobs.

Relevant Laws:

The two basic laws governing international trade activity in Egypt are the Customs Tariff Law No. 66 of 1963 and the Import & Export Regulations Law No. 118 of 1975.

1. Customs Tariff Law of 1963

Key provisions of this law are as follows:

- Taxes and tariffs shall be collected according to the rules and rates set forth by the Customs Authority.
- Items shall be classified according to the provisions, and the general explanatory rules.
- For the re-importation of goods exported temporarily for completion of their manufacture, customs taxes shall be collected on the end imported product plus all transport and insurance expenses.
- For the re-importation of goods temporarily returned to the country of origin for repair,
- Customs taxes shall be collected at the rate of 22% on machines, equipment, apparatus and instruments, excluding passenger cars, as imported by hotel and tourist establishments.
- Assembly industries may request authorization for treating their products under the Customs Department's control to tax their products according to provisions mentioned in Article 6 of the Presidential Decree No. 300 of 2004.

2. Import and Export Regulations Law of 1975

Imports

The import of goods is allowed by both the public and private sectors.

Commodities subject to specific import control may not be imported unless they are first examined to ascertain their conformity to the conditions and specifications decreed by the law, or unless they are accompanied by a certificate of examination approved by the Egyptian authorities, conforming their fulfillment of the regulations.

Exports

Minister of Foreign Trade shall issue a decision organizing export operations whether from local production or from previous imports, and shall issue certificates of origin and lay down the procedures to be followed in this connection.

The Minister of Foreign Trade & Industry may restrict the export to agreement countries and also the export of certain essential commodities to the public sector.

Exports can only be practiced by persons whose names are recorded in the register and in the Ministry of Foreign Trade. Persons whose names are to be recorded in this register should belong to one of the following categories:

- Egyptian shareholder companies whose head office resides in Egypt.
- Public organizations, cooperatives and their unions.
- Persons and companies fulfilling the conditions to be defined by a decision of the Minister of Foreign Trade.

The conditions, forms, proceedings and documents relating to registration and its renewal in the register, modifications of the data striking out and cancellation will all be defined by a decision from the Minister of Foreign Trade. As the duties of registration, renewal and modification of data, and extracted copies, provided shall not surpass the following limits:

- LE50 for duty of registration in the exporters register.
- LE15 for duty of renewal of registration every three years.
- LE5 for duty for modification or insertion of date.
- LE3 for duty for copy extracted from the register.

Despite the need for an Egyptian shareholder company to partake in exportation activity there are many legal ways to allow foreign investors to carry out import/export activities within Egypt, for example through the formation of a limited liability company with an Egyptian company.

Free Economic Zones

The government has also set up a number of free zones within the country which foreign investors can take advantage of, particularly within the field of textiles.

The most popular free zones for spinning, weaving and ready-made garments in Egypt are:

- Nasr City Public Free Zone.
- Alexandria Public Free Zone.
- Port Said Public Free Zone.
- Ismaalia Public Free Zone.
- Damietta Public Free Zone.
- Shebin El-Kom Public Free Zone.

Exemptions:

- 1) The projects established in the free zones and their profits shall not be subject to the provisions of laws of taxes and duties applicable in Egypt (so long as such projects limit their activities to that included in their practice activity license).
- 2) Goods exported abroad or imported by the free zones projects to exercise their activities shall not be subject to imports or exports rules, or customs procedures related to exports and imports. It shall also not be subject to the customs taxes, sales tax or any other taxes or duties.
- 3) Except for the passenger cars, all the equipment, supplies, machines and transportation vehicles necessary for exercising the activity licensed for the projects in the free zones shall not be subject to the customs taxes, sales tax or any other taxes or duties.
- 4) The articles of incorporation of the companies and establishments as well as the loan and mortgage contracts related to their works shall be exempted from the stamp duty and the notarization & registration fees for 5 years from the date of registering in the Commercial Registry, the contracts of registration for the land which is necessary for establishing the companies and entities, within the private free zone system, shall also be exempted from the aforementioned tax and fees.

Guarantees & Incentives:

- 1) The companies and entities shall not be nationalized or confiscated.
- 2) Sequestration shall not be imposed administratively on the companies and entities nor shall their property and funds be distained, seized, retained in protective custody, frozen or confiscated.
- 3) Any administrative quarter shall neither interfere in pricing the companies and entities' products, nor in determining their profits.
- 4) No administrative body shall cancel or stop the license granted for using the realties of which the usufruct right is licensed to the company or the entity wholly or partially, except in case of infringing the license conditions.
- 5) Contracts of incorporation of companies and entities and loan and mortgage contracts related to their business shall be exempted from the stamp tax as well as notarization and publication fees for a period of five (5) years. Contracts of registration of lands necessary for the establishment of companies and entities shall also be exempted from the above mentioned tax fees.
- 6) The companies and entities shall have the rights to possess and own building land and properties as necessary for exercising their activities and expanding them, whatever the nationality or place of residence of the partners, or the percentage of their partnership.
- 7) The companies and entities shall have the right to import by themselves or via third parties whatever they need for their establishment, expansion or operation, comprising production inputs and requisites, materials, machines, equipment, replacement and spare parts, and means of transport as suitable to the nature of their activities, without the need for recording such in the Register of Importers.
- 8) The companies and entities shall have the right as well to export their products by themselves or through mediators without being licensed for that purpose and without the need for recording themselves in the Register of Exporters.

Costs:

1) Charges for services rendered by GAFI:

Free zones companies pay charges for services at an annual rate of 0.5% of the project investment costs at a minimum amount of US \$ 100 and maximum of US \$ 1000 or its equivalent in foreign currency.

2) Financial guarantee to cover the project liabilities:

Prior to issuance of the resolution licensing for commercial activity, the companies should provide GAFI with a financial guarantee to cover its liabilities either in cash or by a letter of guarantee issued by a bank registered in CBE. The value of the letter shall be determined as follows:

- For industrial projects: 1% of the project investment costs at a minimum of US \$ 5000 and maximum of US \$ 50000.
- For storage projects: 2% of the project investment costs at a minimum of US \$ 10000 and maximum of US \$ 100000.
- For other projects: 1% of the project investment costs at a minimum of US \$ 10000 and maximum of US \$ 100000.

The financial guarantee shall be reduced by 15% where payment is made in cash, provided that it does not fall below the prescribed minimum amount.

3) Annual charges:

- For industrial projects: 1% of the cost value of manufacturing portion introduced there into or the assembly process made to them.
- For storage projects: 1% of the commodity value upon the entry of the commodity (cost, insurance, freight) on their entry.
- For service projects: 1% of total realized annual revenues to GAFI as per the accounts approved by a public accountant.

International Success Stories

1. Küçükçalık

Küçükçalık is a Turkish textiles company which has been operational since the 1940's and has remained reputable since its inception, particularly for its versatility and global participation within the textiles industry. The company works in partnership with K.C.G Textiles Egypt S.A which was established in 2007 as a home textile business which incorporates twisting, weaving, embroidery, dyeing, finishing and confection into their products. K.C.G Textile offers a comprehensive line of machines and technologies totaling approximately 500 machines. In 2012 KCG opened a new production line for garment fabric production which was highly successful.

2. NurTekstil Ltd.

NurTekstil Ltd. has been manufacturing quality home and hospitality textile products using the latest technology in Turkey and Egypt. Their products include table cloths, bed linen, tea towels and beach towels made out of cotton, cotton mixes and linen. The company's head office resides in Turkey however they also operate an office in Egypt's 4th industrial zone.

The following companies have benefitted greatly from Egypt's high quality materials and low production costs by manufacturing their clothes within the country and exporting them to their stores in Europe and the USA:

3. Zara.

Zara is a Spanish clothing and accessories retailer based in Arteixo Galicia in Spain, founded in 1975. It is the flagship chain store of the Inditex group, the world's largest apparel retailer. 24% of Zara's clothes are manufactured in Asian and African countries with a large proportion of that percentage being carried out in Egypt.

4. The Gap Inc.

The Gap Inc. commonly known as Gap Inc. or Gap, is an American multinational clothing and accessories retailer that was founded in 1969 with headquarters in San Francisco, California. The company operates five primary divisions: the namesake banner, Banana Republic, Old Navy, Piperlime, Intermix, and Athleta. Gap Inc. is the second largest apparel retailer surpassed by Inditex Group, based on the total numbers of international locations however it remains the largest specialty retailer in the United States. As of September 2008, the company has approximately 135,000 employees and operates 3,076 stores worldwide.

5. Levi Strauss.

Levi Strauss & Co. is a privately held American clothing company known worldwide for its Levi's brand of denim jeans. It was founded in 1853 when Levi Strauss came from Buttenheim, Bavaria, to San Francisco, California to open a west coast branch of his brothers' New York dry goods business. The company's corporate headquarters is located at Levi's Plaza in San Francisco. Strauss operates nine factories within Egypt for the production of their garments.

National Success Stories

1. Al-Arafa Investment and Consulting

Arafa Holding is a leading global textiles and apparel manufacturer and retailer based in Egypt, with a network reaching more than 70 countries worldwide. The group serves a diverse global audience, including top international brands and global retailers. Joint ventures have seen the company gain ownership of prestigious leading brands and partner with leading fashion houses. The company's business activities are fully integrated, covering the luxury wear, formal wear and casual wear markets, as well as the full value chain from textiles to apparel & tailoring to retail & distribution. This cross-vertical-integration provides a key buffer against economic downturns and political upheavals in key markets, while at the same time positioning the company for organic growth.

2. Egyptian Spinning & Weaving Company (ESW)

ESW was established in 2005, and is located in Sadat City. ESW is a private company owned by one of the leading group in the textile sector in Egypt. The company produces and exports a diverse range of Egyptian cotton yarn with a production capacity of 11 tons per day. ESW currently exports its products to Italy, Portugal, Spain, Switzerland, Germany, Brazil, Turkey, Bangladesh and the Middle East.

3. Alexandria Spinning & Weaving Co. (SPINALEX)

ESW was established in 2005, and is located in Sadat City. ESW is a private company owned by one of the leading group in the textile sector in Egypt. The company produces and exports a diverse range of Egyptian cotton yarn with a production capacity of 11 tons per day. ESW currently exports its products to Italy, Portugal, Spain, Switzerland, Germany, Brazil, Turkey, Bangladesh and the Middle East.

4. Perfect Spinning

Perfect Spinning is a prime producer and exporter of regenerated yarn whose plant has a production capacity of six thousand Tons annually. Specifically, Perfect Spinning's products include chief value cotton regenerated yarn mixed with different percentages of polyester or acrylic in white and colors and acrylic regenerated yarn in white and colors. The end use of these yarns is manufacture of sweaters, socks, towels, home textiles, shedding and special fabrics. The company operates within 4th Industrial Zone in Sadat City, Egypt.

5. Chourbagi Moderne for Clothing and Textiles S.A.E. "Charmaine"

Charmaine is an Egyptian company established in 1977 producing cotton underwear and sleep wear for men, woman and children in addition to ladies hosiery. Today they function as a vertically integrated company, with the production line starting at knitting and going through dyeing, finishing, cutting, sewing and final packaging and distribution. Charmaine and Pink Powder Room brands continue to cater to the local market whilst maintaining their export division's robust sales portfolio which includes Hema, Hugo Boss, and Calvin Klein as customers. Their current production ratio is 95% export and 5% local sales, with the capacity of 1.5 million pieces a month.

What Maher Milad Iskander (MMI) law firm Can Do For You

With over 25 years of experience Maher Milad Iskander & Co. can assist in the following areas:

- Developing a client's label and brand including protection of intellectual property rights.
- Importing and exporting matters including tax matters, customs issues and other legal matters related to bringing items into or out of the country.
- Leasing manufacturing facilities or retail facilities for the production or sale of apparel and textiles produced.
- Resolving disputes related to the quality of the goods or services received. This includes representing clients in cases where defective yarns or defective material was provided or where poor spinning, knitting, dyeing or finishing services were performed. This also includes representing clients who are inconvenient as a result of a late delivery or who received fabric different from the sample swatch they were provided.
- Establishing a new textile or apparel company and obtaining all required permits and financing.
- Negotiating contracts with suppliers and clients.
- Managing stock and equity transactions in public and privately owned companies.
- Assisting with financing issues.
- Establishing new companies or mergers/acquisitions that help the company to expand.



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