



Maher Milad Iskander & Co.
LAWYERS & COUNSELORS

EGYPT

LAND OF OPPORTUNITIES

Invest in Petrochemicals

An Economical Guide

Prepared by

Maher Milad Iskander & Co.



Sylvia Sidrak
Attorney –at- law
Sylvia@mahermiladiskander.com



Lena Hamdi
Attorney –at- law
lena@mahermiladiskander.com

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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

This guide is designed to inform potential investors about the current and upcoming petrochemical market within Egypt. We hope that after you have completed looking through it you will have an understanding of the various types of petrochemicals 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.

Petrochemicals in Egypt

The development of petrochemical investments is essential to the growth and development of Egypt's economy. As a result, there has been a strong governmental push to form an apt development strategy to accelerate the industry, one which encompasses many benefits to potential investors.

This development plan lays out a strategy which aims to balance the country's trade deficit by improving exports and reducing the dependence on imports, particularly for the consumption of plastics which is rapidly increasing. The governmental strategy includes major legislative and institutional reforms designed to benefit both national and international players, and increase foreign direct investment. International industry experts and national industrial strategists alike believe that the

country is set to become one of the region's leading players, and investors have responded positively to the business environment.

The local market's potential and the abundant domestic supply of ethane makes the country all the more alluring to foreign investors. Egypt remains ahead of Algeria and closely behind Turkey in terms of petrochemical exports, and the country boasts the largest refining sector in Africa. Egypt's two major refining centers are Alexandria and Suez, which in 2009, accounted for 36% and 27% of the country's total crude distillation capacity respectively.

The prime mover in petrochemicals in the country is The Egyptian Petrochemicals Holding, or EICHEM, a state owned enterprise under the supervision of the Ministry of Petroleum. The company was created in

2002 during a period of economic reform and modernization, and has multiple mandates as an investor in the sector with minority stakes in some of the country's main production facilities. It is also in charge of marketing the sector abroad and long-term planning. 2012 saw the commencement of several successful petrochemical projects, the first of which is the Egyptian Styrenics Production Company (Estyrenics) whose plant is located in Al-Dekheila Port – Alexandria. The company has a total investment cost of USD 410 Million which is fully subsidized by national capital.

Poly Styrene production is set to be a driving force for the production of packaging, vehicle equipment, building materials, and other important

industries. A major market player in this subsector is The Egyptian Indian Polyester Company (EIPET), which is located in Al Ain Al-Sokhna - Suez. The total investment cost of this second project was USD 253 Million, 70% of which was funded through Arab and foreign investments, with the remaining 30% deriving from national capital.

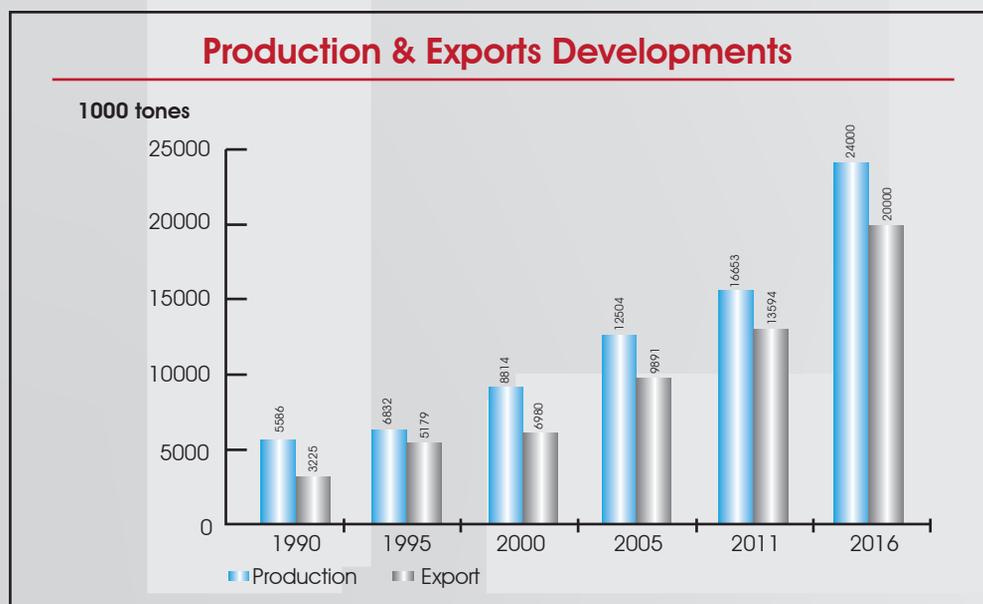
Bottle grade Polyester is to be used for manufacture of lightweight plastic bottles for carbonated soft drinks and water, currently being imported for the industry. Similarly, Carbon Holdings' petrochemical complex in Al Ain Al-Sokhna currently has a production capacity of 900,000 tons ethylene, but will expand in 2015 to include 400,000 tons propylene with associated polyethylene (PE), ammonia and

methanol units which would significantly boost the petrochemicals industry.

Earlier in 2011, Methanex started up EMethanex's 1.26 million ton methanol plant at Damietta, at a cost of USD 1 billion. The plant has allowed the country to expand its portfolio to include methanol exportation. In the same year, Egypt had an ethylene capacity of 300,000 tons with polypropylene and polyethylene capacities at 200,000 tons and 225,000 tons. Industry experts expect ethylene capacity to rise from 300,000 tons to 1,200,000 tons in 2015, and polyethylene capacity to rise from 225,000 tons to 1,575,000 tons in 2015.

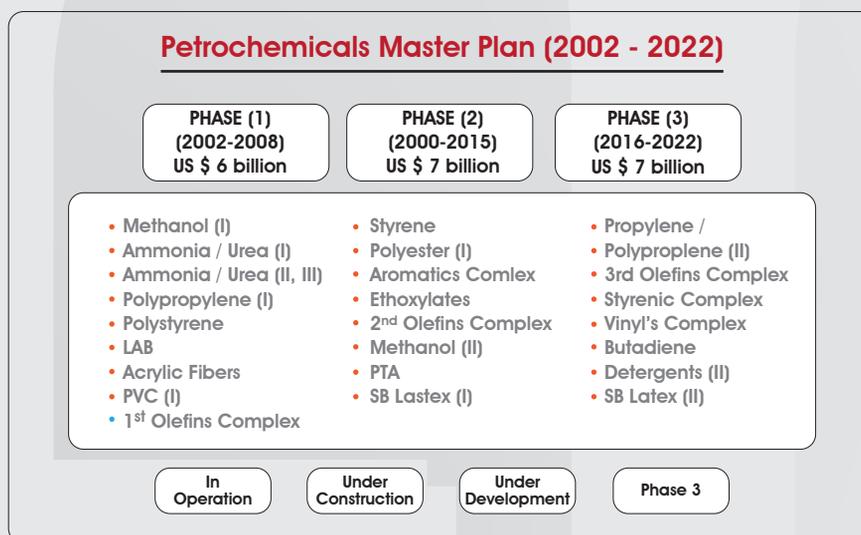
Egypt also has a well-established fertilizer industry, producing 10 million tons per annum from eight plants. However, output is limited to phosphate and nitrate-based fertilizers, and overcapacity has led to the development of an export market, albeit a small one. Abu Qir Fertilizer and Chemical Industries (AFC) is Egypt's leading nitrogen fertilizer producer, accounting for about 70% of the local market. Its main products are ammonium nitrate and grinded and granular urea manufactured on the Abu Qir coast, north of Alexandria, near the gas fields. It also produces 2,462 million tons of fertilizer per year. The Egyptian Financial and Industrial Company (EFIC) controls 70% of the local phosphate fertilizer market, sourced from its two plants at Kafr-el Zayat and Asyut.

Due to the abundant supply of low cost feedstock, Egypt will undoubtedly continue to develop its reputation as one of the world's most competitive fertilizer producers. It is also worth noting that, Egypt's exports of organic and inorganic chemicals and fertilizers reached USD 1.55 billion by the first half of 2013 in comparison to the recorded USD 971.89 million in 2007, according to the Egyptian Chemical and Fertilizers Export Council. Forecasts for the industry include annual revenue of USD 7 billion, a production rate of around 15 million tons per year of petrochemicals products including urea and ammonia, and 100,000 new jobs by the year 2022, according to the Egyptian Petrochemicals Holding company (ECHEM).



Master Plan

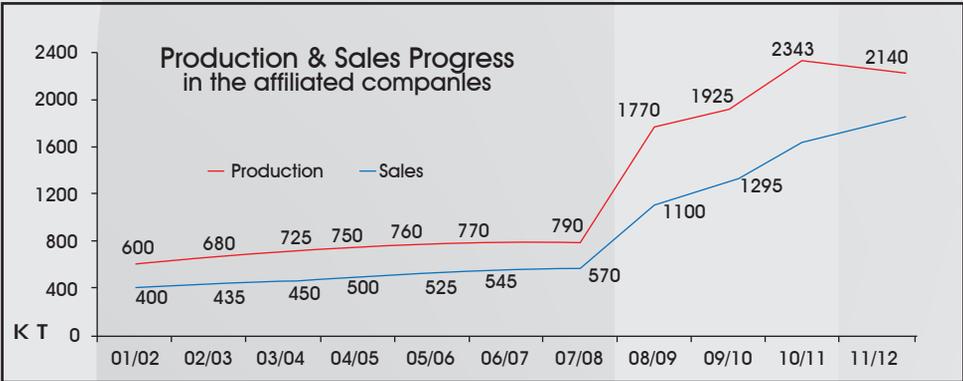
Egypt outlined an aggressive expansion strategy for the petrochemicals sector in 2002 with the creation of ECHEM and the unveiling of a 20-year master plan to carry the sector through to 2022. ECHEM's priority is to enhance the growth of the petrochemical industry through the implementation of this plan with a specific target of optimizing utilization of natural gas in value added products. The plan covers 14 complexes, including 24 projects and 50 production units to produce a total of 15 million tons by 2022 and will generate revenues of approximately USD 7 billion per annum. Six sites were earmarked for the new petrochemicals production facilities: Beheira, Kafr el-Sheikh, Dakahlia, Damietta, Ismailia and Suez. These are to include integrated, full-service economic zones, complete with infrastructure utilities and off-site services, and will also be used for handling exports. In the third quarter of 2012, ECHEM announced plans to invest USD 6 billion in petrochemicals projects in Al Ain Al-Sokhna, utilizing local natural gas.



Statistics

- Oil and gas contributed to around 55.1% of Egypt's GDP in the first half of 2013/2014.
- The oil and gas sector represents 23.6% of total implemented investments during the 2nd quarter of 2013/14.
- Natural gas reserves reached 2.2 trillion cubic meters, with cumulative gas production reaching 61.3 billion cubic meters in 2011.
- As of June 2014, the petrochemical industry consisted of 110 companies operating inland with total investments of USD 4.84 billion, and 15 companies operating in free zones areas with total investments of USD 1282.64 million.
- Total exports of chemical and fertilizers products reached 28.1 billion EGP in 2012/2013.
- Egypt is one of the largest markets for lubricants in Africa and holds the continent's second-largest refining center.
- Egypt supplies petrochemical products to about 50 countries worldwide, with Europe being the largest market for Egyptian exports.
- Egypt ranks the 12th in liquefied natural gas exports worldwide.
- The natural gas liquefaction plant in the Damietta free zone is considered the largest in the world, handling 7.6 billion cubic meters of natural gas annually, the complex came on-stream and the first cargo was loaded in January 2005.
- Egypt ranks among the top 10 countries using natural gas as car fuel worldwide, with more than 105,000 natural gas vehicle conversions and more than 130 fueling stations and 73 fully equipped conversion centers in addition to 11 stations under construction during year 2013. Egypt was also the first nation in Africa and the Middle East to open a public compressed natural gas conversion center and fueling station.

The graph shows the development of EChem's Investment in Companies



Advantages of Investing in Petrochemicals

- **A wide variety of products:** Plastics, fertilizers and acrylics are already being produced in the country. Egypt's exports of organic and inorganic chemicals, plastics and fertilizers reached USD 1.55 billion in 2013, according to the Egyptian Chemical and Fertilizers Export Council. The government is also allowing foreign firms to invest in the phosphate fertilizer sector.
- **Massive Local Demand:** The polypropylene market reached 200,000 tons in 2011, with domestic production fulfilling less than half of demand. This demand is expected to increase to 550,000 tons by 2016.
- **Significant Regional Demand:** Strong regional demand is expected to require larger volumes of olefins (ethylene, propylene), polyolefin's (PE, PP) or downstream products. As the economies develop and quality of life improves, polyethylene usage is expected to increase.
- **Increase in Global Demand:** Demand for urea fertilizer is expected to rise globally due to population increases. Moreover demand for ethylene is expected to grow at 4.7% over the next few years reaching about 153 million metric tons by 2015.
- **Competitive Production Costs:** As natural gas prices continue to rise, the production of petrochemicals is migrating towards countries with lower natural gas costs, such as Egypt.
- **Natural Resources:** In addition to abundant natural gas reserves, Egypt has reserves of many raw materials needed for the manufacture of any number of petrochemical products. These locally available raw materials reduce the costs of manufacturing.
- **Feeder and Support Industries:** Egypt has numerous feeder industries to support the petrochemicals sector. The presence of locally based feeder and support industries facilitates doing business and reduces outsourcing costs.
- **Proximity to Customers:** Egypt is close to the major petrochemical consumers in Europe, Africa and the Middle East. Strong regional markets and proximity to major export markets decreases the time it takes to get products to customers.
- **Built-in Market:** With a population of over 85 million, Egypt's domestic consumption of petrochemical products is expected to increase in the upcoming years. In addition, Egypt supplies petrochemical products to about 50 countries worldwide. A large built-in market provides a steady consumer base which is very beneficial to new investors.

Areas of Investment

1. Plastics

Egypt is one of the only countries in the MENA region which has a well-established plastics market, exporting worldwide to the EU, Middle East, and African countries. In terms of manufacturing, the plastics industry appears to be the most modernized and rapidly developing sub sector, which is largely due to the high quality machinery and equipment which is utilized in the factories.

The Egyptian plastics industry has great potential due to its strategic geographical position, giving easy access to the potential emerging markets. The Egyptian market is strategically important for the global plastic companies to invest in, export to or import from. The scope of production includes raw materials, home appliances, plastic bags, packages, pipes, fiberglass products, bottles, automotive accessories, and others.

Egypt's plastics market is comprised of approximately 65% imports and 35% domestic sources, with the main suppliers being Korea, India, Russia, and the Gulf States. Polyethylene, polyvinyl chloride suspension, PET, and thermoset plastics are the most common locally manufactured products. A private company now produces polypropylene, but most propylene continues to be imported. The excel-

lent quality of EU-made products, explain their popularity in Egypt.

In spite of local production of the above-mentioned raw material, the market is not yet saturated. As the Government of Egypt is focusing on exporting to collect foreign currency, 75% of local production is set aside for exports, with the remainder being used locally. Since we are in the second phase of the governments development plan for petrochemicals (this phase runs from 2009-2015), it is predicted that approximately \$3 billion will be invested into the following subsectors:

- Styrene
- Polyester
- Aromatic complex
- Ethoxglates
- PTA
- SB Latex
- 2nd Olefins complex
- Methanol II

2. Fertilizers

The role of fertilizers has become more prominent since the establishment of the high dam and the increase of constructional expansions, both of which have lessened the fertility of cultivated land. Egypt has abundant reserves of gas and rock phosphate which are the basic raw materials for a strong nitrogenous and phosphate fertilizer industry. This is teamed with the avid experience which Egyptians have with both types of fertilizers to form a market which is prosperous and easy to penetrate.

Nitrogen fertilizers represent the most widely used type of fertilizers in Egypt, with a strong governmental contribution in the industry. Similarly, there have been numerous phosphate fertilizer production units erected within the country since trading in this petrochemical began in the 1940's. The production of ammonia-urea fertilizers has increased significantly within Egypt over the last five years. Currently, the private sector is representing the largest producer of fertilizers with 96.2% and 62.4% shares of

nitrogen and phosphate fertilizers production respectively, whilst the public sector only accounts for 37.6% of total production.

To encourage further investment in this field the government has included fertilizer production in the list of activities which may be carried out in a free zone. Such free zone companies can take advantage of the many incentives available to them, such as their exemptions from exporting restrictions. Furthermore, the Egyptian Ministry of Environment also provides different funding packages for projects to help large and medium industrial facilities to control the pollution they cause. This is done by the Egyptian Environmental Affairs Agency who offers the fund in cooperation with international institutions such as the World Bank, European Investment Bank, Bank of Japan for International Cooperation, French Agency for Development and Reconstruction Bank of Germany through the Industrial Pollution Controlling Program.

3. Oil, Natural Gas and Petroleum

Egypt is the largest oil producer in Africa (excluding Organization of Petroleum Exporting Countries) and the second-largest dry natural gas producer on the continent. The country also serves as a major transit route for oil shipped from the Persian Gulf to Europe and the United States. Egypt is also the largest oil and natural gas consumer in Africa, accounting for more than 20% of the total oil consumption and more than 40% of the total dry natural gas consumption in Africa in 2013. The country also hosts the largest oil refinery capacity in Africa, although it operates well below capacity. Despite having the an impressive oil refinery capacity, refinery output declined by 28% from 2009 to 2013, even though growing domestic oil consumption had increased, and as a result, Egypt now imports many petroleum products to make up for the shortfall.

Natural Gas was introduced to Egyptian local market in 1975 when the first natural gas field Abu Madi was put on stream, since then remarkable progress has been achieved:

- Total gas produced from all fields during the fiscal year 2012/2013 reached 2.27 trillion standard cubic feet (the average rate being 6219 million standard cubic feet per day).
- Ethane/Propane production reached 497 million tons (the average rate being 1363 tons per day).
- Propane production reached 708 million tons (the average rate being 1940 ton per day).
- Liquefied petroleum gas production reached about 1.481 million ton (the average rate being 4057 ton per day).

The Egyptian petroleum industry is considered one of the oldest in the world, with its conception dating back to the beginning of the twentieth century. It currently enjoys high trained technical employees who have extensive experience in searching, exploration and production as well as transporting and refining activities. Further advantages include:

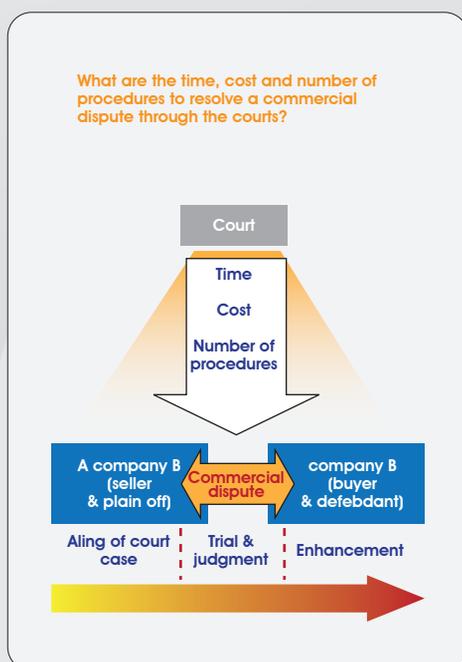
- Egypt's outstanding geographic location allows it to have a bigger share of the international petroleum products and Natural Gas trade.
- Being near to crude oil and natural gas production areas in the Arab countries in Gulf area also in North and West Africa as well as in Caspian Sea.
- The Suez Canal is one of the most important international naval routes, around 7.5% of the international daily trade of crude oil, petroleum products and liquefied gas are transported through the Suez Canal.
- The Sumed pipeline between Gulf of Suez and the Mediterranean Sea is considered one of the major pipelines which transports around 115 million ton of crude oil annually. Suez Canal along with Sumed pipeline transport 98% of Arab Gulf petroleum exported to the European Union and the United States. Egypt's equity in Sumed Pipeline is 50% while the equity of Saudi Arabia, Kuwait, United Arab Emirates and Qatar is the remaining 50%.

Investors can make use of the strategic location of the Suez Canal and Sumed Pipeline which provide routes for Persian Gulf oil and natural gas shipments to Europe and North America. Furthermore, the natural gas and oil industries have proven to be the most stable in the country, as evidenced by their production consistency during the Egyptian revolution.

The Egyptian Natural Gas Holding Company (EGAS) has advertised a number of on-going projects in the natural gas sector, such as the ethane extraction project carried out by the United Gas Derivatives Company and the Ras Shukheir project. Potential investors can make use of this widely available information to monitor the success rates of the various projects and invest in the most stable areas. Likewise, EICHEM also publishes a list of projects which are under construction and under development, as well as providing specific data on the field which would be beneficial to any investor.

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.

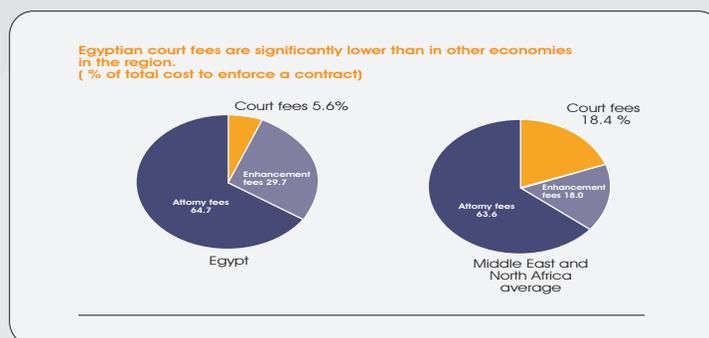
One way to reduce caseload is alternative dispute resolution (ADR). Since 2009, the International Finance Corporation (IFC) has supported an ADR project by providing professional training and certification for mediators, conducting awareness raising workshops, and assisting with the drafting of Egypt's 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.



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 petrochemicals.

The most popular free zones for petrochemical activity in Egypt are:

- Nasr City Public Free Zone.
- Suez Public Free Zone.
- Ismaalia Public Free Zone.
- Damietta 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.

Other Relevant Laws:

1. Investment Law No.8 of 1997

This law offers incentives for Egyptians and foreigners regarding investment in certain fields which include oil production and related services. The law provides the following incentives for investors:

- Companies may not be confiscated or nationalized.
- Companies and their assets cannot be sequestered, seized or expropriated by administrative order.
- No administrative body can interfere in setting prices or profit margins.
- Projects are allowed to repatriate their capital and profits.
- Projects may be entirely owned by foreigners. Furthermore, their boards of directors may be wholly composed of foreigners.
- Companies have the right to own building lands and develop real estate as needed for implementing and expanding their activities, regardless the nationality or place of residence of partners and shareholders or the percentage of their participation. (Except for Sinai, as Foreign ownership is only allowed in the case of partnership with an Egyptian partner who has to own 51 per cent of the land).
- Projects are exempted from certain labor requirements of the Egyptian Companies' Law and Labor Law.
- Foreign experts' salaries are exempted from income tax if their stay in Egypt is shorter than one year.
- Projects are free to maintain foreign currency bank accounts.
- Projects are subject to a flat rate of 5 per cent in customs duties on imported equipment and machinery.
- Projects are exempted from stamp duties and notarization fees for 3 years from the date of registration with the commercial register.
- Projects are exempted from all registration and notarization charges normally levied on contracts.

Oil and Gas Concessions

Oil and gas concessions are granted on the basis of production sharing arrangements between the Government of Egypt and the Egyptian General Petroleum Corporation (EGPC), the state-owned organization for oil, and a foreign oil company, usually known as the contractor. The concession agreement is issued by a special law for each concession. Under this arrangement, the contractor undertakes to bear all exploration risks.

Firstly, the contractor is given an initial exploration phase which lasts for a maximum duration of three to four years. This phase may be extended twice for a shorter period (usually two years each) at the contractor's choice. The agreement will be automatically terminated at the end of the agreed extensions, provided there has been no commercial discovery of oil as defined in the concession agreement. The agreement may, nevertheless, be extended beyond the automatic termination date at the contractor's option for a period not exceeding six months to enable it to complete the drilling or testing of a well that had been started during that phase.

Usually the concession agreement specifies the number of wells to be drilled in

each phase. For activity in Egypt, a minimum of one exploration well has to be drilled per phase. Wells drilled in excess of the minimum work obligation in one phase can be offset against the minimum work for the next phase.

The contractor must then provide all necessary financing during the exploration stage in freely convertible currency. They will also be required to spend specified amounts during each phase of the exploration period; otherwise they will be required to pay the shortfall to EGPC upon the end of the concession. Usually, a bank guarantee in favor of EGPC is issued to ensure payment of any shortfall amounts. The guarantee is reduced by the amounts expended by the contractor. The amount spent by the contractor is recoverable in the event of a commercial discovery with regards to the cost recovery crude oil. If no discovery is made, then the contractor cannot claim any amounts spent from EGPC. Finally, it should be noted that minimum financial obligations differ from one concession to another and from one phase to another.

International Success Stories

1. The Spanish Egyptian Gas Company - SEGAS

The Spanish Egyptian Gas Company (SEGAS) liquefied natural gas (LNG) complex in Damietta, Egypt, is situated on the Mediterranean Coast 60km west of Port Said. The complex became active during the final quarter of 2004 and exports liquefied natural gas to the Spanish market via a receiving terminal at Sagunto in Spain. The majority of the gas exported is used to supply the new 'cleaner' gas-fired power stations in Spain. This natural gas project was the first facility of its type in Egypt and is one of the world's largest capacity single train facilities.

2. Alexandria Carbon Black (ACB)

Located in Amreya near Alexandria in Egypt, Alexandria Carbon Black is an Indian-Egyptian joint venture with the Aditya Birla Group of India. Established in 1994, it is the only producer of carbon black in the Middle East and North African region. The company began with an initial capacity of 20,000 tones, and has since grown 14 times to a 285,000 ton capacity - making it one of the world's largest carbon black plants at a single location, and also the fastest-growing carbon black company in the world. ACB also has the distinction of operating one of the largest production lines in the carbon black industry globally. In less than 20 years since its inception, the company has set new benchmarks by maintaining high standards and taking a leadership position in the industries of Egypt, Middle East and North Africa. ACB exports 95% of its production to over 30 countries across the globe including the USA, UK, France, Germany, Italy and Spain, among others. Its list of customers includes global players such as Michelin, Goodyear, Bridgestone/Firestone, Pirelli, Dunlop, Continental General Tires, as well as the local Alexandria Tire Company and Trencó.

3. GESCO Group

Global Engineering services & Supplies Co. is an International Company serving Oil & Gas Industries for more than 25 years, with clients including major oil and gas companies, refineries and contractors in Egypt, Middle East, and North Africa. The Company also has associations with renowned manufacturers, major mills and suppliers across Europe, USA, and the Far East. They are currently providing services for the major global petroleum companies such as British Petroleum, APACHE, SHELL, AGIP and ENI.

4. BASF

BASF is the world's leading chemical Company with more than 112,000 employee, six verbund sites and 376 additional sites worldwide. BASF has over 160 subsidiaries and joint ventures with customers in almost 200 countries. The German company is now widely accredited for being the largest petrochemical producer in the world, and the founders themselves have stated that its petrochemicals division is the backbone of BASF's value-adding chain. Products such as ethylene, propylene, butadiene and benzene are produced in steam crackers from naphtha or natural gas at the facilities of the company that has been built around the world.

BASF has been active in Egypt since 1955. Until the establishment of BASF Ltd. in 2000, BASF was represented in Egypt through an agency, a delegation office and a branch respectively. In 2011, the company had a turnover of approximately 120 million Euros.

5. The Dow Chemical Co.

Dow is an American multinational chemical corporation headquartered in Midland, Michigan, United States. As of 2007, it is the second-largest chemical manufacturer in the world by revenue and as of February 2009, the third-largest chemical company in the world by market capitalization. Dow manufactures plastics, chemicals, and agricultural products. With a presence in about 160 countries, it employs about 54,000 people worldwide.

The company has been active in Egypt for 40 years through its commercial office, located in the grand City Stars Mall complex. The office represents six key Dow businesses, namely Basic Plastics, Performance Plastics and Formulated Systems, and market facing units such as Dow Oil & Gas, Dow Coating Solutions and more. After the formulation of their office, Dow invested further by inaugurating the country's first Polyurethane System House, based in the 10th of Ramadan City in 1997.

National Success Stories

1. Sidi Kerir Petrochemicals Co - Sidpec

Sidpec is an Egyptian joint stock company established on 16 November 1997. The company is considered a central pillar in the development of the petrochemicals industry in Egypt as it utilizes the latest available technology and designs in order to satisfy the Egyptian environmental regulations. The company's polymer portfolio includes linear low density polyethylene (LLDPE) and high density polyethylene (HDPE).

2. Misr Fertilizers Production Company - MOPCO

MOPCO was founded in July 26 1998, inside the free zone in Damietta, producing urea as its main product. MOPCO decided to undergo project expansion after obtaining over USD\$1 billion from the national and international banks to set up two units for producing 2400 tons of ammonia per day, as well as two units for producing 3900 tons of urea per day. The investment cost of this huge project is about USD 1.7 Billion which will in turn yield 2 million tons of fertilizers per year.

3. Middle East Oil Refinery- MIDOR

MIDOR is an Egyptian joint stock company established in 1994 under the Investment Law No. 230 of year 1989 and its amendments. MIDOR Refinery is classified as a deep conversion refinery, using its investments of almost \$1.4 billion to keep up with the latest scientific and technological needs of the fluctuating market. MIDOR refinery occupies approximately 500 acres within Amerya Free Zone in West Alexandria City, constructed on 5 terraces which utilize the topographical nature of the site. The company is one of the first refineries in the Middle East that is designed to cope with the most demanding world environmental standards for oil waste treatment and product specifications.

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:

- Assisting in leasing the industrial facilities and land allocation for the purpose of establishing a project.
- Settling any potential disputes.
- Establishing new Companies and obtaining all required permits and licences.
- Negotiating and drawing up contracts including complex mergers and acquisitions.
- Assisting with financing issues.
- Informing our Clients with the updates of the national and international Laws relating to the petrochemical industry.



Maher Milad Iskander & Co.

46 El-Thawra St., Heliopolis
Cairo - Egypt
Tel: +2(02)22911276,
Fax: +2(02)22911349

info@mahermiladiskander.com
www.mahermiladiskander.com
Skype: mahermiladiskander