



# DAILY NEWS

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## EGYPT

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## Egypt calls for international cooperation to address human trafficking

THE UNITED NATIONS SAYS NEARLY ONE THIRD OF KNOWN HUMAN TRAFFICKING VICTIMS

BETWEEN 2007 AND 2010 WERE CHILDREN

By Luiz Sanchez

The United Nations General Assembly held a high-level meeting on Monday to discuss efforts in combating human trafficking. Egypt's chief delegate to the UN in Geneva, Hisham Badr, delivered a statement to the General Assembly on behalf of the government in which he "stressed the importance of international and regional cooperation in the fight against human trafficking".

According to the Ministry of Foreign Affairs, Badr warned the General Assembly of the danger of the spread of such crimes that contribute to the growing contemporary forms of slavery, calling it "incompatible with the simplest norms of universal human rights".

Badr said there is a need for concerted efforts from the international community to combat the funding of human trafficking operations through the implementation of the Global Plan of Action (GPA), adopted by the General Assembly in 2010.



The UN General Assembly sought to devise ways to combat human trafficking during a high-level meeting on Monday

The GPA was adopted by the General Assembly in the hopes it would pressure member states to take "coordinated and consistent measures to try to defeat the scourge", the UN reported in 2010.

Badr told the assembly it should also strengthen the international commitment to the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children (UNGTP Protocol) adopted in 2000 and ratified by 154 member states as of March.

He also spoke on efforts made by Egypt on a national level to combat human trafficking, which includes the establishment of a national committee tasked to combat the phenomenon in 2007. This committee, Badr said, involves several organs of the state and is tasked with creating "tough legal frameworks to criminalise and punish such crimes" and to strengthen security services' ability to confront such crimes.

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## Shura Council calls for Homeland Security reform

By Emily Crane

The Shura Council's National Security Committee called for reforming the Homeland Security sector of the Ministry of Interior in a meeting with the national security body on Monday, accusing them of torturing and mistreating citizens, and withholding information regarding the presence of Al-Qaeda in Egypt.

Essam Al-Badawy, representative of Homeland Security, denied both claims, saying that the sector is hard at work reforming its image from an entity whose past behaviours used to go against the present constitution and laws.

"Whoever delights in torture is mentally ill," said Al-Badawy. "There is no enmity between us and anyone else and we work only within the bounds of the law."

He heralded the Homeland Security's management of the recent demonstrations by Salafi groups in front of their headquarters as an example of the sort of restraint to which the sector now aspires.

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## Artists demand removal of new minister of culture

Artists march through Cairo, say they will protest until demands are met

By Nourhan Dakrouy

Artists in Cairo began the "Egyptian Revolt of the Minds" campaign on Tuesday to demand the removal of

Minister of Culture Alaa Abdel Aziz.

The march, including both Egyptians and foreigners, set off from the Cairo Opera House and headed towards the Ministry of Culture.

"Looking at Abdel Aziz's resume, he hasn't achieved anything that makes him qualified to become the minister of culture," said Maha Effat, an Egyptian artist and a member

of the Creativity Front.

Abdel Aziz has a PhD in cinema and was a professor at the High Cinema Institute. He has also written books about Egyptian and Arabic films and is a member of the Egyptian Film Critics Association.

"Our problem is not only the minister himself, but with the government that assigned these ministers," she explained. She stated that the Muslim Brotherhood are "haters of art and culture" and said that they are endangering culture in Egypt through their policies.

Gehad Al-Dinary, a journalist for Akhbar Alyoum, said that artists and intellectuals are also demanding the formation of a committee headed by Egyptian intellectuals to plan and discuss cultural life in Egypt.

Elisa Giovangrandi, a member of the Cairo Opera Symphony Orchestra, said that she was worried about the future of the orchestra.

"Last year when Morsi took office, we were all afraid that we would lose our jobs," Giovangrandi said.

She added: "The Muslim Brotherhood doesn't care about culture. They want to impose their ideas on us."

"If our demands are not met, we will keep protesting," Effat said.



Artists marched on Tuesday demanding the removal of newly appointed Minister of Culture

Currencies	Buy	Sell
CHF	7.1892	7.7334
USD	6.9644	6.9945
EUR	9.0038	9.6123
GBP	10.5697	11.3123
SAR	1.85	1.8955

Egyptian Stock Exchange		
	Closing	Daily Change
EGX 30	5,400.76	-0.31%
EGX 70	451.63	-0.01%
EGX 100	759.84	-0.19%
EGX 20	6,172.51	0.24%

### Commentary

Dr HA Hellyer writes:

In discussions with different European officials, it is clear that the impression being given by the Brotherhood is that if they do not succeed, Egypt will fail as a result.

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## The 'Japan' of Egypt in crisis



Damietta is Egypt's biggest city to produce furniture and woodworks

Damietta is one of Egypt's most productive cities, and is considered the "Japan" of Egypt. The city, however, has been affected by the harsh recession that hit the nation's economy. Prices of raw materials increased, and caused micro and small enterprises

to shut down, leaving behind angry artisans and craftsmen. Daily News Egypt visits Damietta's high season of furniture sale to investigate how the business has been affected.

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## Report suggests Abu Deif killed by professional shooter

UNOFFICIAL MEDICAL REPORT INDICATES BULLET FOUND IN JOURNALIST'S CORPSE DEFORMED AFTER LAUNCH

By Rana Muhammad Taha

The weapon used in killing journalist Al-Husseini Abu Deif is difficult to identify, said forensics specialist Fakhry Saleh in a press conference held on Tuesday.

At the conference, held by the United Group human rights organisation, Saleh said Abu Deif was either shot by "expanding (dum-dum) bullets or by lead bullets". Expanding bullets are internationally-prohibited bullets

which expand once fired to produce a larger wound.

Abu Deif was shot while covering the presidential palace clashes last December. He fell into a coma and died a week later.

"The choice of aiming at the head is also significant," Saleh said. "The highest chance of causing death is when firing at a person's head; there's a 90 to 95% chance the victim will die once the bullet penetrates the skull."

Saleh was delegated by United

Group, the organisation handling Abu Deif's case, to produce an autopsy report on the journalist's death because the group was disappointed with the official medical report. The official report failed to mention the type of the weapon and bullet used. He stated that both types of bullets are mainly used by professional shooters.

"The bullets were deformed by the firing process," Saleh said. "It's not possible to discover their caliber afterwards."

Saleh's report suggests that Abu Deif was assassinated and not randomly shot, said Abdel Hameed Salem, head of United Group's legal committee. "He was specifically targeted while standing among a group of protesters," Salem said.

Artist Mahmoud Abdel Qader, a close friend of Abu Deif, was with him when he was shot and testified for the prosecution. Abu Deif allegedly took photos of Muslim Brotherhood supporters holding firearms

before being shot. Abdel Qader said that the bullet was fired from the direction of a group of President Mohamed Morsi's supporters.

United Group submitted the advisory report to the prosecution on Monday, said Salem. They also submitted a memorandum with a set of demands including a serious investigation into the incident by the security forces, examining the surveillance tapes from the presidential palace for that day, and comparing the bullet fragments recovered from Abu Deif's body with those from other shooting victims.

"If the prosecution doesn't respond to our demands, we will demand the delegation of a judge to investigate the case," Salem said. "We did not request forming a tripartite committee to produce a separate medical report because we trust the accuracy of the advisory report we presented."

Abu Deif was a reporter for Al-Fajr newspaper and a freelance video journalist.

## Egypt calls for international cooperation to address human trafficking

Continued from page 1

In October 2012, conservative members of Egypt's parliament had scrapped an article in the constitution which aimed at combating child trafficking. The Salafi parliamentarians argued human trafficking does not exist in Egypt and therefore laws regarding it were not needed in the constitution.

Badr spoke of the "five pillars" of the war against human trafficking; commitment and political will, continued evaluation and revision of existing mechanism, strengthening of cooperation at an international and regional level, coordination with the relevant agencies and authorities and the involvement of all other parties involved, which includes private institutions from the civil society.

There is a need to hone the international will to fight human trafficking through an integrated strategy of cooperation in the implementation of upstream countries along the Nile River, Badr said. He added that cooperation would lead to an increase in awareness and the exchange of information would contribute to the overall understanding of how human traffickers operate.

This in turn would aid in the efforts to eliminate human trafficking and ensure the prosecution of those involved in such crimes.

The statement stressed that one of the fundamental aspects in addressing the root causes of that crime is to strengthen international cooperation to achieve the Millennium Development Goals, particularly the eradication of poverty in the countries where human traf-

ficking originates. The reduction of poverty, according to Badr, would reduce the opportunities for the exploitation of the victims of organised criminal networks.

The UN estimates 2.4 million people are victims of the \$32bn human trafficking industry. These victims are pushed into forced labour and domestic servitude, sexual work and serve as child soldiers.

"No effort must be spared to bring to an end the servitude of millions, while helping the survivors rebuild their lives," General Assembly President Vuk Jeremic said during the opening of the two-day meetings.

"To achieve this, law enforcement officials, border control officers, labour inspectors, consular and embassy officials, judges and prosecutors, as well as peacekeepers, must not only increase their vigilance, but

be further sensitised to the needs of victims," Jeremic stressed.

The UN Office on Drugs and Crime (UNODC) said in a report published in December 2012 nearly one third of all victims of human trafficking detected around the world between 2007 and 2010 were children.

Yury Fedotov, UNODC executive director, called on member states of the assembly that have yet to ratify the UN protocols and conventions to do so in order for it to be implemented universally.

"This modern form of slavery creates millions of victims," Fedotov said on Monday. "So far, 175 states are parties to the Convention against Transnational Organised Crime and 154 to the Trafficking in Persons Protocol. Fifteen countries have ratified the protocol since the adoption of the Global Plan of Action in July 2010."

## Port Said raises security alert

Officer and outlaw killed during security operation



Ministry of Interior handout

**Special Forces Captain Karim Wagih (centre) was killed in a gun battle between police and supporters of Ahmed Hassan Youssef**

By Nouran El-Behairy

One police officer has died and another has been injured on Monday during an operation by Special Forces to arrest several outlaws in Port Said.

The Special Forces of the Central Security Forces carried out an operation to arrest Ahmed Hassan Youssef, commonly known as Besella, who was wanted for attempting to break into Port Said Prison in January.

The two also talked of the importance of the role the private sector would play as one of the main pillars of development. The presidency added that the meeting also raised issues of removing obstacles facing Egyptian and Arab investors to facilitate investment activity in the country.

Suleiman and Hamed were two of nine new ministers to be appointed last week in a reshuffle of Prime Minister Hesham Qandil's cabinet.

Suleiman was an advocate for judicial independence and opposed both Morsi's November constitutional declaration and the draft constitution. He also had two stints as head of the Miya Judges' Club.

Hamed, Morsi's youngest minister, worked for Vodafone Egypt and is a member of the Muslim Brotherhood.

He added that assailants searched a church when they were told the officer was hiding inside it; however they did not find him.

Minister of Interior Mohamed Ibrahim along with high profile security officials attended Wagih's funeral on Tuesday in Nasr City; the injured officer was moved to a police hospital in Cairo.

"The ministry mourns [Captain Karim Wagih] as a hero who paid his life to restore security and maintain citizens' safety... The ministry also stresses the continuity of its efforts to pursue criminals and outlaws," read the statement released by the Interior Ministry on Tuesday.

Violence had erupted in Port Said in January after a court sentenced 21 defendants to death for the football riots that killed about 74 in February 2012. Relatives of the defendants tried to break into Port Said Prison to free them from the police. The governorate has witnessed several months of unrest since then.

## Morsi meets with two new ministers

President Mohamed Morsi hosted ministers of justice and investment at the presidential palace on Monday

By Basil El-Dabb

President Mohamed Morsi met with two of his new ministers at the presidential palace on Tuesday.

Ahmed Suleiman, who replaced Ahmed Mekki last week as the justice minister, met with Morsi to discuss his ministry's role with regards to the judiciary.

The two discussed "the sovereignty of the role of the Ministry of Justice," according to a statement issued by the presidency.

"The ministry is carrying an important role in the framework with all judicial bodies," added the presidency. Suleiman and Morsi also discussed plans for a "justice conference", to be held under the auspices

of the president, and to be attended by many judges.

However presidential spokesman, Ehab Fahmy, stressed that Morsi's role in the conference would be limited to "sponsoring" the event, and would not interfere in any technical aspects.

Fahmy added that Morsi would attend the opening session, which will take place sometime in the next 15 days.



President Mohamed Morsi meets with newly-appointed Minister of Justice Ahmed Suleiman

## Supreme Press Council evaluates newspapers

All newspapers have violated professional and ethical standards, said the Supreme Press Council in a detailed titled released on Tuesday.

The report examining the journalistic practices of 18 major Egyptian newspapers ranked state-owned Al-Ahram as having the highest level of ethical standards. It indicated that privately-owned independent newspapers were most likely to commit violations followed by party newspapers. State-owned newspapers reportedly committed the lowest levels of violations.

Privately-owned Al-Fagr newspaper saw the highest percentage of violations in the study, which re-

ported that there are on average 12.25 violations per issue. The independent Al-Dostour newspaper averaged 10 violations.

State-owned newspapers fared well in the study, with Al-Ahbar averaging 0.55 violations per issue, Al-Gomhouria seeing 0.22 violations per copy, while Al-Ahram was at 0.09 violations per issue.

Independent newspapers Al-Watan and Al-Masry Al-Youn were reported to have the sixth- and eleventh-most violations respectively. The party-run Freedom and Justice paper had the eighth-most violations, averaging 2.38 per issue while Al-Wafd, another party-run

newspaper, had the seventh-most violations with 2.50.

## Syria releases Egyptian citizen

By Joel Gulhane

Syrian authorities have released an Egyptian citizen following intervention by the Egyptian Embassy in Damascus.

A statement published by the Ministry of Foreign Affairs on Tuesday said the Egyptian citizen had returned to Egypt. He had been arrested last summer in the Al-Tal area north of Damascus and was charged with living in Syria illegally among several other charges, reported the ministry.

A ministry spokesperson said in February that it is difficult to know exactly how many Egyptian citizens are in Syria. His comments came as

the ministry established an initiative to repatriate Egyptians from Syria by transferring them to Lebanon and then flying them back to Egypt.

Last week an Egyptian citizen was killed attempting to cross the Syrian-Lebanese border. A ministry spokesperson warned Egyptians against trying to enter Syria illegally, adding that such attempts are highly dangerous.

In October 2012 the ministry demanded an explanation for the deaths of three Egyptian citizens in Homs and Aleppo. The men were reportedly killed in fighting between government forces and the opposition. Syria claimed that one of the men was the leader of an armed group in Aleppo.

Earlier in the same month eight Egyptians were arrested for entering Syria illegally from Jordan.

In July 2012 the state-run Syrian Arab News Agency (SANA) reported the discovery of the bodies of two Egyptians. SANA reported that the pair had fought alongside Syrian rebels, describing them as "terrorists".

Many non-Syrians have entered the country to join the conflict. A report published by the International Centre for the Study of Radicalisation at the beginning of April estimated that between 2,000 and 5,500 foreign fighters have joined the opposition since the conflict began in March 2011.



## Egyptian activist addresses Oslo Freedom Forum

SORAYA BAHGAT, FOUNDER OF TAHIR BODYGUARD, SPEAKS ON EGYPTIAN WOMEN'S FIGHT FOR THEIR RIGHTS

By Emily Crane

Soraya Bahgat, founder of anti-sexual harassment organisation Tahrir Bodyguard, spoke at the Oslo Freedom Forum on Tuesday on the role of women in Egypt in the revolution and their status since former president Hosni Mubarak's resignation.

"Women are an integral part of the Egyptian revolution and are credited with bringing down the Mubarak regime," Bahgat said.

She described the courage that women showed in protesting alongside men in January 2011 and denounced the attacks and harassment they have faced since then.

Seventeen women have been forced to undergo humiliating virginity tests by the military. Several female activists have been detained without warrant and subjected to sexual abuse by security forces, Bahgat said.

The United Nations Entity for Gender Equality and the Empowerment of Women recently published a report saying that 99.3% of Egyptian women have experienced sexual harassment in their lives.

In her speech, Bahgat described the mass sexual assaults that women have faced at large protests. The



The Oslo Freedom Forum brings speakers from across the world together to discuss humanitarian issues

government has failed to protect women from these attacks, Bahgat said.

"So the citizens of Egypt have chosen to act where the government has failed," Bahgat stated, describing the movements created to defend women against sexual assault at protests, such as Tahrir Bodyguard.

Another initiative to combat sexual assault is the I Saw Harassment initiative, which set up a campaign during Sham El-Nessim to monitor instances of sexual harassment along the Nile Corniche throughout the holiday.

Such initiatives will continue their work until the problem ends, Bahgat said.

"We're putting up a fight, we're not afraid," Bahgat said. "When we tried to silence Egyptian women, we became even more defiant."

The Oslo Freedom Forum, established in 2011, brings together speakers from across the world to discuss pressing humanitarian issues.

Additional reporting by Basil El-Dabb and Nouran El-Behairy

## Families of Port Said martyrs receive compensation

By Nouran El-Behairy

Families of those who died in the Port Said Massacre of February 2012 headed to the Civil Education Centre in Gezira on Tuesday to receive compensation checks worth up to EGP 100,000.

Minister of Youth Osama Yassin met with the families of those who died in football riots that took place after a match between Al-Ahly and Al-Masry Clubs in the Port Said stadium.

Yassin, who is also the head of the National Youth Finance Fund, promised the families a compensation package of EGP 100,000 each. The cheques were scheduled to be issued

next week, but after pressure from the families the minister ordered payments to begin on Tuesday.

Yassin's meeting came after President Mohamed Morsi's decision to treat the Port Said massacre victims as victims of the 25 January Revolution.

"Egypt owes you an apology for losing your children," Yassin told the families. "The martyr's right is for his family to be taken care of and offered support."

He added that the money was the least the government could offer to the families of the dead in a society going through a transitional period, where the state failed to protect its citizens.

## Electricity workers arrested at protest

Workers charged with obstructing traffic, blocking roads, and resisting arrest

By Nouran El-Behairy

At least 15 workers were arrested late on Monday after a protest in front of the North Cairo Electricity Company, according to a Tuesday statement by the Union and Labour Services Office.

According to the statement, the protest was dispersed by force and several workers were injured. The statement called for the immediate release of those arrested.

Workers met to protest the annulment of policies granting workers more rights, primarily those aiming to ensure equality between workers in the holding company and its branches.

The Egyptian Centre for Economic and Social Rights (ECSR) stated that the police used teargas and bullets to disperse the protesters and the 15 arrested were transferred to the Nasr City police station.

They were charged with obstructing traffic, blocking the road, and resisting arrest.

"The protest was inside the company headquarters, they didn't obstruct traffic or block roads," said Dalia Moussa, Workers' Media Coordinator at ECSR.

She added that one of the workers was shot in the arm by police. "The arrested workers were beaten at the police station," she said.

The General Union for workers in the electricity and power sector accused holding company officials of inciting workers to protest by making decisions without consulting workers' representatives.

"Is it acceptable to deal with Egyptian workers in a way that provokes all workers? However, we will not leave our positions and we will not strike," a union statement said.

The arrested workers were still being investigated at the time of print.

## Coptic teacher released on EGP 20,000 bail

By Joel Gulhane

Prosecutor General Talaat Abdallah has released a Coptic teacher accused of contempt of religion on EGP 20,000 bail.

Director of the Association of Freedom of Thought and Expression's (AFTE) legal unit Ahmed Ezzat confirmed that Abdallah ordered the release of Demiana Abdel Nour.

Ezzat reported that Abdel Nour's family paid the EGP 20,000 bail and were in the process of securing her release on Tuesday. Investigations into allegations that the teacher insulted

religion will continue, Ezzat said.

Abdel Nour presented herself to the public prosecution last Wednesday following complaints by the parents of three students at the Sheikh Sultan Primary School. The parents claimed that Abdel Nour insulted religion and the Prophet Muhammad by saying that the late Pope Shenouda III performed more miracles than the Prophet. They also alleged that she placed her hand on her stomach to convey nausea when mentioning the Prophet.

Ezzat who also represented atheist blogger Alber Saber on similar charges

## Court releases 10 detainees, four remain in custody

By Hend Kortam

A Cairo court ordered the release of 10 of 14 people arrested last month near the Presidential Palace on Tuesday.

The bail for the 10 to be released was also set to EGP 500 each. The detainees were arrested on 26 April, and their detention was renewed for 15 days last week. While the court accepted an appeal to release 10 detainees, four of them were ordered to remain in custody until their 15 days are over.

At the end of the sentence, the court will decide whether to re-

lease the four detainees or extend their detention another 15 days.

Lawyer Mahmoud Belal who represents the four remaining prisoners said they are accused of damaging public property, attempting to kill a police officer, and assaulting public employees. "The same old charges," he said.

The four who will remain in custody include 17-year-old Basma Yehia who has a health condition.

The detainees were arrested amid violence outside the Presidential Palace on 26 April between protesters and security forces.

## Shura Council calls for Homeland Security reform

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The Shura Council was not impressed by Al-Badawy's defence, claiming that many of the sector's old members who were known for engaging in torture are still present today. They called for the rebuilding of trust between the people and Homeland Security and the establishment of legislation to keep them in check.

The Shura Council is not the first to accuse the Interior Ministry of torture and human rights violations. Last week, the Egyptian Organisation for Human Rights (EOHR) submitted two cases of alleged torture by police to the prosecutor general for investigation.

"There is a continuation of the same practices and method adopted by the Ministry of Interior before the 25 January Revolution," EOHR said in their

statement to Talaat Abdallah.

In February, a group of 13 human rights organisations released a statement calling for the reform of the ministry, in which they accused the Interior Ministry of human rights violations against citizens detained in demonstrations and outlined a 10-step initiative to "stop the crimes of the regime".

Among their demands was the publishing of a final report on police and military abuses against protesters from January 2011 to June 2012. A fact-finding committee commissioned by President Mohamed Morsi submitted the report in question to the presidency last December but he has yet to publish it, drawing criticism from a number of human rights organisations, namely Human Rights Watch.

Additional reporting by Joel Gulhane and Basil El-Dabb.

ed for 15 days last Saturday, prompting Amnesty International to call for her release. AFTE submitted an appeal against the renewal of her detention on Sunday.

In October 2012 the Egyptian Initiative for Personal Rights said that contempt of religion charges disproportionately target Coptic Christians.

Last week the My Country My Rights campaign published a report claiming the prosecution made over EGP 1m from bail charges in 90 days from 459 detainees across eight governorates.

Additional reporting by Nourhan Dakroury

## Presidential approval ratings after 10 months in office

Less than one third of Egyptians would vote for Morsi if presidential elections were held tomorrow

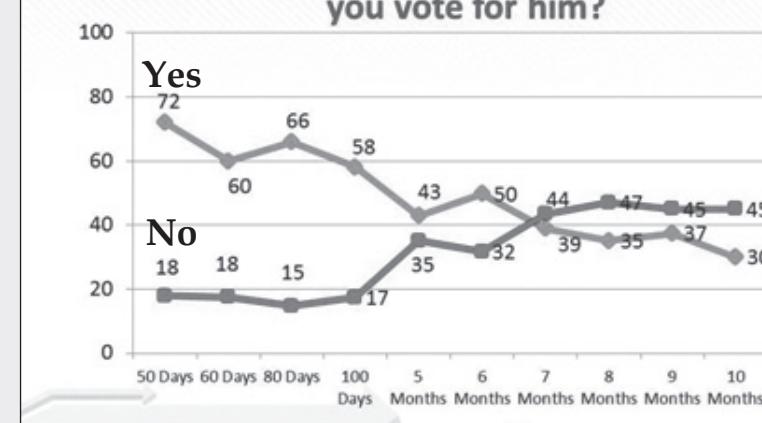
The latest public opinion poll conducted by the Egyptian Center for Public Opinion Research (Baseera) has revealed that Egyptians have continued to show dissatisfaction with President Mohamed Morsi's job. The approval rating has hit a record low, with only 46% of Egyptians saying they think he has performed well, slightly lower than the percentage observed in the last month poll which reached 47%. This approval rating is much far behind the percentage he earned after the first hundred days, when 78% of Egyptians said they approved of his performance.

The poll which was conducted at the end of April, 2013 showed a continuous decreasing trend of the approval rating. Furthermore, it is showing for the first time that the percentage of those who disapprove the president's performance is becoming higher than those who approve his performance as president (47% vs. 46%).

Education level has an obvious impact on the Egyptians evaluation for the president's performance. The approval rating was as low as 38% among Egyptians with university or higher education compared to 52% among Egyptians with less than intermediate education. The approval rating is also significantly lower in urban governorates (34%) compared to 41% in Lower Egypt and 58% in Upper Egypt.

The clear shift witnessed in the last month is the significant decline

If there were elections tomorrow and Morsi were a candidate, would you vote for him?



President Mohamed Morsi's approval rating appears to be steadily falling after 10 months in the job

in the percentage of those who would vote for Morsi if presidential elections were held tomorrow. The percentage declined to 30% compared to 37% at the end of his ninth month in office, and 58% after the first hundred days. The percentage of those who would vote for Morsi if presidential elections would be held tomorrow is significantly lower in urban areas (23%) compared to 35% in rural areas. Clear differences are witnessed among the different regions as the percentage dropped to 19% in urban governorates compared to 26% in Lower Egypt and 41% in Upper Egypt.

The results suggest a negative association between education level and willingness to vote for the president. While the percentage among Egyptians with less than intermediate education reached 37%, it reached 21% among Egyptians with university or higher education.

According to the poll, more than one third of Egyptians have never heard of the National Salvation Front (NSF), the country's main opposition coalition. This percentage didn't witness a significant change if compared to the percentages observed in the last 2 months.

In response to a question asked

to those who heard about the NSF, whether they support it or not, the results show a slight improvement as 33% said they support it compared to 30% in the last month's poll. Respondents who don't support the NSF decreased to 57%, compared to 60% in last month's poll. Around 10% said that they are not sure about whether they support the NSF.

Compared to the last month's poll, the evaluation of those who heard about the NSF for its performance didn't change. The percentage of those who said that it performs well is 12% while 29% said that its performance is average. The percentage of those who view its performance negatively stayed at 49% and the rest of the sample couldn't judge the NSF's performance.

The survey was conducted using landline and mobile telephones, with a sample size of 2,202 respondents ages 18 or older nationwide. All interviews were conducted on Monday and Tuesday 29 and 30 April 2013. The response rate was approximately 72%, and the margin of error was less than 3%. Income brackets were determined based on ownership of durable goods.

For more information on the detailed findings and the methodology adopted, or to see the graphic presentation of results, please consult our website: [www.baseera.com.eg](http://www.baseera.com.eg)

## The 'Japan' of Egypt in crisis



Furniture exhibitions can be seen everywhere in Domietta

By Sarah El Masry

The trip from downtown Cairo to the city of Domietta is about four and a half hours by bus. The trip is not short and can be hectic. For someone who wants to save up thousands of Egyptian pounds on buying furniture, however, the long trip and the fatigue are well worth it.

Like thousands of Egyptian middle-class families who travel from all governors to Domietta, Eman is travelling to help her son buy furniture for the apartment he will move into after his wedding.

"We're travelling to check prices and buy ready-made furniture from exhibitions there because my son is on vacation from his work in Saudi Arabia," she says excitedly.

The bus is packed with families and couples travelling for the same purpose. Everyone is conversing about the most reputable exhibitions in Domietta.

Other passengers on the bus are obviously businessmen, furniture factory and exhibition owners working in the furniture business between Cairo and Domietta. Some spend their time marketing their exhibitions, or recommending other vendors.

Wood warehouses mark the entry to the city on both sides of the road. Upon arriving in Domietta, its two biggest features are dairy and oriental dessert stores, and furniture exhibitions and workshops.

Nearly everywhere you look you find furniture; even the bus station has a small furniture exhibition on the second floor of its cafeteria. Some passengers decide to browse in the shops next to the bus station, while others hail taxis to the corniche where multi-storey buildings are dedicated to furniture exhibitions of all price levels.

Overall, the abundant furniture and dairy stores, coupled with the hundreds of vans, trucks and lorries parked everywhere give an atmosphere of creativity and productivity.

### Recession hitting hard

A closer look at this productive city, and one of its most famous streets, Abdel Rahman, however, reveals a different picture. At this time of the year, the street is supposed to be vibrant with families and couples who are seeking to furnish their new apartments. For a street that has an estimated 600 micro, small and medium-sized workshops, exhibitions and shops, it seemed quiet, dull and almost lifeless in the late afternoon.

"It's the impact of the recession that hit Egypt. It is affecting the furniture business big time. At this time of the year, this street used to be so crowded that no one can pass. No taxis agreed to enter it. Now look at it," says Ahmed, the owner of a workshop that manufactures salons.

Walking on Abdel Rahman Street is like walking in wood city. Chairs, tables, sofas, salons, dining rooms, cupboards, and cabinets are displayed everywhere in the alleyways of the street. Recently and for the past few months, the workshops producing these structures have



Abdel Rahman Street is one of the most renowned streets in Domietta, housing more than 600 furniture workshops and small exhibitions

been facing a huge financial crisis. "All our raw materials are imported and thus they are affected by the depreciation of the Egyptian pound. The cost of raw materials for workshops, carpenters and exhibitions has doubled," says Ahmed.

The economy of Domietta is strictly bound by the fluctuation of the US dollar and that is why the furniture business is suffering.

An example that many workshop owners mentioned was the price of beech wood (a type of wood that is heavy and strong and used mostly for manufacturing bedrooms). "The price per metre has increased from about EGP 1,600 to EGP 2,220 and some other types have exceeded EGP 3,000," Ahmed explains.

According to Ahmed, the situation started to decline gradually after the 25 January Revolution, but it was bearable right after the revolution. The workshops began to suffer losses in 2012.

"Our business is not just dependent on manufacturing, but a huge part of it is about marketing your product. If your

workshop is in a small unknown alleyway in Domietta, it is not the same as being in a famous street like Abdel Rahman. Here the customer passes by and sees our woodwork in the making," says Ahmed.

Since the recession is affecting the whole country, people seeking to buy furniture have stopped coming to Domietta. Mohamed Al-Zainy, the head of the Chamber of Commerce in Domietta, said in a statement to state-owned Al-Ahram that the number of customers in Domietta has decreased to only 50% of the number that used to visit the city.

Some micro enterprises with small capital have closed down because they could not withstand the crisis. Others continue to suffer with their financial commitments.

"We are committed to pay our bills, taxes, insurance, monthly instalments for the workshops and cleaning fees," Ahmed explains, adding. "Every single store in Domietta pays about EGP 30 or EGP 15 as a monthly cleaning fee depending on your activities. It is true

that this might be nothing, but we do not get such service and we end up cleaning ourselves."

"I end up with barely a profit margin that covers the expenses and wages of the artisans at the workshop," he adds.

Furniture exhibitions in Domietta are also suffering. Rizk is one of the sellers at Abou Ataya Palace, a well-known furniture exhibition in Domietta. He believes that exhibitions are even more affected by the crisis than workshops.

"Even though workshops and artisans may produce less furniture, they have to work anyway. Exhibitions buy their woodwork, but due to the recession there is no guarantee that these exhibitions would be able to sell the furniture to the end user. Some pieces of furniture could stay unsold for one year; others could be sold right away," he says.

Rizk explains that since prices are rising, every time customers negotiate prices, exhibition sellers have to justify the rising prices to them. Some of them buy, while others do not accept paying more.

"Customers now prefer not to come to Domietta, but buy directly from exhibitions in their governorates. This leads our goods to remain unsold for a long time," he adds.

### Artisans and workers suffer the most

Adel is an artisan at another salons' workshop. He complains about the increasing prices that have affected the business and his wage greatly. The average weekly wage of an artisan is EGP 300-500, depending on the kind of work, and his experience. Adel gets EGP 50 per day.

"The crisis has decreased the workshops' profits and we [the workers and artisans] are the most affected by this. We have children and households to take care of. The daily wage we receive accounts for nothing. It barely covers the cost of the private lessons I give to my children," he says.

Adel lists other reasons why the crisis in Domietta is happening.

"Energy is another problem. The electricity cuts make our job harder and slow our productivity. Also, the

way wood importers control the prices of wood exacerbates the situation," Adel explains.

At Adel's workshop, the owner had to dismiss a number of artisans and workers to be able to cover his expenses, reducing the number of workers from five to two.

"Our business is at a standstill. The customers who used to come from all governorates do not have enough money to buy our now highly-priced furniture, except for a few who still have a limited budget," says Adel.

The dismissal of workers and the shutting down of some enterprises incited artisans, workers and workshop owners to hold a demonstration at the governorate building of Domietta on 8 April. They protested against the rising prices and the economic policies of the government.

Adel believes the demonstration was unsuccessful and that the Chamber of Commerce in Domietta is unable to solve the problems the furniture sector is facing.

On the other hand, at the end of April Al-Zainy announced the formation of an organisation that will help micro and small enterprises to overcome their financial problems.

### Competition from China and Turkey?

In addition to the plethora of hardships that the furniture business is facing, it must also confront the problem of Chinese goods invading the market. A Chinese TV cabinet can be bought for EGP 300, while one that is made in Domietta could reach up to EGP 1,000.

Workshop owners insist that there is no true competition between furniture from China and Domietta.

"Chinese furniture looks good and it's cheap, but quality-wise everyone knows that Domietta's furniture is like no other," Adel says.

Ahmed agrees: "Chinese furniture can be half the price of the furniture we make here. However, Chinese furniture has its own appeal. People who are looking for temporary cheap furniture buy Chinese.

If you want something temporary you go for Chinese, if you want durability you buy our natural-wood furniture."

The drawbacks of buying Chinese are mainly quality related. Unlike the natural wood used in manufacturing furniture in Domietta, most of the Chinese furniture exported to Egypt is made of manufactured wood such as plywood and medium-density fibreboard (MDF). These types are not durable and can easily break.

Turkish furniture is another newcomer to the Egyptian furniture market. Tharwat Wahid is the CEO of Ebony and Ivory, a Cairo-based company for home and office furniture. He comments on the growing presence of Turkish furniture in the Egyptian market, particularly in Cairo, where people can afford to buy it.

"Turkish furniture is competing with our local furniture industry and the current government is allowing such entry with no protection to the local market because they have business ties with Turkish companies," he notes.

Wahid is referring to Hassan Malek, a Muslim Brotherhood affiliated businessman who runs the Egyptian branches of Istikbal, a Turkish furniture company.

At one of the biggest Turkish furniture exhibitions in Cairo, a modern living room set can cost up to EGP 25,000, equivalent to the cost of a high standard salon from Domietta.

In March Ihab Idris, chairman of the Export Council of Furniture, petitioned the Ministry of Industry and Foreign Trade and the Ministry of Finance to review the clauses of the Qualifying Industrial Zone Agreement (QIZ) between Egypt and Turkey. 2012 witnessed an increase in the value of Turkish furniture exports to Egypt, which reached \$157m. According to the QIZ, Turkish exports are exempt from customs. This may jeopardise the local furniture industry, according to Idris.

"Now everything is turning Turkish: clothes are imported from Turkey, some commodities and now furniture too. It is true that the customers of Turkish furniture will be a niche market, but people are trying to replicate Turkish models," says Ahmed.

Several political parties in Domietta such as Al-Wasat, Al-Nour and Al-Ahram parties announced their support for the demonstration organised by artisans and workshop owners in April. However, artisans and workshop owners think political figures have no intention of helping Domietta.

"I wish the government was more cooperative. It could help us by removing problems such as the electricity issue," says Ahmed.

Adel demands that the government intervene to regulate the work of wood importers. "Wood importers who have bought wood at a low price, stored it and are now selling it to workshops for extremely high prices are harming our work the most. The government should intervene to solve this problem."

The Shura Council has dedicated a session to discuss the problems in Domietta, but it is not clear yet what steps the government will take to save the furniture business.



Artisans and workshop owners held a protest in April against the rising prices of wood

## Nationally, regionally and internationally, the government's time is running out

The Egyptian government recently assembled a new cabinet in order to deliver on the promises of the "Renaissance Project" (mashru' al-nahda). It comes not a moment too soon, as the national, regional and international scenes are growing increasingly impatient with the government's inability to deliver. Yet, it does not seem particularly likely this new cabinet is going to satisfy anyone.

On the national level, President Mohamed Morsi's government has a problem from within the Muslim Brotherhood, as well as outside of it within the Islamist camp, and beyond. Within the Islamist organisation, many are annoyed that the government is not primarily composed of Brotherhood members; they won the presidential elections and a plurality in the last parliamentary ones, after all. As such, they ought to compose the cabinet exclusively. Beyond the Brotherhood, even former supporters of the government, such as the Salafi Al-Nour Party, are becoming increasingly critical, as the government fails to deliver on expectations. The reaction of the opposition parties in the umbrella group, the National Salvation Front, was predictable: rejection of the reshuffle as a flawed and insufficient step to put Egypt on the right track.

But there is more to the Egyptian story than simply internal political conflict; there are regional considerations to keep in mind. Regionally, Egypt's government has lost allies, and gained unfriendly cousins, if not enemies. Prime in this category is the government of the United Arab Emirates, which has shown clearly its displeasure with the present govern-

ment, while at the same time, being clear in its friendliness to certain parts of the Egyptian public arena. When the Grand Imam of Al-Azhar, Ahmed Al-Tayeb, visited UAE recently, it could not have been a coincidence that a group of Egyptians imprisoned in Emirati jails were released at the same time. The message seems to be clear: if a sufficiently senior representative is willing to engage directly with the Emirati government, there will be positive results. Indeed, it is likely that if President Morsi himself were to take up the Emirati invitation to visit Abu Dhabi, many other detainees would also be released – and perhaps other dividends of a more friendly relationship as well. With an economy that is suffering so deeply, Egypt needs all the friends it can get.

Yet, it is likely that the international scene will be the most aggravating for Morsi's government. He has sent diplomats, and gone himself, to try and gather funds and investments from different countries around the world. He has come back relatively empty handed, and part of the reason for that is the attitude in general from the European Union and the United States. The feeling among many in different European capitals is that because Egypt is "too big to fail"; the Muslim Brotherhood is banking on the idea that their organisation, as the ruling organisation of the country, is "too big to fail". In discussions with different European officials, it is clear that the impression being given by the Brotherhood is that if they do not succeed, Egypt will fail as a result. Thus, the Europeans ought to support the gov-



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ernment financially and economically. One European diplomat put it quite bluntly: "This is blackmail."

Will that work? Is the Muslim Brotherhood's assessment correct? Not entirely. The reality is that, indeed, Egypt is too big to fail for Western powers; the repercussions would be substantial for the regional economy and security paradigms, with consequences stretching far beyond Egypt. But does that mean that the Brotherhood itself is too big to fail? For European governments, this is not a foregone conclusion at all; they are already becoming impatient, as is apparent, with the government's inability to set the country onto a more sustainable path, economically and politically. The American government and different European administrations have expended a great deal of energy in trying to assist Egypt break the political deadlock and assist in the construction of a more durable economy, before it is too late to escape an economic

meltdown. They have not been entirely impressed with the results thus far, and as the major political partner in the Egyptian political scene, the Brotherhood is considered to hold the most responsibility in that regard.

The million dollar question being asked on national, regional and international arenas, however, is the same: if not the Muslim Brotherhood and this government, who else? It is a question no one seems to want to answer with full transparency and honesty, because the likely scenarios are hardly optimistic. It directs any revolutionary fervour to build a new, progressive and prosperous Egypt to a determined resistance movement that is holding out for the long haul. President Morsi has the ability and the option to turn things around, and avoid further deterioration, or at least benefit from a wide array of expertise and technical know-how, if he wants to. In the absence of his taking that option, which would be met with severe resistance from within his own camp, Egypt seems set to get a lot worse before it gets better, and the path ahead seems increasingly likely to involve a non-civilian intrusion into the country's political affairs.

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## What does Egypt's political map look like today?

Several months before the elections for Egypt's House of Representatives, scheduled to take place this coming October, many Egyptians are asking what is the plan of those political parties participating in these elections? Some ask this question not because they doubt that these elections will take place at its scheduled time, but rather because they seek to know, nearly two years after the revolution, what exactly have we reaped from it? Or in other words, they are curious as to whether the country's political map has changed at all.

In my opinion, there are many ways to assess the division and political polarisation we see today in Egypt. For example there are the social divisions that exist between the country's civil and religious forces, in addition to cleavage between left and right wing political parties. The spread of these divisions is contingent not only on individual choices, but it is also determined by the public mood, which at the moment is mostly divided among civil and religious lines.

What I am trying to do in this article is paint a picture that best depicts the fault lines along which Egyptian society is divided at the present time. The country's three main primary political forces are the political Islamic groups, the democratic movement, and those who support the revival of a strong, hegemonic Egypt.

Before going into detail regarding the three political forces, we should first point out attempts being made by some to blur the lines between the second and third group, seeing as both have been deemed secular and therefore hostile to the country's Islamists. We should note both that these divisions cannot be altered or changed by force or voluntarily

action, and that the polarisation of the parliamentary elections was not divided solely between civil and religious lines. There was also feloul (remnants of the former regime).

We will now go into detail regarding the country's feloul, who have been subjected to harsh attacks and criticism from both civil and religious groups.

Feloul, as their opponents choose to refer to them, or the "supporters of a strong, hegemonic Egypt", which is the more objective term that I choose to use, or "supporters of a nationalist Egypt" as they seek to refer to themselves, seem to be in a better position today than they were before the previous parliamentary elections. Their leaders say that they did not actually take part in these elections, as many of the country's leading families and political figures refrained from participating. Instead, they chose to fade into the background, waiting for the appropriate time to re-emerge. With the recent rise of the Muslim Brotherhood, and subsequent failure to administer the country, many see that for these groups the time is now, during the upcoming parliamentary elections.

We believe that their claims are not valid; for they were forced not to participate in the elections, and those who did face a heavy defeat. Now, many look to the country's feloul, in hopes that they will help revive a model for a strong, hegemonic Egypt without reviving its burdens. The feloul will no doubt seek to liken themselves to previous leaders of Egypt, such as Muhammad Ali and Gamal Abdel Nasser, promising to promote development and growth, while conveniently leaving out democracy. They may even

revert back to using slogans from the Nasser era, such as "no freedom for the hungry", which sought to justify the lack of democracy that existed during that time.

In the previous elections, the feloul ran largely as independent candidates, with a small number joining political parties, eventually obtaining less than 0.5% of the vote, and failing to join any larger coalitions. This is different today as many of those parties and candidates have united under the Mou'tamar (Conference) Party led by Amr Moussa, a fact which has helped them "wash away" their previous image and join the country's National Salvation Front (NSF). This stands in contrast to Ahmed Shafiq's Egyptian Patriotic Movement, which despite expanding its ranks, has not joined the NSF, largely due to Shafiq's image as a symbol of the old regime.

I believe that Shafiq's party will play a major role in the upcoming elections, as he is seen by most Egyptians as the primary alternative to President Morsi. Those who seek to revive the old regime will move towards Shafiq's party, seeing as they have been rejected by most other parties. They will be joined by those who have strong financial and business interests in the country, who will view Ahmed Shafiq as a means by which to re-enter politics.

Amr Moussa, who is viewed as an independent political figure, even during Mubarak's era, will be more attractive to those who still despise the country's feloul.

Moussa will portray himself as one who seeks to revive a strong state that simultaneously promotes democracy and political compromise, while Shafiq and his supporters will

cast themselves as those who are best equipped to reverse the gains of the Muslim Brotherhood.

Is the disagreement in the nationalistic group related to the extent of tyranny, or the strength and dominance of the country? I say yes. If Amr Moussa's Mou'tamar Party successfully hides itself within the NSF, then this shows that they are one side of the nationalistic group that shouldn't be underestimated, even if this is to a lesser degree than the country's democratic movement. This reality may prove to be both a blessing and a curse for the latter, for encouraging the nationalistic group to adopt democracy will not be easy.

There are of course other parties and groups in the nationalistic group that are of less importance, for instance the "Independence Movement". However, I feel that those who would seek to revive Egypt's strong, hegemonic state will be primarily divided between supporters of Amr Moussa's Mou'tamar Party and Ahmed Shafiq's Egyptian Patriotic Movement, the latter of which will eventually run as a part of the NSF.

**Farid Zahran** is a publisher and writer. He is the co-founder of the Egyptian Social Democratic Party.



FARID ZAHAN

## Talking box

By Ziad Akl

When you walk down the streets of Cairo, you will see all kinds and ages of Egyptians complaining about the Muslim Brotherhood and how they're governing (probably including yourself). Next time you see or speak

to one of these people please ask them, "what is it did you personally do about it?" Those who can't believe in a better tomorrow and can't do as much as sign the "Tamarod" petition should not be complaining in the first place. Change is always possible; it just needs people who believe in it.

## EDITOR'S LETTER

## Mubarak's mess in today's Sinai

Our very professional Bedouin driver takes us across the desert in South Sinai. Whenever he sees a vehicle passing by smuggling subsidised fuel for the informal black market, he gets very angry. At the first police checkpoint we approach, he stops, opens his window and immediately directs an angry question to the police officer, "Why are you letting those fuel smugglers pass?"

The officer switches from usual arrogance to the opposite and replies, "We don't know what to do with those dirty Bedouins." The driver impulsively responds, "I am a Bedouin!"

The officer tries to fix it quickly and stupidly says, "No, no! I mean those dirty faces from Nuweiba."

The driver, with an emotionless face, quietly says, "I am from Nuweiba!"

The officer freaks out, takes a step back, mumbles a scared apology and says, "I don't mean it, I'm sorry! Only talking about the bad minority, not the respectable ones like you. You're above my head."

With the same emotionless face, the driver turns his face to the road and says, "Khlas, khala, salaam," and steps on the accelerator, leaving the scene.

A few metres away from the checkpoint, the driver bursts out laughing and says, "Poor Egyptians! The guy got so scared. He was too distracted to ask me for my driving license, which I don't have," and continued laughing for minutes and called a couple of his friends to tell the story. It was an extreme source of pleasure to the driver to see the officer so embarrassed.

This true story that I was lucky to witness a few weeks ago accurately embodies the distorted relationship between security forces and the Bedouins. Those coming from the Nile Valley with their "superior" urban and rural values, versus those who have lived in the Sinai Peninsula for thousands of years.

After the October War (1973) and the consequent return of the peninsula piece by piece, the 1980s witnessed a lot of development promises and compensations for Sinai and its people, who lived directly under Israeli occupation. Not a single significant one was fulfilled until the mid-1990s.

1994 saw a new phase of development promises coming from the valley: promises of mega tourist projects, milk, honey, and sewage networks. The project promises were met, but there was neither honey nor sewage networks.

On the contrary, massive areas owned by the Bedouins for many years were taken from them by force and given to investors and Mubarak's gang. The most "developmental" change that happened in locals' lives was giving a few of them the chance to serve Bedouin tea to the tourists, take them on a camel ride, and serve as exotic subjects for photographs.

Mubarak's security paranoia towards the Bedouins of Sinai, perceiving them as a source of threats to national security, was another ig-



norant and short-sighted policy of many. On the contrary, when terrorism was hitting the Nile Valley in the 1990s, the Bedouins of Sinai rejected it and the peninsula was completely safe from that mess.

The first terrorist bombing of that kind occurred in 2004, followed by a few others until 2006, and information indicated that it was Jihadi elements from the valley, probably working with foreign terrorists who managed to infiltrate the peninsula.

These terrorist elements might have succeeded in what Mubarak's government (and today's as well) had failed to do: respect the Bedouins! Maybe this is how they found a perfect hideout, especially in the very poor central region of the peninsula. However, the security forces' reaction was extremely stupid and very poorly thought out.

They brought their valley security culture and practices and tried to implement them with the Bedouins. An urban dictatorship coming straight from the Nile banks to tribes' territories in the desert, introducing the peaceful locals to state violence, torture, and murder. All under the rule of emergency law and fighting terrorism. A game of disrespect, which no one can afford the consequences of, enforced on the Bedouins. A completely ill-thought-out strategy by Mubarak's security that today's Brotherhood government is still following: never trust the Bedouins and never give them power!

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Back to our professional Bedouin driver, who very much enjoyed watching the scared police officer. He was very sad telling stories about his visits to Cairo, the city he hates the most because people treat him as a foreigner and overcharge him.

I cunningly wanted to gain his trust, so I told him a historical story about his beloved homeland and how Almasa'ed village was named by Amr Ibn Al-As in 642 CE, the name derived from the phrase "al-masa'a' o eid", which means "this evening is a feast".

The story coming from me as a valley Egyptian made such a change to the driver's attitude, as he immediately appreciated the respect I showed and the recognition of his history and culture. And to conclude with even a happier ending to this story, he actually refused to take money from me for the ride he was hired to provide.

For the Bedouins, apparently it is all about recognition and respect which we people of the valley fail to give them.

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## Presidential spokesperson: Morsi pledges Egypt will join BRICS

*Morsi is still keen on Egypt joining BRICS, according to the president's spokesperson*

By Nada Badawi

President Mohamed Morsi is still ardent about bringing Egypt into the ranks of the world's growing economies known as BRICS, said presidential spokesperson Ehab Fahmy in a press conference on Monday.

The press conference was held to announce the results of Morsi's recent trip to Brazil, a member state of BRICS.

"One of the key reasons for the president's visit to Brazil was to strengthen bilateral relations between Egypt and Brazil," said Fahmy.

"Brazilian President Dilma Rousseff welcomed the idea of Egypt joining BRICS."

Fahmy also said that Brazil has agreed to increase investments in Egypt, while stressing that Egypt is keen on "establishing balanced relations with all countries", regardless of joint projects or special affairs with specific countries.

He also stated that Egypt's foreign affairs are based on "mutual respect" and recognising state sovereignty.



President Mohamed Morsi meets with his Brazilian counterpart President Dilma Rousseff

Morsi and his Brazilian counterpart also discussed trade volume between the two countries, tourism cooperation, and implementing programmes to eradicate poverty.

The two leaders also tackled the ensuing violence in Syria.

Morsi's trip to Brazil was the last of a series of trips made to BRICS countries.

Morsi had pledged for Egypt to join the BRICS bloc during his visit to India two months ago where the announcement was publicised in an Indian newspaper.

"I am hoping BRICS would one day become E-BRICS where E stands for Egypt. I hope E-BRICS will emerge when we start moving the economy," he said during his visit to India.

He lauded a proposal for the establishment of a BRICS bank that would "support countries to achieve high growth rates and supplement the role of the International Monetary Fund, World Bank and similar institutions".

BRICS, an acronym for Brazil, Russia, India, China and South Africa, encompasses a bloc of the world's large, fast-growing economies.

## Strauss-Kahn opens South Sudan bank

AFP - Former IMF Chief Dominique Strauss-Kahn opened an investment bank in South Sudan Tuesday, a rare public return to the financial world since he was embroiled in a sex scandal two years ago.

Surrounded by leaping leopard-skin clad dancers, Strauss-Kahn opened the bank to loud applause.

The bank includes partners from across Europe and other countries, as well South Sudanese partners.

"It's not a bank coming from abroad, it will be one of your banks, and that's very important for your country," he said to a crowd of officials and curious onlookers filling a street usually choked with traffic.

The National Credit Bank (NCB) aims to spur investment within the grossly underdeveloped new nation, that won independence in 2011 after decades of war with Sudan.

South Sudan Central Bank Governor Kornelio Koriong Mayik said that despite South Sudan's challenges, including insecurity and a lack of infrastructure, the time was ripe to invest in the country's oil, mineral, agricultural and livestock sectors.

"It has everything. What is needed is the experience that is required for a new country like South Sudan, the

capital, the experience, the technology for investment by experienced people like our friend like Dominique," he said.

However, despite Mayik's claims South Sudan has the "rules and regu-

**It's not a bank coming from abroad, it will be one of your banks, and that's very important for your country**

lations in place" to encourage investment, reports of corruption and heavy-handed security forces have so far attracted few large investors.

Around 22 banks currently operate in South Sudan.

The one-time French presidential hopeful and former head of the International Monetary Fund, Strauss-Kahn resigned from his post after New York hotel maid Nafissatou Diallo accused him of sexual assault in May 2011.

Prosecutors dropped criminal charges in August 2011 on the grounds of Diallo's credibility, and Strauss-Kahn agreed to a financial settlement in a later civil suit.

## EGP 3bn for aviation sector next fiscal year

*Hurghada Airport to receive EGP 1.6bn renovation grant, plans to increase passenger capacity to 13.5 million travellers annually*

By Abd Al-Razaq Al-Shawakhi

Financial reports recently released predict that the amount of investment to be pumped into Egyptian aviation companies during the coming fiscal year will increase 5.6%, with EGP 2.885bn set to be invested at the end of the year.

Gad Al-Karim Nasser, president of the Egyptian Airports Company, said that his company is set to obtain EGP 1bn as part of an international investment plan.

He said plans were also in place to renovate Hurghada Airport at a cost of EGP 1.6bn, which will increase the facility's capacity from 5.5 million passengers to 13.5 million annually.

Meanwhile the amount of money set to be allotted to Egypt's Aviation Ministry will remain at EGP 21m for the coming year, in addition to EGP 28.6m for the country's various service authorities, compared to EGP 37.5m having been set aside this year.

Aviation Minister Wael Al-Madawi

said that it was unlikely the sector would acquire foreign loans this year due to a lack of progress made in Egypt's negotiations with the International Monetary Fund.

He added that the number of planes in EgyptAir's 2013 fleet would remain at 81, a number which has not increased in the two years since 10 new aircraft were added in 2011.

Al-Madawi recently tasked EgyptAir President Tawfiq Asi with the responsibility for reviewing reports on the renovation of EgyptAir's aircraft fleet, with sources adding that the company currently did not possess enough finances to purchase any additional aircraft or update its fleet.

Officials working on Egypt's budget expected the amount of passengers leaving, arriving or passing through Egypt en route or in transit to increase to 34.7 million passengers, compared to 33.5 million in 2012.

The number of passengers travelling through Egypt peaked in 2010, reaching 37.4 million before dropping

to EGP 30.5m in 2011 and then increasing again in 2012 to 33.5 million.

Numbers from the current year are currently 12% lower than those in 2012, due to the drop in tourism rates seen after the outbreak of the 2011

revolution. Egypt's Tourism Ministry expects 13 million tourists to arrive in Egypt in 2013, compared to 11.5 million the previous year, with Egyptian airlines also expecting a 3.5% increase in capacity rates.



Gad Al-Karim Nasser, president of the Egyptian Airports Company, said plans were in place to renovate Hurghada Airport (above) at a cost of EGP 1.6bn, which will increase the facility's capacity from 5.5 million passengers to 13.5 million annually

in 2010 when airports hosted 5.5 million travellers.

Sami Abd al-Manam, director of the Hurghada Airport, expected the flow of passengers into the airport to increase over the next year between 6% and 9% to 7 million passengers, as a result of recent increases in tourism. During 2012 the airport hosted 6.7 million travellers.

The Aviation Ministry expects 31 million passengers to travel in and out of the country over the next fiscal year via Egypt's 10 international airports, with an average of 285,111 passengers per flight. These airports include those in Cairo, Sharm El Sheikh, Hurghada, Aswan, Luxor, Alexandria, Borg al-Arab, Asyut, Taba, and Marsa Matruh.

He further expected 655,000 travellers to pass through Egypt's 9 domestic airports.

It was also stated that the Aviation Ministry's priorities for the coming year will also include devising ways to increase air traffic while simultaneously cutting costs.

### Daily EGX30 index performance

Company Name	Reuters Code	Sector	Last Price	Close Price	Returns		Daily Performance		Turn Over (EGP Mill.)	Volume Trade	Market Cap. (EGP Mill.)
					Daily	YTD	12-Mths.	Max. Price			
Commercial Bank	COMI	Banks	33.49	33.42	-0.45%	-3.33%	27.46%	33.69	33.16	12.13	362,910
NSGB	NSGB	Banks	28.10	28.13	0.04%	-20.11%	-8.16%	28.25	28.10	0.052	1,850
Ezz Steel	ESRS	Basic Resources	9.8	9.79	1.77%	-1.41%	34.66%	9.90	9.55	10.59	1,081,640
ELSWEYD ELECTRIC	SWDY	Industrial Goods and Services and Automobiles	20.50	20.33	0.49%	-11.26%	-15.01%	20.50	19.95	0.031	1,539
MRRIDIVE	MOIL	Industrial Goods and Services and Automobiles	1.1	1.10	0.00%	-5.17%	-12.70%	1.10	1.09	0.21	26,932
AIC Contracting	AIND	Financial Services excluding Banks	0.47	0.47	0.00%	-16.07%	-0.76%	0.47	0.46	0.668	1,422,024
Amer Group Holding	AMER	Financial Services excluding Banks	0.57	0.56	0.00%	-12.50%	-20.00%	0.57	0.55	1.61	2,865,231
EK Holding	EKHO	Financial Services excluding Banks	1.15	1.15	0.00%	-10.16%	4.55%	1.16	1.15	0.700	87,443
EFG-Hermes	HRHO	Financial Services excluding Banks	9.84	9.71	2.21%	-11.81%	-23.66%	9.85	9.50	54.17	5,579,350
Pioneers Holding	PIOH	Financial Services excluding Banks	4.12	4.10	0.49%	-15.64%	-1.68%	4.13	4.05	2.221	542,145
Citadel Capital	CCAP	Financial Services excluding Banks	3.57	3.54	0.28%	-6.35%	9.60%	3.59	3.47	11.42	3,229,351
Raya Holding	RAYA	Technology	5.46	5.43	0.18%	-4.06%	1.12%	5.48	5.39	0.086	15,861
Telecom Egypt	ETEL	Telecommunications	13.28	13.36	-0.30%	-5.58%	3.41%	13.49	13.26	9.58	717,304
Orascom Telecom Media And Technology	OTMT	Telecommunications	0.50	0.50	0.00%	-9.09%	27.64%	0.51	0.49	8.776	17,564,933
Orascom Telecom	ORTE	Telecommunications	4.68	4.66	-0.43%	17.38%	38.28%	4.68	4.64	22.80	4,892,471
Sidi Kerir Petrochemicals	SKPC	Chemicals	12.70	12.72	-0.39%	-4.00%	-0.78%	12.79	12.69	0.581	45,684
Egyptian Financial and Industrial	EFIC	Chemicals	9.57	9.39	2.07%	-5.34%	-14.32%	9.60	9.10	5.42	57,091
AMOC	AMOC	Oil and Gas	67.00	67.05	-0.10%	-8.39%	-22.22%	68.00	66.75	0.645	9,618
Juhayna Food Industries	JUFO	Food and Beverage	9.45	9.33	1.08%	21.33%	110.61%	9.45	9.13	0.42	45,394
Orascom Construction Industries (OCI)	OCIC	Construction and Materials	242.75	241.80	-1.64%	-4.18%	-13.42%	245.00	240.30	14.478	59,878
Delta Construction & Rebuilding	DCRC	Construction and Materials	5.96	5.93	0.68%	-4.97%	1.02%	5.96	5.87	0.12	20,645
Modern Co. For Water Proofing	WATP	Construction and Materials	1.74	1.72	0.00%	-3.91%	-41.30%	1.74	1.70	1.811	1,053,852
Palm Hills	PHDC	Real Estate	2.32	2.28	3.17%	-6.56%	15.15%	2.34	2.20	61.68	27,030,765
TMG Holding	TMGH	Real Estate	4.10	4.03	-0.25%	-9.03%	-7.78%	4.13	3.97	24.122	5,979,896
National Real Estate Bank	NRPD	Real Estate	17.4	17.35	0.17%	-12.99%	-13.12%	17.54	17.11	0.62	36,012
Six of October	OCDI	Real Estate	20.75	20.58	1.33%	1.23%	17.13%	20.80	20.27	1.239	60,210
El Kahera Housing & Development	ELKA	Real Estate	6.33	6.34	-0.16%	-3.50%	38.13%	6.40	6.27	1.04	163,500
Arab Cotton Ginning	ACGC	Personal and Household Products	3.62	3.57	0.56%	-18.86%	29.35%	3.63	3.52	7.532	2,107,042
Egyptian Tourism Resorts	EGTS	Travel & Leisure	0.95</								

## EU allocates €123m to develop Egypt's transport sector

€40M TO BUILD THIRD PHASE OF CAIRO METRO

By Hend El-Behary

The European Union (EU) has allocated €123m to develop the transport sector in Egypt, said EU representative Armin Lindin.

The budget is split into €80m to reconstruct the transportation sector through institutional and legislative reforms, in addition to €3m in technical support for the Ministry of Transport to apply good governance institutions.

"The EU has guaranteed €40m to build the third phase of the Cairo Metro along with two 'twinning process' projects for reforming and building organisational capabilities and reforms for both the Metro and Egypt's railways," said Lindin, during a conference held on Tuesday by the Ministry of Transport in cooperation with the EU.

The twinning process is expected to begin in 2014.

"The Ministry aims to modernise the transportation system in Egypt and follow the latest technological techniques in order to manage the severe congestion in the country," said Ragab Mousa, assistant to the minister of transport, according to MENA.

He continued: "This will be done through the preparation of an overall strategy to integrate the entire transport system across Egypt."

Mousa emphasised that all the ministries concerned, including the ministries of interior and communications, are coordinating in order "to



The EU has guaranteed €40m to build the third phase of the Cairo Metro

## Financial experts react to Shura Council income tax law

Continued from page 1

He said the decision could be viewed as a way for the Muslim Brotherhood to garner support for the upcoming parliamentary elections, slated to take place in October.

The previous law charged 10% for those earning from EGP 5,000 to EGP 20,000; 15% for those earning between EGP 20,000 and EGP 40,000; 20% for those earning between EGP 40,000 and EGP 10m; and 25% for those earning above EGP 10m.

The new law requires Egyptians who earn between EGP 30,000 and EGP 45,000 to pay the 15% tax rate, while those who earn between EGP 45,000 and EGP 250,000 will now pay 20%, and those earning above EGP 250,000 will pay 25%.

Others have said that the turbulent economic climate has forced the Shura Council to pass the law.

"The overall environment is not good. There's a frightening budget deficit that the government is trying to cut," said Angus Blair, a financial analyst at Signet Institute.

All companies will also be subjected to a unified tax rate of 25%, compared to the present law taxing those earning less than EGP 10m per year at 20%.

Blair said that this is not necessarily the best solution for many companies, especially when it comes to profit.

The IMF has asked the Egyptian government to reduce its budget deficit, which is expected to reach 11.5% of the country's GDP in the fiscal year ending June.

The new taxes, which need to be ratified by Morsi, who also acts as a legislative authority, will become effective within one month of their final approval.

## OCI NV lowers OCI bid price to EGP 255

*Signs extensions to equity commitments made by participating US investors comprising Bill Gates' Cascade Investment*



OCI NV has signed extensions to the equity commitments made by participating US investors, including Cascade Investment, which is owned by Bill Gates (pictured)

## Fuel bunkering terminal to be constructed on Suez Canal

Contract set to run for 25 years with total investments of EGP 3bn

Mashreq Petroleum has signed a concession agreement with the Port Said Authority to build an EGP 3bn fuel bunkering terminal and logistics hub on the Suez Canal, according to a company report on Monday.

"The agreement entails a period of 25 years, with a further conditional five years for fulfilling 90% of the agreement upon achieving the project's goals," said the statement.

The project will provide fuel

bunkering services for vessels transiting the Suez Canal as "the company seeks to capitalise on the unique location of the world's busiest maritime area".

"The project will provide storage service products, liquid bulk by pooling shipments, and fragmentation [making and breaking bulk] in order to meet the needs of the market in South Asia, the Middle East and the Mediterranean coast," said Tamer Abu Bakr, chairman and

managing director of Mashreq petroleum.

The agreement contract falls under the build operate transfer (BOT) system for 25 years, growing at a rate of one for every five years where the project achieves at least 90% of the targeted plan so as not to increase the overall duration of the concession for 30 years, with a grace period of three years to build the project.

"It is planned that the investment

cost of the project will be about EGP 3bn to create storage capacity for up to 800,000 tonnes of petroleum products," Abu Bakr added.

Abu Bakr also mentioned that there will be three berths accommodating tankers, which the company created within the project to receive fuel tankers up to 120,000 DWT, and a further four berths for bunkering barges inside and outside the port as "the project will be completed in two phases," he said.

## No investor to own Suez Canal lands

*Minister of housing: Suez Canal development plan needs EGP 140bn annually*

By Hend El-Behary

The Suez Canal Development Project draft law gives no right to ownership to either Egyptians or foreign investors, said Minister of Housing Tariq Wafiq at the Suez Canal Development Project conference on Monday.

The law enables investors to obtain partnership licences on a usufruct basis for a fixed period of up to 25 years.

Building permissions will be given separately for each project. "There will be no involvement in the country's assets in these projects," said Wafiq.

He emphasised that Egypt's population lives on only 6% of the country's total land area, with the rest unused.

The Suez Canal Development Project will be operated through public-private partnerships (PPP). Wafiq added that the project aims to construct a tunnel linking the Suez Canal's west bank to the central Sinai region.

The project, he said, will also be carried out in coordination with the armed forces.

Wafiq announced a number of "urgent" national projects to be implemented by 2017, including

special projects to develop the Suez Canal lands, such as a centre for international logistics and an industrial zone.

Projects also include the development of Eastern Port Said, the north-western Gulf of Suez region and a "technology valley" in Ismailia.

"The Suez Canal region needs investments of EGP 140bn annually," he said. "Private sector investments will constitute 70% of this total, with the government contributing 30%."

Commenting on the ownership issue, economist Magdy Toulba said that "ownership and usufruct sound very much alike".

"The Suez Canal has been operating on a usufruct basis for years," he said. "However, it has been the worst era ever in Egypt."

He added that foreign investors "do not care much about usufruct or ownership", and, instead, care more about the timeframe for projects and potential profits. "Foreign investors search for projects with the shortest periods, seven years for instance," he said.

"We need fixed laws regulating all this, including the period for usufruct rights and whether they can be renewed or not," Toulba said.

## Finance Minister: Regulations for Egypt's stamp tax set to change

Minister of Finance Fayyad Abd Al-Moneim stated that a number of amendments made to Egypt's stamp tax regulations would soon be up for review.

The new regulations are set to be released within the next few days, which would include discount stamp taxes on stock transactions.

He added that the country's new tax brackets system, decided on Monday by the country's Shura Council, would begin to take effect in June. An individual's tax bracket will be determined after having EGP 7,000 deducted from their annual income in order to pay for 'family costs', with Egypt's lowest tax bracket (those making up to EGP 5,000 a year) being exempt from having to pay taxes. It was further ruled that the first EGP 12,000 of salary would not be taxed. Those making between EGP 5,000 and EGP 30,000 a year would pay 10% in income taxes, with those making between EGP 30,000 and EGP 45,000 paying 15%. Those making between EGP 45,000 and EGP 250,000 would be taxed 20%, while those making more than EGP 250,000 a year would be taxed 25%, the country's maximum rate.

Abd Al Moneim said that the government and Egypt's Shura Council were keen not to raise the maximum rate of income tax past 25% regardless of what challenges or financial circumstances the country faced. Raising taxes was not the solution to the country's fiscal problems, he said, and instead the government should seek to preserve and create incentives for investors.

The new amendments were reportedly reviewed and discussed by a number of experts, all of whom agreed on the above stated tax rates for those earning between EGP 5,000 and EGP 45,000 pounds, seeing as these were the ones that affect the largest number of low-income citizens, and provided the country with its widest base of revenues.

Abd Al Moneim further stated that the country would reap a total of EGP 161m in income and sales taxes from the period beginning in July 2012 and ending on 12 May, compared to EGP 158bn from the previous year. Total tax revenues for the current fiscal year are expected to reach EGP 200 bn.

He further stated that the Egyptian Tax Authority sought to reach a number of agreements settling the issue of tax arrears, which would reflect positively on the country's total tax revenues.

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