

MANUFACTURING PROJECT PROFILES

TEXTILES

SECTOR OVERVIEW

High Quality Raw Materials: Egypt's cotton is internationally renowned for its high quality, exporting approximately US\$1.3bn of apparel and textiles (yarn and raw products) globally in 2013.

Competitive and Skilled Labor: Egypt's long tradition of cotton and textile production has resulted in a considerable pool of talent in all aspects of the woven fabric and apparel supply chain. Production is labor-intensive and Egypt maintains one of the most competitively priced workforces in the Middle East. Additionally, there are a variety of training programs and government initiatives designed to continuously upgrade the skills of textile laborers to ensure continuous improvement in production and design.

Strategic Location: There are numerous textile production clusters in Egypt including the major manufacturing centre at the growing Port Said Free Zone covering 100,000 square metres with the full range of utilities and infrastructure. Ismailia also hosts a significantly sized cluster. Both this location and Port Said will benefit from additional incentives provided under the newly designated SCZone. In addition the proximity of the Suez Canal with north and south gateway ports offers a strategically central location for export to Asia, Africa and Europe.

Competitive Base: The global apparel market is growing at an average of 4.2% per year. Egypt is looking to move up the garment production value chain by improving its input offering in the areas of design, staple cotton and pattern making, while also strengthening global brand awareness at the lower value end of the garment market.

The government is looking to attract both domestic and foreign investors in its commitment to improving global competitiveness in garment production. The Ministry of Finance's Industrial Modernisation Centre (IMC) works in partnership with business to provide training, technical assistance and export support, consulting in management and marketing, technical advice and training in order to support private investment in garment manufacturing.

KEY FACTS

3%

Growth in global textile and apparel sales in 2014

US\$3.5bn

Value of domestic output in 2013

25%

Sector's share of Egypt's total manufacturing output

7%

Share of MENA market supplied by Egypt

US\$1.4bn

Value of exports in 2013 in Egypt

750

Major Producers in Egypt

6,000

Supply Chain Businesses in Egypt

200,000

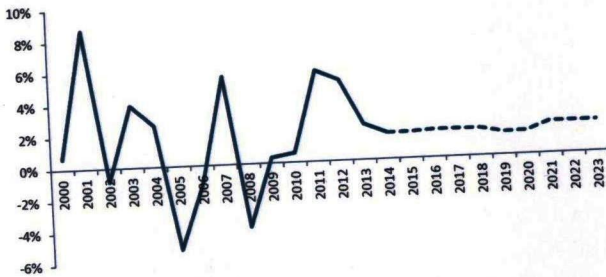
Total sector employment in 2012 in Egypt

MARKET OVERVIEW

Egypt's textile industry is the country's most fully integrated producer and holds a world-renowned reputation for the quality of its textile and garment products.

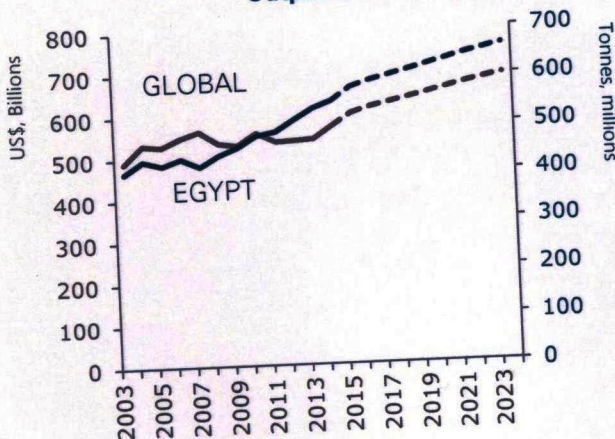
Globally the apparel export market has grown by an average of 5% per annum and was estimated at US\$200 billion in 2013.

Growth in Output Levels (%)



Egypt accounts for close to 2% of global imports of woven products and almost 3% of carpet products.

Output Levels (Real US\$ billions)

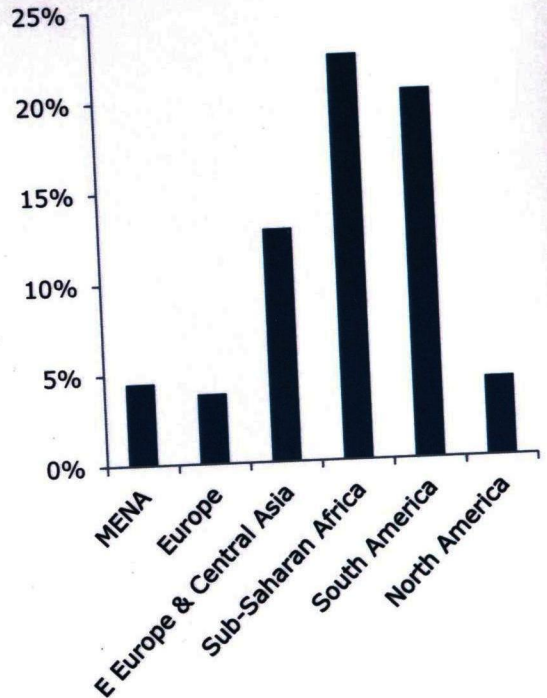


Egypt's share of Global Output

1.5%
2014

2.0%
2023

Global textile and apparel market:
Average annual growth 2004-2013,
Imports in US\$m



KEY PLAYERS

Global brands supplied by Egyptian production:

- Marks & Spencer
- GAP
- Wal-Mart
- Levi Strauss
- Target
- Calvin Klein

Local Players:

- Al-Arafa
- Egyptian Spinning & Weaving
- El-Nasr
- Saba Apparel
- Delta Textiles

TEXTILE & APPAREL SUPPLY CHAIN

The global textile and apparel industry is worth approximately US\$500 billion and has undergone average growth of over 4% per year for the last decade. The largest market is in the Ready Made Garment (RMG) sector which comprises 75% of Egypt's textile and apparel industry.

The industry includes:

- Spinning
- Weaving
- Hemming
- Cotton farming
- Dye production

- Design
- Buttons, zips
- Packaging
- Garment production



POTENTIAL OPERATING PROFILE

Description: Textile and Apparel manufacturing company located within one of the industrial zones with a final capacity of between 1,000 and 5,000 tonnes per year.

Serviced Land available for light manufacturing activities:

East Port Said	3,800ha
Qantara	125ha
Ain Sokhna	4,000ha

Location of Industrial Zones

East Port Said

Qantara

Ain Sokhna

PROJECT SCALE



Output



Land & Site Requirement (net)



Permanent Employment (operation)

Phase 1

1,000 tonnes/year

Phase 2

3,000 tonnes/year

1-10ha

20ha

250-500

1,000

CAPITAL EXPENDITURE COSTS

Phase 1: **US\$ 25million**

Phase 2: **US\$ 50 million**



ABOUT THE SCZone

The SCZone will be a world-class value-added services hub which will offer enhanced opportunities for investment across all economic sectors.

Key Sectors

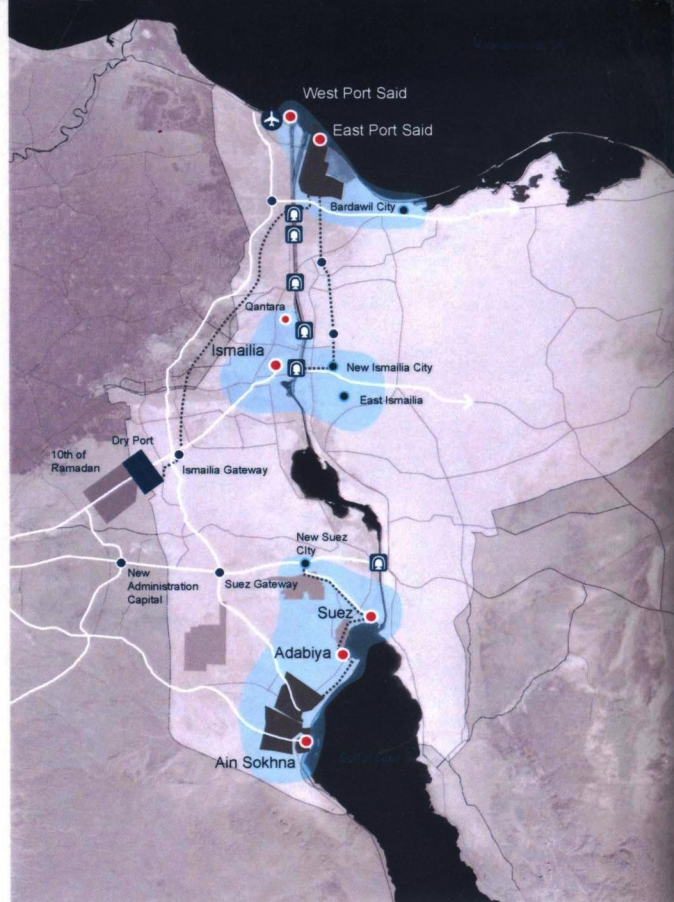


With potentially in excess of 100km² of ports and logistics areas and over 400km² of industrial and real estate developments on offer, the SCZone will provide opportunities for businesses of all types and sizes.

1 million new jobs created in the SCZone over the next 15 years

Additional 2 million residents in the SCZone over the next 15 years

Over 13,000ha of developable land immediately available



WHY THE SCZone?



At the heart of international trade

The SCZone benefits from its strategic location along one of the world's main trading routes. Complemented by world-class ports, high-quality logistics services and preferential trade agreements, the SCZone allows investors to efficiently, and competitively, access over 1.6 billion consumers in Europe, the Gulf, East and Southern Africa and Asia.



Access to Domestic Market

Egypt has a large and growing domestic market of some 90million people. With rising standards of living, the purchasing power of the domestic market will drive growth in many sectors.



Workforce

Egypt has a huge, competitively priced workforce available to meet investor requirements.



High Quality infrastructure and linkages

State of the art infrastructure services - including power, water, wastewater, telecommunication and transport linkages- will be offered to investors.



A supportive institutional framework

Created under Law No.83 of 2002, as amended in 2015, SCZone will be governed by the General Authority for the Suez Canal Economic Zone: an autonomous body with executive powers of regulation and approval, including full authority to oversee all areas of operation, staffing, funding and development of partnerships with developers.



One-Stop Shop Services

Unified and streamlined procedures and processes designed to minimise delays and costs to the investor.



Investment Incentives and Other Benefits

Investment and tax incentives will be offered to prospective partners and investors, including a multitude of preferential rates and business set-up and support services.

For more information:

SCZone
General Authority for the Suez Canal Economic Zone

www.SCZone.com.eg | info@SCZone.com.eg

dar **dar al-handasah**
shair and partners

www.dargroup.com | info@dargroup.com