

# Business monthly

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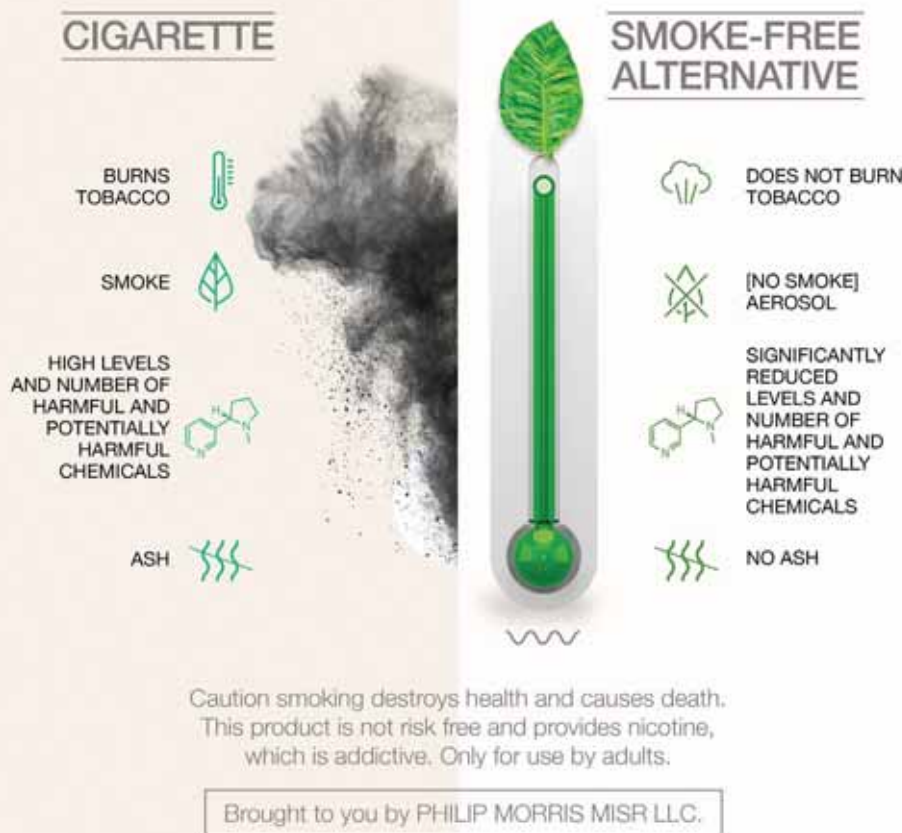
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# THE DIFFERENCE BETWEEN



## HEATED TOBACCO PRODUCTS: HOW ARE THEY DIFFERENT FROM CONVENTIONAL CIGARETTES?

Scientific research studies confirm the harmful effects of smoking conventional cigarettes on human health, and stresses that the process of burning tobacco in a cigarette is the primary cause of smoking-related diseases. Hence, in the past 15 years, researchers across the world examined innovative approaches and alternative products that have the ability to reduce the risks of traditional smoking for adults who would otherwise continue to smoke.

Throughout years of research and clinical experiments, scientists developed a new class of breakthrough products that do not involve burning.

By eliminating the burning process, scientifically substantiated smoke-free products significantly reduce the average levels of harmful and potentially harmful chemicals released compared to cigarettes. Through an advanced heating system technology, smoke-free products heat tobacco to substantially lower temperatures that do not exceed 350 °C, without burning it, and therefore produce no smoke.

They deliver nicotine, but with lower levels of harmful chemicals compared to traditional cigarettes.

Nicotine is a chemical that occurs naturally and not only in tobacco leaves. It is addictive and is not risk-free. However, as opposed to what many people mistakenly believe, scientific evidence prove that it is not the primary cause of smoking-related diseases. These are principally caused by the chemicals released when tobacco is burned at a temperature of 600°C. The combustion process produces harmful chemicals, that have been identified as the cause or potential cause of smoking-related diseases. Heated tobacco products are designed to significantly reduce the levels of harmful and potentially harmful chemicals compared to cigarette smoke.

As smoke-free products do not burn tobacco, there is no smoke, less smell, and has significantly less effect on the air around you than cigarettes.

While not risk-free, all of these products are a better alternative to smoking—but the best choice is to quit tobacco and nicotine use altogether.



**PHILIP MORRIS**  
MISR L.L.C.



## An **Exclusive** Interview with **Ali Karaman on** **PMI's Smoke-Free** **Future**

In an exclusive interview with Business Monthly, we spoke with Ali N. Karaman, Philip Morris newly appointed Managing Director for Egypt & Levant, where we discussed PMI's smoke-free transformation, the concept of harm reduction, and his views regarding the Egyptian economy.

Prior to his appointment as MD of Philip Morris Egypt & Levant, he served as the Director of Smoke Free Products for the Middle East cluster, where he led the commercialization of Smoke Free Products in many Middle East markets, while laying the foundation for a successful multi-category transformation of PMI's business and organization. Throughout his 23 years at PMI, Ali established deep industry knowledge and strong commercial expertise across various complex markets.

Ali joined PMI in 1999 as a Planning Analyst in Turkey, and since then he worked in Sales and Marketing roles across several regions and functions. In 2006, Ali moved to Ukraine to assume the role of Director Sales and then moved to Brazil as Director Sales and Distribution in 2009. Three years later, he relocated to the Philippines as Director Sales Integration in PMFTC, before joining PMI Sales Strategy in Lausanne in 2013. As of 2017, Ali returned to the Middle East, Africa and Duty-Free region, first as Director Commercial PMI Duty Free, then as Director of Smoke Free Products in GCC based in Dubai. Since June 1st, 2022, Ali took on the challenge of leading the Egypt & Levant cluster based in Cairo and joined the Middle East, Africa & Duty-Free Regional Management.

### **How has your experience been in Egypt so far?**

Egypt has been very welcoming to me so far. It is amazing how Egyptians are joyful, hospitable and open to interaction with foreigners. Since I am Turkish, my integration and adaptation to the life in Egypt was very smooth as our nations share a lot of similarities.

I also consider myself lucky to be working alongside an exceptional team in Egypt. This team achieved a lot of successes and drove the business forward. Our

people are our main asset that will help us to deliver exceptional results and maintain our successful relations with our stakeholders, business partners, consumers and regulators.

### **Can you discuss the transformation taking place at PMI and the company's new vision?**

PMI's global business transformation is about delivering on our vision to create a smoke-free future, a world without cigarettes. To make our vision a reality, we have been transforming our

company and working on developing scientifically substantiated smoke-free products that are a much better alternative for all adult smokers who would otherwise continue smoking. PMI's ambition is for smoke-free products to account for more than 50% of total net revenues by 2025. Moreover, we believe that with the right regulatory frameworks, dialogue, and support from civil society, cigarette sales can end within 10 to 15 years in many countries.

### **Why is Philip Morris pursuing a smoke-free future? Are you simply replacing one product with another?**

We want to be far more than a cigarette company. We are leading a transformative change in our industry because it is simply the right thing to do, as we have a commitment to society, our employees and our stakeholders, which expects us to act responsibly.

There are an estimated one billion-plus adult smokers in the world, and they should be encouraged to quit. But for those adult smokers who would otherwise continue smoking, we want to provide them with scientifically substantiated smoke-free products that are a better alternative.

### **How much did the company invest to develop its smoke-free products? What is the role of R&D in driving the company's transformative change?**

Since 2008, we have invested more than USD 9 billion in the development, scientific substantiation, manufacturing, commercialization, and continuous innovation of smoke-free products.

As PMI is a science and technology-driven company, 73% of our commercial efforts and 99% of our R&D expenditures were dedicated to our smoke-free products in 2021. We also employ over 930 R&D positions, including scientists, engineers, and technicians.

### **Can you explain the concept of harm reduction and how it applies to smoking?**

Harm reduction means making a behavior less risky, without ceasing the behavior completely.

Advances in science, technology, and regulation have changed the way we live. Harm reduction uses these advances to reduce the negative effects of potentially harmful behaviors. Harm reduction is present in many areas of our lives. Some are simple, and part of our everyday lives, like seatbelts in cars or sunscreen.

Harm reduction can be applied to tobacco consumption through scientifically substantiated smoke-free products that are a much better alternative than continued smoking. We know that the development of smoking-related diseases is triggered by the inhalation of harmful and potentially harmful constituents (HPHCs) found in cigarette smoke. The best thing smokers can do is quit smoking altogether, but the reality is that many don't. Products that eliminate combustion, such as heated tobacco products, are a much better alternative to continued smoking, since they have the potential to reduce the harm caused by cigarette smoking. It is important to note that they are not completely risk-free and as they provide nicotine, which is addictive.

### **How do heated tobacco products work? How are they different from traditional cigarettes?**

Heated tobacco products are a new class of breakthrough products that do not rely on the principle of burning—and which are scientifically substantiated as a much better choice for adult smokers than continued smoking.

Our heated tobacco product, IQOS, heats real tobacco within a specific temperature range, using an electronic heat-control system to prevent it from burning. It uses heating systems to generate an aerosol inhaled by adult users. Our findings demonstrate that IQOS emits on average 95% lower levels of harmful chemicals compared to cigarettes\*. This does not necessarily equal a 95% reduction in risk and does not mean that IQOS is risk-free, of course.

\*Reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette.

### **How do you view the investment climate in Egypt right now?**

Egypt is one of the largest and most influential markets in the MENA region, and it has an attractive and welcoming climate for investors. We will continue to work and invest in this strong market, as Egypt is a key market for PMI and has great potential for a smoke-free future. Having said that, I am happy to say that we have launched our very first heated tobacco product – IQOS – in Egypt exactly one year ago as a better alternative to cigarettes.

*This interview is brought to you by Philip Morris  
Misr*

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Geopolitical tensions threaten climate goals. COP27 at Sharm El-Sheikh should put them back on track.

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Egypt might have to issue Sukuk that only finance green projects (Aka Green Sukuk) to finance its decarbonization plans.



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# CONFERENCE OF THE PARTIES

In just a handful of weeks, the most prominent climate event in the world will be held in Egypt. It will be a significant event, a recognition of the country's leading role in transforming its economy to become sustainable and eco-friendly.

In the long term, this Conference of the Parties (COP) is vital for humanity. For one, it serves as an update to last year's environmental pledges by all governments. It seeks to secure funding for low and middle-income countries to help implement their transformations. And when it concludes, experts will be able to tell whether or not global warming can be held to less than 1.5 degrees Celsius by 2030 to avoid permanent damage.

Accordingly, this month's Business Monthly is all about sustainability and environmental transition. One In-Depth article looks at global economic challenges and how they might impact climate action. Our Special Coverage expands on a meeting with Mahmoud Mohieldin, the COP27 High-Level Champion for Egypt, with AmCham members to highlight the opportunities and challenges facing emerging markets.

We examine why the Egyptian government might issue "green sukuk," sharia-compliant bonds exclusively for eco-friendly projects, despite being a niche financing tool. Meanwhile, the cover story makes a case for "synthetic fuels" at a time when electric vehicles are becoming all the rage.

Lastly, we look at the policies, rules, and regulations that entice local and foreign investors to invest their money in water-related projects.

In the future, this COP in Sharm El-Sheikh might be seen as a landmark event where the world took concrete, definitive steps toward a safer future. Governments could take tough stances on existing polluting industries, reducing dependence on "cash cows" in favor of unproven yet sustainable, green sectors.

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## MOVING FORWARD WITH REFORMS

October is bustling with major events that should bring much-needed clarity to our economic future. Even as I write this, a high-level Egyptian delegation is in Washington D.C. to attend the annual meetings of the International Monetary Fund (IMF) and the World Bank. The Egyptian officials will hopefully finalize the pending IMF agreement on the sidelines of the general meetings.

Toward the end of the month, the government's three-day economic conference is taking place in Cairo to discuss the current challenges and the way forward, contingent on a signed IMF agreement. The divestiture plan for state-owned enterprises should be at the forefront of this event, giving the private sector ample room to expand the economy. This plan needs to have a clear definition for 'state,' to include all state activities; it also needs to define 'national security needs' so that it cannot be used as a back door for the state to re-enter the economy.

The economic conference will be followed by the Federation of Egyptian Industries (FEI)'s 100th anniversary celebrations, which include a three-day conference and exhibition. President Abdel Fattah Al Sisi is expected to attend and will hopefully give positive signs of engagement with the private sector.

These back-to-back conferences are opportunities for the government to address major corrections in both monetary and fiscal policy, as well as a more coherent governance structure for economic and investment affairs.

Preparations for COP27 are well underway, and it looks like things are finally falling into place. The news that U.S. President Joe Biden is attending the climate conference will surely add momentum to the Americans' participation. AmCham Egypt, in collaboration with the U.S. Chamber of Commerce, is organizing events catering to American businesses in the region. The details of these activities are currently being finalized.

With all eyes turned to Sharm El Sheikh next month, this is a great opportunity for the government of Egypt to showcase its attractive investment environment, with a special emphasis on the most recent reforms and initiatives being announced in October.

Egypt is no stranger to economic hiccups, but each time we have faced them with pragmatism and resilience. We can do the same now, hopefully this time in a truly sustainable way.

**TAREK TAWFIK**  
President, AmCham Egypt





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# THE NEWSROOM



## UPDATE

### EGYPT AIMS TO PLUG FINANCING GAP

Minister of Finance Mohamed Maait has announced Egypt is in talks with Japan to secure a \$500 million loan for eco-friendly government-led projects.

The news came after Maait told Bloomberg that loan negotiations with the International Monetary Fund (IMF) are still "one or two months" away from completion. According to Enterprise, the loan would likely be between \$3 billion and \$4 billion.

Business Monthly reported in the August issue the ministry is seeking financial support from China and Japan to diversify the nation's pool of creditors. That strategy would likely re-

duce the financing costs as risk spreads over several lending organizations.

Taking a considerable loan from China is a real possibility, as the Financial Times reported Beijing issued \$30 billion in "discreet emergency loans" during the past few years. The publication in September said China is emerging as an IMF competitor "with emergency loans to at-risk nations."

Maait has talked about issuing sukuk, yuan-denominated bonds, and yen-denominated green bonds after raising \$500 million in conventional bonds from Japan. "With capital market conditions, we have to rely on nontraditional, cheaper sources of foreign currencies," he told Enterprise.

### GOVERNMENT FINALIZES PRIVATIZATION DOCUMENT

Prime Minister Mostafa Madbouly announced the government had finalized the "State Ownership Policy" document laying out the roadmap for privatizing state-owned enterprises by listing them on the stock exchange. It also helps promote more fresh private sector investment.

Policy aims to double the private sector's economic contribution to 65% by 2026. That means the government must attract \$40 billion

in investments in the coming three to four years.

Mahmoud Momtaz, head of the Egyptian Competition Authority, told the media that the strategy would see new laws and regulations that guarantee fair competition and prevent monopolistic practices.

The next step is for the Cabinet to approve the document and send it to Parliament before the president signs it into law.

## CBE CHARTS A NEW MONETARY POLICY

The Central Bank has left the interest rate for overnight lending at 11.25% for the fourth month. The news comes despite the U.S. Federal Reserve raising its rate from 2.5% to 3.5% in an attempt to slow inflation.

That should curb the escalating costs of government borrowing, as the published CBE rate directly impacts treasury debt yields. Sahar El Damaty, a banking expert, told MBC Misr that every 100 basis point increase translates to an EGP 30 billion jump in the government's borrowing cost.

This time, the CBE announced stricter reserve requirements in commercial banks, meaning they can't lend out as much. According to Hany Genena, an economist speaking to MBC Misr, that will invariably raise borrowing costs for companies and individuals, as there is less cash to lend.

To meet those new standards, more is needed for banks to reduce their lending. They could also revise downward their forecast end-of-year products or raise fees for services.



## EGYPT IMPORTS MORE RUSSIAN OIL

In August, the number of oil shipments reaching Egypt from Russia reached 51, up from just one a year earlier. The increase is mainly due to Russia looking for new markets in response to sanctions imposed because of the war in Ukraine.

Those shipments are going to El Hamra oil terminal on the North Coast, which has seen fresh investments to increase its capacity.

There will be four additional storage facilities, each with a capacity of 630,000 barrels. That is nearly a 168% increase over its original 1.5 million barrel capacity. The government also is looking to add a 420-acre plot to the port to expand logistics services.

On the government's official Facebook page, Tarek El Molla, the oil minister, said those expansions aim to increase the port's capacity.

### WORTH FOLLOWING

## FRESH INVESTMENTS FROM QATAR MAY COME SOON

An economic delegation led by Egypt's President Abdel Fattah el-Sisi ended its visit to Qatar by signing several investment agreements. The first was the Sovereign Fund of Egypt signing an MoU with the Qatar Investment Authority to invest in Egyptian ports. According to a Facebook post by the spokesman of the Egyptian presidency, both parties signed a deal to co-invest in development and social projects.

Sisi also discussed investment opportunities with the Qatari government after the latter in March pledged it would invest \$5 billion in Egypt to reduce the fallout from the war in Ukraine. However, it has yet to find suitable opportunities, unlike the U.A.E. and Saudi Arabia, which made the same pledge.

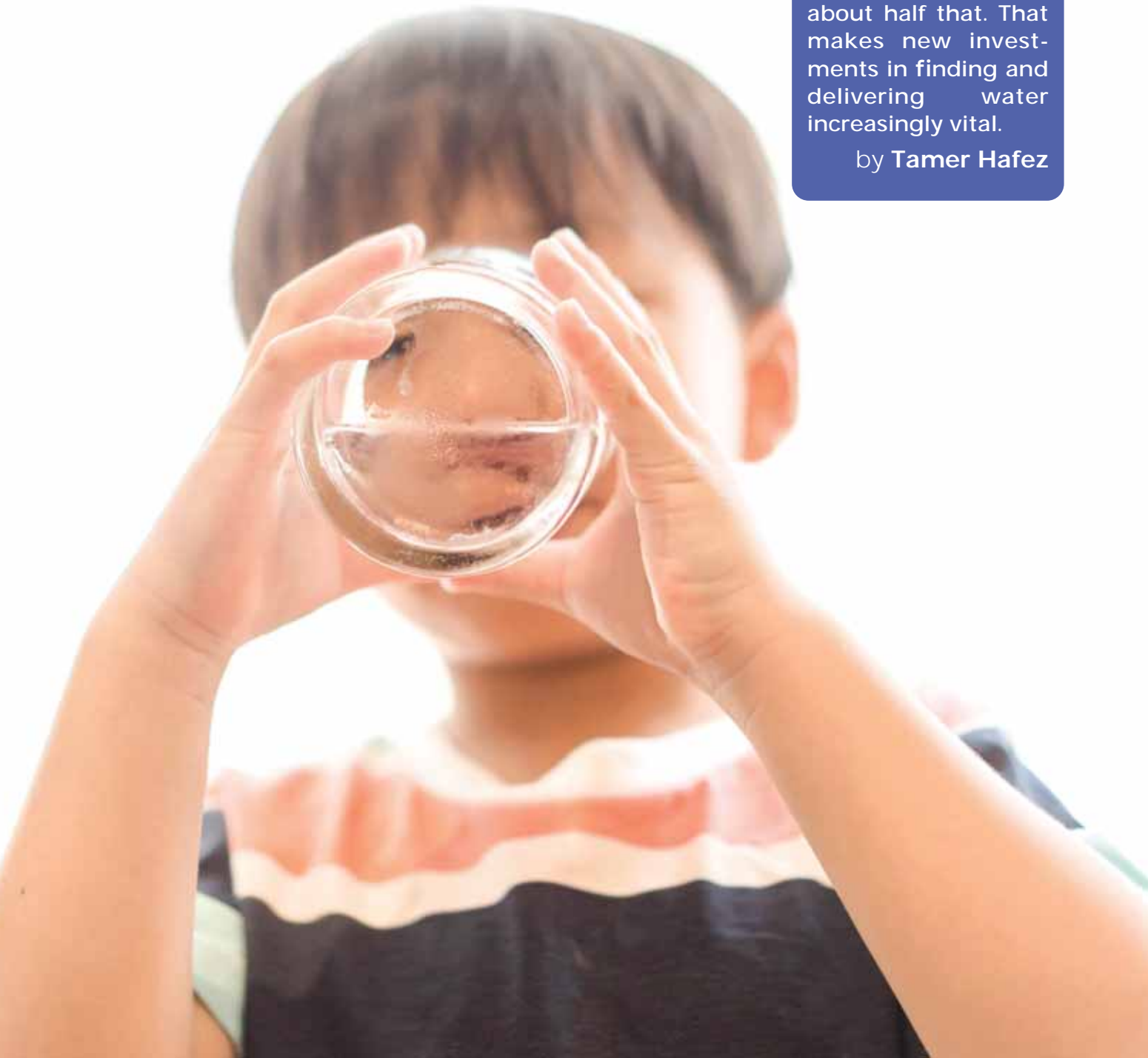
According to Qatar News Agency, Sisi also met with private Qatari businesses to highlight opportunities in agriculture, commercial real estate, and the industrial sector.



# Investing in Water

Egypt's water and irrigation minister says the country needs 118 billion cubic feet of water a year, yet freshwater sources provide only about half that. That makes new investments in finding and delivering water increasingly vital.

by Tamer Hafez





With mostly desert landscapes, one river, a fast-growing (100 million-plus) young population, and a diverse expanding economy, Egypt sees water as essential to its future. "Water ... for Egypt is an issue that transcends all ... considerations," said a March paper from the country's Supreme Standing Committee for Human Rights.

The government has been investing in improving water management with somewhat mixed results. "Contrary to popular belief, Egypt's water efficiency is one of the highest in the world at more than 90%," Mohamed Abdel Atty, Minister of Water Resources and Irrigation told AmCham Egypt at an April 2018 event. However, "Egypt suffers from water inefficiency due to water loss in agriculture and industry ... Water lost on the farm level or in the municipal system is drained and recycled back into Egypt's water management system."

Despite the 90% efficiency, which Abdel Atty called "exceptional," the reality is Egypt needs significantly more water investment. The Nile is unlikely to contribute more than it does now, the population is growing by 2.5 million a year, and according to Al Ahram in May 2021, Egypt imports 54% of its "virtual water" needs. Water Footprint Calculator defines "virtual water" as "hidden in products, services, and processes people buy and use every day."

To attract more investment, the government in 2017 announced its National Water Resources Strategy 2037 to achieve self-sufficiency by 2050. However, some say the state should rethink its mindset to attract the FDI needed to reach that goal. "Achieving a water-secure world ... requires bold policy actions and investment at all levels," noted Saroj Jha, director of the World Bank Group's Water Global Practice, in an August blog. "This starts with understanding how we value manage this scarce resource."

## Water in Egypt

During the First International Water Conference in Iraq in March 2021, Atty stressed that Egypt is nearing the water scarcity limit, as the per capita share of water is 560 cubic meters annually. The U.N.'s Food and Agriculture Organization (FAO) defines "absolute" water scarcity as countries with less than 500 cubic meters of water per capita annually. Currently, Egypt is under "stress" conditions, defined as 500 to 1,000 cubic meters of water per capita annually.

Recognizing the water supply per capita will only decrease without more investment, the government allocated \$50 billion for water projects between 2017 and 2037. In April, Atty said that budget might double.

The National Water Strategy 2037 aims for Egypt to reach water self-sufficiency by 2050. That supply would likely come from the Nile, subterranean sources, recycled water, desalination, and innovative solutions developed along the way.

The strategy focuses on securing freshwater, including building desalination plants in coastal cities, rainwater collection and improving cooperation with "Nile Basin countries," Al Ahram reported. By June, 82 desalination plants produced 917,000 cubic meters of fresh water daily. Government spokesperson Nader Saad told Al-Monitor that 14 more facilities are under construction to raise the daily output to 1.4 million cubic meters.

The 2037 strategy also will promote water purification and recycling projects, particularly industrial wastewater, controlling water pollution, and treating sewage and underground water. The strategy will additionally look at the "rationalization of agricultural water consumption through modern irrigation systems and using seeds that consume less water," Atty told Al Ahram in 2017.

In July, Minister of Environment Yasmine Fouad told media the government had started lining and rehabilitating canals to prevent freshwater from seeping into the banks or evaporating. The ministry also built drinkable water projects under Haya Karima, the national social safety net initiative.

According to Al Ahram, the 2037 water strategy will openly communicate with the public about Egypt's "water resources situation and steps being taken by authorities."

In August 2021, Parliament approved the new Water Resources and Irrigation Law (Law 147 of 2021) to support the strategy's goals. According to Atty, the new regulations will facilitate cooperation among government agencies and the private sector in water-related projects and infrastructure.

The 2021 law also mandates that a network must be a "covered drainage network." In addition, it prohibits using irrigation water in unlicensed plots, using unlicensed irrigation methods, and unlawfully obstructing the flow of any river or waterway. Violations could lead to a prison sentence and a maximum fine of EGP 50,000 (\$2,596), which would be doubled for repeat offenses.

## Governance and FDI

The water shortage crisis-in-the-making is not limited to Egypt. In his August blog, Jha of the World Bank noted, "Water scarcity is a growing problem, with one in four people living in water-scarce areas." The World Economic Forum estimated in June 2021, "the gap between global water supply and demand is projected to reach 40% by 2030 if current practices continue."

According to a World Bank report in 2017, the world will need \$150 billion yearly in water investment to reach the U.N.'s 2030 goals. It estimates the need for a "fourfold increase in water supply, sanitation and hygiene investments."

Those investments should mostly go to low and middle-income countries, noted Jha. "Poor and vulnerable

groups will be disproportionately affected," he wrote. "As a public good, water is undervalued, underpriced and often poorly managed."

Many emerging countries will compete aggressively for FDI, and an attractive investment environment and policies are likely to determine which nations attract more water foreign money.

Jha said an essential factor is good governance, which would result in "institutions and systems that use and manage water efficiently, cost-effectively, and transparently [to] effectively manage and fairly allocate [water resources], avoiding disputes."

He explained that good governance is "particularly important for managing transboundary water, given the increasing pressure on common supply sources." That could be the most crucial factor in the case of Egypt, where 97% of water comes from other countries, according to Atty.

Good governance also is vital for achieving several Sustainable Development Goals "beyond clean water and sanitation for all," said Jha, such as "reducing poverty and increasing food security." That is vital for Egypt, one of a handful of countries that periodically submits Voluntarily National Reviews on SDG progress to the United Nations.

The World Bank also stresses the importance of governments adopting its Policies, Institutions and Regulations (PIR) framework

to "understand and address deep-rooted challenges in water and sanitation service delivery."

That is particularly important for large urban areas like Greater Cairo and densely populated countries like Egypt. "As greater urban demand meets climate change effects, many cities increasingly face the imminence of 'zero day' events or risk crossing a 'tipping point' whereby water and sanitation services start to degrade," the World Bank report said. "These problems require careful planning, clear policies and stronger frontline institutions, which are all components of PIR."

According to Jha, the third axis to attract water FDI is for the government to enact "conducive policy and legal environments" that create investment opportunities in technology and innovation for the private sector. "Together with the ... billions still lacking access to water supply and sanitation, these evolving challenges demand adaptive governance," noted Jha. "That includes innovative policies, evolving institutions, and better regulations." The OECD report stressed that those reforms and innovations must involve lowering costs and improving water-related services.

## Financing challenge

One of the government's strategies when promoting water investments is involving the private sector and engaging multilateral financing institutions. "We need ... to think about mobilizing finance, [so as] not to be a burden on the government," Atty told AmCham in 2018. "We need to have sustainable finance to make our system work."

However, the movement of funds into water-related investments globally and in Egypt has been slow. "The world remains far behind SDG 6 -- clean water and sanitation for all," Joel





Kolker, program manager for Global Water Security and Sanitation Partnership (GWSP), wrote in a June blog. "At the center of the global challenge is the financing of water and sanitation infrastructure projects in emerging markets."

That hasn't been due to a lack of trying. "National governments, development partners and regional bodies have focused on mechanisms to attract private capital to the water, sanitation and hygiene (WASH) sector," said Kolker. The most prominent funding models used blended finance, which focuses on sustainable development, leveraging and guarantees.

However, few of these announcements have "met with success," Kolker noted. "There is not one internationally recognized financing instrument that has facilitated significant, sustainable private financing in the WASH sector in the last decade."

An OECD report in 2018 said few international investors see the benefits of such projects in the foreseeable future: "While there is a strong case for investment in water security, this does not always translate into a compelling financial case." That creates a dilemma of "how to ensure that the most beneficial investments from a social welfare perspective attract finance at scale?"

That lack of financial feasibility is mainly due to the mentality of those negotiating the agreements. "these initiatives concentrate on the supply of money rather than facilitating the demand for these resources," said Kolker.

The OECD report says this mindset is due to water being an "undervalued resource." Water is also underpriced, with governments capping any sudden increases; its infrastructure is capital intensive, taking a long time to yield returns; and states can't "easily" monetize the projects, "undermining potential revenue flows."

The document also noted the "lack of appropriate analytical tools and data to assess complex water-related

investments," and most water-related projects are "often too small and too context-specific."

Lastly, from the investor side, their business model might "fail to support operation and maintenance efficiency," noted the OECD report. That "is a condition for sustaining service at the least cost over time."

## Next step

Kolker of the Global Water Security and Sanitation Partnership said governments need to "stop emphasizing deals and transactions. Instead, we should work to make the sector more attractive to investors and more accountable to the public."

He says WASH service providers must make projects creditworthy and more profitable. The OECD report noted revenue streams usually come from "tariffs for water supply and sanitation, abstraction charges, pollution taxes, value capture mechanisms [and] payments for ... services."

The key to creating those revenue channels is "improving [the] willingness to pay for water management and ... services," the OECD report noted. That "requires clear explanation about how revenues collected will be used for stated goals that benefit users."

Kolker said that invariably means that the government needs to improve its "administrative, governance and regulatory regimes overseeing the sector [to become] more transparent and accountable."

Nations must start today to work on such reforms, as Kolker warned: "This doesn't happen overnight or with consultants who arrive for short visits, prepare reports, hold conferences and move on." Instead, building investor confidence in water projects is "difficult," he said. "It takes years and requires strong commitments across multiple levels of government, communities and citizens." ■





# CAN 27 WEATHER DISTRACTIONS?

While geopolitical tensions threaten climate goals in the prelude to COP27 at Sharm El-Sheikh, the conference could have a significant role in putting them back on track.

by **Nada Naguib**

When the 26th Conference of the Parties (COP26) wrapped up last November, countries walked away pledging reductions in carbon emissions to keep the Earth's rise in temperature below 1.5 degrees Celsius. Even then, environmentalists criticized the pledges as "nowhere near enough," said Fiona Harvey, environment correspondent for The Guardian. The goal became to do the best possible and "come back with more ambitious national contributions the following year when the U.N. conference would be held in Egypt," according to Harvey.

The 1.5-degree goal is crucial, as anything beyond it would be a "tipping point ... thresholds at which small changes can lead to dramatic shifts in Earth's entire life support system," according to the CNBC Network's Sam Meredith.

However, as some countries now seek to replace Russian oil, an already vulnerable plan is "in peril," said U.N. Secretary-General António Guterres. "The fallout from Russia's war in Ukraine risks upending global food and energy markets, with major implications for the global climate agenda," Guterres said in a March video conference with The Economist magazine. He described disregard for the climate agenda as "madness" and "mutually assured destruction." He added: "Countries could become so consumed by the immediate fossil fuel supply gap that they neglect or knee-cap policies to cut fossil fuel use."

With the climate agenda, especially concerning temperature, increasingly vulnerable, the spotlight on COP27 is more significant than ever. The World Wildlife Fund wrote in a June blog that when governments meet later this year in Sharm El Sheikh, "they

must redouble their efforts to achieve that goal, through progress towards net-zero emissions and increasing climate resilience." By addressing the problem of fossil fuels and coming up with solutions, COP27 has an opportunity to set the global climate agenda back on track.

## Commitments

While fossil fuels make up 80% of the world's energy, providing electricity, heat, and transportation, they are the main contributors to climate change and global warming, according to National Geographic magazine's Christina Nunez. "When fossil fuels are burned, they release carbon dioxide and other greenhouse gases, which in turn trap heat in our atmosphere," she said.

During COP26 in Glasgow in November, there was significant focus on phasing out coal and ending state support for fossil fuels, according to a Human Rights Watch article by Daniel Wilkinson. He added that some of the most significant moves toward that goal include the announcement that 190 countries and organizations committed to phasing out coal over the next two decades. However, despite 23 countries committing for the first time, the world's four top coal users — China, Japan, India, and the United States — were missing from the agreement. That is not the only watered-down promise. The final climate pact in Glasgow called for "accelerating efforts towards the phasedown of unabated coal power." That was a last-minute demand by India to change the phrasing from "phase out" to "phasedown," which "diminished the significance of its inclusion," wrote Wilkinson.



Ending state support for fossil fuels was also crucial to Glasgow negotiations. COP26 made "significant progress in securing broad consensus among governments to end international public finance for fossil fuels," wrote Wilkinson. In November, more than 20 countries, including the United Kingdom and Canada, committed to ending "direct international public finance for unabated coal, oil and gas by the end of 2022 and to prioritize clean energy finance," noted Human Rights Watch. Since then, several European Union countries, including France, Germany, Italy, and Spain, have joined the pledge. However, addressing domestic fossil fuel use was missing from those commitments. "Governments failed to deliver similar progress on fossil fuel subsidies and other forms of domestic support," said Wilkinson.

## Broken promises

Despite many criticizing COP26 for not going far enough to meet the 1.5-degree goal, it was still necessary for "effective implementation" to follow, said Wilkinson. However, several sources noted that Russia's invasion of Ukraine in February and subsequent economic sanctions against Russia by the United States and several European countries have likely hurt the follow-through.

The United States has followed through on some of its Glasgow promises by passing its largest ever climate bill, worth about \$370 billion that would go toward "climate investments over the next decade," noted Gayathri Vaidyanathan of the journal *Nature*. However, the United States still "owes the rest [of countries] a climate debt that needs to be paid," said Mohamed Adow of PowerShift Africa, a coalition advocating for climate policies across Africa. However, "the Russian invasion of Ukraine might put many U.S. promises on hold," wrote Rebecca Hersher of NPR.

She added that the war in Ukraine had affected U.S. climate policies in several ways. For example, global economic inflation "feeds opposition to major infrastructure legislation stuck in Congress," she wrote. Additionally, sanctions on Russian oil led the United States to encourage home-based fossil fuel companies to increase production, which was the opposite of what they had planned when making their pledges in Glasgow.

However, the biggest obstacle might be mental bandwidth. "The biggest risk for U.S. climate action is just a lack of focus and attention," said Trevor Houser, a climate analyst at U.S.-based think tank Rhodium

Group. "Policymakers in any country have limited attention, and the war in Ukraine is a giant crisis that requires a lot of focus and attention." While the "billions of dollars in military assistance to Ukraine" don't come directly from climate initiatives, she said, it's "distracting U.S. policymakers" from urgent action.

Arguably, the lack of mental bandwidth has affected Europe, too. In May, Meredith wrote that one of the most pressing issues for European leaders was "how to sever their dependence on Russian energy." That month, the U.S. struck a deal with Europe to provide an additional 1.5 billion cubic meters of liquefied natural gas, according to Meredith. What U.S. President Joe Biden called a "groundbreaking" deal should have "increased energy security, economic security, and national security." While the agreement is in line with Glasgow's goals and pledges, the 1.5-degree target is still at risk because only some commitments are being met, according to Harvey and Wilkinson.

In May, Jose Manuel Barroso, chairman of Goldman Sachs International and former president of the European Commission, called the current situation a "contradiction." The world, he said, was conflicted over what measure to act on first: the humanitarian crisis in Ukraine or the global climate agenda.

Alejandra Lopez, a climate policy expert at Colombia-based think tank Transforma, recognizes the threat of the war but sees the climate crisis as a more pressing issue. "I don't mean to be disrespectful. [The war] is a major crisis," she said. "[But] even if this [war] is a very scary scenario, climate change continues to be scarier."

## Inevitable action

Climate change continues to have a real and dangerous impact on the Earth, as seen this summer. Floods in Pakistan in August that displaced 32 million people were linked to climate change resulting from the swelling snowmelt from the Himalayas since May said *The Economist*. Additionally, some European countries experienced record high temperatures, according to the *New York Times*' Henry Fountain. Scientists noted that "because temperatures are on average about 1.1 degrees higher than they were in the late 19th century ... extreme heat takes off from a higher starting point."

"One of the big challenges of climate is that [climate change] is always seen by policymakers as tomorrow's issue," Houser said, "It's always an issue you can come back to later."

An even scarier threat might be "how inequitably





the costs of climate change are being experienced around the world," said The Economist. For example, despite Pakistan emitting less than 1% of global greenhouse gases (as does Egypt), Pakistanis are "paying the price in their lives," said the country's finance minister, Bilawal Bhutto-Zardari.

It might be important for COP27 to address specific concerns of smaller, lower-emitting countries. Mahmoud Mohieldin, U.N. climate change high-level champion for Egypt, said that the upcoming COP27 in Sharm El Sheikh "will be a global conference with an African focus, where key African climate initiatives will be announced." He added the conference is an opportunity to "highlight the special needs and circumstances of the African continent." (See our Special Coverage section detailing Mohieldin's September discussion with AmCham members on COP27.)

While an "important milestone in this decisive decade for climate action," said Mohieldin, COP27 might be an opportunity to set things back on track for the world, especially for vulnerable countries. In a World Resource Institute blog, Preety Bhandari, Nataniel Warszawski, and Chikondi Thangata outline five key pillars that COP27 can achieve to protect such nations. They include high-quality and scaled-up finance flows, enhanced efforts to implement adaptation measures, and implementing the Paris Rulebook to hold countries and non-state actors accountable.

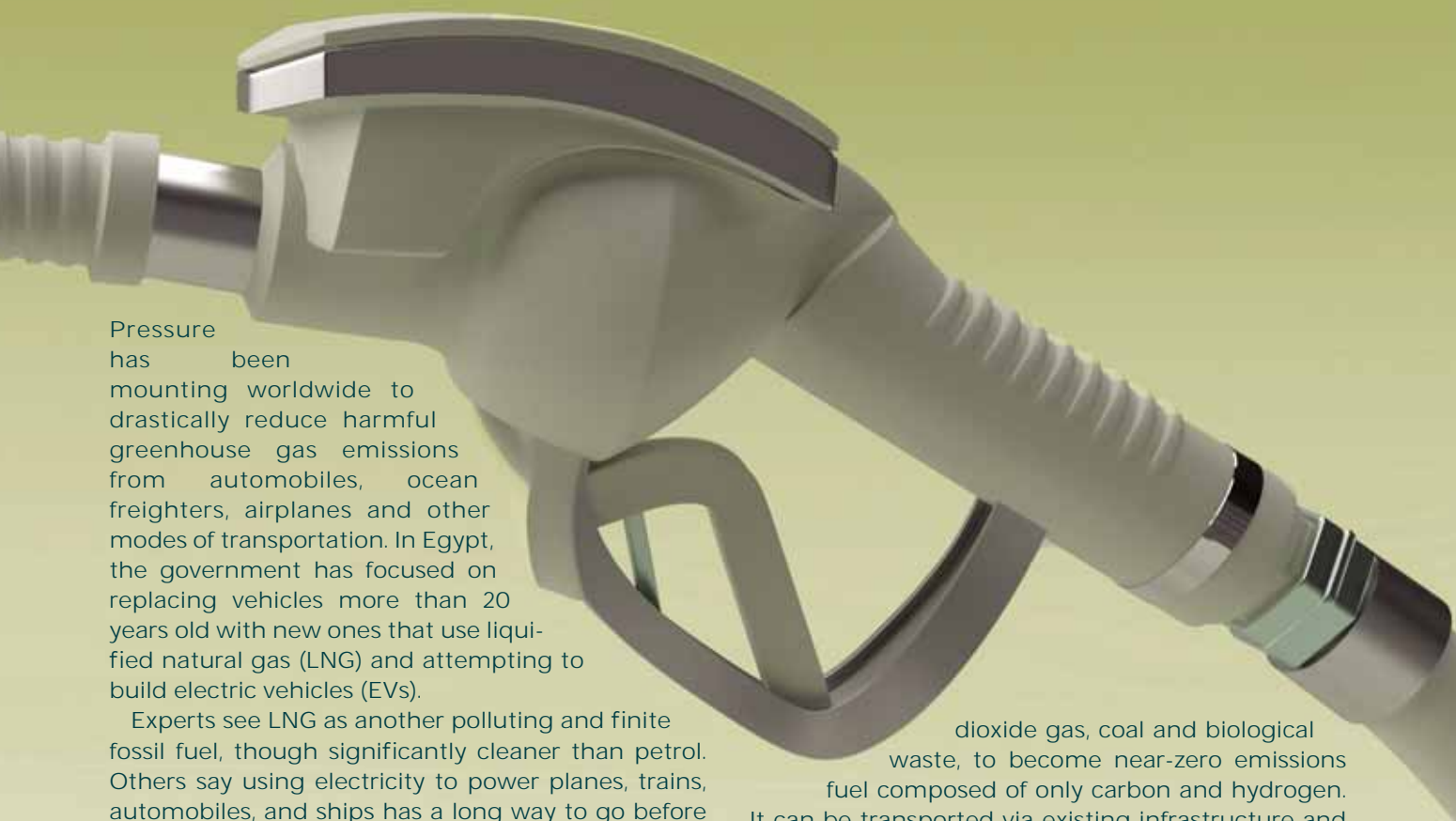
However, the lack of "mental bandwidth" to deal with two crises at once might still pose an obstacle ahead of COP27. When world leaders gather in November in Sharm El Sheikh with the sole purpose of discussing climate action, though, it might mean a shift in focus. Guterres said that instead of countries "hitting the brakes" on the decarbonization of the global economy in the wake of Russia's invasion, "now is the time to put the pedal to the metal toward a renewable energy future." [n](#)

# HYDROGEN, CARBON TAKE AN ALTERNATE ROUTE



Despite plans for electric vehicles to phase out fossil-fuel-powered cars starting in 2035, when some governments will ban the sale of the latter, some see a different future. Auto manufacturers such as Toyota, Volkswagen, Porsche, and Lamborghini are taking a different route: developing zero-emission "synthetic fuels" compatible with existing vehicles and infrastructure.

by **Tamer Hafez**



Pressure has been mounting worldwide to drastically reduce harmful greenhouse gas emissions from automobiles, ocean freighters, airplanes and other modes of transportation. In Egypt, the government has focused on replacing vehicles more than 20 years old with new ones that use liquefied natural gas (LNG) and attempting to build electric vehicles (EVs).

Experts see LNG as another polluting and finite fossil fuel, though significantly cleaner than petrol. Others say using electricity to power planes, trains, automobiles, and ships has a long way to go before having a substantial environmental impact; EVs, for example, require new infrastructure. Meanwhile, existing vehicles must be re-engineered or replaced with EVs. Heavy-duty commercial land transportation, ocean freighters, and planes can't go electric yet, given how much power they need.

Lastly, EV batteries are made from lithium, manganese, cobalt, and nickel, all limited materials. David Castelvechi, a senior physical sciences reporter at Nature, an environmental portal, noted that those minerals are "scarce, expensive or problematic" because extracting them carries "harsh environmental and social costs."

Developing hydrogen fuel cells for vehicles also is complex. "The problem with hydrogen is that you don't have any existing infrastructure," Tobias Block of eFuel Alliance told Chemistry World, a monthly publication, in November. It is also "not easy to handle [hydrogen fuel, and] you can't transport it over long distances."

The shorter-term solution likely will be accelerating development of synthetic fuels (synfuels). They use chemically converted biomass, particularly carbon

dioxide gas, coal and biological waste, to become near-zero emissions fuel composed of only carbon and hydrogen. It can be transported via existing infrastructure and used in today's vehicles with no modification.

Nilay Shah, a co-founder of Zero Petroleum, which holds the Guinness World Record for flying the first aircraft powered by synthetic aviation fuel, stressed the long-term benefits of synthetic fuels. "I certainly see use using synthetic fuels up to about 2100," he told Chemistry World in November. "It's ... an easy, useful and energy-dense fuel, and ... very safe."

## Vehicle emissions

Transport remains a major contributor to harmful gas emissions, despite declining since the 1990s due to tougher tailpipe emission regulations in the EU, Japan and the United States. "Transport is responsible for more than two-thirds of all NO<sub>x</sub> emissions (chemistry shorthand for molecules containing one nitrogen and one or more oxygen atoms) and accounts for about 10% or more of the total emissions of other pollutants," noted the European Environment Agency in November. "Road transport, in particular, continues to account for a significant proportion of emissions of all the main air pollutants."



According to research by Bosch, a German auto-parts manufacturer, to reach global climate pledges and targets, "CO2 emissions from traffic worldwide will have to be reduced 50% over the next four decades."

The key to reaching that target, without spending time and money to develop new transport infrastructure, could be synfuels. "The secret lies in synthetic or carbon-neutral fuels, whose manufacturing process captures CO2 -- thereby making a significant contribution to limiting global warming," Bosch said. Using synfuels could save an estimated 2.8 gigatons of CO2 by 2050. "Carbon-neutral combustion engines that run on synthetic fuels are thus a very promising path to explore."

The Bosch report also noted synfuels are a step beyond biofuels, which use agricultural crops to produce petrol or diesel. "Synthetic fuels do not mean a choice between fuel tank and dinner plate, as biofuels do," the paper said. "And if renewable energy is used, synthetic fuels can be produced without the volume limitations that can be expected in the case of biofuels because of factors such as the amount of [arable] land available."

## Made from waste

Synfuels are created by converting coal or carbon dioxide, re-forming natural gas, or using plant or industrial waste (biomass) to create a mixture of carbon monoxide and hydrogen gas. James Speight, the author of the *Synthetic Fuels Handbook* published in 2008, said synfuels could also come from oil shale, tar sands, industrial waste, or any other product with carbon and hydrogen molecules. A Bosch report noted synfuels also could come from recycled resources, including water and harmful emissions.

The Energy Information Administration (EIA), a U.S. federal agency, calls such output "synthetic crude." When burned, it produces near-zero harmful emissions, depending on combustion efficiency. Synfuels could be liquid or gaseous and used to power existing land, sea, or air vehicles with zero modifications.

Currently, South Africa is one of the biggest producers of synfuels. A facility in the Secunda region converts coal to liquid synfuel, while the factory in Mossel Bay uses natural gas. The EIA, in its country analysis brief published in August, noted: "South Africa's synthetic fuels, which are derived from coal and natural gas, account for almost all of the

country's total liquid fuels production [between 2012 and 2021]." The country's combined output from both regions is 205,000 barrels of synfuel a day.

Qatar is another country using synfuels produced from locally sourced natural gas. In 2009, Qatar Airways was the first carrier in the world to use artificial fuels on a commercial flight -- a 50:50 blend of gas-to-liquid (GTL) synfuel and jet fuel. "GTL jet fuel has higher energy content by weight compared to conventional jet fuel. It also offers improved thermal stability, meaning engines would be able to run hotter," noted a Qatar Airways statement at the time. "Both of these characteristics may lead to potential fuel economy and improved payload/range performance, which could result in a limited CO2 benefit for specific aircraft/route combinations."

Another major player in the synfuel landscape is Malaysia. In December, a Malaysia Airlines flight used a 38% blend of synthetic fuel produced from used cooking oil mixed with conventional jet fuel. "Building on the momentum from our Net Zero Emissions commitment earlier this year, we are proud to have crossed the significant landmark of operating the first Malaysian flight using sustainable aviation fuel (SAF)," said Izham Ismail, Malaysia Aviation Group's chief executive officer, during a press event. "Moving forward, we expect SAF to be a key component of our strategy to deliver a more sustainable travel experience for our customers."

Also in December, the Malaysian government and Chinese state-owned Shanxi Construction Investment Group signed an MoU to produce synthetic, sustainable fuel, including biodiesel and aviation fuel. According to Biofuels International, a publication, the plant will use hydrogenated vegetable oil (HVO). "The HVO plant has the potential to produce SAF, which is also known commonly as bio-jet fuels," the government told the media, adding that demand for HVO plants is rising, particularly in Europe. It estimates each plant could attract \$712 million in foreign direct investment.

The U.S. focus is on biofuels, which rely on agricultural crops. As of 2017, the majority of U.S. filling stations sell gasoline that contains at least 10% ethanol. Those that sell pure petrol or diesel charge more for it and are rare to find. In August, Reuters reported the U.S. administration is looking to raise that to 15%. The primary aim is to reduce prices at the pump, which soared to all-time highs due to the Russia-Ukraine war.

On the other hand, the German Karlsruhe Institute of Technology and the Finnish Lappeenranta University of Technology partnered to build a facility that captures carbon dioxide from the atmosphere to convert it to synfuel. The institute noted in a press release, "the pilot plant has a production capacity of up to 80 liters of gasoline per day. In the first [phase], now completed, about 200 liters of fuel were produced ... to study the optimum synthesis process, possibilities of using the heat produced and product properties."

## New opportunities

Egypt could benefit from promoting investment in synfuels, as high-profile international automakers and leading feeder companies are investing heavily in artificial fuels. Meanwhile, some academicians and researchers say synfuel is a more viable solution than EVs.

The most high-profile auto investor in synfuels is Porsche. The member of Volkswagen Group announced in April it would allocate \$100 million for a 12.5% stake in Chile-based HIF Global, a company that produces carbon-neutral synthetic fuel, known as eFuel.

The investment aligns with Porsche's strategy to be carbon-neutral by 2030, including decarbonizing its supply and distribution chains.

The German automaker will work with HIF Global's other partners, including ExxonMobil and Siemens Energy, to start producing eFuel from a pilot plant that uses wind energy and refine synfuels. The plan is to produce 13,000 liters of synfuel by the end of the year and increase it to 550 million annually by 2026. "The investment in eFuels could be seen as a hedge against an ongoing battery shortage due to the current global supply chain crunch," noted Jaclyn Trop, an automotive reporter for Techcrunch, in an April article.

Lamborghini, an Italian automaker and member of Volkswagen Group, also focuses on synfuels. "We're... keeping the door open for internal-combustion engines with synthetic fuel," Lamborghini's Asia Pacific Region Manager Francesco Scardaoni told Carscoops in August. His "ideal scenario" is to have electric models, most likely SUVs, running alongside Lamborghini's core super-sports cars with internal combustion engines running on synfuel. Scardaoni stressed that would prove vital as the carmaker would "still have the pure DNA of super-sports cars."

In July, Toyota, Subaru, Suzuki and Daihatsu, together with ENEOS Corp. and Toyota Tsusho Corp., announced a joint project to produce low-emission fuels dubbed the Research Association of Biomass Innovation for Next Generation Automobile Fuels.



The press release noted that "promoting technological research on the use of biomass" is among its core goals. The project also will develop efficient ways to produce bioethanol fuel using hydrogen, oxygen and CO<sub>2</sub>, and design, install and operate bioethanol production facilities.

In the meantime, Toyota runs a race car on 100% synfuel in the Japanese Super Taikyu series.

In June 2020, BMW announced a \$12.5 million investment in synfuel startup Prometheus Fuels, which produces synthetic diesel and jet fuels. BMW sees it as a vital transition phase to reduce emissions, while EV sales grow to eventually become the most popular mode of transport. Greg Smithies, partner at BMW i Ventures, the company's EV division, told the media, "The average car stays on the road for over eight years; meaning that even if the whole world

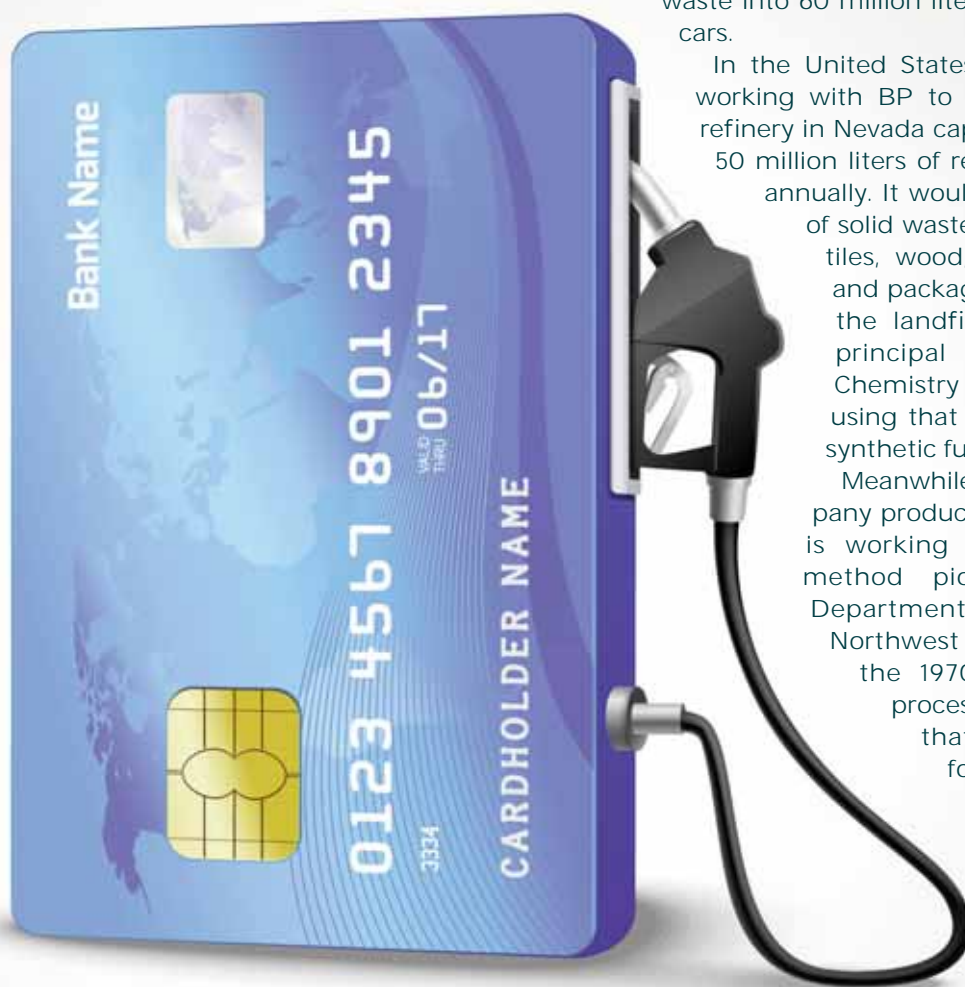
switched to buying 100% electric cars tomorrow, it would still take almost a decade for today's internal combustion engines to be off the road."

Audi, a member of Volkswagen Group, also is "convinced of the potential" of synfuels in the short term. "Synthetic fuels are just a bridging technology for us," Audi technical development chief Oliver Hoffmann told TopGear.com in March. He stressed the problem with synfuel is making it eco-friendly to produce.

Oil companies also are looking to develop synfuels. BP and Johnson Matthey, a chemicals company, have been working since 2018 on using sustainable biomass and raw material, including feedstock, in synfuels. That means using solid waste rather than relying on coal or natural gas. British Airways and Royal Dutch Shell, in collaboration with the University of Oxford, plan to build a synfuel facility in the U.K. by 2027 that could convert 500,000 tons of waste into 60 million liters of synfuel for jets and cars.

In the United States, Fulcrum BioEnergy is working with BP to build a synthetic crude refinery in Nevada capable of producing up to 50 million liters of refined synfuel for planes annually. It would consume 175,000 tons of solid waste annually, including textiles, wood, paper, residual plastic and packaging materials. "This is all the landfill fill," James Paterson, principal chemist at BP, told Chemistry World in July. "[We're] using that to make this ultra-clean synthetic fuel."

Meanwhile, Genifuels, a U.S. company producing synthetic petroleum, is working on commercializing a method pioneered by the U.S. Department of Energy's Pacific Northwest National Laboratory in the 1970s. "In a nutshell, the process works the same way that fossil fuels were formed," James Oyler, Genifuel's president, told Chemistry World in July. "It uses hot pressurized organic material, generally a waste material, to make renewable crude oil and ... natural gas."





He said the end product is nearly identical to fossil fuels, minus polluting elements emitted when ignited in conventional internal combustion engines. "It can be taken into existing refineries, in a very straightforward way, with processes that refiners are already familiar with," said Oyler. "It's also about 90% efficient in converting carbon from feedstock into fuel, with only 10% lost as carbon dioxide; a very good figure for [synfuel] production."

## Challenging fuel

The main hindrance to upscaling synfuels is the lack of technology that is efficient at using biomass. Oyler noted that "despite 7 or 8 billion people, there is only enough water waste sludge [which Genifuel uses] to produce at most 10% of the fuels [the world] uses."

David Alexander, a professor at the Institute for Risk and Disaster Reduction at University College London, said in a research paper, "one-third to two-fifths of fuel content will be lost during conversion."

Additionally, synfuels are expensive to produce, given the technology is still in its early stages of development. "Like anything, there is a barrier, and it's expensive when it's low volume," said Ellen Stechel, senior sustainability scientist and deputy director of Arizona State University's LightWorks department. "Look at photovoltaic 10 years ago." According to the International Energy Agency, photovoltaic cell prices dropped from \$100 in 2015 to about \$30 in 2021.

The Bosch report noted the problem is mainly down to too few test plants worldwide. "A production ramp-up and favorable electricity prices could mean synthetic fuels become significantly cheaper," the paper said. "Present studies suggest the fuel itself (excluding any excise duties) could cost between \$1 and \$1.40 per liter in the long run."

To increase production, Bosch partnered with Indian corporations in 2017 to use algae that can produce up to 2,000 liters of bio-crude a day. They also agreed with AECOM, a company that builds sustainable infrastructure, to harvest harmful algae from waterways as an alternative feedstock.

Another challenge is choosing the correct feedstock and biomass to ensure their shortage doesn't cause other environmental problems. That would be most evident when materials such as coal, natural gas, or recycled water.

Another consideration that could raise upfront investment costs is that new facilities must have enough space to accommodate potential diversification and add more feedstock streams. That is because the technology, science and economics related to biomass utilization change rapidly, requiring quick updates to the production process.

## Government role

For Egypt and similar countries to capitalize on the potential of synfuels to power commercial vehicles, planes and, temporarily, passenger cars, governments must support that transition. In November 2021, Royal Society of Chemistry science writer Rachel Brazil stressed that "technologies that produce synthetic fuel have clearly arrived."

To reduce the cost of such technologies, Block at eFuel Alliance noted the need for "some policy changes" by governments. The Alliance is currently campaigning to reduce taxes on synfuel, telling the Royal Society of Chemistry in November 2021 it is "one of the largest economic levers for [economic] development."

Anna Krajinska of the Brussels-based cleaner transport campaign Transport & Environment told the Royal Society of Chemistry the other option is to tighten emission regulations on ships and airplanes. That would accelerate the development and investment in synfuels as an alternative to fossil fuels.

Accordingly, the Bosch report sees the future of transport as a mix of EVs and vehicles using synfuels: "The [green] hydrogen can be used for fuel cell vehicles or synthesized by additional conversion steps to synthetic ... fuels for an increasing blend in the remaining gasoline and diesel fleet, not only for aviation ... but also commercial and passenger vehicles," the paper noted. By 2050, the report predicts, all vehicles will use synfuels or electricity.

Egypt could have a significant opportunity to become a hub for synfuels. It is ahead of other MENA countries in developing eco-friendly green hydrogen projects, which would supply half of the components necessary to create synfuels. That negates the need to use recycled water to extract hydrogen. The missing part is finding sustainable sources of carbon. "The priority is increasing the amount of green hydrogen production and the roll-out of direct air capture [separating CO<sub>2</sub> from the atmosphere] to enable production of full carbon-neutral fuels," said Krajinska. n



# AN ISLAMIC SHADE OF GREEN

In addition to prioritizing eco-friendly investments, Egypt eyes sharia-compliant financing, so issuing "green sukuk" could be a logical step for the treasury.

By Rania Hassan

In the coming years, one of the biggest challenges facing low and middle-income nations will be finding enough funds to finance the increasing number of eco-friendly (green) projects to meet the UN's 2030 climate ambitions. "With COP27 [the 27th Conference of the Parties] and COP28 both in the Arab world, support for sustainability projects will sharply increase in the region," Salem Patel, head of asset management for GFH Finance Group, a GCC-based firm, wrote in an April blog post. "Now is an excellent time for investors to harness the opportunities available."

One potent tool used to finance green projects is sharia-compliant bonds, known as sukuk. "Sukuks by their nature are ethical. They cannot be used to finance impermissible activities and they are structured to avoid high degrees of leverage and speculation," said Patel. That "means the outcome of transactions must not be entirely dependent on chance, and all rights and obligations relating to an investment must be clear."

"Green sukuk" was issued for the first time globally in 2017 in Malaysia. Egyptian Finance Minister Mohamed Maait has been touting the country's entry into Islamic finance since last year, with the first issuance expected in 2023 to help finance the national budget. Meanwhile, Egypt already is the region's pioneer in "green bonds," with a \$750 million issuance in September 2020 covered five times over by investors in Europe, the United States, East Asia, and MENA.

There is interest from the government in exploring green sukuk. In Maait's keynote at the "Leveraging Sukuk Markets for Transition to a Green Economy" session, organized by the Islamic Development Bank in June, he stressed. "The need for member countries to further enhance skills and processes for actualizing green sukuk."

### Progress to green

The first requirement for issuing eco-friendly Islamic bonds is having enough eligible projects. In September, Environment Minister Yasmine Fouad told the media the government allocated 40% of the national budget in fiscal year 2022/2023 for green projects, compared to 30% the previous fiscal year. She said the government would increase that percentage every year.

At that pace, Fouad said, government-led projects would be 100% green by 2030, relying almost entirely on natural resources to power those investments. That means they will be "energy efficient [and use] renewables over fossil fuels," Fouad said, including "projects that fall under ... climate change mitigation or adaptation."

To pay for those projects, the Ministry of Finance issued sovereign green bonds in 2020, maturing in 2025.

Maait noted in February the cost of financing projects at the time was 5.25%, 50 basis points less than what the treasury predicted and lower than yields of non-specialized financing tools.

By November 2021, Maait had issued a public report detailing 15 "national environmentally friendly" projects financed by those green bonds. Nearly 46% of the money went to clean transportation projects, including electric intercity trains. The remaining 54% funded water-related projects, including sustainable water management, desalination and sanitation.

The report came out at the same time the media reported that the government took a "green [conventional] loan" worth \$1.5 billion from several international and commercial banks. Maait said the proceeds would mostly go for water and sewage-related projects and interest-free loans to farmers for converting to drip irrigation.

### Sukuk coming soon

The second requirement to issue green sukuk is to be part of the Islamic finance ecosystem. In June, Maait said the government plans to issue its first Islamic bond in FY 2022/2023. He told Ahram Online that it would help finance the government budget deficit and "attract new investors to the Egyptian market." However, he didn't mention how much the government wants to raise.

In general, sukuk buyers temporarily own the assets underlying the issuance, paying the total amount to the issuer. Both parties would then agree on an arbitrary amount to be repaid over a predetermined period. After that, permanent ownership would go to the issuer. However, if they default, buyers would become the permanent owner of the asset.

Egypt's Parliament approved the first sukuk law in June 2021, allowing five types of Islamic bonds. The first is Ijara, where a bank temporarily owns an asset and leases it to the sukuk issuer. Mudaraba sees the sukuk buyer own the underlying asset, allowing the issuer to manage it. Part of the proceeds go to the buyer until the issuer repays the full amount.

The third type is Istisna, where the sukuk buyer finances a construction company or manufacturer to complete a project by a future date. In return, the issuer would get a prearranged percentage of the proceeds over the agreed-upon period. The fourth type allowed in Egypt is Murabaha, where the buyer purchases the asset on behalf of the issuer. Only the issuer could use it, becoming the owner when they pay the sukuk in full. Lastly, there is the Wakala sukuk, where the buyer appoints the issuer to invest the sukuk amount on his behalf, with the profit split between the two until the sukuk matures.



The new law set the maximum maturity of any sovereign sukuk issuance to 30 years. Also, a newly created joint stock company, Sovereign Sukuk Co., would execute and manage all state issuances.

### Green sukuk

Globally, green sukuk is a niche product. The Institute of International Finance (IIF) estimates outstanding issuances to account for 2% of global sukuk issuances in 2021. By comparison, that is noticeably less than green bonds, which accounted for 6.5% of bond issuances last year.

Nonetheless, the IIF report said demand was robust relative to supply. "The investor base for [green] sukuk is fairly diversified as demand remains strong," it said. "At present, investment advisers, sovereign wealth funds and banks are the top holders ... with most of the registered investors based in the United States, Luxembourg and Ireland."

The IIF report noted new issuances of "sustainability sukuk" in 2021 more than doubled to \$3.7 billion compared to \$1.6 billion a year earlier. The document said the rise reflects the "importance [of] green ... projects ... amid efforts by countries to transition to a greener economy."

The countries that witnessed the most activity in 2021 were Indonesia, Malaysia, Saudi Arabia, and the UAE. Meanwhile, 85% of all issuances were denominated by the dollar, with the rest in Malaysia's local currency.

GCC countries are spearheading green sukuk issuances. Jinan Al Taitoon, senior research analyst of Islamic Finance at Refinitiv, a research firm, said in a Zawaya blog in May that "59% of the cumulative global [green] sukuk issuances came from the Gulf in the first quarter of the year."

The majority of those issuances targeted the energy and utilities sectors. The biggest was from Bahrain's Infracorp, the infrastructure investment arm of Gulf Finance House, worth \$900 million and issued in March. Two other significant green sukuk issuances were by Saudi National Bank and Riyadh Bank, with \$750 million each, focusing on lending to private sector green and sustainability investors in Saudi Arabia.

Nearly all GCC countries use existing sukuk legislative infrastructures to manage green issuances. The exception is Qatar, which issued a separate legislative framework for eco-friendly Islamic bonds in April. "We don't expect a big size [of green sukuk issuances], it's going to be very small," Qatari Finance

Minister Ali Al-Kuwari, told the media in March when announcing the intent to regulate green sukuk separate from traditional ones. "I think what's more important .. is we need to build a vision and a strategy for climate change in the financial sector."

Qatar's legal framework customizes regulations from the Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines published by the International Capital Markets Association. Qatar Finance Center Authority CEO Yousef Al-Jaida told Zawaya in May this approach is "laying a strong foundation for building trust between ... stakeholders."

Meanwhile, Oman's Capital Market Authority is developing one set of regulations for green sukuk and green bonds. Al Taitoon said the law would regulate sustainable and responsible investments, covering all eco-friendly investments, projects, strategies and policies.

Green sukuks are essential for GCC nations to diversify their investor base. "The aim ... is to encourage the further development of the local debt capital market by diversifying options for borrowers and investors," Al-Jaida noted.

### Challenges

A paper published by the World Bank in October 2020 noted that green sukuks face several challenges. The first is that too many target specific types of projects. "Project-based green sukuk issuances are too closely aligned with only renewable energy and green real estate projects," the document said. "Green sukuk can finance a wider range of projects, from solid waste management to sustainable land use to biodiversity conservation."

The other challenge is that there are no standard classification tiers for green sukuk, which enable investors to price them correctly based on the quality of their underlying assets. "[That] prevents the pooling of green assets for green sukuk issuances," the bank said.

A third challenge is green sukuks must comply with reporting requirements of conventional sukuks and green bonds, what the bank called a "restrictive issuance criterion." Other challenges include ... steep learning curves for new issuers, marginally higher costs due to review and reporting costs."

Additionally, national projects need to be bigger. Mohamed Osman, a senior financial sector specialist at the World Bank, told the World Investment Forum in November, "there are a lot of small issuances for

green sukuk. ... This is a barrier to institutional investors that want to invest in sustainable sukuk because they have a lot of funds to invest and want products with more liquidity."

Kerry Lai of IFLR, a think tank, added in a November 2021 article that many green sukuk issuances "often do not meet the minimum size of investment" of institutional investors. That reflects on major issuers with the resources to issue green sukuk, Osman said. "Larger issuers fear that they are going to be the test case."

Meanwhile, the IIF report stresses the "limited project pipeline and challenges in identifying projects and assets that meet relevant ... criteria." It also noted the higher-than-sukuk issuance costs of green sukuk and "the lack of knowledge at the issuer and investor level about the process and benefits."

Lai explained that those few, too small projects are the main reason "sustainable Islamic finance products have remained niche and face challenges in upscaling."

### Inevitable boom?

Such low popularity and visibility could prove temporary. Patel of GFH Finance Group said the COVID-19 pandemic has made "investors ... more focused on ethical investments." That means the economic recovery in the coming years should increase the number of eco-friendly projects. That would open the door to more green sukuk issuances and other specialized tools, including green bonds.

Patel said sectors witnessing the most growth would likely be renewable energy for the "next three decades as the

world embarks on an ambitious campaign of decarbonization."

Meanwhile, further helping green sukuk issuances reach their potential is the High Level Working Group on Green Sukuk, created during last year's COP26. It aims to promote eco-friendly projects suited to Islamic bonds and align issuers' green sukuk standards with the U.K. Islamic finance market to attract more investors.

Their report, "Innovation in Islamic Finance: Green Sukuk for SDGs," forecasts that green sukuk will finance eco-friendly projects worth \$30 billion to \$50 billion by 2025. However, the document said, "This will require focused efforts and targeted initiatives by institutions ... along with multiple governments."

Patel noted that to capitalize on the eventual rise in green sukuk, "education is the key to unlocking the potential of green sukuk." The other vital factor is building the proper infrastructure for those specialized tools. Patel noted it "can take years to plan, build and become operational."

From the investor side, Patel believes a growing number of them would be looking to "build robust portfolios." Those holdings would generate guaranteed returns in the long term, "weathering future economic cycles," Patel said. "Perhaps, more importantly, [those investments would] secure a better future for the next generation." n





# Market Watch

## Stock Analysis

### Going to the moon?

For the EGX 30, the period from Aug. 15 to Sept. 15 was volatile in terms of performance. The market bellwether ended the period up 1.7%, above the 10,000 mark, after it was almost unchanged for two weeks. On the other hand, the EGX 70 EWI trended upward with higher lows and higher highs—a positive technical formation, albeit in a very short timeframe.

Some stocks began to behave like memes as if they were going to the moon! Such stock performances are inexplicable for outsiders who attempt to draw up scenarios to justify where certain companies are trading on any single day. Still, some anomalies baffle investors. The top gainers list primarily included small-cap names often connected with speculators. For instance, the top gainer was Real Estate Egyptian Consortium (AREH), which skyrocketed 106% in just a month.

Another example was Beltone Financial Holding (BTFH). After a 56% stake in the company was sold to U.A.E.-based Chimera for EGP 1.485 a share just two months before, the stock ended the period up 75% at EGP 3.53 a share, 138% above the acquisition price. Ironically, neither AREH nor BTFH reported a profit in the last 12-month period. BTFH was the second-best stock on the EGX on a year-to-date basis, up 128%, surpassed only by another high-flyer, namely Lecico Egypt (LCSW), which was up 215% year-to-date. LCSW was up 23% during the period. After having eked out a net income in its first-quarter results, LCSW fell back in the red in the second quarter.

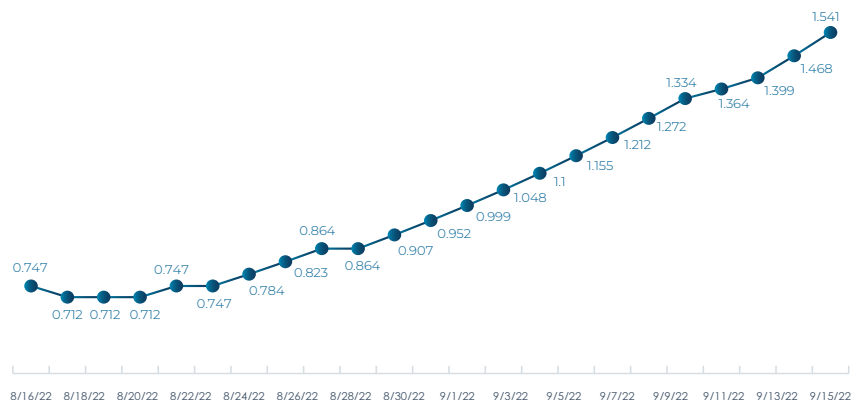
As for other trends in the market, mergers and acquisitions continue to be the only fundamentals-based catalyst that can move the needle for a stock. For instance, after SODIC (OCDI) expressed interest in fully

acquiring Madinet Nasr Housing & Development (MNHD), the latter's stock rallied to a high of EGP 3.42 recorded at the end of August. Such a performance came despite MNHD's shareholders voting a "no go" for SODIC's due diligence of the company as they hoped that a white knight would come along and pay what they think is the right price. However, after the period ended, SODIC revealed its interest in MNHD is no longer an open subject with other targets under consideration. Elsewhere, Arabian Food Industries (DOMT) rose 15%. The mandatory tender offer submitted by an investment firm led by DOMT's founders was revised by 10% to EGP 5.50 a share. That followed a study claiming the stock's fair value was around EGP 6.90 a share, still 25% above the revised offer price.

All of the above indicate severe market dislocations, but whether capitulation is behind us is anybody's guess.

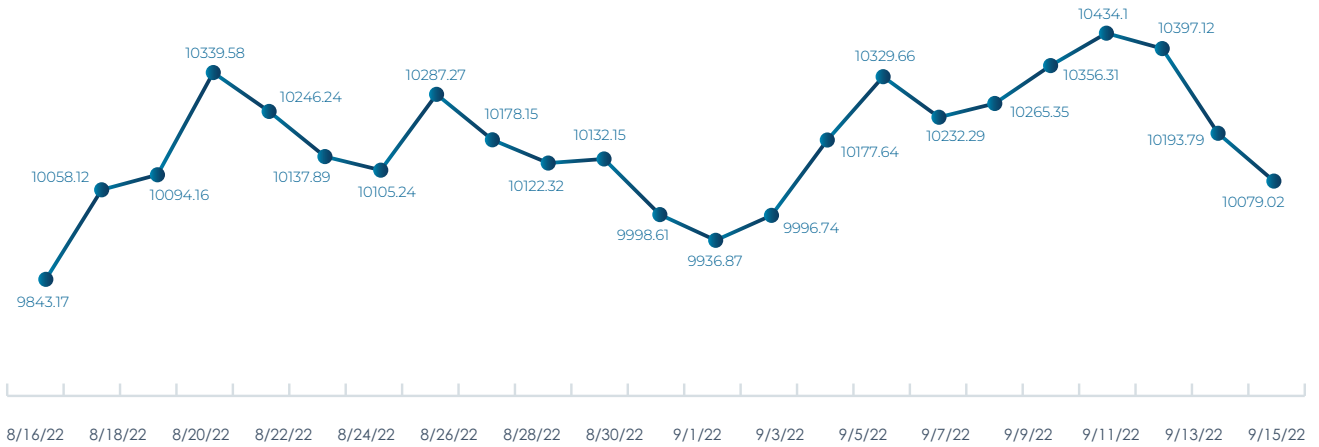
### Egyptian Real Estate Consortium (AREH)

In mid-June, the market regulator suspended trading on Egyptian Real Estate Consortium (AREH) stock, subject to addressing its inquiries concerning its rise. With no response, the suspension lasted nearly two months. By mid-August, the same market regulator, with new leadership, resumed trading on AREH, but with a daily price limit of plus or minus 5%. In late August, AREH hired an independent adviser to value the company. Since resuming trading, AREH's stock hit the upper price limit (plus 5%) on 16 of the 21 days it traded, rising by 106%.

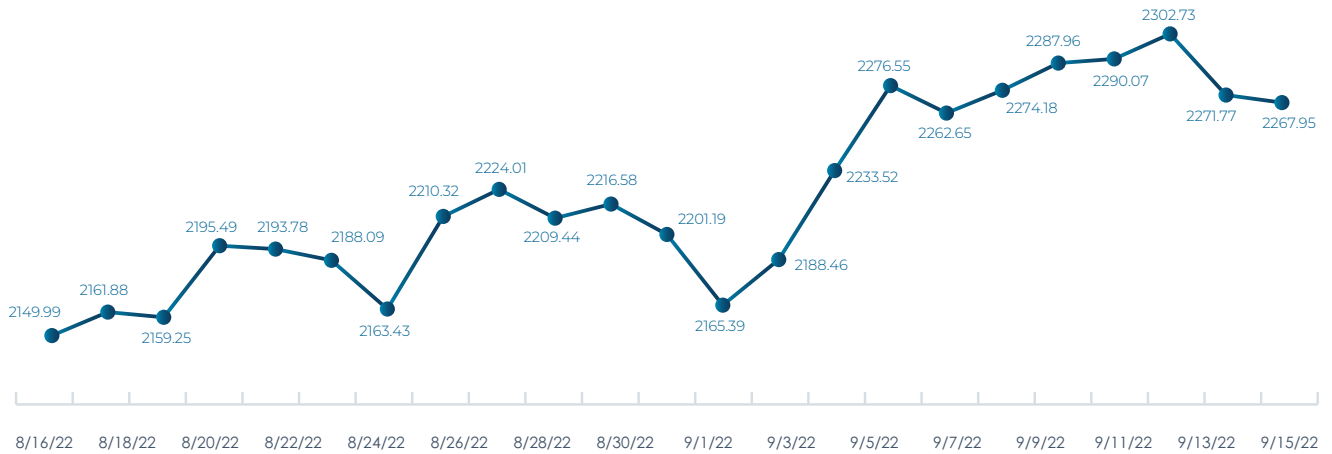




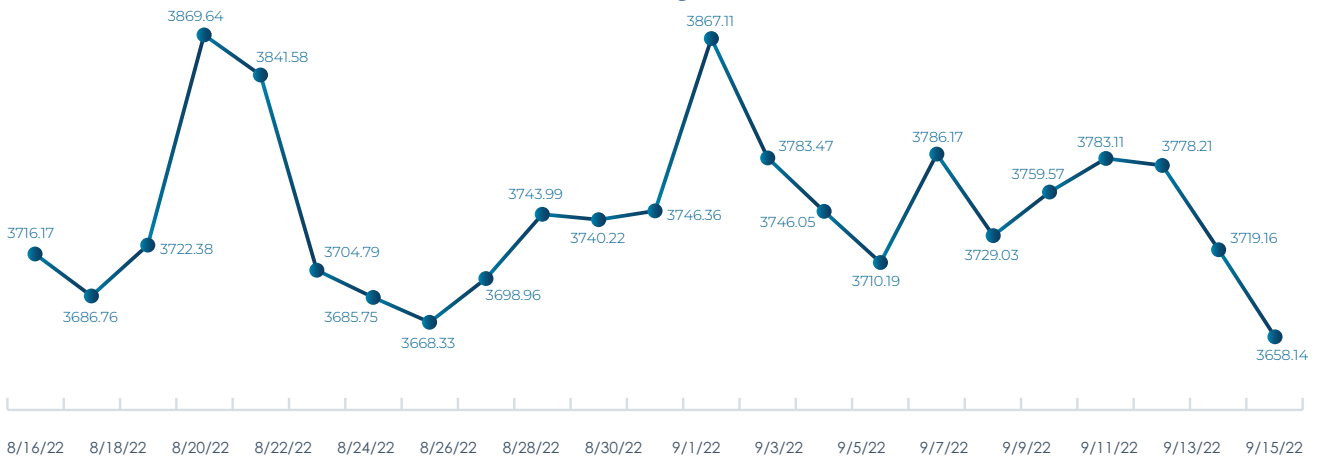
## EGX 30



## EGX 70



## Tamayuz



Tamayuz index is an all-new weighted index, launched on June 23rd. It comprises companies with high free cash flows from operations. EGX stresses that this is not an endorsement of those stocks.



# MAXIMIZING THE BENEFITS FROM COP27

Mahmoud Mohieldin, the U.N. Climate Change High-Level Champion for Egypt, talks about the challenges and opportunities of COP27.

by Rania Hassan

This year's Conference of the Parties (COP) promises to be a landmark event, even among previous iterations. Mahmoud Mohieldin, the U.N. Climate Change High-Level Champion for Egypt, summed it up at an AmCham luncheon event in September: "It is a COP in a developing economy, in a world that is suffering from a [catalog] of crises. We didn't spare any: We have a [global] health crisis, a war in Europe, stagflation fears [the worst-case scenario for any economy], and recession [in many major nations]."

Additionally, emerging markets have had an increasingly severe and crippling increase in debt. "You have either a debt problem, a [debt] crisis you need to manage, or a [debt] catastrophe," said Mohieldin. "Countries must admit it, fast."

The Egyptian government has a lot of work to do to create a friendly ecosystem for local and foreign green investors, he said. If successful, it would open the door for startups and large organizations alike to innovate to solve the looming climate crisis. It also would give low and middle income countries like Egypt more access to much-needed climate financing from international organizations.

## Big picture

Mohieldin said OECD countries, a club of wealthy nations, don't see the big climate picture, and that will affect the green transition. "We can always talk about climate action from a very narrow perspective," he said. "That has been happening in many advanced economies."

A case in point is how wealthy countries focus on decarbonizing industries and modes of transport, putting a price on carbon emissions if they exceed limits. "Many leaders ... from some advanced economies ... think having a price attached to carbon will be the magic solution to all climate problems," said Mohieldin. "They are very much mistaken."

He said decarbonization is part of a much broader mitigation strategy. That, in turn, is one piece of the climate action puzzle, which falls under the umbrella target of having a sustainable economy.

Mohieldin stressed that effective climate action needs a more holistic approach that includes mitigation, adaptation, and loss and damage. Mohieldin noted that more limited views have already made the "loss and damage" dimension a "lost cause" involving environmental damage



and losses in biodiversity that will be nearly impossible to restore. He blamed such damage on "the unhelpful interventions of some of the advanced economies."

Another dimension of a holistic approach is project financing that needs to reach developing nations faster. Several developed countries still need to meet their promise made during a 2009 environmental summit in Denmark to give low and middle income countries \$100 billion a year for climate mitigation and adaptation projects.

An OECD report said 79% of that annual funding has been flowing as promised. However, OXFAM, an NGO fighting injustice and poverty, said only 20% of the \$100 billion had reached eligible low and middle income nations.

Regardless of which stat is correct, that \$100 billion annual pledge may not be enough. "Even if we get 100%, that is less than 3% of the climate financing gap ... It is a cross-cutting topic [that impacts] mitigation, adaptation, mobility, decarbonization, women, health, science and solutions."

## Securing green investment

Mohieldin said national treasuries, private investments, innovations and the financial sector play a significant role in securing the funds necessary for any country's green transition.

To attract investors and financial institutions, the COP27 Champion for Egypt said they all have a laundry

list of requirements, whether they invest in climate-related projects or not. Requirements can include more robust institutions, good governance, reliable macroeconomic management, and stable policies committed to low carbon solutions.

Another requirement is better market access for "viable partners to increase their ability to scale up projects," said Mohieldin. "That requires a depth in the local financial market." If investments come from abroad, those investors need "currency stability," he added. "That means no mismatches between the currency denomination of project cost and the denomination of its revenue."

Finally, Mohieldin said investors need "accurate performance data and benchmarks," which could be harder to attain with state-led projects.

The COP27 Champion for Egypt said those conditions would be "a perfect list, speaking as a former minister of investment." However, he stressed that even average developed nations would have difficulty achieving everything on his list. "There are mishaps and irregularities that you can see in those countries," said Mohieldin. "Is it fair to expect that from developing economies and emerging markets?"

The key to presenting viable environment-related investment opportunities in emerging markets is to tailor them to meet the country's implementation needs. Mohieldin says they must "put into consideration the impact of our policies on growth, on poverty, on job opportunities [and] on how to best finance the [national] climate agenda."

The way to tailor those solutions is to integrate them with the U.N.'s SDG framework, announced in 2015. "It is about where to put the climate action [strategy]. It is definitely within SDG 13 [Climate Action]." In Egypt, climate action also must consider SDG 1 [eliminating poverty], as extreme poverty in the country is 4% and poverty is about 30%. "The presented solutions and projects must help fight poverty, not to add to it," said Mohieldin. "It is not just solving the energy problem [SDG 7], for example. You need to do it within the just transition that [governments] often talk about, but never implement properly."

The other factor when implementing climate action projects in Egypt and similar nations is to include SDG 8 [decent jobs and economic growth]. Mohieldin said those jobs would be like those created in Benban,





the world's fourth-largest solar park, and Zafarana, the biggest wind farm in Egypt.

### Removing risk

Mohieldin said investors from wealthy countries almost always perceive the risk in emerging markets as higher than it actually is. "Businesses are here despite the risk, dealing with expected and unexpected costs. That is why we have regional roundtable meetings [with the IMF] to link investors to projects."

He stressed the importance of having the proper legal framework and institutional commitments and partnering with organizations like the International Finance Corp. (IFC) and USAID to "minimize the risk levels, as there is no such thing as eliminating risks. You always need to remember that there is a decent return."

One example is CIB, Egypt's largest publicly listed bank, working with Glasgow Finance Alliance for Net Zero, a coalition of financial institutions committed to accelerating the net-zero transition to reduce the bank's carbon footprint and finance green projects. CIB also is working to comply with the Task Force on Climate-Related Financial Disclosure, a reporting framework developed by the Financial Stability Board.

The government also has a vital role to play in attracting investors. "The key [moving] forward is eliminating unnecessary hurdles," said Mohieldin. "Additionally, the government [via public policies] needs to shift from focusing on immediate targets [such as lowering emissions of a particular sector] to creating inclusive growth. That includes reducing poverty; equality, opportunities for women and girls in the labor market; and price stability."

He also stressed the importance of customizing national projects and solutions, particularly for rural areas and small villages. The primary aim of such programs should be to raise grassroots awareness about the importance of what the government is doing to make the economy more sustainable.

Additionally, those programs must yield real and immediate benefits to those living in small, poor, rural areas. "In my capacity as a COP27 Champion for Egypt, I worked with several ministries to organize a competition

with judges from major local and international companies to select the greenest and smartest village in the country," said Mohieldin. "As of September, there were 4,471 implemented projects that fit the criteria." The categories are startups, micro, SME, large, women and local development projects.

The government should refrain from sending vague messages to investors. "It will not be beneficial to anyone ... not getting the signals proving [the government's] priorities, where can you complement, support, partner and when [there is] crowding out," said Mohieldin. "If there is crowding out, [investors] look elsewhere for opportunities."

### Green innovations

A green-investor-friendly ecosystem allows local and international private companies to innovate. Mohieldin noted that some innovations are already under consideration, including "new mechanisms for debt swaps, called 'debt for investment in climate and nature.' They would be based on [key green performance indicators]."

Such an environment also opens the door to "build a new market for carbon credits, "Environment, Social and Governance" (ESG) investing, finovation [financial innovation] in Africa, and other new concepts and ideas." Mohieldin pointed out the Central Bank should make those ideas possible via appropriate initiatives and incentives.

Lastly, Mohieldin stressed that none of what he said was new. "The prime minister is leading this work, [defining] the state's role in Egypt's green transition. The key [to empowering the private sector in that transition] will be to have the support of the state budget ... which can help the private sector and government find solutions to existing and expected climate change problems."

Egypt and similar nations will get an unparalleled opportunity to move forward with their climate agenda at COP27. Unlike all previous meetings, this is an "implementation COP," said Mohieldin. "It aims to implement the solutions that governments present, and not focus on discussing the fallout from not acting."





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for August 2022 to June 2023  
have yet to be announced



## EVENTS

### HR (Talent Management)



## 15<sup>Sep</sup> Shifting employee perception

On Sept. 15, AmCham's Human Resources Committee hosted Shalini Bhateja, vice president for HR at Coca-Cola Beverages Africa, for a meeting titled "Shift the Perception."

Bhateja stressed that "when a CEO has expertise in HR, this develops a sense of governance and fairness to the employees and staff since the CEO will always be listening to their issues." Employees will always feel their leader is trying hard to push them to make the right decisions." She said that good CEOs spend half of their time on people development, building employees' sense of belonging.

HR's mandate is to drive high performance, as no company can grow without high-performance employees. HR must also create a friendly environment and culture for teams to succeed and work more effectively.

Bhateja mentioned that after COVID, "emerging stronger" became a catchphrase for a workplace transformation that aims to change how people work and organize their lives because HR people wanted to come out of COVID stronger.

Leaders should manage ambiguity and have resilience and empathy for the business to keep going. Leaders should be able to make decisions on whatever information because there is a high cost in not making a decision. Being resilient is very important because there will be tough times and phases, and leaders should be strong to manage. Empathy towards the staff is essential to maintaining their motivation.

Increasing employability is essential as it reflects the company's success. Lastly, engagement among staff will always increase efficiency and effectiveness.



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President, Orascom Investment Holding.

#### Tarek Morshed

Project Management Director, Orascom Investment Holding

#### Hesham Afifi

Managing Partner, Zilla Capital

### Legal Services

#### Cherif Tabei

Associate, MHR & Partners in Association with White & Case

### Petroleum

#### Ahmed Farwiz

Commercial Sales Manager, ExxonMobil Egypt, SAE

#### Mohamed Abdelkhalek

Chief Executive Officer, Intro Group.

#### Ijeoma Isikaku

Human Resources Manager Egypt Sudan and East Mediterranean, Schlumberger

### Pharmaceuticals

#### Ramy Elhennawy

Business Development Director,  
Abbott Laboratories, S.A..

#### Mohamed Ashour

Consultant Doctor, Manapharma.

### Power and Renewable Energy Services

#### Ibrahim Metawie

Chief Operating Officer, KarmSolar.

#### Mohamed El Sammaa

Chief Development Officer, KarmSolar..

### Real Estate

#### Ahmed Ragab

Executive Director of People and Capabilities, Six of October Development & Investment Co. (SODIC).

#### Nadine Okasha

Executive Director, Six of October Development & Investment Co. (SODIC).

#### Ahmed El Halawany

Chief Development Officer, Six of October Development & Investment Co. (SODIC).

### Transportation

#### AbdelRahman Leheta

General Manager, LATT Trading & Shipping



## NEW REPLACEMENTS IN MEMBER COMPANIES

#### Tarek Moussa

Chairman, Corteva Egypt Seeds

**Category:** General

**Sector:** Agriculture

#### Sharon Nishi

Managing Director, General Motors Egypt & North Africa, General Motors Egypt, SAE

**Category:** General

**Sector:** Automotive

**Al- Shaymaa Al- Refaei**

Executive Assistant and Follow Up Manager,  
Evergrow for Specialist Fertilizers.

**Category:** Affiliate

**Sector:** Chemical Products

**Sherif Khalil**

Chief Communications Officer,  
Commercial International Bank (CIB)

**Category:** General

**Sector:** Financial Sector

**Osama Saleh**

Chairman, Credit Agricole Egypt, SAE

**Category:** Affiliate

**Sector:** Financial Sector

**Ayman Mohamed Yassin**

General Director, Egyptian Credit & Risk Association "ECRA"

**Category:** Not-for-Profit

**Sector:** Financial Sector

**Ayman Omar**

CFO, Real Mining Services

**Category:** Affiliate

**Sector:** Mining/Minerals and  
Precious Metals

**Amr El Abd**

CEO, Endeavor Egypt

**Category:** Not-for-Profit

**Sector:** Non-Governmental  
Organizations (NGOs)

**Amro Kandil**

CEO, Siemens Healthcare SAE

**Category:** General

**Sector:** Pharmaceuticals

### Change in Member Company

**Tarek Abdel Rahman**

Managing Partner, Compass Capital for Financial Investments

**Category:** Affiliate

**Sector:** Financial Sector

**Ayman Mohamed Yassin**

General Director, Egyptian Credit & Risk Association "ECRA"

**Category:** Not-for-Profit

**Sector:** Financial Sector

**Bassem Helmy**

TPA General Manager of Medmark Insurance Brokerage,  
Medmark Insurance Brokerage

**Category:** Affiliate

**Sector:** Insurance

**Amr Abdallah**

Board Member, DisrupTech Egypt

**Category:** Affiliate

**Sector:** Investment

**Mohamed El Ahmady**

Vice President of Projects, Mediterranean Energy Partners

**Category:** Affiliate

**Sector:** Petroleum



## CONDOLENCES

On behalf of the AmCham Egypt's fellow members, Board of Governors and staff, we extend our deepest condolences to the family and friends of Mr. Mohamed Sabry.



**Mohamed Sabry,**  
*Chairman, Santex (for Home Textiles),  
joined the Chamber in 1998 and was  
active in representing the Textiles sector.*

*He will be dearly missed. May he rest in peace.*



## EXCLUSIVE OFFERS

### Aramex International Egypt



Special offer on Shop & Ship Membership & a 30% Discount on all Personal Domestic Services and a 20% discount on the international cash rates.

"Shop & Ship" are an international shipping service that allows you to shop from the US, the UK, China, Turkey, UAE, India, South Africa, Hong Kong, Germany, Italy, Spain, France, Singapore, Canada and Malaysia and then we deliver it to you with the best rates."

Membership fee for AmCham member will be only \$5 instead of \$45.

**Discounts will be granted for 2022 membership card**

For more information, please contact:

Shop & Ship: Sara Khalil

Short No.16996

Email: SaraK@aramex.com

Please visit AmCham Cyberlink on <http://www.amcham.org.eg/> for more information on AmCham benefits

**This offer is valid until December 31, 2022**

### Cairo Marriott Hotel



Is pleased to extend its offer of 15% discount on the best available room rates and a 15% discount on Food and Beverages at all Cairo Marriott outlets

(This offer does not require having a room at the hotel)

- 25% discount on laundry during your stay
- Rate is for Bed and Buffet Breakfast at Omar's Cafe, subject to availability and prior reservation, valid at any day of the week.
- Rate is subject service charge and taxes.
- Offer is valid for the members only and has to be reserved through and used by the member for a maximum of two rooms per stay.
- Members can only accompany their spouse and children during their stay.
- This discount is not applicable for more than 5 pax

**Discounts will be granted for AmCham members upon presenting their AmCham 2022 membership card**

For more information, please contact: Mai Moenes

Phone: (202) 27394647 Ext. 8808

Mobile: (20-12) 0434-0648

Email: mai.moenes@marriotthotels.com

Please visit AmCham Cyberlink on <http://www.amcham.org.eg/> for more information on AmCham benefits

**This offer is valid until December 31, 2022**





## EXCLUSIVE OFFERS

### Egyptair



Egyptair is pleased to extend the protocol agreement for the year 2022-2023. This agreement entitles all AmCham members and their first degree family members to a special preferential reductions on Egyptair INTERNATIONAL flights ONLY.

Up to 16% Discount over Egyptair's special fares, depending on the booking class. 2% Additional Discount on New York & Washington flights

*\*This deal is applicable on trips from and to Egypt.*

*\*All discounts are not applicable to Jeddah/ Al Madina during Hajj and Omra season during the months of Ragab, Shaaban & Ramadan.*

**Discounts will be granted for AmCham members upon presenting their AmCham 2022 membership card**

For more information, please contact:

Call Center from mobiles: 1717 / from land lines: 090070000

Contact: Astra Travel

Downtown Adly Branch:

Tel: 2390-6078/ 2392-7680 Tel: (20-2) 3333-2200

Fax: (20-2) 2391-1256

Zamalek Club Fence Branch:

Tel: (20-2) 3347-2027/ 3347-5193/ 3305-1431 Fax: (20-2) 3346-4501

Email: elzamalek@egyptair.com

Shobra Branch: Tel: (20-2) 2206-9071/3/5

Heliopolis Korba Branch: Tel: (20-2) 2418-3722

*Please visit AmCham Cyberlink on <http://www.amcham.org.eg/> for more information on AmCham benefits*

**This offer is valid until June 2023**

### Fashion Retail Group



FRG (Fashion Retail Group) is honored to present its special offer to AmCham Members at the below stores.

-20% off at all SKECHERS stores.

-20% off at all ECCO stores

-20% off at all ANTA SPORTS stores.

-20% off at all INTERSPORT stores, except for treadmills and electric bikes (which are eligible for 10% off).

-20% off at SPORT AVENUE – B.GOAL stores.

-Outlet stores are excluded from this offer.

-This offer is not applicable in case of any other promotional offers for the above-mentioned brands.

-This discount is not valid during Black Friday.

**Discounts will be granted for AmCham members upon presenting their AmCham 2022 membership card**

For more information, please contact:

Phone Number: (20-2) (20-2) 2273-1405

Please visit AmCham Cyberlink on <http://www.amcham.org.eg/> for more information on AmCham benefits

**This offer is valid until December 31, 2023**

### gig-Egypt



Has the pleasure to provide AmCham members Up to 10% discount on gig –Egypt Products

An exclusive discount for groups and individuals on Medical insurance, Cancer, Funeral-Expenses, Personal-Accident, Travel-Care, Home Secure, Fire/Burglary/Property, Motor, Inbound Tourism, and Marine (Inland/Hull/Cargo/Aviation), Oil-Gas & Petrochemicals, and Engineering, and Trade Credit Insurance.

**Discounts will be granted for AmCham members upon presenting their AmCham 2022 membership card**

For more information, please contact:

Hotline: 19792

Mobile: (2-010) 0700-6233

E-mail: quotes@gig.com.eg

*Please visit AmCham Cyberlink on <http://www.amcham.org.eg/> for more information on AmCham benefits*

**This offer is valid until December 31, 2022**

### United Sons Moving Services



United Sons is pleased to offer AmCham members the following exclusive benefits:

- 15% Discount on any local move within Cairo city limits (up to a 50 km radius)
- 10% Discount on any local move within Egypt
- 5% Discount on any international move
- Priority booking for member companies' requests
- No overtime charge for services provided after working hours
- Free storage at our warehouse for all international moves

**Discounts will be granted for AmCham members upon presenting their AmCham 2022 membership card**

For more information, please contact: Samer Elhamy

Tel: (20-2) 2754-4974/ 94/ Mobile: (20-10) 6210-1998

Emails: info@unitedsons.org

*Please visit AmCham Cyberlink on <http://www.amcham.org.eg/> cyberlink for more information on AmCham benefits*

**This offer is valid until December 31, 2022**

## A Glance At The Press

"I need a career shift! I can't live in a country where every time I pickpocket someone I find their pocket empty."

Sept. 24, Al-Masry Al-Youm



*Media Lite collates a selection of some the most entertaining offbeat and lighthearted news items published in the local press. All opinions and allegations belong solely to the original source publications and no attempt has been made to ascertain their veracity.*

### Legendary actor Hesham Selim dies at 64

Renowned Egyptian actor Hesham Selim passed away on Sept. 22 after a long battle with cancer. The funeral took place that afternoon at Sheikh Zayed Mosque.

Ashraf Zaki, head of the Egyptian Acting Professions Syndicate, announced the news on Instagram with a photo of Selim and a short message: "Farewell, old friend."

Selim's long career puts him in the company of others who have maintained a prominent role in the industry across generations.

His interest in acting was sparked by famous actress Faten Hamama, who was friends with his father, former football player Saleh Selim. She chose him to star in her film "M Empire" (1972).

Following that role, he appeared in films such as "I Want a Solution" (1975) and "The Return of the Prodigal Son" (1976), which embedded in him a lifelong passion for acting.

His latest work was "Counterattack" (Hagma Mortada, 2021), alongside Hend Sabry and Hani Ramzy, which focused on one of Egypt's intelligence files following the Jan. 25 revolution.

*Egyptian Streets, Sept. 22*

### Grand Egyptian Museum "wins" the 'Green Building Award'

The Grand Egyptian Museum has received the "Green Building Award" from the Environment and Development Forum: The Road to Sharm El-Sheikh Climate Change Conference 27.

The forum was organized by the Arab Water Council in Cairo

between Sept. 11 and Sept. 13 under the auspices of the League of Arab States, with 12 countries participating. The museum is the first in the country to be certified as a green building.

The recognition aligns with the Ministry of Tourism and Antiquities' objectives for sustainable development and Egypt's Vision 2030. The goal is to maintain the ecological balance and sustainability of tourism and archaeological activity and encourage the transition to a green economy.

Atef Mofah, the general supervisor of the Grand Egyptian Museum project and development of the surrounding area, explained that the museum project integrated all dimensions of green building and sustainable development.

Mofah added that accrediting the museum as a green building and obtaining the certificate of the Egyptian Green Pyramid requires means the project meets stringent conditions and specifications. They include examining public services such as transportation and ease of access to the museum, creating bike paths and parking lots, using electric cars, and efficient water and energy consumption inside the museum.

He said accrediting the museum as a green building also includes its management and indoor environment, which uses natural ventilation and airflow calculations that must comply with specific standards.

The Ministry of Tourism & Antiquities is working to transform Egyptian tourism into an environmentally friendly sector that preserves natural resources and ecosystems.

*Egypt Today, Sept. 14*



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- Fast-track visa services



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