

Egypt and the Islamic Development Bank Sign Four Agreements to Finance Priority Development Projects

Sharm El-Sheikh, 14 March, 2015: In the margins of the "Egypt Economic Development Conference: Egypt the Future", Dr. Naglaa El Ehwany, Minister of International Cooperation, co-signed four agreements with Mr. Ahmed Mohamed Ali, President of the Islamic Development Bank (IDB), worth a total amount of USD 800 million to finance four priority development projects for Egypt.

These included: the "Egyptian-Saudi Electricity Connection" project through lease financing in the amount of USD 220 million, the "Sharm Sheikh Airport Development" project through lease financing in the amount of USD 226.8 million for the first tranche and USD 230.2 million for the second tranche, and the "Assiut Refinery" project through lease financing in the amount of USD 198 million. Moreover, a framework agreement worth around USD 3 billion was signed between the International Islamic Trade Finance Corporation (an affiliate of the IDB Group) and the Egyptian General Petroleum Corporation to import petroleum products for the Egyptian market over the next three years.

The main objective of the "Egyptian-Saudi Electricity Connection Project" is to meet the growing demand for energy in both Egypt and Saudi Arabia through an electricity connection line allowing for the exchange of around 3000 MW between the two countries to take advantage of differences in electricity consumption, and connecting the two largest electricity consumers in the Arab World with capacities of over 90 thousand MW. The project is expected to be completed when a comprehensive electricity connection grid is constructed to connect the Gulf Countries with the Maghreb Countries. Several Arab financial institutions are contributing to this vital project including the Arab Fund for Economic and Social Development, the Kuwaiti Fund, and the OPEC Fund for International Development.

"Sharm Sheikh Airport Development": the IDB has been keen to support the Government of Egypt's efforts in this project with a total finance package of USD 400 million over two phases. The project aims to increase the capacity of the airport to 18 million passengers annually by 2025, by the provision of advanced surveillance, air navigation, and passenger services systems that will help encourage tourism.

"Assuit Refinery Project": aims at meeting the growing demand for fuel in Upper Egypt through the development of a refinery and the construction of a complex for high-level octane production. It is worth noting that the above mentioned projects are to be financed through concessional terms, such as a 20 year repayment period, a 3-4 year grace period, and a floating interest rate of 1.5%.



Egypt considers the IDB one of its most significant development partners. Since the start of its operations in Egypt in 1977, the IDB has provided Egypt with around USD 10 billion to finance a number of priority development projects, private sector operations, trade finance, investment and exports insurance. Furthermore, IDB has committed USD 3.2 billion to support the Egyptian economy through the transitional period to finance several projects in the energy, irrigation, SMEs, and education for employment sectors.

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About the EEDC

His Excellency President Abdel Fattah El-Sisi is proud to be hosting the Egypt Economic Development Conference (EEDC) in Sharm el-Sheikh on 13-15 March 2015. The conference is a key milestone in the implementation of the government's medium term reform program designed to accelerate the economic development of Egypt.

Attracting leading global figures from business and politics, the EEDC is highlighting the extensive reforms the government has already implemented and showcasing future reforms designed to restore fiscal stability, drive growth and attract investment with the overarching aim of improving the welfare of the Egyptian people. The conference is also presenting investment opportunities, across key sectors, to domestic and international investors.

The EEDC is reaffirming Egypt's potential as a source of political and economic stability in the region and a trusted partner on the international stage.

For more details see the dedicated conference website: www.egyptthefuture.com

The dedicated Twitter feed is: @egyptthefuture