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Fiscal Policy between Limited Resources & Future Aspirations

CONTENT



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Chairman's Message



Dear Reader,

It is with great pleasure that I welcome you to a new issue of our monthly newsletter.

Amidst a climate of optimism in the country's economy following the Egypt Economic Development Conference (EEDC) that was held last March; I would like to shed light on the finance sector and its key role to reach the flourishing economy that all Egyptians are striving for following the conclusion of the conference.

Already during the EEDC, President El Sisi announced that there is a strategy put in place until 2030 for sustainable long-term development and a clear economic vision for the future. The Finance Ministry as well is exerting its efforts to implement this vision while at the same time achieve fiscal stability, economic growth, and social justice. The ministry recently announced that it allocated 4.3 billion EGP to improving health, electricity, irrigation, supply, investment, and educational services. This is certainly a step in the right direction in order to carry out

much needed improvement in services and entice investment in Egypt -all actions that can have positive ripple effects on people's lives.

Still, Egypt's biggest financial predicament lies in its deficit that continues to be a burden on the economy year after year. There are plans to cut it by five percent within a period ranging between five to seven years. This ambitious plan will of course be aided by the government's stern decision to remove energy subsidies completely within the upcoming five years.

This is why it is more important than ever for Egyptians from all walks of life to come together and reclaim their strong work ethic in order to offset the removal of subsidies and to help reach an Egypt which we will all be proud and comfortable to live in.

Motaz Raslan



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Fiscal Policy...between Limited Resources and Aspirations of the Future H.E. Dr. Hany Kadry



Mr. Rafik Nasralla, Deputy Chairman, Prima Elios for Electrical Industries, Mr. Mahfouz Nasralla, Chairman, Prima Elios for Electrical Industries, Eng. Motaz Raslan, Chairman, CEBC

Under the title "Fiscal Policy...between Limited Resources and Aspirations of the Future", the Canada Egypt Business Council (CEBC) and the Egyptian Council for Sustainable Development (ECSD) hosted a panel discussion featuring H.E. Dr. Hany Kady Minister of Finance. Esteemed guests and previous ministers including Dr. Mostafa Al Saeed, Dr. Hassan Younes, Dr. Hany Helal, Dr. Safwat El Nahas, Dr. Osama Heikal, Dr. Ahmed Zaki Badr, and Dr. Amr Ezzat Salama attended the discussion, as well as CEBC's and ECSD's esteemed members, guests, businessmen and reporters.

Ambassadors of Afghanistan, Albania, Armenia, Bulgaria, Ecuador,



•Eng. Motaz Raslan, Chairman, CEBC, H.E. Hany Kadry, Minister of Finance

Estonia, Germany, Republic of Belarus, Republic of Serbia, Netherlands, Switzerland, Russia, as well as the Canadian Ambassador to Egypt Troy Lulashnyk were also in attendance.

In his opening words Eng. Motaz Raslan remarked Egypt is facing a critical situation when it comes to the economy. He expressed that there is a need to strike a fine balance of economic stability, economic development, and the up keeping of people's social livelihood.

Minister Kadry assumed the floor following the Chairman and explained to the audience that the government is in the process of carrying out and implementing for Egypt a long-term vision in order to achieve the fine balance that the Chairman was addressing.

The minister stressed the importance of balancing between the current and urgent issues facing Egypt on one hand, and long-term economic growth plans on another. More

importantly he said that the economic reforms needed to be felt throughout the entire country. This means that the economic reforms that the government is planning needs to have financial inclusion which would lead to "trickling down effect" in order to benefit people from all different income levels.

Kadry confessed, however, that the country's economic climate is challenging, as year after year Egypt still suffers from a budget deficit, despite huge efforts to minimize it. When it comes to this year's budget deficit, the minister said that it is projected to be 10.5% of the GDP, while the aim is to cut it down to 8.5% within three fiscal years.

On the bright side, he highlighted that Egypt's economy has been growing steadily. In the short period of the first half of the current fiscal year alone it has reached 0.6% growth. He added that this is a good indicator that reflects positive market movement and increased production.



•Eng. Motaz Raslan, Chairman, CEBC



• The Panelists



•Eng. Mina Morcos, Chairman, EBKOT for Development and Tourism



• Dr. Effat El Sadat, Chairman, Sadat Group, Mr. Saïd El Derini, General Manager and Partner, Tam Oilfield Services, Mr. Marwan Hammad, Owner (of Hammed Co.), Hammed Company - Tam Oilfield Services

A recent constitutional decree mandated that for the fiscal year 2016/2017, 10% of Egypt's GDP is to be spent on the sectors of health, education, and scientific research. Minister Kadry explained that this is by no means an easy feat to dedicate a certain amount of the GDP to certain expenditures. Still, he said that Egypt is on the right track as it is projected that by the fiscal year 2015/2016 the expenditure will reach 7.5%, indicating that Egypt is moving at a rapid pace to reach that vital goal.

The minister also talked about the government's recent measures in order to re-appropriate public spending. One measure included decreasing energy subsidies by 2%. He highlighted that for the longest period of time and throughout many years, spending on health and education combined was less than the government's spending on petroleum-based fuels alone. Some steps of this re-appropriation of funds have started to pay off. Now benefits are directed into much needed societal issues that contribute to Egypt's social development and helping the largest sector of society.



•Part of Attendees



• Eng. Samir Al Alaily, Managing Director - Founding Partner, Investia Venture Capital



•Dr. Effat El Sadat, Chairman, Sadat Group



• Questions & Answers



•Eng. Khaled Raslan, General Manager, Raslan Group, Eng. Motaz Raslan, Chairman, CEBC, Dr. Sherif El Gabaly, Chairman, Polyserve Group



• Part of Attendees



•Part of Attendees

When it came to the issue of taxes, the finance minister assured that despite an implementation of the value added tax (VAT) that is to take place in the near future, that the ministry's main focus for the future is on non-tax income. He expressed that financial stability cannot rely solely on taxation laws. That's why the ministry is aiming to encourage investment with concrete incentive measures. He also explained that unlike previous years where incentives were given in the form of energy subsidies, those incentives are now being given to industries with high rates of employment rather than high consumption of energy.

Minister Kadry highlighted that this shift in approach is not just about increasing spending on specific sectors such as health and education, but it is also by trying to increase the quality of these services in order to improve the lives and make a concrete change in as many people as possible.

The floor was then opened for a lengthy questions session where a wide range of important topics were raised such as the stock market tax, specifics of the VAT, and suggestions to entice foreign investment in Egypt.

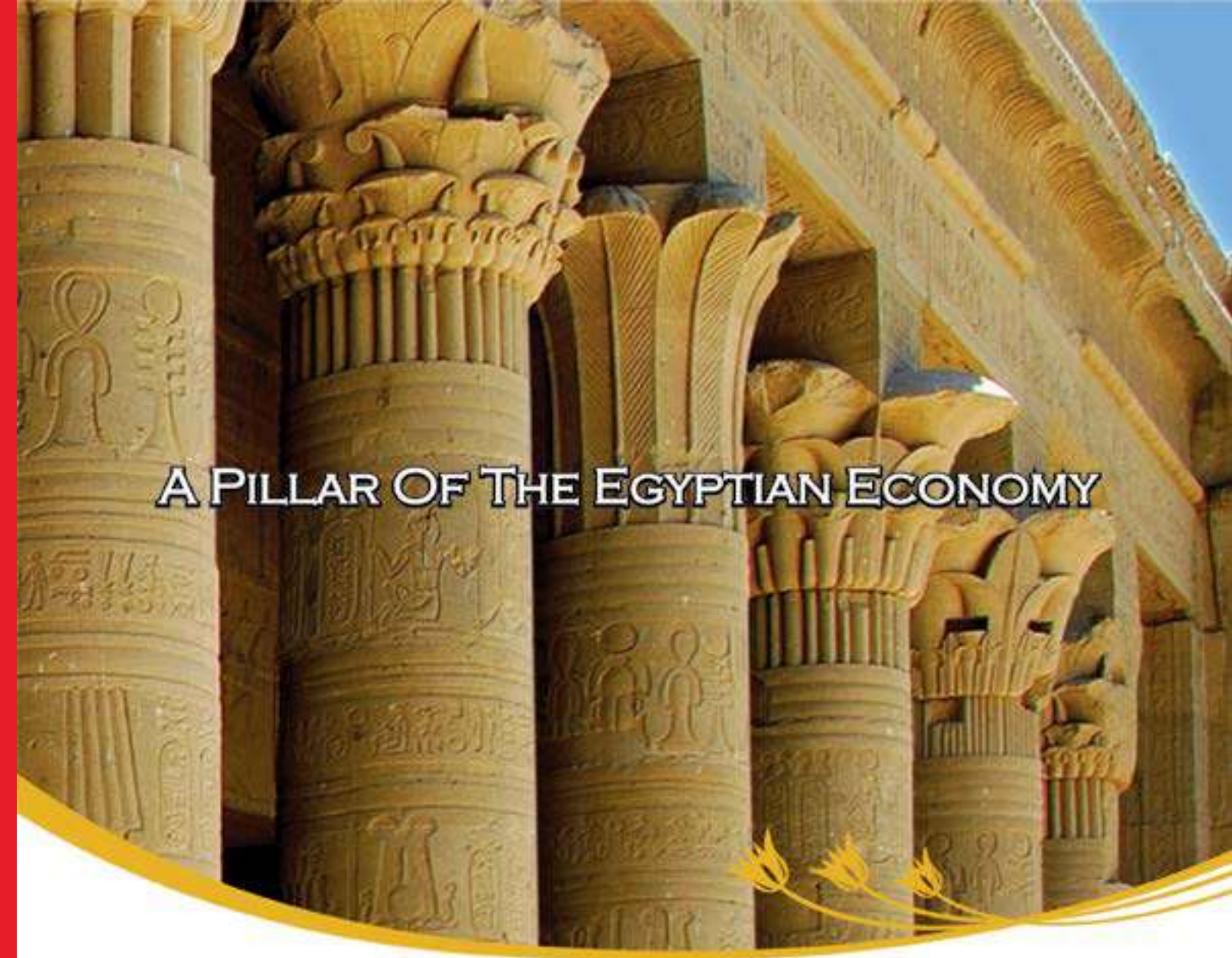


•Eng. Motaz Raslan, Chairman, CEBC, H.E. Hany Kadry, Minister of Finance, Eng. Mina Morcos, Chairman, EBKOT for Development and Tourism



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The occasion marks the joining of the British North American colonies of Nova Scotia, New Brunswick, and the Province of Canada into a federation of four provinces (the Province of Canada being divided, in the process, into Ontario and Quebec) on July 1st, 1867.

Although Canada is regarded as having become a kingdom in its own right on that date, the British Parliament kept limited rights of political control over the new country that were shed by stages over the years until the last vestiges were surrendered in 1982 when the Constitution Act patriated the Canadian constitution.

Most communities across the country will host organized celebrations for Canada Day, usually outdoor public events, such as parades, carnivals, festivals, barbecues, air and maritime shows, fireworks, and free musical concerts, as well as citizenship ceremonies for new citizens. The locus of the celebrations is the national capital, Ottawa, Ontario, where large concerts, presided over by the Governor General, are held on Parliament Hill and other parks around the city as well as in Hull, Quebec.

The sovereign may also be in attendance at Canada Day celebrations in Ottawa; Queen Elizabeth II was present in 1990, 1992, and 1997. The Queen also helped celebrate Canada's 100th anniversary on 1 July 1967. This year, Canadians have the pleasure of marking the Diamond Jubilee of Her Majesty, who is the Head of State. Queen Elizabeth II has travelled to Canada more than 20 times, more than to any other country, and this year she was recognized for her extraordinary dedication and service to Canada during her 60 year reign.

Canadian expatriates will organize Canada Day activities in their local area on or near the date of the holiday. For instance, since 30 June 2006, annual Canada Day celebrations have been held at Trafalgar Square –the location of Canada House– in London, England. Organized by the Canadian community in the United Kingdom and the Canadian High Commission, the



Celebrating Canada Day...

event features Canadian performers and a demonstration of street hockey, amongst other activities.

Detroit, Michigan, and Windsor, Ontario, have, since the 1950s, celebrated Dominion Day or Canada Day and the United States' Independence Day with the International Freedom Festival. A massive fireworks display over the Detroit River, the strait separating the two cities, is held annually with hundreds of thousands of spectators attending. A similar event occurs at the Friendship Festival, a joint celebration between Fort Erie, Ontario, and neighboring Buffalo, New York, of Canada Day and Independence Day.

Commemorating this special occasion, H.E. Ambassador David Drake, ambassador of Canada to Egypt held a spectacular evening at the official residence, in the presence of heads of the biggest Canadian associations, NGOs and companies operating in Egypt in addition to other esteemed prominent figures from the business and political arenas.

Indeed Canada is a peaceful and prosperous nation, and the values of freedom, democracy and human rights are the foundation of the society.

CEBC wishes all its Canadian members and Canadian friends all over the world a Happy Canada Day!...Bonne Fête du Canada!...

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Central Bank of Egypt leans on currency devaluation



A series of moves by the Central Bank of Egypt (CBE) to devalue the pound and limit dollar activity are expected to help shore up foreign reserves and eliminate black-market currency trading.

The controlled devaluation of the currency earlier this year from EGP 7.14 to EGP 7.62 to the dollar has helped narrow the distance between the official exchange rate and that found on parallel markets. In tandem with the currency devaluation, the CBE imposed daily and monthly limits (\$10,000 and \$50,000, respectively) on dollar deposits in local banks in an attempt to stifle the black market for foreign exchange.

The IMF praised the CBE's move, with Masood Ahmed, the IMF's director of the Middle East and Central Asia Department, saying in April that a more unified market "would help to create the basis for more investment, and better functioning of the exchange markets, and as a result encourage investment and growth".

Devaluation is also likely to slow the drain on foreign exchange reserves, which shrank by about 10% in a year to \$15.4bn in January, according to Jean-Michel Saliba, an economist at Bank of America Corp. Reserves have dwindled from about \$36bn before the 2011 revolution, dropping to a 10-year low of \$13.4bn in March 2013.

To ward off further declines, Egypt's neighbours from the GCC, including Saudi Arabia, Kuwait and the UAE, have over the past four years provided billions of dollars in transfers, grants, aid and concessionary loans. The IMF has also recommended that Egypt raise its foreign exchange reserves to 4.5 months of imports, up from approximately two and a half months now. The authorities, however, said they would aim for 3.5 months of imports within the next five years.

Another key aim of the CBE measure was to shore-up confidence ahead of the key Egypt Economic Development Conference, which took place in March. Egypt secured investment contracts worth \$36.2bn, an additional \$18.6bn in infrastructure contracts to set up power plants, and \$5.2bn in loans from international financial institutions.

Investment Minister Ashraf Salman noted in March that a shortage of hard currency was making it difficult for foreign portfolio and industrial investors to repatriate profits, a problem that has also impacted foreign

direct investors. The shortage of foreign currency is affecting local business, especially those companies that rely on imports of goods, feedstock, cars or electronics.

The devalued pound should also help stoke activity more broadly in some of Egypt's key revenue-earning sectors, including manufacturing, agriculture and tourism. Egypt is also looking to stay competitive on exports to the EU, its largest market, while the newly weakened Egyptian pound will make the country a more tempting travel destination. Tourism accounts for more than a tenth of Egypt's GDP and nearly a fifth of foreign currency revenues. Since the revolution, vital sources of hard currency revenue, such as tourism, have been hit hard. Tourism revenues came to \$5bn in the 2013/14 financial year, compared to around \$12bn in 2010.

The flip side to the currency devaluation has, of course, been an increase in consumer prices, with the cost of imports rising as a result. Given the country's large price-sensitive population, with roughly a quarter of the population classified as poor according to the state statistical bureau CAPMAS, this is cause for concern as 60% of all goods sold in Egypt are imported. In recent years, the government has managed to roll back subsidies on a number of key items – which has helped to reduce the budgetary burden – and low petroleum prices have at least partially insulated Egyptians from rising import costs, but the price of wheat and other imported items may increase.

Consumer inflation rose for the second consecutive month in March, increasing to 11.5% from 10.6% the previous month according to CAPMAS, although this is still lower than the high of 18.3% y-o-y that the



country saw in 2008. Food and utility costs pushed inflation higher, linked to the falling currency. Inflation has also accelerated after the government slashed subsidies last summer, pushing up fuel prices by as much as 78%.

According to UK-based Capital Economics, inflation is set to remain in the double digits until the third quarter of the year, at which point it is likely that the central bank will cut interest rates.

Source: Oxford Business Group

“A Speechless Professor”

A university professor asked his students a question...

A university professor asked his students a question:

– Does everything that exist was created by God?

One student answered bravely:

– Yes, created by God.

– Did God create everything? – asked the professor.

– Yes, Sir, – the student answered.

Professor said:

– If God created everything, that means that God created evil, because it exists. And according to this principal, the things we do determine who we are, that means – God is evil.

The student got quiet after hearing that answer. Professor was very happy with himself. He boasted to the students, that he proved once again that God is a myth.

Another student raised his hand and said:

– Can I ask you a question, professor?

– Of course, – professor answered.

The student got up and asked:

– Professor, does cold exist?

– Of course it exists. Didn't you ever get cold?

Students laughed at the question of the young man. The young man answered:

– Actually, Sir, cold doesn't exist. According to the laws of physics, what we consider to be cold truthfully is the absence of heat. You can study a person or a thing according to its ability to transfer energy. An absolute zero (-460 degrees according to Fahrenheit) is a complete absence of heat. The whole substance becomes inert and unable to react in that temperature. Cold doesn't exist. We created that word to describe what we feel at the absence of heat.

The student continued:

– Professor, does the darkness exist?

– Of course it exists.

– You are wrong again, Sir. The darkness also doesn't exist. Darkness is actually the absence of light. We can study the light, but not the darkness. We can use the prism of Newton to expand the white light into many colours and study the different lengths of the waves of each colour. You can't measure the darkness. A simple ray of light can burst into the world of darkness and light it up. How can you find out, how dark is some kind of a space? You measure the quantity of light submitted. Isn't it? Darkness is an understanding which people use



to describe something that happens in the absence of light.

Finally, the young man asked the professor:

– Sir, does evil exist?

The professor timidly answered:

– Of course, as I have already said. We see it every day. Cruelty among the people, lots of crimes and violence around the world. These examples are nothing other than the manifestations of evil.

The student answered to this:

– Evil doesn't exist, Sir, at least, it doesn't exist for itself. Evil – is just an absence of God. It is similar to darkness and cold, created by people, to describe the absence of God. God didn't create evil. Evil is not the faith or love, which exists like light and heat. Evil – is the result of absence of Godly love in a human heart. It's like the cold, which comes when there is no heat, or like the darkness, which comes when there is no light.

These words left the professor speechless.

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A Struggle for the soul of islam

Violent Islamism is not an aberrational accident in Arab and Islamic history. It has always followed the fall of the dominant order. It materialized in the periods that followed the fall of the Ottoman-Mameluke state in Egypt and the eastern Mediterranean in the early nineteenth century, after the crumbling of the Arab liberal age in the 1940s, and in the 1970s when secular Arab nationalism proved decisively unable to deliver on the grand ambitions it had given rise to. The current forms of violent Islamism, which rage across the eastern Mediterranean, North Africa, and increasingly in the Arabian Peninsula, attempt to fill the vacuum created by the fall of the Arab state order that had appeared after World War II and was rattled by the Arab uprisings. It also reflects deep anxieties and dilemmas within the Arab and Islamic worlds.

The Arab revolts of the last five years gave rise to an intense transition. It entails a fight between the pillars of the old system which have lost moral authority but retain many levers of power, and young forces which reject the old system but have limited resources and cannot agree, yet, on what frame of reference they want for their societies. The transition includes attempts by immensely rich merchant (and often ruling) families to secure their future at a time of dramatic economic changes, most notably as Middle Eastern oil is increasingly losing its strategic (and monetary) value. The transition marks the coming to the fore of the largest cohort in Arab history of Arab teens and twenty-and-thirty-somethings.

And crucially, the transition revolves round conflicts between different interpretations of Arab liberalism and nationalism; between Arabness and other ethnicities in the region; and between Arabness and Islamism (seeing specific old interpretations of Islamic theology and experiences as the primary, and often the sole, frame of reference for political legitimacy, legislation, social organization, economic undertaking, and identity). That such a complicated transition takes place at a compressed timeframe makes it highly disorienting for the societies undergoing it. The transition has also been unfolding under the gaze of hundreds of millions of Arabs and Muslims, watching it live on satellite channels and the Internet. They see for themselves the cruelty, terror, horror, and banality that accompany such a mega transformation.



This transition is further inflamed by an acute moral problem across the Arab and Islamic worlds. In less than five years, more than a quarter of a million Arabs were killed and close to four million have been displaced. And yet, the Arab and Islamic political and humanitarian responses have been dismal. This created not only a glaring disconnect between the millions of refugees now in the Eastern Mediterranean and North Africa and the rest of Arab societies, but also an emotional gulf within the Arab and Islamic worlds. On one side, there is havoc and desolation, and on the other, indifference and feigning normalcy. For many, this dichotomy is shocking and sickening.

The fall of the order that had dominated the region for decades, the bankruptcy of the old governing systems, disorientation, and repugnancy at the ubiquitous lethargy, all fuel anger. It manifests itself through a rush to the sole value system that, in the eyes of millions, has retained its integrity: religion. Both Middle Eastern Islamism and Christianity have been imbued with immense momentum over the past few years. And in both, the leading groups assumed the roles of either the savior (promising harmony and redemption at a time of chaos and falling certainties) or the martyr (evoking hatred and provoking vengeance, both strong intellectual and emotional anchors).

It helped that the fights between Arab secularism and Islamism and between old and new powers have given the largest Islamist groups across the Arab World successive opportunities to assume the role of the victim. Here, Islam has become not only a refuge in a world in which all ideologies and systems have been crumbling; it also became a powerful cause to be defended.

The fall of competing ideologies offered the Islamists a historic opportunity. Arab liberalism, Arab nationalism, and Persian and Turkish top-down impositions of secularism (throughout most of the twentieth century), all have cannibalized the notion of the ummah (the Islamic community as an overarching social identity and political entity). This has always riled the Islamists; and for de-

cadec, the ambition of resuscitating the ummah has animated different Islamist groups. The fall of these political systems not only offered an opportunity for mainstream Islamist groups to attempt a peaceful Islamization of different countries; it enthused, and emboldened, other Islamists to try to resurrect the ummah by force.

Unlike mainstream Islamist groups, violent Islamists did not present various ideas to reconcile Islamism with modernity; and they did not try to assume the role of ordinary political actors. They have, simply, rejected all of what has taken hold in the Arab and Islamic worlds in the last two centuries as sinful and deviation from true Islam. In this view, their

form of Islamism need not adapt to the experiences of their societies' modern history, need not incorporate new concepts, and need not demonstrate any kind of tolerance to others, or to others' beliefs, understandings, or ways of life. This absoluteness (purity, even) made it, for some, a stronger emotional haven and social refuge, than the qualified and guarded Islamism of the large Islamist groups.

Violent Islamism also strongly connected with a yearning for a return of Islamic ascendancy and dominion. For at least two centuries now, the Islamic World has failed to catch up with its historical "other," Christendom. And though

the notion of Christendom has been majorly diluted by the waves of modernity and intellectual and scientific advancement, Islamism was never extinguished in the Middle East. And so at a time of anxiety, fear, and vacuum, the call for defending Islam and asserting Islamism by force blended with an acute awareness of how weak and lethargic the Islamic World has been, as opposed to the West's strength and eminence.

For tens of thousands of young Muslims, this assertive Islamism was also a form of opposition and objection to the West's repeated interventions in the Islamic World. As the West

A Struggle for the Soul of Islam

came to directly control large parts of the Arab and Islamic worlds, from Afghanistan to Iraq (including Baghdad, one of the most illustrious capitals in the history of the Islamic civilization), Western attitudes to Muslim societies came to be seen as, at best condescending, at worst contemptuous.

The danger here transcends the thousands of deaths and enormous chaos that violent Islamism results in. The combination of the yearning for Islamic ascendancy and agitation at the West redefines the Islamic World's long interaction with the West as one based on adversity and confrontation. This betrays a limited understanding of Islamic history. It reduces the Islamic World's experience with modernity in the last two centuries to a struggle with colonialism, various geostrategic confrontations, and, as Samuel P. Huntington put it, "a clash of civilizations," though in this case, it is reduced by the violent Islamists to its most basic and crudest form: killing in the name of a faith. This exacerbates the division within the Islamic World; it widens the polarization between the Islamists and the secularists to become one between those who see Islamic history through the growth and evolution of its civilization (which has benefited from and added to Western civilization), and those who ignore its rich path through long centuries and varied cultural interactions and restrict it to its earliest societies in the Arabian Peninsula and the Eastern Mediterranean in the seventh and eighth centuries. Here, Huntington's "unceasing struggle between civilizations" becomes an unceasing struggle within the Islamic World.

Violent Islamism subjugates the myriad civilizational understandings of Islam to strict embracement of its earliest societies, and literalist interpretations of its theological sources. This repudiates all the intellectual innovations that Islamic thinkers developed to ensure that Islam remains a social framework, suitable for different ages and applicable in diverse societies. It renounces the work of the medieval Islamic philosophers who graduated Islamic thinking from its early desert origins and ushered it into the cosmopolitanism and intellectual richness of Persia, the Fertile Crescent, Egypt, and later southern Europe and the Indian subcontinent. It also rejects the work of modern thinkers, such as Jamal Al-Deen Al-Afghani and Mohamed Abdou, who founded ways of marrying traditional understandings of Islamic theology with ways of living in modern societies. Without this contribution, it is highly likely that Arab liberalism and nationalism would have become not only anti-Islamist, but also anti-Islam, similar to Kamal Atatürk's secularism in Turkey. And so by disclaiming the Islamic civilization's rich heritage and trying to impose early interpretations of Islam on today's societies, violent Islamism is foolishly dragging the faith itself into a confrontation with modernity.

Abandoning the Islamic civilization's opulent heritage also condemns the Islamic World to relive its past. It forces it to undergo the torturous experiences it had endured in the tenth century, and many times since then, of how to evolve an intrinsically flexible theological structure into a social and political frame of reference applicable in societies with vastly different historical experiences and cultural characteristics. Throughout these many experiences, the Islamic World endured various episodes of mass violence.

Some of that violence, though abhorrent, made sense. For example, in their successful endeavour to unite large parts of the Arabian Peninsula under the extremely conservative and highly literalist Wahhabi Islamic doctrine, Abdelaziz Al-Saud's religious warriors had used chilling violence. Here, violence had a clear and viable objective: creating the Islamic Kingdom of Saudi Arabia. The social and political system that has anchored that Kingdom resonated with the historical experience and cultural characteristics of the communities that lived in that part of the Islamic World in the early decades of the twentieth century. There were similar examples in Islamic history when violence, repugnant as it always is, was an effective approach to realize a viable and sustainable objective. That was particularly true when the purpose for which that violence was perpetrated had inspired large swaths of people. Today, the violence adopted and promoted by various jihadist groups in North Africa and the Eastern Mediterranean, is senseless. Not only is their political objective (creating a seventh-century style state at the heart of the Arab World) unachievable; it is delusional. Resuscitating the earliest form of Islamic state, stripped from all the religious, historical, cultural, and moral features that made the original one a seed for a rich

civilization, is not an objective that will inspire or resonate with any large group of Arabs or Muslims today.

The thinking of today's violent Islamism also denies the Islamic World the major advancements in human and civil rights that large sections within most Islamic societies have come to see as basic freedoms. And it restrains these societies from seeking innovative ways for retaining their Islamic frame of reference (under whatever definitions) and, at the same time, accepting new milestones of human knowledge. Rigid thinking and circumscribed frameworks will render the majority of believing Muslims utterly detached from understandings that biology and physics are making increasingly irrefutable. This will not only entrench the Islamic World's lethargy, but will gradually dilute the connection between millions of young Muslims (and coming generations) and Islam itself.

Over time, this will become a threat to the religion. The simplicity of violent thinking, the depravity it descends souls into, and the harshness and crudeness it engenders within societies, will impoverish and corrupt contributions to Islamic theology. The more this murderous thinking ingrains itself within the Islamic World, the less sophi-

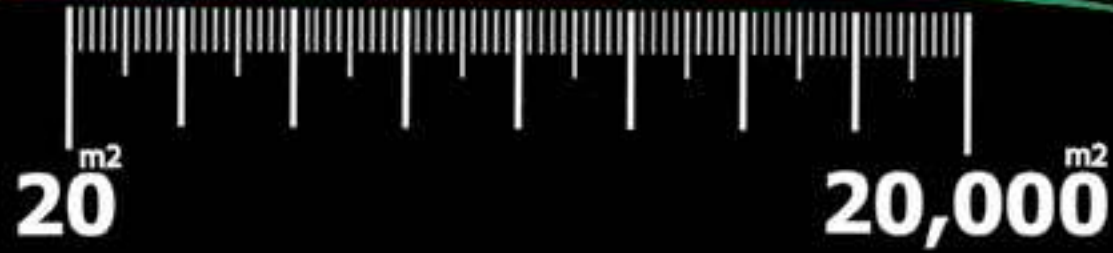


cated the Islamic World will be in dealing with scripture and with its diverse set of sources. The result will be less ingenious ways of interpreting the sacred, precisely at the time when it will be under extreme scrutiny by new generations with vastly different social perspectives and scientific certainties. Today's violent Islamism is arguably one of the most significant perils that the Islamic World, and Islam itself, has ever confronted.

By: Tarek Osman



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Energy Sources and Distribution

Meeting our energy requirements presents challenges and opportunities for Canada's regions and resource industries. Canada has many resources that are energy sources, including oil, natural gas, fossil and alternative fuels, uranium, and renewables. Harnessing and distributing the energy provided by these resources efficiently and safely requires collaboration and expertise. Natural Resources Canada (NRCan) works with provinces and territories, other government departments, and Canadian and international groups to explore how to meet our energy needs and adapt to changes in distribution methods while considering the environmental impact of doing so.

Canada's health care system

Canada's health care system has been a work in progress since its inception. Reforms have been made over the past four decades and will continue in response to changes within medicine and throughout society. The basics, however, remain the same - universal coverage for medically necessary health care services provided on the basis of need, rather than the ability to pay. Canada's publicly funded health care system is best described as an interlocking set of ten provincial and three territorial health insurance plans. Known to Canadians as "medicare", the system provides access to universal, comprehensive coverage for medically necessary hospital and physician services.



Canada and the Middle East & North Africa

Canada's foreign policy on and diplomatic relations with the Middle East and North Africa are important to Canada. Canada works closely with its network of diplomatic missions across the region to promote and defend Canadian values and interests and strengthen development and trade cooperation with a range of government, private sector and civil society partners, as well as regional organizations.

Canada's priorities in the Middle East and North Africa include:

- supporting international diplomatic efforts to combat terrorism and violent extremism, encourage peaceful conflict resolution and prevent the spread of weapons of mass destruction;
- making effective use of diplomatic, trade and development resources and activities to promote peace, stability and economic opportunity in the region, working with local governments, as well as other global players;
- promoting prosperity for Canadians and Canadian businesses by advocating for economic reforms, negotiating economic treaties and agreements, providing support to Canadians doing business in the region and facilitating two-way investment;
- promoting core Canadian values, such as democratic practices and institutions, transparency and accountability, free and fair elections, respect for human rights—including women's rights and the rights of religious minorities—as well as pluralism, tolerance and the rule of law;
- saving lives and alleviating suffering by providing humanitarian assistance to vulnerable civilians, including refugees and displaced people; and
- improving development outcomes by giving children and youth hope for a better future (including assistance to the education sector), fostering sustainable economic growth (including support for livelihoods and for empowering women and unemployed youth), increasing food security for the most vulnerable (including programs that improve sustainable agricultural production), advancing democracy (including justice sector reforms) and integrating considerations related to gender equality, environmental sustainability and governance.



Egypt condemns comments on Morsi's death sentence

Egypt denounced Saturday the outcry against the death sentence handed to ousted president Mohamed Morsi and 105 others for "criminal acts that violate Egyptian law".

The State Information Service (SIS) condemned the comments, stating that they "reflect ignorance and lack of accuracy", a statement said.

UN Secretary General Ban Ki-moon urged authorities to avoid steps that could undermine the peace, stability and rule of law in the region, his office told the Turkish state-owned Anadolu news agency in a statement.

"He reaffirms the United Nations' position against capital punishment," the UN statement added.

Turkish President Recep Tayyip Erdogan said: "If Morsi is given death sentence today, this is indeed a capital punishment against the ballot box."

He called on the international community, mainly the Western world, to take a stance against the Cairo court's decision, instead of turning a blind eye, and criticised their silence over the issue.

"The European Union, the West, have you not abolished

the capital punishment? If you have, do you have any sanctions against those who implement it? What are you waiting for? Why are you still silent?" the Turkish president said.

According to the moderate Islamist party Misr Al-Qawia, the rulings reflects "extremism in the provisions on political opponents of the state, [...] without evidence and without witnesses, or legal or even political logic".

Egypt is currently being governed "recklessly", similarly to the rule of Saddam Hussein, Muammar Gaddafi and Bashar al-Assad, whose crimes led to a miserable fate for their countries, Misral-Qawia said.

Human Rights Watch and Amnesty International have also condemned the court rulings.

Egypt affirmed that the Cairo Criminal Court did not issue any judicial rulings in the two cases, but made two decisions to refer the cases to the Grand Mufti for his consultative opinion, and will issue the verdict in the two cases on 2 June.

SIS emphasised that "in accordance with the provisions of the Egyptian law, the defendants are being tried before a normal court and a normal judge, and not before a special court".

It called on all parties who have commented on the decisions to look thoroughly into the cases "in an objective manner that does not forego the nature of the charges against the defendants".

The Cairo Criminal Court sentenced ousted president Mohamed Morsi and 105 other defendants to death on charges of storming Wadi El-Natrun prison and escaping it in the early days of the 25 January Revolution, kidnapping police officers and detaining them in the Gaza Strip.

\$50m to open first gypsum board factory in Suez

The German-Arab Chamber of Industry and Commerce (GACIC) announced Sunday the opening of a new Knauf Egypt plant, with investments of \$50m.

Minister of Industry and Foreign Trade Mounir Fakhry Abdel Nour will participate in the opening Tuesday with the presence of the German ambassador in Cairo Hans Joerg Haber, the Knauf family, and some Egyptian and German businessmen, according to a Knauf Egypt press statement.

The plant production capacity is 15m sqm gypsum, 90,000 tonnes of gypsum products, and 25m metres of metal cutters, the statement read.



In 2010, Knauf Egypt expanded its strategy, through establishing a factory for gypsum boards, metal cut-outs and gypsum products in the Ataq Suez industrial zone.

The Knauf investments in the plant amounted to \$50m, through self-financing. The latest German machines and equipment have been used in building and manufacturing the plant to ensure that the production process is in line with German quality standards.

"Suez has been selected as the location for establishing the factory, because of its strategic location between raw materials sites, local markets and main export markets," the statement mentioned.

Knauf is an international, family-owned company based in Germany, and is well known for drywall gypsum boards, originally founded in 1932. The company is specialised in isolating modern materials, dry lining systems, plasters multiple thermal insulation systems, paints and construction tools and equipment.

Knauf operates in 60 countries and employs 26,000 employees around the world, and its volume of sales in 2013 amounted to €6.27bn.

14 GCC, Egyptian investors request North Coast land for tourist resorts: Ministry official

The Tourism Development Authority (TDA) has received 14 requests from Egyptian, Emirati and Saudi investors intending to acquire lands along the North Coast.

A Ministry of Tourism official said the authority has not yet offered lands in this zone, but it is taking into consideration these requests when the lands are offered. He added that the requests vary between hotel projects, marina and tourist housing.

Last Thursday, TDA CEO Serag El Din Saad, told Daily News Egypt he expects offering lands on the North Coast in the second half of this year.

As reported by Saad, the TDA is in the final phases of receiving the security permissions for offering these lands, but there is no final decision on the methods of offering the lands as yet.

In the case of competition, when the TDA offers lands for sale, it applies the usufruct, as well as the financial and technical trade-off system.

Saad believes that developing this region is impossible without the Matruh governorate's participation, along with the local community. The latter would be able to benefit from the urban settlements, through applying the sectorial development system according to a specific methodology without excluding the local community.

Saad said the TDA has yet to make a decision regarding the form and methodology of offering lands. Within the next few days, there will be a meeting between the TDA and Matruh governorate to look into its vision. This is related to the factors that will lead to developing this zone during the next period, and before offering lands.



He believed that developing this region will be implemented through three phases: the first will include launching hotel projects to increase the region's capacity; the second one will include tourist housing projects; and the last phase will be commercial malls, entertainment and service areas.

According to Saad, as the region is close to the part of the West Delta, it is a very promising one for investments. It is also close to the European South Coast, where yachts sail in the Mediterranean Sea.

Saad concluded that the North Coast and the tourist areas on the shore of the Red Sea and South Sinai will not compete because each area has a different category of tourists.

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CEBC members (their spouses & children) are offered discounted tickets on all classes.

Members who wish to receive the Egypt Air Plus Mileage Card are welcome to contact Ms. Amira Talaat from CEBC.



#2 Alitalia

CEBC members are offered discounted tickets on some classes to Europe. Discounts vary from 6% to 10% for some Economy Classes (Y, B, M, H, K, V, T & N) and from 10% to 15% for some Business Classes (C, D & I).

Members who wish to receive the Alitalia discounted tickets are welcome to contact Ms. Martha Youakim at 0120 41 41 430 or 22418490.



#3 Travellers

CEBC members are now entitled to a 20% discount offered by Travellers Egypt in the following hotels:

- Queen Beach Resort: Sharm El Sheikh
- Queen View Resort : Sharm El Sheikh
- Morgen Land Hotel : Saint Catherine

For any inquiries, kindly contact:

Ms. Hanan Abdo Mostafa

Tel: - 02-27956856 / 02-27945724 (109)

Mob: - 0122710002

Fax: - 02-27962841 / 02-27964104

E-Mail:- Travellersgroup@tedata.net.eg / Hanan_travellers@yahoo.com

Restaurants:



#1 Cocoon Restaurant & Café

CEBC members are entitled to a special Promotion from Cocoon Restaurant & Café.

Address: 49 Masr Helwan El Zera'ay St., Maadi



#2 Rossini Restaurant

CEBC members are entitled to 15% discount on all "A La Carte" menus and beverages in all "Rossini's Outlets, Restaurants".

Address: 66, Omar Ibn El-Khatib St., Heliopolis. at 0120 41 41 430 or 22418490.



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#6 Taki Vita

CEBC members are entitled to 15% discount

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For inquiries, kindly call:

• Mr. Hany Abou El Yossr:

0122 0800019

• Dr. Osama Sobhy:

0122 321 46 02

• Taki Hotline: 19799



#7 Minart Furniture

CEBC members are entitled to 15% discount at "Minart" showroom for fine furniture.



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Dr. Hossam Aldeen

VP

| Information Technology Industry Development Agency (ITIDA)



Mr. Bruce Gilkes

**Vice President for Developing IT Markets & Attracting FDI
Information Technology Industry Development Agency (ITIDA)**



Mr. Hatem Khalil Helmy

**Media & Public Relations Manager
Information Technology Industry Development Agency (ITIDA)**

Sarie-Eldin & Partners advised on BiscoMisr's sale to the Kellogg Company

Sarie-Eldin & Partners has advised the majority shareholders of BiscoMisr (EGX: BISM) on the sale of their majority stake to the Kellogg Company (NYSE: K), the world's leading cereal company. The selling majority shareholders included the Concord Egypt Fund and the Commercial International Bank (EGX: COMI). The majority shareholders received multiple offers, culminating in a bidding contest between the Kellogg Company and the UAE based Abraaj Group. The initial share offer price was for EGP 73.91 per share, but after several rounds of competing bids, the Kellogg Company placed the winning offer at EGP 89.86 per share, for a total transaction value of USD 125 million.



Dr. Hani Sarie-Eldin, the firm's managing partner, advised on the transaction. He was assisted by Mr. Ahmed Farahat, an associate in the capital markets group. To learn more about Sarie-Eldin & Partners, please visit our website www.sarieldin.com.

Mr. Mohamed S. Younes, Chairman of Concord International Investments LP, one of the majority selling shareholders in BiscoMisr, commented that this was a very significant and large transaction by Egyptian market standards, and indicates a growing appetite amongst international companies to invest in Egypt. Mr. Younes said that the competition between Abraaj and Kelloggs for control of the company, and the value of Kellogg's subsequent winning bid, bode well for the Egyptian market.

This new sale will provide new growth opportunities in Egypt and North Africa. This transaction advances Kellogg's global snacks business in growing emerging markets.

The fight over BiscoMisr is part of increased mergers and acquisitions activity on the Egyptian Exchange, which has had a hard time reviving investor confidence in the turmoil that has followed the 2011 revolution.

Further, the fight over BiscoMisr indicates a growing international interest in investing in the Egyptian market.

BiscoMisr is an excellent strategic fit for Kellogg, and Egypt is a growing market with a strong economy," said John Bryant, Chairman and CEO, Kellogg Company. "A number of Kellogg's cereals and snacks are already offered in the market and the combination of the powerful BiscoMisr brands with Kellogg's iconic brands provides a tremendous opportunity for growth."

Headquartered in Cairo, BiscoMisr is a publicly-held company listed on the Egyptian Exchange. One of the most recognized baked goods companies in Egypt, BiscoMisr offers such highly popular brands as BiscoLux, Chico Chico and Bisco Wafers. With approximately 3,300 employees and three manufacturing facilities, BiscoMisr has a strong history in the Egyptian market dating back to 1957.

BiscoMisr's manufacturing capabilities, skilled labor and go-to-market infrastructure, coupled with Kellogg's technology, iconic brands and marketing expertise will enable both to emerge stronger in Egypt and other North African countries.

"This is an exciting new chapter for two companies that thrive on beloved consumer brands," said Bryant. "We're delighted to welcome BiscoMisr to the Kellogg family."


Mr. Nour Eldin El Bardai

Executive VP, Market & Business Development, Middle East & Africa
Guest-tek MEA
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Mr. Ismail Ibrahim Osman

Senior Advisor
Osman Group
May 03

Dr. Omar Ahmed Barrada

Consultant
International Eye Hospital
May 5

Ms. Soha El Deriny

Vice President, Board and Media Affairs
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