

PART VII

SECTORAL DEVELOPMENT

7.1 Agriculture and Irrigation

The Objectives:

The objectives of agricultural development as envisaged by the Plan are as follows:

- Completing infrastructure development for almost 1.1 million feddans, of which 543 thousand feddans are in Upper Egypt and the New Valley. The share of the First Year of the Plan is limited to 177.5 thousand feddans. Public commitment for infrastructure provision accounts for almost 55% of the total targeted area, leaving the remaining 45% to the private sector (Table 7.1).

Table (7.1)
Targeted Areas for Infrastructure Development
during the Fifth Five-year Plan and its First Year
(in thousand feddans)

Item	Fifth Plan			First Year		
	Public	Private	Total	Public	Private	Total
East of Delta	86	15	101	22	3	25
West of Delta	12	14	26	7	5	12
Mid Egypt	23.5	0	23.5	9.5	0	9.5
Southern Upper Egypt & New Valley	206.5	336	542.5	0	73	73
Sinai & East of Suez	250	6	256	40	2	42
North-Western Coast & Siwa	25	128	153	1	15	16
Total	603	499	1102	79.5	98	177.5

- Continuing the process of land reclamation, construction and cultivation for almost 1 million feddans, of which 84% will be left to the private sector (Table 7.2)

Table (7.2)
Targeted Areas for Internal Reclamation and Cultivation
(in thousand feddans)

Item	Fifth Plan			First Year		
	Public	Private	Total	Public	Private	Total
East of Delta	0	11	11	0	6	6
West of Delta	0	57	57	0	16	16
Mid Egypt	24.5	0	24.5	7	0	7
Southern Upper Egypt & New Valley	61	515.8	576.8	1	72.3	73.3
Sinai & East of Suez	82	147	229	19	35	54
Northern West Coast & Siwa	5	163	168	1	10	11
Total	172.5	893.8	1066.3	28.0	139.3	167.3

- Distributing 168 thousand feddans of the reclaimed land among new graduates.
- Implementing a set of projects, aiming at developing water resources and improving irrigation and drainage systems.
- Expanding the agricultural area by 564 thousand feddans within the next five years to reach 8.8 million feddans; in addition to increasing the cropped area by 1.2 million feddans to reach 16.3 million by the end of the Plan.
- Increasing the production of high-value crops with export potential and restricting the cultivation of highly water-consuming crops like sugar cane and rice (Table 7.3)
- Increasing animal, poultry and fish production at reasonably high rates as illustrated by the target output figures in Table (7.4).
- Accelerating total agricultural production at an average annual growth rate of 3.7% during the Plan period and 3.4% in the First Year (Table 7.5)

Table (7.3)
Incremental Areas for Main Crops
and Expected Production Increase

(land in thousand feddans, production in thousand tons)

Crop	Fifth Plan		First Year	
	Additional Area	Production Increase	Additional Area	Production Increase
Local consumption crops				
Wheat	520	1819	210	551
Maize	416	2281	201	704
Sorghum	66	260	40	86
Sesame	72	41	62	23
Broad Beans	34	119	7	6
Export crops				
Cotton	90	181	90	118
Peanut	48	80	9	13
Vegetables	562	6810	111	1114
Fruits & Palm Trees	140	1041	20	322
Medicinal Plants	46	-	-	-
Highly remunerated crops				
Onions	15	467	-	-
Sugar Beet	15	559	9	375
Water consuming crops				
Rice	- 410	-1414	-340	-1317
Sugar Cane	-10	5	-10	-285

Table (7.4)
Estimates of Livestock Products & Fish Production
in the First and Last Years of the Fifth Five-Year Plan

(in thousand tons)

Products	Expected	Targeted		Change (2001/02 base year)	
	2001/02	2002/03	2006/07	2002/03	2006/07
Milk	3560	3650	4200	90	640
Meat	700	716	812	16	112
Chicken	541	550	600	9	59
Eggs	223	230	300	7	77
Wool	20	21	25	1	5
Honey	14.5	15	18	0.5	3.5
Fish	750	775	925	25	175

Table (7.5)
Estimates of Agricultural Production by Activity
in the First and Last Years of the Fifth Five-Year Plan
(value in LE billion at constant prices)

Activity	Value of Agricultural Production			Absolute Change	
	2001/02 (expected)	2002/03 (targeted)	2006/07 (targeted)	2002/03 (targeted)	2006/07 (targeted)
Plant Production	53.9	55.8	64.2	1.9	10.3
Animal Production	20.2	20.7	23.5	0.5	3.3
Fish Production	6.4	6.6	7.9	0.2	1.5
Total Production	80.5	83.1	95.6	2.6	15.1
Total Agricultural Product	61	63.1	73.1	2.1	12.2

The Policies:

The agricultural policies embraced by the Plan may be classified into four groups:

Group (A) focuses on improving water resources by:

- rationalizing current water use and applying new irrigation systems
- completing ongoing water schemes with proper exploitation of ground water and increasing use of recycled wastewater for the irrigation of certain crops
- Setting up water reservoirs, especially in desert areas for rainwater harvesting

Group (B) aims at augmenting farmers' income by upgrading skills, ensuring stable and rewarding farm prices, and encouraging agro-related activities.

Group (C) aims at raising productivity through wide application of modern technology in agricultural operations, such as the use of lasers in land preparation for water – rationing irrigation systems, in addition to the agricultural applications of genetic engineering research.

Group (D) is concerned with the agricultural trade balance focusing on the promotion of high value crops for exports such as fruits and vegetables while curbing imports of certain items (e.g., wheat , sugar and meat) by raising self-sufficiency through increasing domestic production.

7. 2 INDUSTRY

Strategic Planning

The strategic planning of the sector focuses on accelerating the industrial growth rate and creating a balance among its different components in terms of market focus (e.g. export development vs. import substitution), project sizing (e.g. mega, medium and small enterprises), and product mix (e.g. consumption products, semi-finished products, capital goods).

The industrial development strategy is introducing the following crucial elements:

- Efficient exploitation of available natural resources in each region.
- Strong support to small-scale labor-intensive projects at all Governorates to ensure spatial distribution of small enterprises and strengthening business linkages with medium and large companies.
- Acceleration of infrastructure development in already established industrial zones to enable approved projects to proceed with construction work and start operation.
- Promotion of export-oriented industries with the provision of effective marketing, transportation facilities and financial incentives; in addition to market and technology information.
- Promotion of agro - processing industries to fortify linkages between the manufacturing industry and the agricultural schemes for land reclamation.
- Elimination of idle capacity, particularly in public enterprises through proper diagnosis of current problems and adoption of effective remedial measures.
- Development of human skills through training programs to enhance and improve workers' technical capabilities to cope with the rapid change in technology, in addition to upgrading technical education in schools and universities.
- Encouragement of effective private sector participation in speeding up the country's industrialization process.

Targets and Policies

The Plan's overall target for the industrial product is to achieve an average annual growth rate of 8.1% during the Plan period, and of 6.1% in the First Year, implying a value of L.E. 74 billion in 2002/03 and L.E. 103 billion by the year 2006/07, with a private sector contribution of about 90%.

Table (7.6) illustrates the targeted industrial product by main groups in the First Year and at the end of the Fifth Plan, while Table (7.7) depicts the relative contribution of both public and private sectors in generating industrial value added in the First Year of the Plan (2002/03).

Table (7.6)
Targeted Product by Industrial Activity
in the Fifth Five-Year Plan and its First Year

(in LE billion at constant prices)

Industrial Activity	2001/02	2002/03	2006/07	Annual Growth Rate (%)	
	Expected	Targeted	Targeted	2002/03	2006/07
Food Processing	10.7	11.4	16.3	6.1	8.8
Spinning & Weaving	22.0	23.3	32.2	5.8	7.9
Chemical Industries	18.5	19.7	27.4	6.0	8.1
Basic Metals	6.1	6.4	8.9	6.1	8.0
Engineering Industries	11.7	12.4	17.2	5.5	7.9
Total Manufacturing	69.0	73.2	102.0	6.0	8.1
Total Extractive Industries	0.7	0.8	1.1	6.5	8.4
Total	69.7	74.0	103.1	6.1	8.1

Table (7.7)
Structure of Industrial Product in Public and Private Sectors
in the First Year of the Plan

(%)

Industrial Activity	Structure of Industrial Product				Private Sector Share	
	2001/02		2002/03		2001/02	2002/03
	Public	Private	Public	Private		
Food Processing	16.6	15.2	15.1	15.5	87.7	89.5
Spinning & Weaving	5.2	34.9	5.3	34.6	98.1	98.2
Chemical Industries	52.0	23.4	52.3	23.5	77.9	78.7
Basic Metals	9.9	8.5	10.0	8.5	87.1	87.5
Engineering Industries	13.1	17.3	13.4	17.2	91.2	91.4
Total Manufacturing	96.7	99.3	96.1	99.3	88.9	89.5
Total Extractive Industries	3.3	0.6	3.9	0.7	60.0	61.4
Total	100	100	100	100	88.7	89.2

Two sets of industrial policies are embraced by the Plan:

The First Set is concerned with improving the performance of the industrial sector in general and enhancing its competitive capabilities in the international market. Currently, the National Project for Modernizing Egyptian Industry within the framework of the European Partnership Agreement is being implemented. Its total cost amounts to 427 million Euro; and the European Union is participating by 59% in the form of a grant. Furthermore, a center was established in 2000 for modernizing industry.

The program includes six groups of activities in different fields, namely: marketing, human development, quality, production costs, equipment and machines, and finance. These sub-programs are presented at three levels: the establishment, aggregation and policy support.

The Second Set includes specific sectoral policies oriented towards tackling problems and challenges that confront certain activities such as small industries, textiles, food, and chemicals.

7.3 PETROLEUM

The Strategy:

The strategy of developing this sector depends on the following four pivots:

- Increasing crude oil reserves by constraining oil production and rationalizing consumption.
- Increasing dependence on natural gas as a substitute for oil, whether in production or consumption or exportation.
- Augmenting the value added of the sector through developing the processing operations of crude oil and natural gas.
- Preserving the environment from harmful effects that may arise from extraction and processing operations.

The Targets:

The targets of the Fifth Five-year Plan may be summarized as follows:

- Increasing production of oil and natural gas from 56.6 million tons in the year 2001/2002 to 59 million tons in the First Year of the Plan (2002/2003), and then to 87.7 million tons at the end (2006/2007).
- Fixing the rates of crude oil production at 660 thousand barrels per day (equivalent to 33.3 million tons/year) and the production of condensates at 90 thousand barrels per day (equivalent to 3.9 million tons annually); in addition to fixing a ceiling of 26 million tons a year on the amount of treated crude oil (yielding products amounting to 25.4 million tons annually).
- Increasing natural gas production from 19.6 million tons in 2001/02 to 20.5 million tons in the First Year of the Plan, and then to about 39.8 million tons at the end of the Plan.

Tables (7.8 and 7.9) illustrate the targets set up for the production of crude oil, natural gas and derivatives as well as the targeted output of petroleum products during the Five-year Plan and its First Year.

Table (7.8)
Crude Oil & Natural Gas Production Targets
In the First & Last Years of the Fifth Five-Year Plan

Item	2001/02	2002/03	2006/07
Crude Oil	32	33.3	33.3
Natural Gas	29.6	20.5	29.8
Condensates	3.8	4.0	4.0
Liquid Gas	1.2	1.2	1.6
Total Production	56.6	59.0	78.7

Table (7.9)
Main Oil Products' Targeted Production
In the First & Last Years of the Fifth Five-Year Plan

Product	2001/02	2002/03	2006/07
Butane Gas	436	446	436
Gasoline	2494	2510	2650
Naphtha	2802	2816	2802
Kerosene	860	870	1005
Jet Fuel	1000	1005	1020
Gas Oil	5940	5962	5974
Diesel Oil	21	27	31
Fuel Oil	10295	10156	9801
Lubricants	272	277	295
Asphalt	924	961	1013

The Policies:

The most important policies related to the Petroleum sector may be summarized as follows:

*** In the field of Extraction and Production:**

- Intensifying oil and natural gas exploration operations, especially in new areas such as the South Valley, in addition to off-shore exploration in deep water.
- Maintaining a ceiling on crude oil production compatible with needs in order to preserve oil reserves for future generations.
- Increasing the dependence on natural gas and augmenting the reserves to reach 55 trillion cubic feet, and expanding the industrial use of natural gas and its exportation in a gaseous state.
- Encouraging the international companies operating in Egypt to open new markets for natural gas.

*** In the field of Refining and Processing:**

- Speeding up the implementation of a national development plan for petrochemicals industries to reap the benefits associated with processing operations.
- Developing the capacity of existing refineries and improving their economies in order to convert low-value petroleum products (e.g., fuel oil) into high-value products (e.g., naphtha and gasoline).
- Studying the extension of an oil pipeline network to neighboring countries, especially Lybia, for achieving direct links to Egyptian refineries.
- Providing the necessary facilities for the private sector to establish new refineries and petrochemical projects.
- Increasing petroleum products' exports to international markets.

*** In the field of Rationalizing Consumption, Organizing and Controlling Transportation and Distribution:**

- Accelerating the rates of extending natural gas connections to houses as a low-cost substitute for butane cylinders.
- Encouraging the extensive use of natural gas as a substitute for other costly petroleum products.
- Continuing the current efforts of extending the pipeline network to convey natural gas, oil and derivatives from production and refining sites to consumers in all populated areas.
- Achieving a proper balance between the capacities of refineries and the levels of local consumption and exports.

*** In the field of Industrial Security and Environmental Protection:**

- Dedicating much attention to periodical and preventive maintenance; in addition to rehabilitation and renewal of existing facilities.
- Increasing the conversion of cars from the gas oil/ gasoline system to natural gas.
- Supporting measures seeking environmental protection and safe disposal of production and processing residues.

7.4 Electricity

The Targets:

The main targets of the electricity sector may be summarized as:

- Increasing energy production from 113 billion kw/h in 2001/02 to 118 billion kw/h in the First Year of the Plan (2002/03), and then to 142 kw/h at the end of the Plan (2006/07).
- Raising energy generated from waterfalls, thermal and renewable resources from 84 billion kw/h in the base year (2001/2002) to 89.8 billion kw/h in the First Year, and then to 112 billion kw/h at the end of the Plan.
- Increasing energy consumption from 69.7 billion kw/h in the base year to 74.6 billion kw/h in the First Year, and to 94.8 billion kw/h at the end of the Plan. This would raise the average per capita share of the total energy consumption from 1056 kw/h in the base year to 1318 kw/h at the end of the Plan; and in terms of household energy consumption it would raise per capita share from 389 kw/h in the base year to 502 kw/h at the end of the Plan.

Table (7.10) illustrates the targeted electrical energy uses by activity.

Table (7.10)
Targeted Electrical Energy Uses
In the Fifth Five-Year Plan & its First Year

Sectors & Activities	Capacity (billion kw/h)			Relative Structure (%)		Average Annual Growth Rate (%) (2002/07)
	2001/02 expected	2002/03 targeted	2006/07 targeted	2001/02 expected	2006/07 targeted	
Industry	25.6	26.8	33.0	36.8	34.8	5.2
Agriculture	2.8	3.2	4.2	4.0	4.5	8.9
Infrastructure	7.2	7.6	9.5	10.3	10.0	5.7
Government	3.7	4.0	4.9	5.3	5.1	5.8
Household	25.6	27.8	36.2	36.8	38.1	7.2
Other Users	4.4	4.8	6.0	6.3	6.4	6.4
Exports	0.4	0.4	0.1	0.5	1.1	20.1
Total	69.7	74.6	94.8	100.0	100.0	6.3

The Strategy and Policies:

The main elements comprise the following :

- Improving the efficiency of operation of the unified network grid and reducing the networks' waste to reach 12.5% in the year 2006/07 against 13.7% at present. This is to be done by generalizing the construction of regional control centers for the transfer networks in different areas, as well as replacing and strengthening the existing distribution networks.
- Maximizing the utilization of available energy resources and assigning priority to the use of water resources and natural gas. This would also include utilizing the compound cycle in the thermal power plants in the future instead of the regular steam plants in order to raise efficiency.
- Developing the uses of new and renewable energy resources by accelerating the implementation of solar and wind energy projects. In this regard, local capabilities shall be encouraged to produce and develop the usage of thermal solar generation equipment in different fields.
- Encouraging the use of energy-saving devices to rationalize consumption.
- Stimulating the private sector for continuing participation in constructing electric power plants and renewable energy projects (wind and solar energy projects) under the BOOT system.
- Raising the efficiency of production, transfer and distribution of electricity.
- Implementing the electrical connection projects with the Arab countries and benefiting from the exchange of energy in providing the required reserve for the network.
- Linking the remote areas with the unified electrical network.

7.5 Transport, Communication and Information Technology:

The Strategy:

The basic elements of the strategy are as follows:

- Achieving integration and coordination between the different means of transport to properly satisfy increasing demand in the most efficient and safe ways.
- Raising the efficiency of the transport and communication infrastructure and maximizing their benefits.
- Encouraging the utilization of transport means that use electricity and natural gas as a substitute for gasoline and diesel oil.
- Reinforcing the orientation towards the participation of the private sector in implementing, managing, and operating the sector's projects.
- Expanding the utilization of mobile phones by establishing a third network.

The Targets:

The detailed targets for the sector's components are as follows:

*** Railways:**

- Renewing a distance of 1000 km railways and raising the efficiency of the main railway lines; manufacturing 300 railway cars.
- Completing railway lines: Ismailiya/Rafah (225 km); The New Valley/Red Sea and Suez/ El Adebiya (35 km).

*** Underground Network:**

- Continuing the fifth stage of the second line of the underground (Shoubra El-Kheima/El-Giza) to the designed extent (El-Giza/El-Mounib), a distance of about 2.5 km.
- Initiating studies of the first phase of the third line of the Cairo underground for the distance between El-Attaba and El-Abassiya (about 4.3 km) and the first phase of the Alexandria underground (Abou Kir/Misr Station) (21.5 km).

*** Roads Network:**

- Continuing the two-way roads: East Qantara/Rafah (2.5 km); El-Ismailya/Fayed/Suez Canal (85 km); the Red Sea coast/El-Zaafarana/Ras Ghareb (110 km).
- Constructing roads in the new areas and converting some of the congested roads into two-ways roads as shown in Table (7.11).
- Continuing the enlargement of El-Kharga/El-Dakhla/El-Farafra road (230 km); and constructing a third lane for the agricultural road Kafr El-Dawar/Kafr El-Zayat (70 km).
- Proceeding with the construction of bridges across the Nile: Kafr el Zayat, Sohag; and constructing 7 new bridges (El-Wasty – El-Qanater El-Khayriya – Mallawy – Fowa – Tama – Gerga – Talkha).
- Continuing the construction of flyovers (Minya – Samnoud – Kafr El-Zayat – El-Kofour El-Qiblya); as well as constructing new flyovers for removing crossings.

**Table (7.11)
Main Highways in the Fifth Five-Year Plan (2002/07)**

New Roads		Doubled Roads with High Traffic Density	
Road	Length (km)	Road	Length (km)
Aswan/Bernece	290	Ras Ghareb/Safaga	160
Suhag/Aswan	670	El-Ayat/Beni Suef	64
East Owainat/Owainat	358	Quanater Khayreia/Khatatba	42
Qena/El-Mahrousa	17	Kafr El-Sheikh/Desouk/Damanhour	56
Suhag City/Assiout Airport	120	Tanta/Zefta	25
Helwan/Koraimat	85	Qena/Safaga	180
Paris/Dard El-Arbaeen	300	Qena/Luxor	60
El-Boity/Siwa	380	Abo El-Matameer/Kafr El-Dawar	36
Siwa/Gabob	90		

*** River - Transportation:**

- Continuing the development of Damietta branch, and developing El-Rayah El-Bahary/El-Noubariya canal and Cairo/Aswan navigational routes, in addition to the establishment of river berths.
- Starting the navigational canals: El-Dekhela/El-Noubariy and Berlin/Rosetta.
- Enhancing navigation efficiency and safeguards in Lake Nasser.

*** Airports:**

- Developing the airports of El Salloom, Rafah, El Ouga, Taba, and continuing the upgrading and expansion of existing airports in main touristic destinations in Luxor, Aswan, Red Sea and South of Sinai.

*** Maritime Transportation:**

- Increasing ports' capacities to 74.8 million tons.
- Completing the second phase of North of Ein El-Sokhna port and the crops quay of Alexandria Port; as well as completing the first phase of East Port Said Hub Port .
- Terminating the first phase of El-Dekheila Port.
- Completing projects pertaining to developing the ports of : Hurgada, Safaga, Suez, Sharm El-Sheikh, and Nuweba.
- Raising the efficiency of lighthouses and navigational aids.
- Upgrading the national fleet by replacing 20 vessels.
- Raising the efficiency of navigational services in terms of agencies, shipping, loading and unloading facilities.

*** Air Transport:**

- Continuing the renewal of terminals (1&2) and runways; and starting the construction of terminal (3) at Cairo airport.
- Continuing the implementation of aerial safety, and constructing new airports especially in tourist areas.
- Developing weather forecast stations.

*** Communication and Information Technology:**

- Installing networks connecting the Ministries' departments to the Internet.
- Linking the Trade Information Center to international and local information sources.
- Expanding the establishment of information centers.
- Modernizing the post offices and developing their services.
- Supplying the information centers with computers for data documentation.
- Improving mail service security and introducing the system of closed television circuits.

*** Radio and Television:**

- Developing earth transmission networks to cope with the satellite networks.
- Replacing and renewing television transmission stations of Channels 1, 2, 3, and 8.
- Providing frequency operation stations in five transmission centers.
- Constructing a power supply station for enhancing the Radio and Television Union in 6th October City.

*** Suez Canal:**

- Developing and deepening the navigational route to 66 ft in order to allow the crossing of large vessels (of 240 thousand tons capacity).
- Modernizing and replacing equipment, and constructing a number of dredgers. Purchasing launches, tug boats and television camera networks for monitoring navigation as well as developing the arsenals' quays.
- Developing and providing the operating equipment necessary for raising the efficiency of traffic in Ahmed Hamdi Tunnel.
- Developing and constructing new ferries to replace old ones.
- Upgrading the quays and anchorages for serving tugboats and launches.

Table (7.12) summarizes the main targets for the Transportation & Communication sector by type of activity

**Table (7.12)
Plan Targets of the Transportation & Communication Sector**

Activity	Unit	2001/02	2002/03	2006/07	Average Growth Rate (%)
		Expected	Targeted	Targeted	
Rail Ways	Passenger.km/million	74470	77448	90603	4
	Ton.km/million	4625	4902	6188	6
Roads	Passenger.km/million	111340	115794	135463	4
	Ton.km/million	39850	41842	54598	6.5
Mail	Package (000)	240	245	287	3.6
River Transportation	Ton.km/million	2255	2322	2743	4
Pipe Transportation	Ton.km/million	6300	6489	7303	3
Marine Transportation	Thousand passengers	597	627	762	5
	Thousand tons	9857	10449	13192	6
Air Transportation	Passenger.km/million	6350	6740	85000	6
	Ton.km/million	250	270	350	7
Cairo Airport	No. of airplanes (000)	81.2	84.4	107.7	5.8
	Passengers (million)	8.4	8.7	11.1	5.7
Other Airports	No. of airplanes (000)	71.8	74.5	95.0	5.8
	Passengers (million)	5.6	5.8	7.4	5.7
Communications	Telephone capacity (000)	9836	10800	12900	5.5
	Telephone operating (000)	7368	7868	9368	4.9
	Mobiles (million subscribers)	3.7	4.4	7.0	13.6
Facsimile	Thousand subscribers	38.9	40.6	48.3	4.4
Mail	Package (000)	240	245	287	3.6
	Letters (million)	270	280	29.1	1.5
	Quick mail (000)	1500	1600	1950	5.4
	Electronic mail (000)	44	46	60	6.4
Suez Canal	No. of crossing vessels	14200	14250	14760	0.8
	Net load (million ton)	448	470	500	2.2

7.6 Tourism:

The Targets:

As shown in Table (7.13), the targets set up for the tourism sector are as follows:

- Increasing inbound tourist flows from 3.9 million visitors in the year 2001/02 to 4.2 million visitors in the First Year of the Plan (2002/03), and to 6.5 million at the end of the Plan (2006/07) with an average annual growth rate of 10.8%.
- Extending the number of tourist nights from 24 million in the base year to 26 million in the year 2002/03 and to about 41.5 million at the end of the Plan, with an average annual growth rate of 11.6%.
- Augmenting tourism revenues to reach US\$ 5 billion in the last year of the Plan against US\$ 2.9 billion in the base year, and US\$ 3.2 billion in the First Year of the Plan.
- Upgrading hotel capacity to reach 150 thousand rooms at the end of the Plan, and 125 thousand rooms in the First Year against 120 thousand rooms at present.

Table (7.13)
Tourism Targets in the Fifth Five-Year Plan

Item	Unit	2001/02	2002/03	2006/07	Average Annual Growth Rate (%)
		Expected	Targeted	Targeted	
No. of Tourists	Million tourists	3.9	4.2	6.5	10.8
No. of Tourist Nights	Million nights	24.0	26.0	41.5	11.6
Tourism Receipts	\$ Billion	2.9	3.2	5.0	10.8
Capacity	(000) rooms	120.0	125.0	150.0	4.6

The Policies:

The main policies steering the efforts of tourism development may be summarized as follows:

- Encouraging tourism investments by furnishing appropriate incentives.
- Improving the transportation and communication services serving main tourist destinations in Egypt (roads and bridges/airports and seaports/telephones, and post offices).
- Emphasizing the construction of water desalination projects, treatment plants, sanitary drainage projects, power-generating plants, and medical emergency units in main tourist centers.
- Protecting the historical and archeological sites from environmental hazards.
- Raising public awareness about the economic significance of tourism for the national economy; and amending education curricula to include tourism subjects.
- Devoting much attention to tourism training and skill upgrading of the workforce in tourism activities.
- Diversifying the tourist product by encouraging convention, business, curative, safari, and eco-tourism; in addition to historic, religious, entertainment and beach tourism.
- Upgrading the quality of tourist products to match international standards.
- Diversifying tourism markets to avert the risks of market concentration.
- Encouraging mergers and consolidation of Egyptian hotels and tourist companies to form strong economic entities capable of meeting challenges imposed by world-wide liberalization of services and the emergence of strong regional economic blocs and the rapid advancement of technology in information and communication systems.

7.7 Housing, Urbanization and New Communities:

Housing :

The Strategy & Policies:

The main elements are as follows:

➔ Land and Utilities:

- Providing sufficient areas for building the dwelling units targeted in the Five-Year Plan.
- Supplying housing utilities at reasonable prices, granting special privileges to low-income groups.

➔ Financing:

- Providing public soft loans for dwelling not exceeding 70m².
- Regulating the governorates' housing funds in order to mobilize financial resources for low-income shelters.
- Utilizing the land sale earnings in slum areas to construct alternative dwellings.

➔ Building Materials:

- Providing building materials in adequate amounts, types and prices in coordination with construction companies, giving priority to housing cooperative associations and low-income groups.
- Developing construction materials and introducing environmentally friendly non-traditional materials that are safe and socially accepted.

➔ Design and Execution:

- Preparing appropriate designs that enjoy high level of safety, acceptable style, and reasonable cost.
- Introducing new designs and patterns for multi-use furniture.

➔ Legislation:

- Unifying the buildings laws into one law
- Regulating the relationship between owners and renters.
- Effectuating the House Renting Law No. 4/1996 and the Real Estate Mortgage Law for the year 2001.

- Issuing the residents' union law in order to provide the necessary finance for maintenance and to guarantee the preservation of the real estate wealth and low-income dwellings.

➔ **Determining the Actual Needs:**

- Preparing a time schedule for meeting housing needs. This shall require enumerating and identifying vacant and uncompleted dwellings and calculating the current housing gap and future needs.

➔ **Benefiting from Idle Investment in Unutilized Housing Units:**

- Preparing a comprehensive record of vacant dwellings.
- Encouraging owners to complete unfinished units through proper legislation (e.g. Law of Real Estate Mortgage).
- Providing the necessary guarantees for evacuating rented units once contracts have been terminated according to the Law No. 4/1996.

The Targets:

The Plan highlights the following targets for the housing sector: [Table (7.14)]

- Constructing about 938 thousand dwellings during the Five-Year Plan (904 thousands in urban areas and 34 thousands in reclaimed areas); 182 thousand units are to be constructed during the First Year of the Plan.
- Allocating about 75% of the new housing units to the “economic type” housing, 19% of them to “middle-type” housing and the remaining 6% to “luxury-type” housing.
- Allocating about 77% of the dwellings to new families, 16% for replacing demolished buildings or collapsing ones, and the remaining 7% are to be alternatives for shared housing and slum shelters.

Table (7.14)
Targeted Additional Housing Units
in the Fifth Five-Year Plan & its First Year
(in thousand units)

Item	Fifth Plan		First Year	
	Number	(%)	Number	(%)
By Type:				
Economic	671	71.5	132	72.5
Middle	179	19.1	35	19.3
Over Middle	54	5.8	10	5.5
Total Urban	904 *	96.4	177	97.3
Units in Reclamation Areas	34	3.6	5	2.7
Total	938 *	100.0	182	100.0
By Executing Sector:				
Public Sector	39	4.2	7	3.8
Private Sector	899	95.8	175	96.2
By Purpose:				
Replacement for Collapsed Buildings	146	15.5	22	12.1
Replacement for Slums	71	7.6	16	8.8
For New Households	721	76.9	144	79.1

* In addition to 580000 rural dwellings.

Urbanization and New Communities::

The targets set up by the Plan for new urban communities include the following:

- Installation of 1690 km of main water networks and sub-networks; drilling 24 wells with total capacity 35 thousand m³/day; constructing 5 purification plants with total capacity 352 thousand m³/day; and constructing 15 pumping stations with total capacity 902 thousand m³/day and 29 storage tanks with capacity 117 m³.
- Installing about 1290 km of pipes for sewerage networks; constructing 8 treatment plants with total capacity 804 thousand m³/day; 4 oxidation ponds; 32 pumping stations with total capacity 963 thousand m³/day.
- Installing electricity networks in the new cities (8336 km), 13 transformer stations; establishing 4 telephone offices of capacity reaching 21 thousand telephone lines and upgrading 6 telephone offices to reach a capacity of 20 thousand lines;

extending 2685 km of communication cables; constructing a bridge; and constructing and completing 394 services projects.

- Paving roads of 1.1 thousand km length.
- Constructing 220 thousand housing units and 1700 new factories (this is to be accomplished by the private sector).

The detailed targets for new communities are shown in Table (7.15), together with the corresponding targets for the construction sub-sector.

**Table (7.15)
Plan Targets for Urban Communities**

Item	Unit	First Year (2002/03)		The Fifth Plan (2002/03-2006/07)	
		Construction	New Cities & Communities	Construction	New Cities & Communities
Public Utilities Projects:					
Potable Water:					
Main and sub networks	Km	320	532	940	1690
Purification units and stations	No.	6	2	44	5
Pumping stations	No.	-	5	13	15
Wells & storage tanks	No.	30	10-10	175	24-29
Desalination units & stations	No.	1	-	14	-
Wastewater :					
Main & sub networks	Km	40	360	220	1290
Treatment plants	No.	-	1	7	8
Oxidization ponds	No.	-	1	-	4
Pumping stations	No.	-	13	15	32
Electrical Projects:					
Air Networks & cables	Km	10	2300	50	8336
Transformer stations	No.	8	5	20	13
Communication & Transportation Projects:					
Paving roads	Km	200	365	1560	1071
Telephone offices	No.	-	1	-	4
Communication cables	Km	-	545	-	2685
Bridges	No.	-	1	-	1
Services Projects:					
Nurseries	No.	-	7	-	38
Schools	No.	-	15	-	127
Commercial markets & centers	No.	-	14	-	28
Health care units & hospitals	No.	-	10	-	14-30
Other services (social, religious, cultural, safety, administrative)	No.	-	28	-	157
Housing Projects:					
Dwelling units	(000)	0.135	40	3.2	220
No. of factories	(000)	-	0.180	-	1.7
No. of trainees	(000)	-	-	80	-

7.8 Public Utilities:

The Targets:

The most important targets are the following:

- Expanding production capacity for potable water from 17.63 million m³/day in 2001/02 to about 19 million m³/day in the First Year of the Plan, and to about 26 million m³/day 2006/07, with an increase reaching 8.37 million m³/day, equivalent to 47.5%.
- Extending the networks from 24.6 thousand km in 2001/02 to 26 thousand km in the First Year of the Plan, and to about 30.9 thousand km at the end of the Plan, with an increase about 25.6%.
- Increasing the available capacity of sanitary drainage to reach 11.38 million m³ in 2002/03 and about 18.05 million m³/day in 2006/07 against current capacity of about 10.3 million m³/day; this represents an addition of about 7.75 million m³/day, equivalent to 75.2%.
- Increasing the available wastewater treatment capacities from 9.01 million m³/day in 2002/03 to about 14.94 million m³/day in 2006/07, against 8.14 million m³/day in 2001/02, with an increment of about 6.8 million m³/day representing 83.5%.
- Extending the length of wastewater networks to 1.2 thousand km in the First Year of the Plan and to 9.1 thousand km at the end. By this, per capita share of wastewater shall increase from about 156 liters/day in 2001/02 to nearly 247 liters/day in 2006/07. Furthermore, the percentage of wastewater disposals to available production capacity will rise from almost 58.4% in 2001/02 to about 79% in 2006/07.

Tables (7.16) and (7.17) illustrate the targeted capacities of water and wastewater plants and their networks in the First and Last Years of the Plan, with separate figures for Greater Cairo and Alexandria.

Table (7.16)
Targeted Capacity of Potable Water Plants and Networks
in the Fifth Five-Year Plan

Item	2001/02	2002/03	2006/07	Increase (%)	
	Base year	Targeted	Targeted	2002/03	2006/07
Greater Cairo:					
Available capacity	6.5	6.65	7.8	2.3	20.0
Length of networks	7.6	8.0	8.6	1.3	8.9
Storage tanks	720.0	740.0	770.0	2.8	6.9
Alexandria:					
Available capacity	2.55	2.920	3.8	14.5	49.0
Length of networks	5.9	6.1	6.3	3.4	6.8
Storage tanks	410.0	433.0	450.0	5.6	9.8
Other Governorates:					
Available capacity	8.58	9.33	14.4	9.33	8.58
Length of networks	10.8	11.9	16.0	10.2	48.1
Storage tanks	830.0	865.0	1060.0	4.2	27.7
Total					
Available capacity	17.63	18.9	26.0	7.2	47.5
Length of networks	24.6	26.0	30.9	5.7	25.6
Storage tanks	1960	2038	2280	4	16.3

* Available Capacity in million m³/day, Networks in thousand km, Storage Tanks Capacity in thousand m³.

Table (7.17)
Targeted Capacity for Available Wastewater Stations & Networks
in the Fifth Five-Year Plan

Item	2001/02	2002/03	2006/07	Increase (%)	
	(Base Year)	(Targeted)	(Targeted)	02/2003	06/2007
Greater Cairo:					
Available capacity	4.35	4.50	5.25	3.4	20.7
Available treatment capacity	3.20	3.28	4.30	5.6	34.4
Length of main networks	9.30	9.50	12.70	2.2	36.6
Alexandria:					
Available capacity	1.51	1.60	1.80	6.0	19.2
Available treatment capacity	1.08	1.14	1.34	5.6	24.1
Length of main networks	2.30	2.45	4.50	6.5	95.7
Other Governorates:					
Available capacity	4.44	5.28	11.0	18.9	147.7
Available treatment capacity	3.76	4.49	9.30	19.4	147.3
Length of main networks	8.20	9.05	11.70	10.4	42.7
Total					
Available capacity	10.30	11.38	18.05	10.5	75.2
Available treatment capacity	8.14	9.01	14.94	10.7	83.5
Length of main networks	19.80	21.0	28.90	6.1	46.0

* Available Capacity in million m³/day, Networks in thousand km.

The Policies:

The most important policies of the Public Utilities Sector are:

i) Treating the problem of leakage and losses:

The development efforts seek to reduce the percentage of leakage to about 10% through:

- Preparing a field study for water and wastewater networks for detecting their actual status, testing them and identifying the networks to be partially repaired or replaced.
-
- Reviewing the design capacity of water and wastewater plants, their actual capacity, efficiency and leakage. This is to be done in order to identify the plants' requirements for rehabilitation, replacement and renewal.
- Preparing a periodical maintenance program.
- Reducing water leakage to a minimum.

ii) Rationalizing water consumption:

- Increasing public awareness through organized campaigns giving information regarding simple maintenance information.
- Improving the fee collection system.
- Closing public standpipes because of excessive leakage.
- Preventing excessive consumption of water in certain activities (e.g. garden watering and car washing).
- Conducting a survey for water connections in order to detect informal ones, and to legalize connections extended to slum areas.
- Reviewing water consumption of governmental buildings and the necessity of imposing charges in order to participate in shouldering the burden of irrational use of water.

iii) Avoiding the pollution of water and wastewater projects

This is to be achieved through:

- Implementing projects aiming at reducing the level of ground water due to the risk of wastewater seeping into ground water.
- Diverting potable water networks away from areas relying on sanitary trenches.
- Reviewing water connections, as their erosion might lead to the pollution of surface and ground water.
- Increasing the number of laboratories analyzing potable water.
- Drilling new wells to replace contaminated ones.

iv) Improving the rates of water networks coverage and connections to sanitation projects:

This is to be achieved through:

- Raising the percentage of potable water coverage from about 81.4% in 1996 (96% in the urban areas and 70.4% in rural ones) to about 92% all over the country (99% in urban areas and 79% in rural areas).
- Raising the percentage of connections to sanitary utilities from 41% in 1996 (74% in urban areas and 17% in rural areas) to about 55% (80% in urban areas and 34% in rural areas).
- Strengthening the local manufacturing of water and wastewater plants, and studying the utilization of less costly new sanitation technologies.
- Encouraging the private sector to play a major role in implementing water and wastewater plants, starting in tourist destinations, new cities and industrial areas.
- Conducting necessary training for the workers in the water and wastewater sector.