



CHAPTER FIVE

Sectoral Development

This chapter illustrates the sectoral aspects of economic development; dealing with policies and objectives of targeted sectors in the Sixth Five-Year Plan and its first year. It covers the productive activities of commodity sectors, tourism, infrastructure, communication and information systems, excluding social services and human development sectors which will be covered in the next chapter.

5/1 Agriculture and Irrigation

The agriculture and irrigation sectors' Plan rests on the main pillars of the long-term agricultural and water resources development strategies, and upon the presidential election program.

Long - Term Agricultural Development Strategy (2017)

This strategy aims at:

- ☒ Increasing agricultural production by 3.9% annually, through achieving economic efficiency in allocation and use of resources to sustain development and protect the environment.
- ☒ Achieving food security and develop agricultural exports by exploiting comparative and competitive advantages.
- ☒ Contributing in increasing employment opportunities and improving living standards in rural areas.

The main pillars and strategy mechanisms include:

- ☒ **Reclaiming 3.4 million feddans;** including Toshka, east of Oynat, El-Salam canal, and other areas, with an annual average of 150 thousand feddans.
- ☒ **Vertical Development** by increasing agricultural production through expanded cultivation of highly productive crops that are characterized by efficiency in using inputs, resisting pests and with a limited growth period.
- ☒ **Development of animal production** to increase per capita consumption of animal protein from 18 gm/day to 24 gm/day in 2017.



- ☒ **Encouraging agricultural products' exports**, as it is targeted to increase the value of annual exports from LE 2 million to LE 5 million.
- ☒ **Supporting the agricultural research programs**, especially in the fields of genetic engineering, and bio-technology, in addition to training and marketing programs.
- ☒ **Stimulating domestic and foreign investments** in all agricultural areas.

Water Resources Development Strategy (2017)

This strategy aims at provision of water requirements – both quantitatively and qualitatively – to face long term various needs, and in harmony with the agricultural development strategy.

The strategy is based on the following main pillars:

Development of new water resources

- Developing the use of deep groundwater in the western desert and controlling reservoirs to prevent deterioration.
- Studying the ability to improve deep groundwater in Sinai Peninsula and eastern desert.
- Studying the ability to use semi-saline groundwater for fish farming and land reclamation.
- Expanding use and management of groundwater for the Nile reservoir.
- Expanding programs of water collection along north coasts.
- Studying the feasibility of using flood water and developing protection measures to minimize flood dangers in Sinai.
- Expanding desalination projects in coastal areas to meet growing water demand.

☒ **Rationalizing irrigation water use**

This is to be done through changing the crop mix to reduce areas cultivated with water-intensive crops, such as rice and sugar cane, and reducing the use of the traditional surface irrigation systems in new lands, while improving such systems in old lands, with the gradual shift from surface "traditional" system to developed irrigation systems in areas cultivated with fruit trees in old lands, and expanding water rationalization programs, and the re-use of agricultural drainage water in cultivation.



The Presidential Election Program:

This program includes the following components that contribute to agricultural development:

- Reclaiming 1 million feddans along six years starting 2006/07.
- Establishing 400 new villages in the desert inland.
- Providing 70 thousand small and medium-sized land holdings for young families, with an average of 10 feddans per household and a total of 700 thousand feddans, in addition to 300 thousand feddans of large holdings.
- Establishing 70 thousand job opportunities annually in agriculture and related fields.
- Expanding the cultivation of export crops through focusing on non-traditional high-value crops of comparative advantage, such as medicinal and aromatic plants, fruits and vegetables.
- Establishing specialized counseling centers in the new villages, and improving agricultural research centers.
- Improving the quality of agricultural crops and increasing productivity, through improving seeds and seedlings and upgrading production technology.

Agricultural Policies

The most important agricultural policies –based on the development strategy– include the following:

- ☒ Continuing programs of improving and introducing new kinds of highly productive agricultural products, using modern technological systems (genetic engineering and tissue transplantation).
- ☒ Expanding the cultivation of high value crops to improve farmers' income.
- ☒ Allocating shares of reclaimed land to young graduates and beneficiaries from areas planned to be reclaimed and cultivated by holding and corporate companies.
- ☒ Increasing private sector contribution in investments targeting land reclamation and cultivation.
- ☒ Expanding the cultivation of sugar beet and oil crops to reduce imports of sugar and oils.



- ☒ Changing the crop mix to confine the rice area to 1 million feddans, the sugar cane area to 290 thousand feddans, while increasing areas cultivated by sugar beet to 300 thousand feddans, in addition to cultivating highly-productive, early-maturing crops.
- ☒ Increasing areas cultivated with medicinal and aromatic plants to 200 thousand feddans, while limiting the cotton area to about 1 million feddans, and increasing areas cultivated with maize to 3 million feddans and Sorghum to 500 thousand feddans.

Targets of the Sixth Five-Year Plan and its First Year:

The main targets for the agricultural sector are as follows:

- **Increasing agricultural production and product** at a real annual growth rate of 3.9%, 4.3% respectively, within the Plan, and at a rate of 3.6% and 3.8%, respectively, within the Plan's first year [table(5/1)]

Table (5/1)
Agricultural production and domestic product
During the Sixth Plan and its First Year

(LE million)

Item	Expected 2006/07	Targeted		Annual average real growth rate (%)	
		2007/08	2007/08- 2011/12	2007/08	2007/08- 2011/12
Agricultural Production	116	129.9	202.9	3.6	3.9
Agricultural Product	90.1	101.2	160.2	3.8	4.3

- **Increasing cultivated land** through reclamation of 1 million feddans along six years within the Presidential Election Program which includes a number of large projects in South Valley, East Delta and North Sinai.

In this field, the Plan targets the following:

- ❖ **Executing infrastructure works** for 865.5 thousand feddans, of which 174 thousand feddans in the Plan's first year. The public sector is responsible for 35% of the total area works, while the private sector is responsible for the



remaining 65%. The completion work includes about one-third of the total area (290 thousand feddans) versus two-thirds of new areas (table A/9 in the statistical appendix). Such distribution reflects the special attention given to the development of Upper Egypt and the New Valley, accounting for 72% of targeted areas.

- ❖ **Executing internal reclamation works** for 781 thousand feddans, of which 126 thousand feddans in the Plan's first year. About two-thirds of such areas are concentrated in Upper Egypt and the New Valley. The private sector is responsible for works covering 64% of the targeted areas in the Sixth Plan and 72% of the 2007/08 Plan works. The completion work accounts for 23% of the total area versus 77% for new works (table A/10 in the statistical appendix).
- **Distributing about 282 thousand feddans of reclaimed land among young graduates**, of which 35 thousands are distributed in the first year, and mainly concentrated in Upper Egypt and the New Valley. The sub-region distribution of such areas is illustrated in table (A/11) in the statistical appendix.
- **Increasing the cultivated area** to reach 9.25 million feddans by the end of the Plan with an increase of about 900 thousand feddans. The crop area would reach 17.5 million feddans with an increase of 2 million feddans compared to 2006/07. The agricultural land is expected to increase by 200 thousand feddans in the 2007/08 Plan, and the corresponding crop area by 700 thousand feddans.
- **Changing the crop mix** to expand the production of high-value export crops (vegetables and fruits), and giving attention to organic cultivation to increase international competitiveness.
- **Establishing new villages in the hinterland desert** within the program aiming at constructing 400 villages.



- **Increasing the production of agricultural crops**, especially oil seeds, fibers and fruits and increasing animal and poultry production by about 15% through the Sixth Plan.
- **Improving agricultural productivity**, especially of oil crops (e.g., sunflower, soy bean, and sesame), and of sugar beet, beans, and vegetables (table A/12 in the statistical appendix).

Table (5/2) illustrates the expected quantitative production of various groups of agricultural crops, animal, poultry and fish within the Sixth Plan and its first year.

Table (5/2)
Targeted Quantitative Production of Agricultural Crop Groups
within the Sixth Plan and its First Year
Compared to Expected Values in 2006/07

(ton)

Group	Expected	Targeted	Percentage change (%)	Targeted	Percentage change within the Plan (%)
	2006/07	2007/08		2011/12	
Grains	23789	24159	1.55	28090	18.1
Legumes	325	346	6.5	535	64.6
Fibers	755	981	29.9	1071	41.9
Oil seeds	342	541	58.0	775	121.6
Sugar crops	20973	21094	0.58	22174	5.7
Vegetables and onions	22966	22975	0.04	25823	12.4
Fruits	9384	9635	2.7	10989	17.1
Dairy	4750	4875	2.63	5420	14.1
Cattle meat	840	850	1.2	950	13.2
Poultry meat	800 ^(*)	825	3.12	925	15.6
Eggs	330 ^(*)	360	9.0	380	15.2
Wool/hair	20	25	25.0	23	15.0
Honey	10	13	13.0	15	50.0
Fish	925	1000	8.1	1055	14.1

^(*) year 2005/06



In the field of water resources, the Sixth Plan includes the following:

- Completing the national infrastructure for North Sinai development.
- Increasing canal lengths to about 36.8 thousand km, and covering about 180 km of canals and 111 km of water drainages passing through residential areas.
- Starting the construction of the new Assiout barrages and the civil works for its related electricity station to save about 2 billion m³ of water.
- Replacing and renewing 190 bridges over small branches and 50 bridges over medium branches.
- Executing covered drainage networks over 560 thousand feddans, enlarging and deepening public and uncovered drainages over 450 thousand feddans, replacing and renovating covered drainage networks with ended life span over 550 thousand feddans.

 **Targeted Investments:**

Targeted investments for agriculture and irrigation sectors within the Sixth Plan are estimated to be LE 61.6 billion, of which LE 8.5 billion for the first year (2007/08). The private and cooperation sector contribution amounts for LE 48.5 billion. The agriculture sector accounts for LE 29.4 billion, of which LE 5.9 billion within the Plan's first year.

Table (5/3) illustrates the distribution of the private sector agricultural investments in the fields of vertical and horizontal expansion within the Sixth Plan (2007/08-2011/12).

Both Ministries of Agriculture and Land Reclamation, and Water Resources and Irrigation are to implement LE 13.1 billion of investments, of which LE 2.7 billion in the first year.



Table (5/3)
Private Sector Targeted Agricultural Investments
In The Sixth Five-Year Plan and Its First Year

(LE million)

Projects	First Year		Sixth Plan	
	Investments	(%)	Investments	(%)
Land reclamation, infrastructure and internal reclamation	1720	29.2	8880	30.2
Land cultivation	1230	20.9	5851	19.9
Animal and poultry production	1300	22.0	6495	22.1
Fish production	60	1.0	250	0.9
Agricultural machinery	390	6.6	1910	6.5
Other agricultural services	1200	20.3	5989	20.4
Total	5900	100.0	29375	100.0

Agricultural Employment and Wages

The implementation of the targeted investments will result in the provision of 522 job opportunities in the agricultural sector, of which 102 in the Plan's first year, and increasing wages by LE 3.1 billion within the Plan, of which LE 458 million in the first year [table (5/4)].

Table (5/4)
Development of Agricultural Employment and Wages
During the Sixth Plan and Its First Year (2007/08)

Years	Employees (thousands)			Wages (LE million)		
	public	private	total	public	private	total
2006/07	70	5382	5452	160	8818	8978
2007/08	65	5489	5554	162	9274	9436
2012/11	50	5924	5974	170	11908	12078



5/2 Industry

The Sixth Development Plan focuses on the manufacturing industry sector due to its capability of achieving high growth rates, providing voluminous job opportunities, adhering to modern technologies, in addition to its vital role in stimulating Egyptian exports.

The Industrial Vision (2007-2015)

The future vision for the industrial sector aims at making Egypt the pioneer industrial country within the region and the main exporting center based on applying advanced technologies and proper selection of industries for development, and keenness to improve product quality. This vision requires intensifying industrial investments and increased implementation of projects, especially in areas of comparative and competitive advantages, and boosting Egyptian exports.

Table (5/5) summarizes some of the industrial targets during (2007-2015).

Table (5/5)

Industrial Activity Targets during (2007-2015)

Item	Unit	2007	2011	2015
No. of projects	Thousand	28.3	31.2	34.4
Production value	LE billion	311.5	756.6	903.0
Employment	Million	2.6	2.87	3.17
Wages	LE billion	28.6	43.4	63.8
Investment costs	LE billion	255	433	674

Within the context of these targets, labor productivity is expected to increase from LE 119 thousand in 2007 to LE 285 thousand in 2015, and the annual average wage per worker is expected to double from LE 10.9 thousand to LE 20 thousand. Also industrial exports are anticipated to increase from LE 18 billion in 2005 to about LE 42 billion by year 2011.



Long-term Industrial Development Strategy

The Industrial Development Strategy is based on the following pillars:

- Focusing on promising activities, mainly engineering, electrical, food-processing, chemicals, pharmaceuticals, textiles, wood and building materials.
- Enhancing new industries, such as motor-feeding industries, electronic industries, medical equipments, generic engineering and bio-technology.
- Adopting new industrial development approaches based on developing industrial parks and clusters.
- Provision of industrial regions equipped with utilities and services for industrial investments, especially in Upper Egypt governorates and new desert regions.
- Encouraging investment in the industrial field by creating a proper investment climate to attract capital in various industrial activities, through increasing investment incentives and reducing financial burden.
- Spatial re-distribution of industries by motivating industrial location in new cities, and making use of the capabilities of new regions in Upper Egypt, New Valley, North Eastern Coast and Sinai.
- Increasing industrial exports competitiveness by providing thorough studies on external markets, and export incentives.
- Continuing the restructuring of Egyptian industry, giving due attention to intermediate industries linked to large establishments.
- Developing specialized training and education systems in line with labor market requirements, through establishing the Education Quality Assurance Authority and improving current training centers and technology transfer centers.



- Activating industrial modernization programs and enhancing the role of the General Authority for Industrial Development.
- Establishing local technology base to achieve Industrial Renaissance, improving research centers to create national technology and adapting imported techniques to domestic conditions, and attracting transnational corporations to invest in Egypt.
- Deepening local manufacturing of capital goods, modernizing databases, improving systems of engineering designs, and consolidating (R&D) centers.

Targets of the Sixth Plan and the First Year:

The main targets of the Plan are:

- Establishing 885 large factories, constructing and expanding 1850 medium-size factories in accordance with the Presidential Election Program.
- Increasing manufacturing output at a real growth rate of 7.9% during the 2007/08 Plan, and at a real compound growth rate of 8.8% during the Plan period.
- Providing 530 thousand job opportunities, of which 150 thousand within the first year, reaching a total of 3 million workers by the end of the Sixth Five-Year Plan.
- Increasing industrial exports by 20% annually, to reach an absolute value of LE 42 billion by the end of the Plan period.
- Achieving spatial balanced industrial development by directing investments towards Upper Egypt governorates.

Table (5/6) illustrates the developments of industrial product by main industrial activity within the Sixth Plan and its first year. Table (A/13) in the statistical appendix displays targeted quantities of selected industrial products.



Table (5/6)

Industrial Product by Main Group

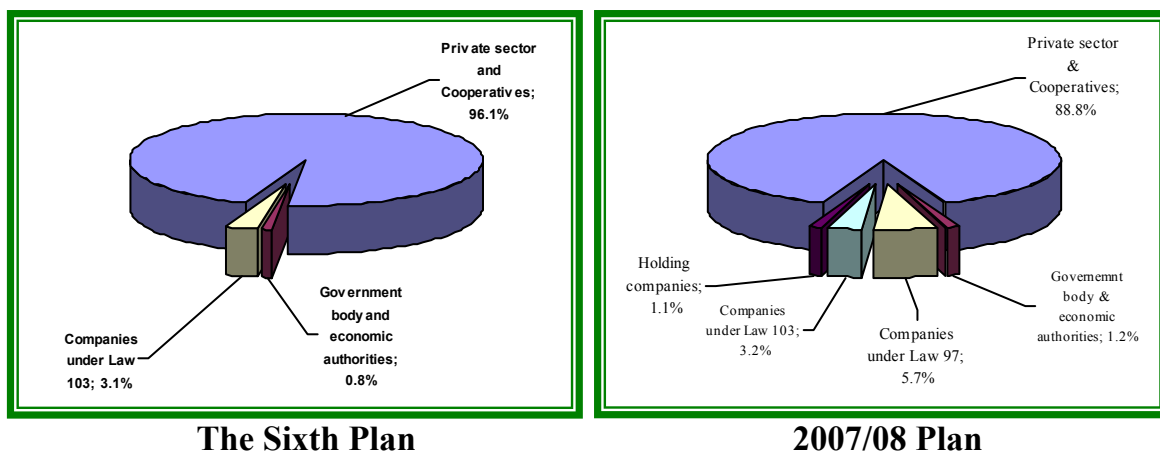
(Current prices LE billion)

Industrial Group	Expected 2006/07	Targeted 2007/08	2011/12	
			Targeted	Relative Importance (%)
Textiles	33.5	39.0	79.6	30.9
Chemicals	28.3	33.0	67.2	26.1
Engineering	17.6	20.6	41.7	16.2
Food-processing	16.4	19.1	39.0	15.1
Basic Metals	12.7	14.8	30.1	11.7
Total Manufacturing	108.5	126.5	257.6	100.0

 **Industrial Investments**

Industrial investments are estimated to be LE 285.3 billion for the Sixth Plan, of which LE 35.9 billion for the first year. About 96% of total investments are to be executed by the private sector, while 4% are to be achieved through government and public enterprises. The private sector is expected to implement LE 31.8 billion, accounting for 89% of total industrial investments in 2007/08 [fig. (5/1)].

Figure (5/1)
Structure of Industrial Investments by Executing Body During the Sixth Plan and its First Year



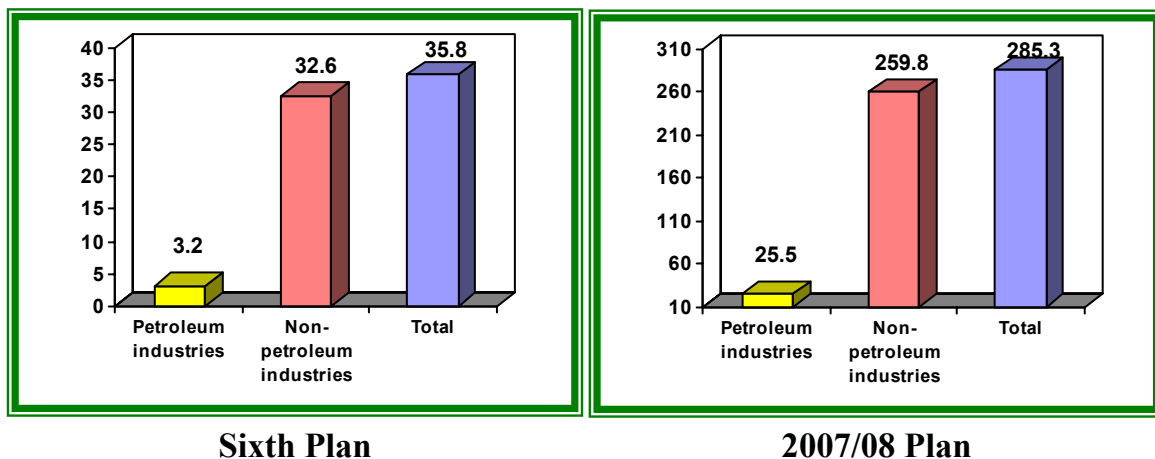


Targeted investments for petroleum industries amount to 9% of total investments within the Sixth Plan, and 13% of first year's investments, which reveals the Plan's orientation to intensify investments in non-petroleum industries [fig. (5/2)]

Figure (5/2)

Industrial Investments of the Sixth Plan and its First Year

(LE million)



5/3 Oil and Natural Gas

From an investment perspective, petroleum comes second among the commodity sectors - following manufacturing - with targeted investments recording nearly LE 145.5 billion within the Sixth Plan.

The Petroleum and Natural Gas Strategy

This strategy is based upon the following main pillars:

- Intensifying on-shore and off-shore explorations of petroleum and natural gas.
- Expanding production levels of crude oil at rates in line with essential needs.
- Completing the Egyptian petro-chemicals industry National Plan.
- Encouraging high-value exports of petroleum and petro-chemical products.
- Copying with international scientific developments in the field of petro-chemical industries and technology transfer to Egypt.



- Opening new external markets to Egyptian petroleum companies to bring in foreign currency.
- Increasing the capacity of refinery labs, and achieving balanced spatial distribution to satisfy domestic consumption needs of oil products.
- Expanding natural gas projects to increase the use of natural gas as a substitute for other petroleum products, especially in the field of transportation and electricity.
- Developing and expanding infrastructure for gas transport and distribution.
- Motivating the private sector to effectuate its participation in implementing refining, distribution, and petro-chemical projects.

Targets of the sixth Plan (2007/08 – 2011/12) and its first year

The Sixth Five-Year Plan (2007/08 – 2011/12) targets the following:

- Increasing the production of crude oil and natural gas to about 84 million ton in 2007/08 with a growth rate 15.1% compared to what is expected in 2006/07, and to about 117.6 million ton in the Plan's last year (2011/12) with an average growth rate of 10% during the Plan period.
- Increasing the production of crude oil to about 37.4 million ton within the Plan's first year and to 42.8 million in the Plan's last year, with an annual average growth rate of 6% compared to 2006/07.
- Increasing the production of natural gas to about 46.6 million ton within the Plan's first year and to 74.8 million ton by the end of the Plan, recording an annual average growth rate of 12.8%.
- Completing the connection of natural gas networks to cover about 6 million housing units with an increase of 2.2 million units in various regions, especially in Upper Egypt governorates.

Table (5/7) illustrates estimated production quantities of crude oil and natural gas for the Sixth Plan's first and last years, compared to what is expected in the base year (2006/07).



Table (5/7)
Estimated Production Quantities of Crude Oil and Natural Gas
During the Sixth Plan and Its First Year

(million ton)

Item	Expected 2006/07	2007/08		2011/12	
		Targeted	Growth rate (%)	Targeted	Annual average growth rate (%)
Crude oil ^(*)	32.0	37.4	16.9	42.8	6.0
Natural gas	41.0	46.6	13.7	74.8	12.8
Total	73.0	84.0	15.1	117.6	10.0

^(*) Including condensates and butagas

Table (5/8) illustrates estimated production and value added of crude oil, natural gas and petroleum products within the Sixth Plan and its first year.

Table (5/8)
Estimated Production and Value Added of Petroleum Sector
During The Sixth Plan and its First Year

Item	Expected 2006/07	2007/08		2011/12	
	LE billion	LE billion	Growth rate (%)	LE billion	Annual average growth rate during the Plan (%)
A) Production					
Crude oil					
Public	47.1	51.7	9.8	79.5	11.1
Private	6.4	7.1	10.9	10.0	9.3
Total	53.5	58.8	9.9	89.5	10.9
Natural gas					
Public	59.2	68.6	15.9	108.6	12.9
Private	9.6	11.1	15.6	18.1	13.6
Total	68.8	79.7	15.8	126.7	13.0
Total crude oil and natural gas	122.3	138.5	13.2	216.2	12.0
Petroleum products					
Public	23.1	25.8	11.7	37.8	10.3
Private	8.0	9.2	15.0	19.2	19.3
Total	31.1	35.0	12.5	57.0	12.9
Total production					
Public	129.4	146.1	12.9	225.9	11.9
Private	24.0	27.4	14.2	47.3	14.0
Total	153.4	173.5	13.1	273.2	12.4



Item	Expected 2006/07	2007/08		2011/12	
	LE billion	LE billion	Growth rate (%)	LE billion	Annual average growth rate during the Plan (%)
B) Value Added					
Crude oil					
Public	42.2	46.5	10.2	72.5	11.4
Private	6.4	7.1	10.9	10.1	9.4
Total	48.6	53.6	10.3	82.6	11.2
Natural gas					
Public	53.3	61.9	16.1	101.9	13.8
Private	9.6	11.1	15.6	19.1	14.8
Total	62.9	73.0	16.0	121.0	14.0
Total crude oil and natural gas	111.5	126.6	13.5	203.6	12.8
Petroleum products					
Public	3.9	4.4	12.8	6.9	11.9
Private	2.7	3.2	18.5	6.7	19.5
Total	6.7	7.6	13.4	13.6	15.3
Total					
Public	99.4	112.8	13.5	181.3	12.9
Private	18.7	21.4	14.4	35.9	13.4
Total	118.1	134.2	13.6	217.2	13.1

Tables (5/9) and (5/10) illustrate estimated production and consumption of petroleum products within the Sixth Plan and its first year.

Table (5/9)
Estimated Production of the Principal Petroleum Products
For The Sixth Plan and Its First Year Compared
to What is Expected in 2006/07

(million ton)

Products	Expected 2006/07	Sixth Plan (2007/08 – 2011/12)	
		First year 2007/08	Last year 2011/12
Butagas / Propane	2.2	2.4	3.2
Benzene & Naphta	7.3	7.3	7.7
Kerosene / Jet Fuel	2.2	2.3	2.7
Solar / Diesel	8.8	9.0	9.4
Mazot	11.9	10.6	11.1
Asphalt	0.9	0.9	0.9
Oils	0.3	0.4	0.4



Table (5/10)

**Estimated Consumption (*) Of Principal Petroleum Products
For The Sixth Plan And Its First Year Compared
To What Is Expected In 2006/07**

(million ton)

Products	Expected 2006/07	Sixth Plan (2007/08 – 2011/12)	
		First year 2007/08	Last year 2011/12
Gas	28.7	30.0 (**)	32.5
Butagas	3.5	3.8	4.1
Benzene	3.2	3.3	3.6
Kerosene	0.2	0.3	0.3
Jet Fuel	0.5	0.6	0.65
Solar / Diesel	10.0	10.4	11.2
Mazot	8.4	7.5	8.1
Others	1.4	1.5	1.6

(*) includes supply for Egyptian vessels and aircrafts.

(**) with a percentage 52% of total consumption (57.4 million ton)

The most important products within the Sixth Five-Year Plan (2007/08-2011/12) are the following:

- Signing (9) new gas contracts with a total area of 51 thousand km², and expenditure of \$ 1.15 billion to dig 58 wells in the Mediterranean Sea with an area of 4050 km².
- Establishing three fuel projects of capacity of 25 thousand m² and two water containers with capacity of 4 thousand m³.
- Expanding petroleum and petro-chemicals to increase value added.

Table (5/11) illustrates main targeted projects within the petroleum and natural gas sector in the Sixth Plan and its first year.



**Table (5/11)
Main Targeted Petroleum Projects Within the Sixth Plan**

Product	Region	Annual capacity (thousand ton)	Investments costs (\$ million)		Starting date of production
			2007/08	Sixth Plan	
Methanol	Damietta	1.3	350	650	End of 2009
Urea	Damietta	1.25	450	800	End of 2009
Poly sterene	Alexandria	200	90	150	End of 2009
Propylene & poly propylene	Port-said	400	-	520	Year 2008
Ethylene & poly ethylene	Alexandria	750	500	1500	End of 2009
Alkyl benzene	Alexandria	100		450	Year 2008
Rehabilitation of GAPCO company infrastructure	-	-	120	600	5 Years
Sakara field (Maritime pipes line and land treatment station)	Ras Shokeir (Suez Gulf)	40 thousand barrels		366	End of 2007
Acrylic Fibers	-	38	70	-	Year 2008

- Expanding gas connection projects, as the consolidating Plan of the natural gas national network includes the establishment of (9) new lines and reducing pressure stations (LE 6 billion), as follows:

Line	Length(km)	Inch	Region
El Tina / Abu Soltan	60	32	The canal
Dahshour / Elkorymat	90	36	Giza / Bani Soif
Abou Sultan / El Sokhna	110	32	The Canal / Suez Gulf
Abou Hommos / El Nobaria	75	32	Behera / Delta
Doubling pipeline through Sinai (stage 1)	30	36	
Doubling pipeline of El Amerya / Dahshour			
Stage 1	80	32	
Stage 2	106	32	
El Amerya - El Nobaria	120	42	
Pressure stations, replacement and renovation of other networks	-	-	Rommana in Sinai



The Plan of extending natural gas pipelines includes the holding company's projects in South Sinai with an expenditure of \$ 282 million, of which \$ 50 million are dedicated to dig 46 wells in Aswan.

The Plan also includes establishing gas pipelines to supply Hurghada with natural gas with an estimated cost of LE 490 million; establishing pipelines connecting Taba to Sharm El-Sheikh with an investment cost of LE 615 million; and extending natural gas pipelines to Sharqia, with a cost of LE 132 million.

Targeted investments

The targeted investments for extractive activities (petroleum and natural gas) reach LE 145.5 billion during the Sixth Plan, of which LE 18.6 billion for the first year, to be implemented by holding and private companies, with a limited contribution of LE 2 billion from oil companies under Law No. 97/1983. Such investments are distributed among petroleum and natural gas activities as illustrated in table (5/12), which shows that natural gas activity accounts for about 75% of total sector's investments.

Table (5/12)

Targeted Investments of Petroleum and Natural Gas Sector During the Sixth Plan and Its First Year

Activity	2007/08		2007/08-2011/12	
	LE billion	(%)	LE billion	(%)
Crude oil	4.8	25.8	35.1	24.1
Natural gas	13.8	74.2	110.4	75.9
Total	18.6	100	145.5	100



Employment and Wages in the Petroleum Sector

Employment is expected to reach 120 thousand workers in 2006/07 with a total wage bill of LE 9.4 million per year.

It is targeted to provide job opportunities to about 20 thousand workers in 2007/08, to reach a total of 140 thousand, with a corresponding wage bill of nearly LE 11.6 million, implying a growth rate of 23% compared to base year expectations.

As to the Sixth Plan, it is anticipated to increase the number of workers by about 100 thousand, and corresponding wages by LE 15.7 billion. [table (5/13)].

Table (5/13)

Employment and Wages in the Petroleum Sector During The Sixth Plan and Its First Year

Years	No. of Employees (thousand)	Wages (LE billion)
2006/07 (Expected)	120.0	9.4
2007/08 (Targeted)	139.9	11.6
2011/12 (Targeted)	220.4	25.1

5/4 Electricity and Energy

General Strategy

Since the execution of electricity generation stations takes longer time periods than projects supplied with such power, thus it should precede, to ensure optimal use of investments.

Given that perspective, the strategy of electricity and energy sector targets the following:

- Providing electrical power for all industrial, agricultural, tourism, and services projects at proper time to avoid delays in projects' execution.



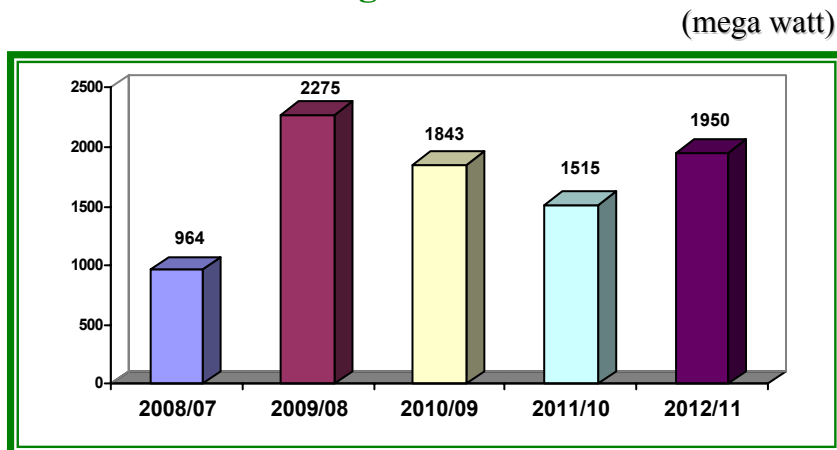
- Optimizing the use of all energy sources, especially renewable friendly-environment sources.
- Consolidating electricity networks in rural areas to enhance further development.
- Providing electrical power to neighboring countries through extended networks.
- Expanding joint projects with African countries to strengthen regional cooperation.

Electricity sector targets within the sixth Plan and its first year

The most important targets are as follows:

- Achieving a 9.1% annual real growth rate of the electricity sector domestic product throughout the Plan, and 7.1% for the first year.
- Adding capacities to generation stations of about 8547 mega watt distributed annually, as illustrated in fig. (5/3), of which 964 mega watt during the Plan's first year.

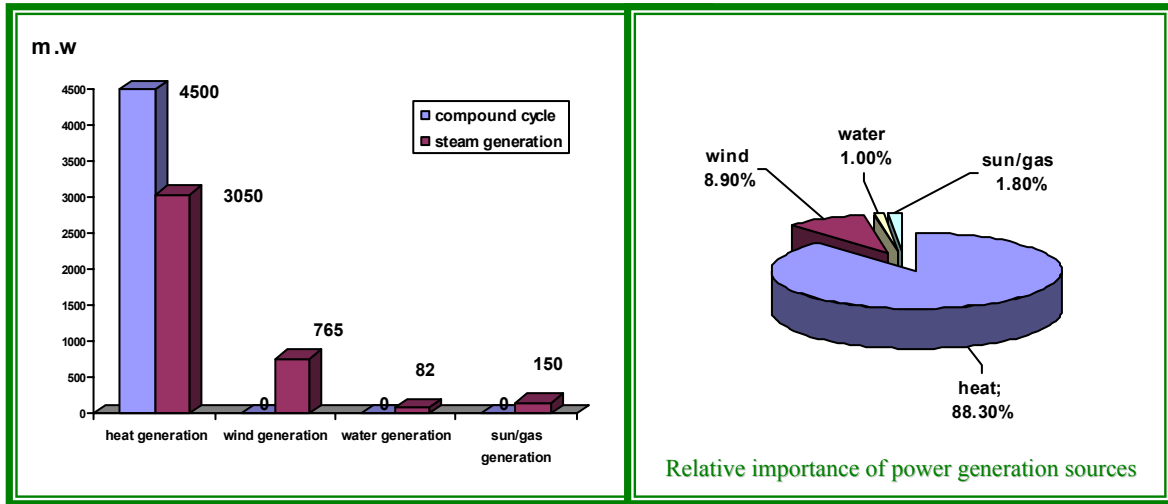
Figure (5/3)
Targeted Additional Capacities for Generation Stations
During the Sixth Plan



- Expanding the use of renewable generating sources to reach 12% of total additional capacities to diversify energy sources and gradually substituting renewable friendly-environment instead of traditional sources based on heat generation.



Figure (5/4)
Electrical Power Sources and its Relative Importance
Within The Sixth Plan



- Adding transformation stations with total capacities of 16950 mega volt ampere.
- Extending air networks and ground cables for a total length of 52330 km.
- Increasing average per-capita consumption of energy by an annual rate of 7%.

Targeted Accomplishments During the Sixth Five-Year Plan (2007/08-2011/12) and its First Year

The Sixth Five-Year Plan for the Ministry of Electricity and Energy includes a number of projects that are targeted to be fully implemented within the Plan, and other projects which their implementation will start during the Sixth Plan but their operation as from the Seventh Plan (2012/2017).

The main projects targeted to be fully implemented during the Sixth Five-Year Plan (2007/08-2011/12) include the following:

*** In the field of power generation stations**

The Sixth Plan includes implementing heat generation stations that are expected to generate additional capacities of 7550 mega watt during the Plan, with 750 mega watt in the first year. About 4500 mega watt will be generated through



compound cycle system, and the rest additional capacities will be generated by steam generation. The holding company for Egypt's Electricity and its affiliated companies are assigned to implement the entire heat generation stations.

In addition to that, there are number of projects to generate electricity from renewable sources. It is targeted to add electrical power of about 765 mega watt through wind power, to reach a total wind generation capacity of 1050 mega watt by the end of the Sixth Five-Year Plan.

As for water energy, it is expected to add capacities of 82 mega watt, of which 64 mega watt will be added within the Plan's first year 2007/008. Such capacities will supply generating power of about 580 k.w.h per year, with fuel saving equivalent to \$ 50 million.

As for solar heat generation, the Plan includes adding 150 mega watt of solar heat energy in Korymat area. The generated energy from this station is estimated to be 984 million k.w.h per year, with fuel saving of 12 thousand ton.

Table (5/14) illustrates planned renewable energies and expected benefits during the reference period.

Table (5/14)

Renewable Energies During the Sixth Plan Period

Source	Additional Capacity (mega watt)	Annual energy (million k.w.h)	Annual fuel saving (thousand tons of oil equivalent)	Annual reduction of flows (thousand tons of carbon dioxide)
Wind energy	765	3050	740	1935
Water energy	82	580	worth \$ 50 million	340
Solar energy	150	984	12	38

As clearly mentioned, some projects will start implementation during the Sixth Five-Year Plan but would proceed along the following Five-Year Plan (2012-2017). Among these, the most important are:

- **Assiut water electricity generation station** with a capacity of 32 mega watt and investments of LE 324 million, generating an energy of about 243 million k.w.h per year.



- **Secondary solar heat stations of capacity 300 m.w in North Upper Egypt**, generating an energy of about 1968 million k.w.h annually, and saving 24 thousand tons of oil equivalent.

Table (5/15) highlights the targeted generation capacities along the Sixth Five-Year Plan by energy source.

Table (5/15)
Progress of Additional Energy Generation Capacities
During the Sixth Plan

(mega watt)

Region	kind	2007/08	2008/09	2009/10	2010/11	2011/12
Zaafrana- Gabal EL Zeit	Wind	150	125	130	160	200
Naga Hamady	Water	64				
North Cairo (2)	Compound cycle	250				
Talkha	Compound cycle	250				
Korymat (2)	Compound cycle	250				
Korymat 3	Compound cycle		500	250		
Nobarria 3	Compound cycle		500	250		
Tebin	Steam			700		
Korymat	Solar/Gaseous		150			
Expansion of west Cairo	Steam				700	
Al-Atf	Compound cycle		500	250		
Small water units	Water			13	5	
Sidi Krer	Compound cycle		500	250		
Abu Keir	Steam				650	650
Oyoun Mosa	Steam					350
Sharm El-Sheikh	Compound cycle					750
Total annual added capacities		964	2275	1843	1515	1950

It is worth-mentioning that the Sixth Plan targets represent a planning stage within an extended time horizon up to 2022 [table (5/16)].



Table (5/16)

**Net Additional Generation Capacities
During the Period (2007-2022)**

Time period	Generation stations (mega watt)	Transformation stations (mega volt ampere)	Lines (km)
2007/12	8547	16950	52330
17/2012	11732	12600	61500
2/2017	12700	12300	70670
Total	32979	41850	184500

*** In the field of transfer and distribution networks**

The holding company of Egypt's Electricity is assigned to establish necessary electrical networks to transfer produced energy from generation stations with total capacity of 16950 mega volt ampere, and expanding aerial networks and ground cables of total lengths of 52330 km.

It is worth noting that it is targeted – during the Sixth Plan – to end the implementation of the electrical line Aswan/Shalatin (345 km), and the electrical line Sidi Barrani/El Sallum (80 km).

*** In the field of electrifying rural areas**

The Plan aims to continue the execution of electrical energy projects from transformation stations and networks, and supplying electricity to agriculture reclaimed lands and desert inland villages.

The main projects targeted to be fully implemented during the Sixth Five-Year Plan and its first year include the following:

- Finishing the implementation of 13 transformation stations with a total capacity of 650 m.v.a. in various regions, with 3 transformation stations in 2007/08 with a total capacity of 150 m.v.a.
- Extending 460 km aerial lines, of which 100 km in 2007/08.
- Replacing and renewing electrical networks for 615 previously lightened villages, of which 110 villages in the first year, and 21 villages in inland desert.



- Lightening 1880 household units and 105 inland desert villages.
- Supplying electricity to 1 million feddans of reclaimed lands belonging to companies and individuals, of which 10 thousand feddans during the first year (2007/08).

Table (5/17) illustrates estimated targeted electrical energy, according to usage, within the Sixth Plan and its first year (2007/08).

Table (5/17)
Targeted Electrical Energy According to Usage
During The Sixth Development Plan

Sectors and Activities	Energy used			Structure (%) (2011/12)	Annual Average Growth Rate (%)
	2006/07 (expected)	2007/08 (targeted)	2011/12 (targeted)		
Industry	34.4	36.6	45.5	32.6	5.6
Agriculture	3.9	4.2	5.3	3.8	6.5
Public Uses	11.5	12.2	15.8	11.3	6.6
Governmental Authorities	5.3	5.7	7.8	5.6	6.4
Houses	36.2	38.9	53.3	38.2	7.6
Shops & Others	6.8	7.5	11.0	7.9	9.8
Exports	0.7	0.7	0.8	0.6	12.0
Total	98.8	105.8	139.5	100.0	7.1

*** In the field of peaceful use of atomic energy**

Completing the Egyptian second research generator is one of the most important projects that the Atomic Energy Authority is considering implementation during the Sixth Plan. It includes the establishment of physics and electronic measurement laboratories to provide required scientific capabilities necessary to



monitor the generator from the neutron perspective and to carry out physics studies necessary to improve performance and achieve optimal benefit from nuclear fuel.

In addition to completing the Egyptian research generator, it is planned to complete the radiation technology center laboratories, aiming at:

- ☒ Generalizing the use of radiation services in the agricultural field to reduce crops' waste, and in the field of producing rubber cement used for playgrounds coverage.
- ☒ Producing anti-biotics to be used for cancer diseases' diagnosis and treatment.
- ☒ Conducting laboratory researches to purify oil pipelines connections.
- ☒ Establishing food radiation units for pests' resistance in grain stores and for reduction of diseases' spread.

On the other hand, it is targeted to complete the implementation of a number of projects during the Sixth Plan, such as the extraction of scarce minerals from black sand deposits along the North Coast beaches; the exploration of nuclear materials; and the evaluation of uranium deposits reserves.

*** In the field of cooperation with Sudan**

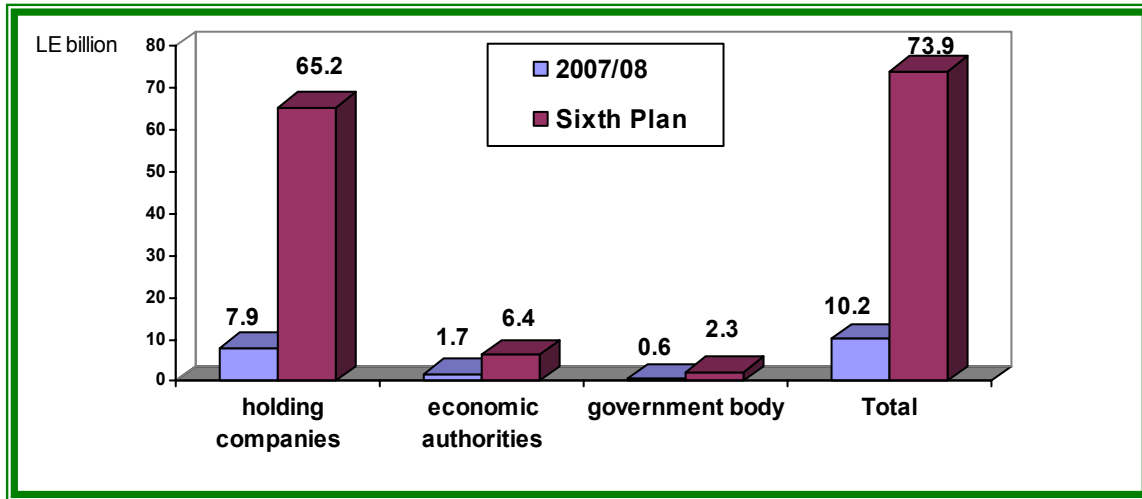
- It is targeted to establish generation stations with capacities of one and two mega watt in South of Sudan.

Targeted investments

The electricity and energy sector investments are estimated to be LE 7.9 billion during the Plan, of which LE 10.2 billion for the first year. The holding companies are assigned to implement about 88% of the Plan's targeted investments, and 78% of the first year investments. The remaining investments are assigned to the government body and economic authorities [fig. (5/5)].



Figure (5/5)
Targeted Investments for Electricity and Energy Sector
During the Sixth Plan and its First Year



5/5 Transportation

General Strategies

The strategy is based on the following pillars:

- Achieving integration and harmony among different internal modes of transport to efficiently meet the increasing demand.
- Strengthening the private sector role and ownership, and increasing economic efficiency of market-oriented economic units.
- Achieving better security and safety levels within transportation means, and limiting the environmental negative impacts.
- Increasing railways efficiency through restructuring the Railways National Authority to ensure better levels of services and return.
- Developing maritime ports in compliance with international agreements for maritime safety (ISM) and raising its competitiveness.

Policies

The main policies of the transportation sector are as follows:

*** Railway, Maritime and River Transportation**

- Expanding the use of multi-modes transportation to maximize benefits from joint capabilities.



- Developing and upgrading operation and management systems in railways used for cargo transportation.
- Upgrading safety measurements, and expanding the establishment of railways and pedestrian bridges.
- Achieving horizontal and vertical development of the roads network, and connecting the newly developed regions (South Valley and Red Sea) with main networks.
- Developing and increasing the efficiency of water canals to increase the available capabilities for river transportation, and effectuating its role in cargo transport.
- Establishing river ports suitable for usage for cargo transport and tourism purposes.
- Raising the efficiency of operation, and management of maritime ports through introducing Electronic Data Exchange systems EDI to increase its capacity to attract containers shipments, and establishing industrial and trade regions near ports to increase financial and economic returns.
- Connecting maritime and airports to internal transportation networks to create additional value added from multi-mode transportation.

*** Air Transport**

- Increasing the air fleet by adding aircrafts to extend airlines networks.
- Upgrading airports through expanding the capacity of passengers' terminals.
- Improving the performance of national companies vis-à-vis other regional alliances.
- Increasing the performance level and capacity of Egyptian Air, the national carrier.
- Upgrading human skills to increase efficiency, and international competitiveness.
- Modernizing means of periodical maintenance of aircrafts and equipments to increase operations' efficiency.
- Improving airports economic operation to meet international competitiveness under GATTs "open skies" principle.
- Expanding Charter flights, given its importance to Egyptian tourism.

*** Suez Canal**

- The Suez Canal Authority intends to pursue its policies aiming at maintaining the competitive advantage of the Suez Canal.



The policies of the Suez Canal Authority includes:

- Completing the purification and expansion of the Suez Canal to allow traffic increase.
- Providing fees reductions to certain clients, and completing the study of natural gas market regarding its production and consumption locations and its prices to contribute in opening new markets and reduce passage fees to gas containers.
- Strengthening coordination between the Authority and Sumid Pipeline Co. to achieve integration and face external challenges.
- Raising the efficiency of production capacities of affiliated companies.

 Quantitative Targets of the Sixth Plan

*** Railways**

The targets include strengthening power engines, renewal of railway lines, replacement, renewal and completion of stations, and upgrading safety measures.

Table 5/18 illustrates some of the main targets for railways development.

Table (5/18)

**Targets of the Egyptian Railway National Authority
Within the Sixth Plan and its First Year**

Item	Unit	Targets	
		2007/08	2007/08-2011/12
Increasing the number of locomotives	tractors	80	117
Rehabilitation of wagons	wagon	120	313
Upgrading regular and air conditioned wagons	vehicles	260	491
Purchasing of cranes with capacity of 100 ton	Crane	2	2
Renewal of railway lines	Km	240	1200
Number of keys	Key	200	1000
Establishing workers' hospitals	Number	2	2
Upgrading the Authority maintenance and repairs depots	Depots	Abu Zaabal /Aswan / Abbaseya / Boulak	



The investments for the railway upgrading Plan are estimated to be about LE 10 billion directed to electrification railway signs, purchasing new locomotives, upgrading and renewing railway repair and maintenance stations.

* **Subways**

- Implementing the first and second stages of the third subway line (Imbaba / Cairo airport)
- Provision of six trains, of which two are in the Plan's first year.
- Provision of nine vehicles to upgrade the first line, and eight trains to upgrade the second.
- Substituting magnetic tickets with smart cards.
- Providing alarm systems, and protective clothing for staff.

* **Roads Network**

- Dueling single roads of length 654 km, within the context of a broader plan to execute the doubling of 2400 km of roads.
- Constructing new roads of 1000 km total length, and connecting Nile River bridges with the main roads east and west of the Nile within the context of a broader plan to establish 1700 km of new roads.
- Constructing additional 15 bridges (flyovers) crossing roads and railways, and 14 bridges crossing the Nile River.

* **Free Ways**

- Constructing new roads of total length 4722 km through private sector's investments, including:
 - ✚ The highway network in Greater Cairo Region which is composed of 18 roads with a total length of 99 km, implemented under the P.P.P system.
 - ✚ Major roads affiliated to Roads Authority under B.O.T with a total length of 4470 km, such as Borg El Arab / El Fayoum highway.



* Land Transportation

The General Organization for Border Crossing Ports projects include the following:

- Completing the upgrading of El-Sallum and Rafah border crossing ports with the provision of security equipments.
- Upgrading Taba crossing port in South Sinai to cater tourism needs.
- Developing El-Ooga crossing port to ease commodity exports.
- Completing Ras Hadbara and Arken crossing ports to facilitate trade between Egypt and Sudan.
- Completing the process of supplying border crossing ports, by providing portals divulging radioactive substances.

* River Transportation

The River Transport Authority targets the following:

- Developing and purifying the waterways on El-Beheiry and El-Nobaria canals to connect Alexandria seaport with the river transport network, and building necessary locks throughout the waterways.
- Upgrading the navigation line to support night operations.
- Upgrading the riverway Cairo / Aswan, and providing maintenance to navigation towers.
- Completing the cleaning and maintenance of the Damietta River branch.
- Upgrading the navigation way in the new Damietta port and connecting it to governorates lying on other navigation ways.
- Establishing new river ports for containers' handling, and develop river ports equipped with suitable cranes to serve South Valley projects.

* Maritime Transportation

- Establishing new multi-purpose quays, building and supplying two maritime tug boats of 60 tons pull force necessary to deal with giant vessels.



- Constructing asphalt yards and new stores.
- Completing the development of the passenger maritime station in Alexandria seaport.
- Completing the upgrading of the main road in El-Dakhela port and constructing wave barriers.
- Completing the development of passenger terminals in Noeiba ports, Safaga, Hurghada and Adabeya, and completing the replacement and renewal of sanitation network in Suez Port.
- Constructing a southern quay in Port-Said port of length 340 meters, in addition to completing the construction of a maritime tug boat and the guidance building, and the maintenance of the navigation canal, and the completion of extending the containers' quay of length 1200 meters at east Port-Said.
- Constructing public cargo quay along the navigation canal.

* **Air Transportation**

- Upgrading accidents' centers with modern techniques and equipment and highly qualified inspectors and investigators.
- Completing the surveillance and control room for security systems, and constructing an automatic extinguish system.
- Purchasing 65 automatic meteorological stations and constructing meteorological stations, and high-quality satellite photos receiving stations.

The Plan of Egypt Airport and Civil Aviation Holding Company and affiliated companies includes:

- Completing the establishment of the new passenger terminal building in Hurghada airport with a capacity of 7.5 million passenger/ year, and increasing the apron's capacity to 29 aircrafts
- Completing the establishment of a new terminal building at Luxor airport, and increasing the capacity of the apron.
- Expanding and lightening the apron of Aswan airport to accommodate 32 aircrafts.



- Establishing a new passenger terminal building in Borg El-Arab airport, and increasing the capacity of airport to handle one million passenger/year and five aircrafts.
- Completing the establishment of the passenger terminal building No. 3 in Cairo airport.

The Plan of Egypt Air Holding Company and affiliated companies includes:

- Increasing the number of aircrafts to reach 72 by the end of the Sixth Five-Year plan.
- Purchasing 12 units of passenger escalators, 12 tractors, and 4 cargo loading pallet.

- **Suez Canal**

The main targets include:

- Replacing and renewing dredging equipment, and building a number of dredges.
- Completing the construction of a new tractor and deepening western branches.
- Strengthening the western wave barriers.
- Strengthening berths along the canal, establishing passenger ferry stations in Qantara east and west, and establishing and lightening ferry stations locations along the canal.
- Completing the deepening of the navigation canal.
- Constructing and developing three tug boats (1600 horse power).
- Completing the construction of the western berth of the Northern area, upgrading the western berth of the middle basin, and covering the new cable lines.

The targeted investments of the Suez Canal development Plan is estimated to reach about L.E 2.6 billion within the Sixth Five-Year Plan, to be executed by the Suez Canal General Authority, of which L.E 437 million in the Plan's first year.



Table (5/19) illustrates the developments of the different modes of transportation in the light of targeted investments.

Table (5/19)
Selected Quantitative Indicators of Transport Sector
Within the Sixth Plan and its First Year

Item	Unit	2006/07	2007/08	2011/12
Railways				
Passengers / km	Million	60000	63840	83730
Ton / km	Million	4500	4790	6280
Railway lengths	Km	9528	9768	10728
Roads				
Passenger / km	Million	142026	145576	180340
Ton / km	Million	46288	47445	58776
Paved roads lengths	Thousand km	49.153	52007	55484
River Transportation				
Ton / km	thousand	2706	2733	3277
Maritime transportation				
Thousand passenger		763	798	989
Thousand ton		11435	11961	14818
Air Transportation				
Passenger / km	Million	9808	10200	12987
Ton / km	Million	418	435	533
Number of aircrafts	plane	49	49	72
Suez Canal				
Number of crossing vessels	Ship	17600	17800	21869
Net weight	Million ton	660	672	826

Targeted Investments

The transportation sector investments are estimated to be LE 270 billion during the Plan, of which LE 29.8 billion within the first year. The business sector and the economic authorities are anticipated to implement about 86% of total investments, and the rest to be executed by the government body.



5/6 Communication and Information Technology

▣ Policies and Targets

The National Program for developing communication and information sector targets to establish an information community, and to support a new industry of communication and information technology.

Several achievements have been realized since the launching of that program in 1999, such as the rapidly growing numbers of companies working in the field of communication and information technology, internet users, and the increasing capacities of telephone centrals, T.V channels and number of subscribers.

The policies of the Sixth Plan – which targets achieving an annual real growth rate of 10.8% - include:

- Building an information community capable of capturing rapid progress in modern and developed technology and knowledge.
- Improving the efficiency of authorities and institutions and upgrading current systems to improve the level of services provided.
- Upgrading communication and information technology systems to cope with political, economic, and social reform programs.
- Developing human capital needed for the communication and information technology sector.

The Ministry of Communication and Information Technology is assigned to create an information environment, to develop the communication infrastructure, and to support the industry of information exports and establish relevant training centers, the latter to be done in coordination with the Ministry of State for Administrative Development which is mandated to qualify leaders and improve services provided to citizens.

▣ Targets of the Sixth Five-Year Plan

The targets of the communication and information technology can be summarized as follows:

- Spreading the use of communication and information technology tools and means through establishing 1500 information technology clubs, training



12500 youth graduates, and developing basic and English language skills for 10 thousand graduates within the Sixth Plan.

- Achieving an annual increase of 20% in internet users and information technology clubs, and of 25% in mobile phone users, and 15% in number of companies working in the field of communication and information technology.
- Completing the project of smart village (third stage).
- Strengthening the technological infrastructure for development through:
 - Developing wireless institutes.
 - Completing the network of smart schools by finishing the second stage (40 schools), and the third stage (80 schools), and the network of 7000 schools (3000 schools in the first stage and 5000 schools in the second stage).
 - Improving health services for family health units with 6000 health units in the second stage and 100 hospitals in the third stage.
 - Supporting, developing and generalizing ambulance systems over Great Cairo within the first stage and all over Egypt within the second stage.
 - Completing the first and second stages of developing technological infrastructure of the National Center for State Land Use.
 - Developing an information network for the Administrative Control Authority (three stages).
 - Developing Suzan Mubarak Center for Women Health in Alexandria.
 - Completing the project of the Ministry of Social Solidarity to develop and modernize 27 directorates, 280 social administrations, and 500 social units.
- Establishing 190 post offices, and completing the construction of an information network to connect different post locations.

Table (5/20) illustrates selected development indicators targeted within the Sixth Plan and its first year.



Table (5/20)

**Targeted Indicators for Some Communication and Post Activities
Within The Sixth Plan and Its First Year**

Item	Unit	2006/07	2007/08	2011/12
Communications				
House/commercial phones	Million	15.5	17.0	23.0
Mobile phones	Million subscribers	18.5	22.0	32.0
Post Offices				
Parcels	Thousand	287	300	344
Correspondence	Million	291	305	360
Express mail	Thousand	1950	2045	2435
E-mail	Thousand	60	65	90

 **Targeted Investments**

Public investments directed to support the communication and information technology sector are estimated to be about L.E 4.2 billion in the Sixth Plan, of which L.E 992 million concerns the first year.

These investments are distributed among the Ministry of Communications (L.E 3.36 billion), the Ministry of Housing and Public Utilities and Urban Development (L.E 533.6 million), the Ministry of State for Administrative development (L.E 250.7 million), and the Ministry of Agriculture and Land Reclamation (L.E 9 million).

Table (5/21) shows the main items of targeted investments within the Sixth Plan and its first year.



Table (5/21)

**Public Targeted Investments in the Communication
and Information Technology Sector
Within the Sixth Plan and Its First Year**

(L.E million)

Authority	2007/08	Sixth Plan
Public Bureau of Ministry of Communications and Information Sector	382	1500.0
National Institute of Wire and Wireless Communications	15	69.0
National Authority of Post Office	200	1000.0
Organization Body of Communications Utility	45.6	166.9
Authority of Information Technology Development	112	622.0
Ministry of Housing and Utilities Projects	141.3	533.6
Ministry of State for Administrative Development	90.4	250.7
Agricultural Information Systems Project	4.7	9.0
Total	991.0	4151.2

5/7 Tourism

Tourism contributes effectively in generating value added, providing job opportunities and enhancing foreign exchange earnings, in addition to supporting other related industries and activities through the tourism multiplier, and extending urbanization to desert regions.

Tourism has achieved a great accomplishment in the past few years, either in terms of numbers of visitors and tourist nights, foreign exchange proceeds, or hotel capacity, in spite of some unfortunate events that have occurred from time to time, which Egyptian tourism managed to overcome and regain momentum in a relatively short span of time.



The Ministry of Tourism Plan aims at:

- Doubling the number of tourists to reach 14 million tourists by the end of the Plan 2007/12.
- Increasing numbers of tourism nights to reach 140 million by the end of the Plan, with an average length of stay of ten nights/visitor.
- Expanding hotel capacity to 240 thousand rooms, at a rate of 15 thousand rooms a year.
- Providing about 1.2 million new job opportunities, with an annual rate of 200 thousand jobs.
- Increasing tourism income to reach \$ 12 billion in 2011/12.

Table (5/22) shows the targets of the sector during the Sixth Five-Year Plan and its first year.

Table (5/22)

Tourism Targets Within the Sixth Plan and Its First Year

Item	Unit	Expected 2006/07	Targeted 2007/08	Targeted 2011/12	Average annual growth rate (%)
Number of visitors	Million	9	10	14	9.4
Number of tourist nights	Million	90	100	140	9.4
Tourism revenues	\$ Billion	7.7	8.5	12	9.2
Hotel capacity	Thousand room	175	190	240	7.0

Strategy and Policies

To enhance the future role of tourism, the strategy of tourism development aims at influencing demand and supply sides, both qualitatively and quantitatively, i.e. achieving a substantial increase in tourism inflows corresponding to a reasonable increase in the supply of tourism services in a way that does not adversely affect prices, taking into account upgrading the quality of tourism product and market segments to achieve maximum economic and financial returns.



Tourism Development Policies:

***In the field of promotion:**

- Strengthening marketing and advertising message abroad through international promotional campaigns.
- Developing a comprehensive guide plan for airlines, tour operators, travel agents, and tourist press.
- Increasing comprehensive awareness of the Egyptian product in main tourism exporting countries and targeting new markets, such as Eastern Europe, China and India.
- Organizing tourist convoys to Arab countries (Saudi Arabia, Kuwait, UAE, Qatar, Oman, Bahrain, Jordan, Syria, Lebanon, Morocco, Tunisia, and Libya) to highlight the advantages of the Egyptian tourism product that Arab tourists search for, based on the peculiarity of the Arab market and its emotional and cultural relation with Egypt.
- Developing different promotional tools of promotion by designing new tourism site on the Internet www.egypt.travel in (7) languages, providing tourist guide materials for professionals and publications, and organizing joint advertising campaigns in cooperation with foreign tour operators in order to boost sales.

*** In the field of product diversification**

- Marketing non-traditional tourist products to address new segments of tourists, meeting updated needs of visitors, extending their stay duration and stimulating repeat visits, including; safari, golf, yachting, water sport, diving, fishing, and shopping tourism.

*** In the field of eco-tourism**

- Developing nature-based tourism through upgrading protectorates, and introducing new natural reserves.

*** In the field of tourism awareness**

- Providing comprehensive and intensive training and educational program, targeting the public in general, and tourism-related personnel, including advertising campaigns that highlight the economic significance of tourism for Egypt.



Concerning tourism supply, development efforts aim at:

- Increasing lodging capacity in Egypt, attracting new investments towards the field of hotel business, and tourism development, while maintaining proper balance between supply and expected demand.
- Continuing allocation of lands for tourism investment by activating the role of the Tourism Development Authority (TDA).
- Upgrading the skills of workers in the tourism business.
- Easing licensing and operation procedures, and harmonizing policies affecting tourism among different stakeholders.

* In the field of training

- Increasing the number of trainees, and upgrading their capabilities through effectuating the program of labor skills development in tourism and other related sectors, and specifying job requirements, applying international standards.

Tourism Investments

Executed tourism investments within the Fifth Five-Year Plan amounted to L.E 15.3 billion, of which 15% were public investments (L.E 2.3 billion), and 85% were implemented by private concerns.

Tourism investments for the Sixth Plan are estimated to be about L.E 44.5 billion. The Ministry of Tourism and its affiliated services' authorities are mandated to implement about L.E 2.7 billion, mainly for tourism promotion purposes. The First Year of the Plan's investment is in the order of L.E 5.7 billion. [table (5/23)].

Table (5/23)
Targeted Tourism Investments
Within the Sixth Plan and its First Year

(LE billion)

Body	2007/08	2011/12
Governmental Body	0.42	2.1
Economic Authorities	0.16	0.6
Private Sector	5.0	41.8
Companies Under Law 203	0.10	-
Total	5.68	44.5