



Industrial Development Authority

The Industrial Development in

AI fayoum



Chapter 1



Fayoum Governorate

Preface

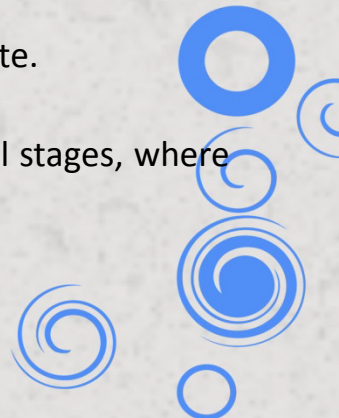
The Egyptian Government has started its plan to develop the Upper Egypt region that includes many promising governorates in the investment field, such as Fayoum governorate in which 4 new industrial zones were established due to the natural resources the governorate has, such as water, agricultural & mineral resources.

This come within the framework of the State's aim to establish industrial zones in all governorates to achieve the industrial development in Egypt.

Fayoum governorate contributes to enhancing the industrial activity through many industries, the most important of which are foodstuffs, beverages, tobacco, spinning & weaving, wood & its products, paper & its products, printing & publishing, chemical industries, building materials, in addition to engineering, electronic & electric industries.

Fayoum governorate includes 199 existed establishments registered in IDA with investment costs of about L.E2.013 billion and provide job opportunities of about 10345 distributed to all industrial activities in the governorate.

In addition, Fayoum governorate is distinguished in all educational stages, where it contains 13 colleges.



Moreover, the governorate is distinguished by its climate, where it is the only governorate that contains 2 lakes, one of which is Lake Qarun; the bitter lake and the other lake is Wady El Rayan; the fresh water lake.

Accordingly, this study will cover in detail the industry in Fayoum governorate, followed by an overview about the governorate, besides the investment opportunities & the agricultural, livestock, fishery & mining resources available therein.



Industrial Development in Fayoum

Industrial Map

Fayoum governorate contributes to enhancing the industrial activity through many industries, the most important of which are foodstuffs, beverages, tobacco, spinning & weaving, clothes, leather, wood & its products, paper & its products, chemical and engineering industries, building materials, mineral industries, chinaware, porcelain & calorie in addition to the electronic & electric industries.

Moreover, there are many mines & quarries on which many industries are depend.

The following tables indicate the total number of industrial establishments registered in IDA in Fayoum governorate distributed according to industrial activities:

Value: L.E1000

Activity	Establishments No.	Production Value	Total Investment Costs	Labours No.	Total Wages
Mines & quarries exploitation	١	٤٨٦	٥٩٤٩	١٦	٩٥
Food, beverages and tobacco	٨٠	١٦١٥٤٦٤	١٣١١٩٤١	٣٠٠٦	١٨٠٤٠
Textile, garments and leather products	١٢	١٦٦٠١٦	٤٤٨٢٢	١٩١٠	١٥٨٩٩
Wood and its products	٨	٢٠٢٣٦	١٣٤٧٨	٥٩	٢٨٦
Paper and its products, printing & publishing	٢٦	٢٢١١٢	١١٤٨٧	١٩٨	٦٦١
Basic chemicals & its products	٢٨	٩٥٨٥٦٨	١٢٦٤٤٤	١٥٥٧	١٤١٩٢
Building materials, chinaware, porcelain & calorie	٢٠	٣٥٢٣٣٤	٤٠١٢٦٧	٣٠٩٦	٢٢٩٧٩
Basic minerals	١	٢٨١٠	٣٨٢٥	٢٥	١٣٢
Engineering, electronic & electric industries	٢٣	٢٨٠٠٧١	٩٣٦٣٦	٤٧٨	٢٥١٤
Total	١٩٩	٣٤١٨٠٩٧	٢٠١٢٨٤٩	١٠٣٤٥	٧٤٧٩٨

Statement of the Total Number of Establishments Registered in IDA in Fayoum Distributed by Activity & Industrial Zones

Activity	Establishments No.	Production Value	Total Investment Costs	Labours No.	Total Wages
Etsa Center					
Food, beverages and tobacco	٤	٧١١٣٣٤	٩٧١٩٥٠	٦٦٦	٦٣٦٩
Textile, garments and leather products	١	١٤٩٣٠٠	٣٧٢١٥	١٠٣٣	٨٦٧٨
Total	٥	٨٦٠٦٣٤	١٠٠٩١٦٥	١٦٩٩	١٥٠٤٧
Sanoores Center					
Food, beverages and tobacco	٣	٢٦٧٤٤٤	٦١٧٠	١٩٠	١١١
Textile, garments and leather products	١	٤٣٠	٢٤٠	١٢	٤٠
Paper and its products, printing & publishing	١	٣٥	٢٧	٢	٤
Building materials, chinaware, porcelain & calorie	٢	٣٢٧	٤١٥	٣٠	٦١
Engineering, electronic & electric industries	٢	٣٧٢	١٥٨	٨	٢١
Total	٩	٢٧٩٠٨	٧٠١٠	٢٤٢	٢٣٧
Tamya Center					
Food, beverages and tobacco	٤	١١٧٦٦	٢١٩٣	٧٤	١٧٧
Paper and its products, printing & publishing	١	٦٢٠٠	١٤٥٠	٦	٤٣
Basic chemicals & its products	٢	٦٨٦٣٢	٣٣٠٠٠	٥٨	٤٨٠
Building materials, chinaware, porcelain & calorie	١	٥١٠٠٠	٩٧٦٢٨	٣٥٠	٣٨٢٠
Total	٨	١٣٧٥٩٨	١٣٤٢٧١	٤٨٨	٤٥٢٠

Statement of the Total Number of Establishments Registered in IDA in Fayoum Distributed by Activity & Industrial Zones

Activity	Establishments No.	Production Value	Total Investment Costs	Labours No.	Total Wages
Kom Oshim Industrial Zone					
Food, beverages and tobacco	١٨	٤.٦٧.٢	١٥٩٥١٩	٧١٢	٥٥٦٣
Textile, garments and leather products	١	١٣٨٤	٢.٤٠	٢٠	١.٩
Wood and its products	٢	٢.٠٨٥	١٣٤٠٠	٣١	٢٤٨
Paper and its products, printing & publishing	١	١١٢٠٠	٦٥٠٠	٧٠	٣٨٠
Basic chemicals & its products	١٧	٨٧٤٣٢٨	٨٣٣٣٤	١٤١٩	١٣٣٤٨
Total					
Fayoum City					
Food, beverages and tobacco	٣٧	١٩٦٦١٣	٤٨٨٣٧	٧٧١	٢٩٧٩
Textile, garments and leather products	٣	٢١٣	١.١	٩	١٧
Wood and its products	٢	١٦	٢٥	٨	١٠
Paper and its products, printing & publishing	١٨	١٨٩٥	٢٢٥٧	٩٦	١٥٠
Basic chemicals & its products	٣	٣٦٩٥	٤٨٢٦	١٧	١٤٥
Building materials, chinaware, porcelain & calorie	٧	١١.٧	١١٥٨	٣٨	١٤٧
Engineering, electronic & electric industries	٧	٨٥	٣١٤	٢٢	٤٧
Total	٧٧	٢.٣٦٢٤	٥٧٥١٨	٩٦١	٣٤٩٥

Statement of the Total Number of Establishments Registered in IDA in Fayoum Distributed by Activity & Industrial Zones

Activity	Establishments No.	Production Value	Total Investment Costs	Labours No.	Total Wages
Fayoum Center					
Mines & quarries exploitation	١	٤٨٦	٥٩٤٩	١٦	٩٥
Food, beverages and tobacco	٩	١٦٠٩٤	٢٠٨٤١	١٤١	٦٣٨
Textile, garments and leather products	٦	١٤٦٨٨	٥٢٢٧	٨٣٦	٧٠٥٥
Wood and its products	٤	١٣٥	٥٢	٢٠	٢٨
Paper and its products, printing & publishing	٥	٢٧٨٢	١٢٥٣	٢٤	٨٤
Basic chemicals & its products	٣	٤٩٣٨	٢٤٢٧	٤٧	١٢٢
Building materials, chinaware, porcelain & calorie	٢	١٦٥	٥٦	١٧	١٥
Engineering, electronic & electric industries	٤	٢٢٠٨	٢٢٧٧	٣٦	٧٧
Total	٣٤	٤١٤٩٦	٣٨٠٨٢	١١٣٧	٨١١٤
Ebshway Center					
Food, beverages and tobacco	٤	١٨٩٢١١	٩٦٤٣١	٤٦٦	٢١٦٧
Basic chemicals & its products	٣	٦٩٧٥	٢٨٥٦	١٦	٩٨
Total	٧	١٩٦١٨٦	٩٩٢٨٧	٤٦٢	٢٢٦٥

Statement of the Total Number of Establishments Registered in IDA in Fayoum Distributed by Activity & Industrial Zones

Activity	Establishments No.	Production Value	Total Investment Costs	Labour s No.	Total Wages
Kom Oshim Industrial Zone					
Building materials, chinaware, porcelain & calorie	٨	٢٩٩٧٣٦	٣.٢.٠.٩	٢٦٦١	١٨٩٣٦
Basic minerals	١	٢٨١.٠	٣٨٢٥	٢٥	١٣٢
Engineering, electronic & electric industries	٩	٢٧٤٩٨٦	٨٩٥٨٧	٣٥٢	٢١٥.٠
Total	٥٧	١٨٩١٢٣١	٦٦.٢١٤	٥٢٩.٠	٤.٨٦٦
Al Fath Industrial Zone					
Food, beverages and tobacco	١	٥٧.٠.٠	٦.٠.٠	٦	٣٦
Engineering, electronic & electric industries	١	٢٤٢.٠	١٣.٠.٠	٦.٠	٢٢.٠
Total	٢	٥٩٤٢.٠	٧٣.٠.٠	٦٦	٢٥٦
Gross Total	١٩٩	٣٤١٨.٩٧	٢.١٢٨٤٧	١.٣٤٠	٧٤٧٩٨



Statement of the Economic & Financial Indicators of Industrial Establishments in Fayoum Distributed by Zones

Value: L.E1000

Zone	Establis hments No.	Production Value	Total Investment Costs	Labours No.	Total Wages
Fayoum City	٧٧	٢.٣٦٢٤	٥٧٥١٨	٩٦١	٣٤٩٥
Fayoum Center	٣٤	٤١٤٩٦	٣٨.٨٢	١١٣٧	٨١١٤
Ebshway Center	٧	١٩٦١٨٦	٩٩٢٨٧	٤٦٢	٢٢٦٥
Etsa Center	٥	٨٦.٦٣٤	١.٠٩١٦٥	١٦٩٩	١٥.٤٧
Sanoores Center	٩	٢٧٩.٨	٧.١.	٢٤٢	٢٣٧
Tamya Center	٨	١٣٧٥٩٨	١٣٤٢٧١	٤٨٨	٤٥٢.
Kom Oshim Industrial Zone	٥٧	١٨٩١٢٣١	٦٦.٢١٤	٥٢٩.	٤.٨٦٦
Al Fath Industrial Zone	٢	٥٩٤٢.	٧٣.٠.	٦٦	٢٥٦
Total	١٩٩	٣٤١٨.٩٧	٢.١٢٨٤٧	١.٣٤٥	٧٤٨.٠

The previous table states that Fayoum governorate includes 199 existed industrial establishments with an industrial production value of L.E3.4 billion, investment costs of about L.E2.013 billion and provide job opportunities of about 10345 with a total wages of L.E74.8 million per year.

Accordingly, the following financial & economic indicators could be concluded:

- Average Labor Wage in Fayoum: L.E7231 thousands per year & L.E603 per month.
- Investment productivity = L.E1.7
- Human capital return on investment = L.E45.7
- Labour productivity = L.E330.4 thousands/ labour



Industrial Zones in Fayoum Governorate

Fayoum Governorate includes 4 industrial zones:

- Kom Oshim industrial zone established on a total area of 1101 feddans.
- North of Fayoum industrial zone established on a total area of 7872 feddans.
- Kota industrial zone established on a total area of 2000 feddans.
- New Fayoum industrial zone which its decree on establishment is to be issued.

The aforementioned industrial zones are established within the State's policy for the industrial development in all governorates. This policy aims at participating the private sector in creating an industrial sector in order to increase the growth rate & boost economy.

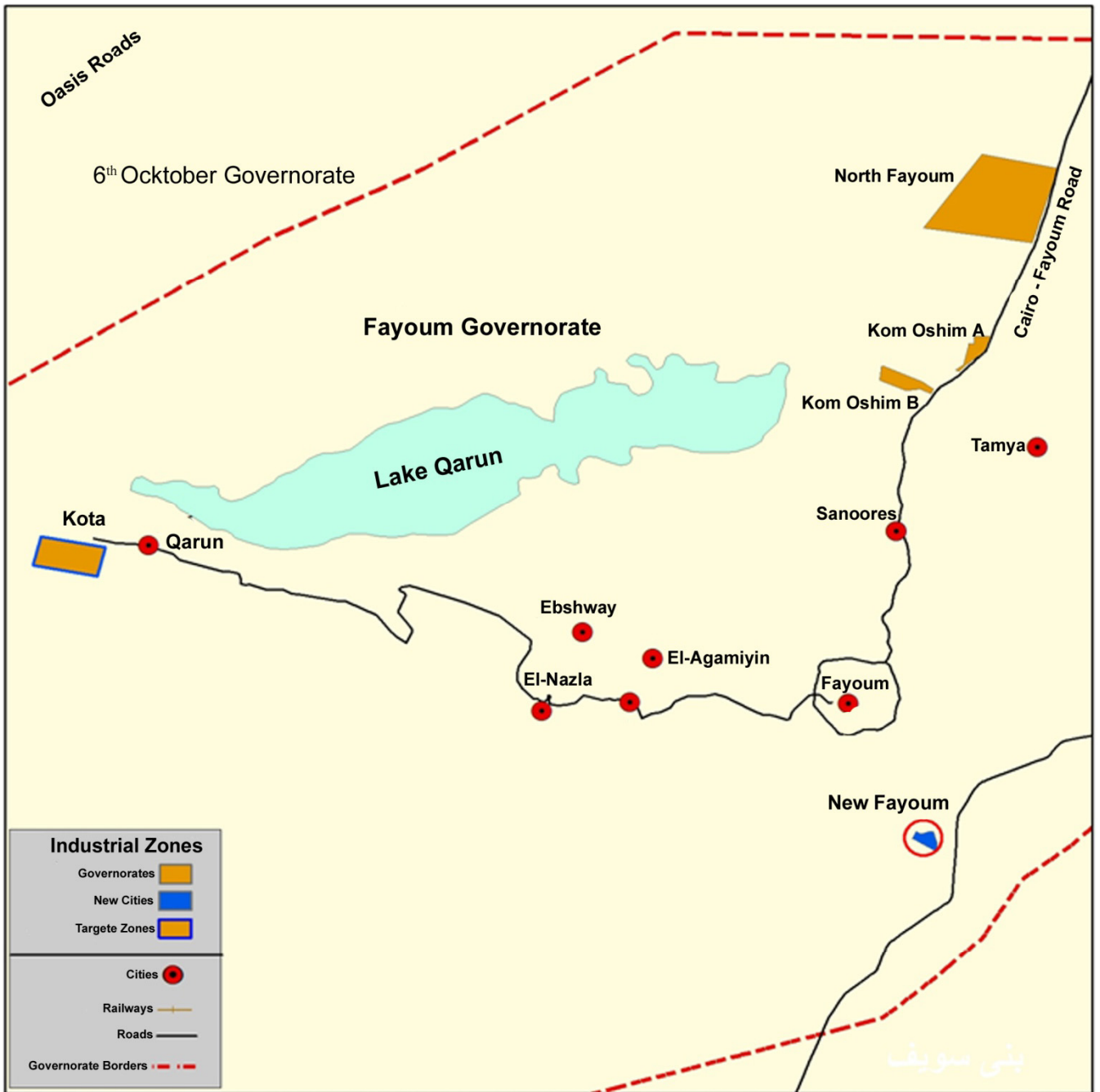




Industrial Zones In Fayoum



Industrial Development Authority



#	Industrial Zone	Affiliation	Area/Feddan
1	Kom Oshim Industrial Zone	Governorates	1101
2	North Fayoum Industrial Zone	Governorates	7872
3	Kota Industrial Zone	Governorates	2000
4	New Fayoum Industrial	New Cities	

Industrial Activity in Fayoum

Fayoum governorate is distinguished by many industrial activities such as the industries of food, paper & building materials, in addition to the existence of small workshops established to have a capacity for a large number of labours.

In addition, Fayoum governorate includes many raw materials such as clay on which many bricks factories in the governorate are based. The number of these factories are 15 factories which provide 495 job opportunities.

The most important industrial activities in Fayoum are:

- Cotton gins & textile factories:

The governorate includes 3 large factories of ginning cottons which provide 850 job opportunities.

- Medicinal plants distillation factories

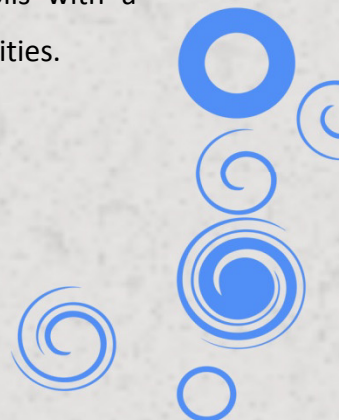
The governorate is characterized by the high quality of aromatic & medicinal plants it has which represent 25% of Egypt's production. In addition, many factories are based on these products, where the number of distillation factories is estimated at 38 factories that provide 58 job opportunities.

- Ceramics factories:

The governorate includes 4 factories of producing ceramics, porcelain & sanitary ware which provide 654 job opportunities.

- Oils factories

Fayoum governorate includes a large factory of extracting food oils with a monthly production capacity of 2400 tons & provide 210 job opportunities.



- **El Fayoum Company for Sugar:**

This company was established with investment costs of about L.E700 million & through which 700 job opportunities could be provided.

- **Feed factories:**

Fayoum governorate includes 4 feed industries with an annual production capacity of 13689 tons & through which 207 job opportunities could be provided.

- **Dairy products projects**

Fayoum governorate includes 110 factories of producing cheeses & milks with an annual production capacity of 629 tons & through which a large number of job opportunities could be provided.

- **Salt extraction from Lake Qarun:**

Fayoum governorate includes a factory affiliated to the Egyptian Mineral & Salts Company (EMISAL) for producing sodium chloride (Salt) with an annual production capacity of 100.000 tons & another factory for extracting sodium chloride (Salt) with an annual production capacity of 150.000 tons & through which 1000 job opportunities could be provided.





Industrial Development Authority

Chapter 2



About Fayoum:

Fayoum governorate is one of Upper Egypt's governorates. Its Capital is Fayoum City.

Location:

Fayoum governorate is located in the Western Desert, on the South West 92 km far from Cairo.

Area:

The total area of Fayoum is estimated at 60.068 km².

Administrative Division:

Fayoum governorate includes 6 administrative centers.

Population:

Fayoum's population is estimated at 2.721.478 person (Year 2010)

Education:

Pre-University Education

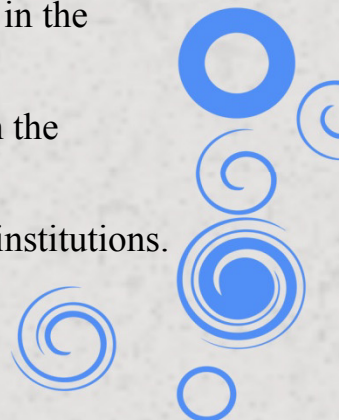
-Number of students & teachers registered in the Primary Stage in the governorate (Government & Private) is 330819.

-Number of students & teachers registered in the Preparatory Stage in the governorate (Government & Private) is 152047.

-Number of students & teachers registered in the Secondary Stage in the governorate (Government & Private) is 16160.

Number of students registered in the Technical Secondary Stage in the governorate (All Divisions)) is 47235 students.

In addition, Fayoum governorate includes many Azhar schools & institutions.



Higher Education

Fayoum governorate includes 13 colleges affiliated to Cairo University.

Health:

Fayoum governorate includes 159 hospitals & 658 private clinics in different kinds of specialization.

Labour Force:

Investment projects & small-scale industries enterprises contribute in enhancing development in Fayoum. Accordingly, a huge number of job opportunities were provided.



Chapter 3



First: Natural resources

Fayoum governorate is characterized by many natural resources such as:

1. Ground wealth
2. Water resources
3. Mining resources
4. Mining resources

Second: Agricultural Resources

Agricultural factors in Fayoum are based on the agricultural lands and surface & soil aspects.

The most important crops are: cotton-rice-wheat-clover- maize

Third: livestock wealth

Fayoum governorate is one of the main producers of meats & dairy products & livestock field is considered one of the main economic activities in the governorate.

Forth: Fishery wealth:

Fayoum governorate includes a huge area suitable for establishing fish farms where the availability of water.

Fifth: infrastructure:

1.Roads:

Fayoum governorate has a paved roads network & a ring road that links between the governorate's centers.



2- Electricity:

Fayoum governorate has 11 power plants.

3- Drinking water:

Fayoum governorate has 25 water plants.

4- Sewerage water

A number of integrated sewerage projects were implemented in Fayoum governorate where 52 sewerage water plants were established.



Chapter 4

Investment Factors in Fayoum Governorate



Investment Factors in Fayoum:

-There are many factors in Fayoum governorate upon which investment depends in many fields such as:

Agricultural Investment: where the reclaimed lands suitable for planting different crops

- Availability of agricultural equipment
- Availability of irrigation water
- Availability of labour force
- Availability of markets

In addition, investors have the ability to invest in the animal, poultry & fishery fields due to the factors of encouraging investment the governorate has such as:

- Availability of pastures
- Availability of veterinary units
- Availability of feed
- Availability of abattoirs
- availability of areas suitable for establishing fish farms.
- Availability of markets needed for marketing products.



-In addition, many investment projects are available in the governorate in the fields of apiaries & producing honey, where the governorate's product of honey is represented 20% of Egypt's production & many investment opportunities could be provided in this field such as:

- Canning & distributing honey & royal jelly
- Opening consultative offices specialized for beekeeping.
- Exporting pollen, bee venom & raw beeswax to the companies specialized in producing pharmaceutical
- Establishing apiaries within the recently reclaimed lands & benefiting from them in the exportation field.
- Establishing workshops & factories for manufacturing necessary requirements.

Moreover, the governorate includes a huge quantity of rocks & mining resources important for investment projects, such as sands, clay, limestone, cobblestone, dolomite, basalt & silica sand

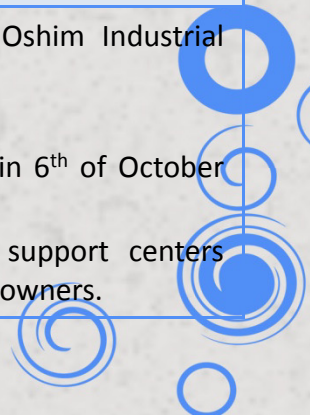


The following table indicates some of the proposed Investment Projects in Fayoum:

Investment Field	Investment Opportunities
Factories based on the aromatic & medicinal plants	<ul style="list-style-type: none"> •Fayoum is characterized by the aromatic & medicinal plants, 95% of its area is cultivated in organic farming. •The nearness of plants' sources to Kom Oshim Industrial zone •The industrial zone's nearness to Cairo, Giza & Alexandria which are considered market & export outlets. <p>Kom Oshim Industrial zone's nearness from Cairo; 65 km far from Cairo, which is provided with all facilities & services.</p>
Factories based on vegetables & fruits	<ul style="list-style-type: none"> •Fayoum governorate is characterized by its productivity of onion crops. Accordingly, factories based on these crops have the advantage of getting huge quantities of these crops in low transport costs. •Fayoum governorate is characterized by its productivity of citrus, olives, mangos, apricots & grapes. •Kom Oshim Industrial zone's nearness from Cairo & Alexandria.
Factories based on the animal, poultry & fishery production	<ul style="list-style-type: none"> •Fayoum governorate is characterized by its productivity of meat, poultry, fishes, rabbits & ducks. •Nearness from the industrial zone •Nearness from Cairo & Alexandria, which are considered market outlets.
Dairy products factories	<ul style="list-style-type: none"> •Fayoum governorate is characterized by its productivity of milk & its nearness from Giza & Beni Suief governorates which are considered milk collection centers. •Advantages of establishing projects in Kom Oshim Industrial zone, which is near to these governorates provided with utilities & services.

Cont'd

Investment Field	Investment Opportunities
Halvah & tahini production factories	<ul style="list-style-type: none"> •Fayoum governorate is characterized by its productivity of sesame which is the main component in producing halvah. • The governorate's nearness from the neighboring governorates famous of cultivating sesame.
Rice mills	Fayoum governorate is famous for rice cultivation .
Spinning & Weaving Industries	<ul style="list-style-type: none"> •The availability of trained labour force due to the industrial zone's nearness from the residential areas in Tamyia & Sanoores centers. •The industrial zone's nearness from sources of obtaining materials . •The industrial zone's nearness from Cairo & Alexandria which are considered as market outlets (local-foreign).
Sawing, cutting, sharpening & forming marble industry	<ul style="list-style-type: none"> •Availability of marble & labour force. •Increasing foreign demand. •Nearness from Kom Oshim industrial zone
Manufacturing woods from cottonwood & palm branches	<ul style="list-style-type: none"> •Availability of getting these materials from agricultural wastes. •Availability of sewerage water •Availability of labour force
Manufacturing leather shoes, bags & belts	<ul style="list-style-type: none"> •Existence of a zone specialized for leather tanneries in Fayoum that helps in providing the raw material in lower costs. •Availability of labour force
Small industries sector	<ul style="list-style-type: none"> •Availability of 50 feddans in Kom Oshim Industrial Zone specialized for small industries •Availability of labour force •Easy marketing of factories existing in 6th of October industrial zone. •Availability of technical& financial support centers specialized for small-scale enterprises owners.



Investment Advantages in Fayoum

1. Industrial zones in Fayoum are provided by services and utilities which are represented in roads, water plants & networks, sewerage water, electricity network, natural gas network & telephone exchanges.
2. Establishing an Industrial Modernization Center in Kom Oshim Industrial Zone.
3. Establishing a training center in Kom Oshim Industrial Zone under the supervision of the Productivity and Vocational Training Department.
4. Establishing an International Trade Point in Kom Oshim Industrial Zone.
5. Providing investors with many facilities & incentives in in Kom Oshim Industrial Zone, which are represented in decreasing the land prices.
6. Availability of agricultural crops such as aromatic & medicinal plants, vegetables & fruits and many other crops upon which many industries are based.
7. Availability of livestock raising farms upon which the industry of preparing meats & dairy products is based
8. Fayoum nearness from the governorates of Cairo, Beni Suief & Giza which are considered as market outlets.
9. Providing all licenses & approvals through an independent Department in Kom Oshim Industrial Zone.
10. Industrial zones are to be managed by a board of directors headed by the Governor & representatives from the General Authority for Investment & Free Zones, the Industrial Development Authority, investors in the industrial zones, the Trade Chamber in Fayoum. The board of directors are entitled to set general policies of developing industrial zones in addition to overcoming obstacles facing investors.



IDA's Fund for Subsidizing Establishment, Servicing and Development of Industrial Zones

•L.E1,600 million were provided from IDA's Fund for Subsidizing Establishment, Servicing and Development of Industrial Zones since it was established in the fiscal year 2007/2008. Accordingly, many projects of developing, completing & utilizing infrastructure were established in the industrial zones of Delta, Upper Egypt & the Canal region, such as roads, electricity, drinking & sewerage water networks. As a result, flow local & foreign investments were increased, many new factories were established in these industrial zones & industrial development target rates were increased in these zones.

•33 industrial zones in Delta, Upper Egypt & the Canal region were benefited from IDA's Fund, where they attracted new investments of L.E13,700 million for 1150 industrial projects (Medium & Small-scale). Accordingly, more than 88.000 job opportunities were provided. In addition, new projects are being studied by IDA's Fund, which are expected to be established with investment costs of L.E3.7 billion.

•More than 50% of the total subsidy provided by IDA's Fund were allocated for Upper Egypt's governorates since the date of the Fund's establishment.

•L.E780 million were allocated for Upper Egypt's governorates which attracted investments of L.E8.8 billion for 713 projects. These governorates include: Fayoum, Beni Suief, Minya, Assuit, Qena, Sohag, Luxour, Aswan & the New Valley.