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DEPARTMENT OF COMMERCE

International Trade Administration

Trade Mission to Egypt and Kuwait

**AGENCY:** International Trade Administration, Department of Commerce

**ACTION:** Replacement Notice

**SUMMARY:** The United States Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service is replacing the Notice regarding the Trade Mission to Egypt and Kuwait March 10-14, 2013, published at 77 FR 71777, December 4, 2012, to cancel the Kuwait portion of the mission, and reschedule the Egypt portion to April 14 to 16, and the application deadline to March 14.

**SUPPLEMENTARY INFORMATION:**

In June 2012 the Department of Commerce initiated recruitment for participation in the U.S. Trade Mission to Egypt and Kuwait March 10-14, 2013, published at 77 FR 33439, June 6, 2012. In 77 FR 71777, December 4, 2012, the Department of Commerce announced that the application deadline for the mission was extended until January 18, 2013. Since then, due to unforeseen circumstances, the Kuwait portion of the mission has been cancelled, and Trade Mission to Egypt will be April 14 to 16 and the application deadline March 14. Interested firms that have not already submitted an application are encouraged to apply. Applications will be accepted after the deadline only to the extent that space remains and scheduling constraints permit.

**REPLACEMENT**

The Trade Mission to Egypt and Kuwait is replaced to read as follows:

**Business Development Mission to Trade Mission to Cairo, Egypt**

**April 14-16, 2013**

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## **MISSION DESCRIPTION**

The U.S. Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service is organizing a Trade Mission to Cairo, Egypt to explore opportunities in the following sectors: electric power infrastructure, building products and design and construction, and safety and security.

Led by a senior executive of the Department of Commerce or other U.S. Government agency, the trade mission will include one-on-one business appointments with pre-screened potential buyers, agents, distributors and joint venture partners; meetings with national and regional government officials, chambers of commerce, and business groups; and networking receptions for companies and trade associations representing companies interested in expansion into the North African and Middle Eastern markets. Meetings will be offered with government authorities that can address questions about policies, tariff rates, incentives, grid interconnection, regulation, etc.

The mission will help participating firms and trade associations gain market insights, make industry contacts, solidify business strategies, and advance specific projects, with the goal of increasing U.S. exports to Egypt. Participating in an official U.S. industry delegation, rather than traveling to Egypt on their own, will enhance the companies' ability to secure meetings in Egypt.

## **COMMERCIAL SETTING**

Egypt is strategically located at the gateway of trade for Africa and the Middle East. It is a prime location for the transit of goods, as well as a key destination for American companies seeking to do business in the region.

Egypt has experienced profound political changes over the past year. On February 11, 2011, President Hosni Mubarak's 30-year rule came to an end. In January 2012, Egypt seated its first freely and fairly elected

parliament, and has held a Presidential election. In the meantime, the United States remains committed to a strong partnership with Egypt.

As the largest Arab country with a population of 90 million, Egypt is the fourth largest export market for U.S. products and services in the Middle East. The United States is Egypt's largest bilateral trading partner, and the second largest investor. In 2011, bilateral trade reached \$8.2 billion. The gross domestic product (GDP) grew over five percent from 2009 to 2010. According to Business Monitor International's forecasts, Egypt's real GDP is expanding 2.1% in FY2011/12 and projected to grow 4.9% in FY2012/13 (Egypt's fiscal year is July through June). Egyptian law requires that foreign companies retain Egyptian commercial agents for public tenders, but they may work directly with private companies. Most foreign companies have found it beneficial, however, to engage a local agent for private sector transactions as well because of their familiarity of the language, law and general business practices. Based on geographical location or product basis, a firm can appoint multiple agents in Egypt to further enhance its success.

## **Best Sector Prospects**

### **Electric Power Infrastructure**

Egypt is one of the largest electrical energy producing countries in the Middle East. Over the next ten years, Egypt plans to expand its electricity capacity to 60,000 megawatts through a combination of traditional, renewable, and energy production to diversify energy resources and preserve the country's limited oil and gas reserves. Opportunities exist for U.S. providers of gas turbines, steam turbines, hydro and wind turbines, blades, and other equipment, as well as development and project management. Best prospects in the energy sector include circuit breakers of more than 66kv, power transformers of more than 25MVA-66kva, power transmission lines, turbine generator units with associated equipment, and vibration dampers.

The US&FCS will organize meetings for the mission delegates with the Ministry of Electricity and Energy, and the New and Renewable Energy Authority government officials who can address questions about policies, tariff rates, incentives, grid interconnection, price subsidy, and regulations.

### **Building Products and Design and Construction**

The Government of Egypt (GOE) directed \$1.9 billion to Egypt's infrastructure in 2010. With over 50 percent of the population under the age of 25 and a strong tourism market, there has been increased pressure on Egypt's roads, bridges, railroads, power stations, water and sewage, hospitals, and schools. According to the GOE, growth in the construction sector reached 4.25% in 2010 and will rise to 5.63% in 2014. It is expected to grow by a robust 4.91% year-on-year from 2010 to 2014, reaching a total value of \$15.8 billion. Such growth is expected to attract investments of around \$7.3 billion by 2015. Demand in the sector is on the rise mainly because of rapid demographic growth and housing shortages, particularly in the low- and middle-income segments. Construction accounts for around 8% of total employment, with a workforce of 1.2 million people in the sector.

As an active importing and exporting country with a trade volume reaching \$19.5 billion in 2011, there is an ongoing need for state-of-the-art logistics centers, intermodal connecting systems, cold storage, and river transportation. Logistics centers are considered critical to the global supply chain and will affect logistics decisions ranging from shipping routes to warehouse locations.

In 2012, the Egyptian government's General Authority for Investment announced the following major plans for infrastructure development:

- The 6<sup>th</sup> of October Wastewater Treatment Plant: design, construction operation and maintenance of a new 150,000 m<sup>3</sup>/day plant, valued at \$15-29 million
- Abu Rawash Wastewater Treatment Plant: upgrading of the plant, valued at \$990 million

- East Port Said Port: includes a duty free zone area, road and rail networks, a power station, communication center, value-added services, valued at \$1.5 billion
- Alexandria Medical City: a medical center project for which the Egyptian government seeks private investment for financing, designing, constructing, equipping, furnishing, maintenance, operating and providing non-clinical facility services for two University Hospitals and a blood bank, valued at \$1.45 billion

Some projects will be awarded based on the Egyptian government's "Public Private Partnership" (PPP) program, a multi-faceted initiative to attract private sector investment for infrastructure projects.

### **Safety and Security**

The safety and security industry is booming throughout Egypt as the country deals with increased security issues ranging from private citizen safety to transaction fraud. Safety and security imports to Egypt have increased 10-15% annually for the past few years and U.S. brands are well received. This is primarily a government market, dominated by the Ministry of Interior and Ministry of Defense.

As the country works to increase tourism over the next few years (a government priority post-revolution), airports and seaports will need upgraded security systems. Police and customs authorities will also have an increased need for such systems. Egypt has eight major ports and three cross-country borders that require significant security measures. In its fight against drug smuggling and counterfeit products, Egypt requires container scanning and shipment tracking devices. Egypt is also looking at container scanning upgrades and seafarer identification cards for more secure identification and synchronizing systems to coordinate security measures and responses. Accordingly, opportunities exist for U.S. firms providing short-range radar systems, surveillance cameras, infrared and radiological detectors, vessel tracking MIS, biometric scanners, personnel databases, computer peripherals, and systems integration equipment. Companies that can provide proven, cutting-edge technologies will have an advantage in these export opportunities.

## **MISSION GOALS**

The goal of the trade mission is to provide U.S. participants with first-hand market information, access to government decision makers as appropriate and one-on-one meetings with business contacts, including potential agents, distributors and partners, so they can position themselves to enter or expand their presence in the Egypt.

## **MISSION SCENARIO**

**Cairo** is the capital of Egypt and the largest city in Africa. The business week runs from Sunday through Thursday.

## **PROPOSED TIMETABLE**

Saturday	13 April	Arrival in Cairo
Sunday	14 April	Orientation and market briefings, business luncheon with American Chamber of Commerce and U.S. Ambassador's networking reception
Monday	15 April	One-on-one business appointments; business lunch - General Authority For Investment and Free Zones presentation on major public-private partnership projects; group dinner
Tuesday	16 April	One-on-one business appointments

## **END OF MISSION**

## **PARTICIPATION REQUIREMENTS**

All parties interested in participating in the Trade Mission to Egypt must complete and submit an application package for consideration by the U.S. Department of Commerce. All applicants will be evaluated on their

ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 15 U.S. companies and/or trade associations and maximum of 20 companies and/or trade associations will be selected to participate in the mission from the applicant pool. U.S. companies or trade associations already doing business with Egypt, as well as U.S. companies or trade associations seeking to enter these countries for the first time may apply.

### **Fees and Expenses:**

After a company has been selected to participate on the mission, a payment to the U.S. Department of Commerce in the form of a participation fee is required. The fee for one representative to participate in the mission is \$1400 for an SME and \$2100 for large firms or trade associations. The fee for each additional company or association representative (SME or large firm) is \$400. Expenses for travel, lodging, most meals, interpreters, and incidentals are the responsibility of each mission participant. Participants may be able to take advantage of Embassy rates for hotel rooms.

### **Conditions for Participation:**

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the U.S. Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content. In the case of a trade association or trade organization, the applicant must certify that, for each company to be represented by the trade association or trade organization, the

products and services the represented company seeks to export are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

### **Selection Criteria for Participation:**

Selection will be based on the following criteria:

- Suitability of the company's (or, in the case of a trade association or trade organization, represented companies') products or services to the targeted markets
- Applicant's (or, in the case of a trade association or trade organization, represented companies') potential for business in the target markets, including likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the mission

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

### **TIMEFRAME FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including posting Export.gov -- and other Internet websites; publication in trade publications and association newsletters; direct outreach to the Department's clients; posting in the Federal Register; and announcements at industry meetings, symposia, conferences, and trade shows.

Recruitment for the mission will begin January 28, 2013 and conclude no later than March 14, 2013. The U.S. Department of Commerce will review applications and make selection decisions on a rolling basis until the maximum of twenty participants is reached. We will inform all applicants of selection decisions as soon as possible after the applications are reviewed. Applications received after the March 14 deadline will be considered only if space and scheduling constraints permit.

### **FOR FURTHER INFORMATION CONTACT:**

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