



EU Turkey Global Bridge Building Initiative 2013

(EU-Turkey Business Connectivity on Egyptian, Tunisian and Palestinian Markets)

THIS IS THE TEMPLATE LETTER TO BE SENT BY THE FOCAL POINTS TO NATIONAL, REGIONAL, LOCAL CHAMBERS, SECTORAL ASSOCIATIONS AND COMPANIES. SHOULD THE FOCAL POINTS WISH TO COLLECT AND FILTER THE APPLICATIONS, THEY CAN INDICATE THEIR OWN CONTACT DETAILS IN THE LETTER. OTHERWISE, THE APPLICATIONS CAN DIRECTLY BE SENT TO THE CONTACT ADDRESSES BELOW.

Date

**Subject: Invitation to a rare opportunity for [transportation and logistics](#) businesses
Trilateral Matchmaking events starting with EU-Turkey in [Mersin](#), February 2013**

Dear Sir, Madam,

The EU Delegation to Turkey in partnership with the Ministry of Economy of Turkey and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) invites you cordially to take part in the new initiative titled EU-Turkey Global Business Bridges.

The initiative aims at facilitating trade and investment partnerships between EU and Turkish companies in third countries by organizing three business matchmaking events in 2013 in Turkey, Egypt and Tunisia.

One of the identified industries is [transportation and logistics](#) in Egypt.

The matchmaking events will assist companies from EU to get new business opportunities, in a time where it is crucial to balance declining markets in the Euro Zone by new markets outside Europe. Turkish companies can expand their operations in the Southern Mediterranean Region in cooperation with their EU partners. Egypt and Tunisia are now looking for value proposals and reliable business partners to explore the opportunities after the political changes. The initiative offers businessmen first-hand information and contacts to potential partners, experience and market know-how in EU, Turkish, Egyptian, Palestinian and Tunisian markets.

Please find more information on the business opportunities for EU-Turkish co-operations in the information enclosed.

We are looking forward to your participation by sending back the attached application form.

In case of questions, please do not hesitate to contacting us under the e-mail address gbbi@tobb.org.tr (Turkey), ch@itm-online.de (EU).

Sincerely



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(EU-Turkey Business Connectivity on Egyptian, Tunisian and Palestinian Markets)

- **Are you looking for new and promising business opportunities in transportation and logistics?**
- **Do you need partners who enhance your competitiveness?**
- **Are you interested in support for entering new markets?**
- **Do you like to save time & money by entering 3 markets at once?**

If you say “yes” to one of these questions, please have a look to the Tripartite Business Matchmaking Events sponsored by

EUROPEAN UNION DELEGATION TO TURKEY

MINISTRY OF ECONOMY TURKEY

UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY TOBB

The EU Delegation to Turkey has launched a new initiative titled EU-Turkey Global Business Bridges in partnership with the Ministry of Economy of Turkey and the Union of Chambers and Commodity Exchanges of Turkey (TOBB). The initiative aims at facilitating trade and investment partnerships between EU and Turkish companies in third countries by organizing three business matchmaking events in 2013 in Turkey, Egypt and Tunisia.

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Business opportunities for EU-Turkish co-operations exist in the following areas:

- Joint transportation services in the target countries
- Specialised logistical services for trade and distribution of products
- Technical advice for clients, firms etc.
- Support of local enterprises through external know-how (planning, making, modernization, maintenance, quality assurance, product, controlling, training etc.)
- Financial participation in local enterprises, project financing solutions
- Cooperation in R & D

Experts assist participating companies in the search for potential counterparts, to meet them, to receive information on important subjects of the business cooperation, and to identify special solutions (technologically, financially) for projects in the above mentioned industry.

Insight views into new developments, markets and technologies, as well as acquisition support on concrete offers will be given by the project. Participating companies will have individual contacts with their potential partners, with representatives of legal authorities, with public and governmental organizations. The visit program is aimed to fit the individual demand of the participants.

Contact

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Mobile: (+49-172) 670 10 70 • Fax: (+49 6172) 7572-99 • E-Mail: ch@itm-online.de • skype cdhagenhoff

Turkey: Tuğçe Ersan, Irmak Atalay TOBB • Phone: (+90 341) 218-24 38, 218 2436 • E-Mail: gbbi@tobb.org.tr • www.tobb.org.tr • www.eu-turkeyglobalbusinessbridges.eu

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Transportation in Egypt

Good growth opportunities for transportation and logistics

Due to its strategic location, Egypt has been and is a globally important transportation hub. Suez Canal, with 8% of global maritime shipping passing through (compared to 5% of Panama Canal), is the largest foreign exchange source of the country along with tourism. Although underutilized, the Nile River passes through most of the important urban centers and links the country to its southern neighbor Sudan.

The main advantages of the sector in Egypt are access to both Mediterranean and Red Seas, relatively short distances between the economic centers due to the concentration of economic activity around the Nile, and the logistical opportunities created by Suez Canal. The Suez Canal Development Project launched by the previous government, is still supported by all major political actors. It is a project aimed at transforming the Suez Canal Area into one of the most important logistic hubs of the world, with the East Port Said planned to be the second largest Mediterranean port.

Transport and logistics has therefore highest importance and a major growth potential in Egypt, especially in third party logistics services and construction and management of logistic hubs. Turkish and EU firms can upgrade the much needed freight and trucking services, and provide logistical services as well as infrastructure within the context of logistic hubs and industrial zones. The sector has cross cutting links to shopping malls, tourism, and food & agriculture value chains.

The transportation sector encompasses 4.1% of the GDP in Egypt and formally employs over 32 thousand people. Egypt has more than 67,728 kilometers of roads, 6,700 kilometers of railways, globally ranked airports in all major urban centers, including an air cargo airport of five terminals in Cairo, 6 seaports on the Mediterranean and 9 on the Red Sea, six dry ports and an extensive network of Nile river transport facilities. 90% of the country's exports are shipped via ports while the 8% of the global maritime trade passes through the Suez Canal, creating revenues of USD5.2 billion a year.

Third Party Logistics (3PL) is however weak and unreliable: Trucking system is underdeveloped, big firms prefer having their own logistics department for reliability. Rail and internal waterways are underutilized, only 0.8% and 1.8% of internal transportation is being shipped by rail and ships. The sector is faced with huge infrastructure problems: Egypt's LPI rank in infrastructure is 106th out of 155. Customs are another problematic area, where Egypt performs worse than 121 countries. Important bottlenecks exist in road traffic, especially around Cairo and between Cairo and country's main ports.

On the other side, transportation and logistics show growth opportunities. As the sector is strong in demand, major shortfalls in capacity are expected in the next five to ten years, especially in ports and dry ports. Anticipating the demand, the government is investing major resources in the upgrading of the infrastructure: in 2008/09, USD5.49 billion was invested in roads, with upcoming investments in rail and port infrastructure totaling 10 billion USD. The government is implementing a long term project for turning the Suez Canal area into a major international logistics and production center, which offers further opportunities to companies in the sector.

Key opportunities lie in trucking and freight services, development and management of dry ports, logistic hubs and industrial zones, as follows:

- Establish of trucking companies – Modern truck fleets are completely absent and thus logistic services are faced with big obstacles
- Egypt with the main port entry in Alexandria can be serving as a linkage to borders at Libya and Sudan with setting up hub in the North and at the main border cross roads in the South and West
- River transport on the Nile and connecting short rivers: There is a need for small feeder ships
- The new Port Said – Mersin Ro-Ro Line can be linked to Eastern Europe by Turkey / Bosphorus and North Western Europe in cooperation with harbor operators and logistic service companies and helps to bypass the presently blocked land route via Syria.
- Introduction of the Carnet TIR Process

Transportation on the Nile (Article Bloomberg Business Week Oct 31st 2012)

Egypt's planned reduction of fuel subsidies to tackle the Middle East's biggest budget deficit is sending more barges down the Nile. The share of cargo moved through the Nile was only 0.5 percent of Egyptian traffic in 2010, an Egyptian-Japanese study shows, as diesel costing less than half what it does in the U.S. tips the balance toward trucks and railroads. This advantage will erode once President Mohamed Mursi starts cutting subsidies to narrow a budget gap that's 11 percent of economic output, according to Beltone Financial Holding (BTFH), a Cairo investment bank.

Small-scale subsidy cuts for premium fuels may start before June, while the rest will be in the next budget, Fitch Ratings says. In anticipation, Cairo-based private equity firm **Citadel Capital SAE** (CCAP) has invested more than \$200 million on barges, ports and storage facilities that are already handling shipments of wheat, cement and phosphate. Within five years, the share of cargo moved by river may jump to at least 15 percent, said Stephen Murphy, a managing director at the company. "As soon as you see a rational subsidy program, or a removal of the irrational subsidy program, the Egyptian operation will turn profitable," Murphy said in an interview in Dubai on Oct. 15. "We've got a range of barges that can take any cargo today. We've got the cranes, the handling equipment and we've got the storage capacity."

The investment is part of Citadel's plan to develop transport infrastructure in Nile basin countries. Founded in 2004 with headquarters overlooking the river, Citadel now has \$9.5 billion in total investments.

Part of the transport program is carried out via **Nile Logistics**, which invests in Egypt, Sudan and South Sudan. The unit has refurbished 31 used barges and built four 100-meter barges, each capable of carrying 1,200 tons, and plans to develop two more ports in Egypt, Murphy said.

Ancient Egyptians revered the Nile as a source of water and land fertility. They used the river for passenger transportation and to ferry rocks from quarries to the sites of pyramids and temples in Giza and Luxor. Until the 1952 military coup that overthrew Egypt's monarchy, traders used the waterway to carry grain and food across the country, serving a population that mostly lived on the banks of the river.

River ports and locks were left to deteriorate after 1952, when military rulers introduced food and energy subsidies as they sought to turn Egypt into a socialist state.

Six decades later, rising domestic consumption has turned the most populous Arab country into a net fuel importer, forcing the government to increase spending on energy subsidies last year to 96 billion pounds (\$15.7 billion), or almost twice the amount it spent on education, according to official data.

Mursi has vowed to overhaul the system, which he said was riddled with corruption and waste. A “successful reform of these subsidies is the single-biggest reform the government can make to improve Egypt’s fiscal position or free up revenue to spend elsewhere,” Fitch Ratings said in a statement on Oct. 9. An eventual removal of subsidies is also on the wish list of the IMF, whose technical team arrived in Cairo end of October to resume talks with the government for a \$4.8 billion loan.

Citadel’s gains from the planned subsidy cuts are a “long-term positive beyond five or six years from now, especially given where they are in terms of developing the Nile Logistics infrastructure,” Sandeep said by phone on Oct. 18. “The company does have a point, though, as traders will likely look for alternatives for transport once subsidies are gradually phased out for diesel or gasoline.”

Business Opportunities for EU and Turkish Enterprises

Transportation and logistics show many new business opportunities, which businesses out of Europe and Turkey can jointly explore. The objective of the matchmaking event in Turkey is therefore, to present and visualize the manifold opportunities for EU-Turkish business activities in Egypt. Topics such as joint project development, know-how and technology transfer, investment shall be discussed besides the issue of how to make business and how to operate in Egypt.

Turkish – EU Matchmaking Event

The event offers interested businesses from the mentioned industries the possibility to build up new and influential contacts in the target countries, to intensify existing contacts or to obtain a first-hand impression on the economic situation and opportunities. The matchmaking event is an active workshop for businesses, during which the participants receive information regarding ongoing plans and projects, have direct negotiations between enterprises and prepare first drafts of co-operations. Another topic will be the presentation of financial programs for projects or target countries. Workshops and trade fair visits will be organized, in addition to visits of companies and project sites. The participating businesses will be carefully prepared and advised by the assigned experts. Together with the project partners in Turkey and business associations, the experts will research suitable partners in the target countries, with which the business meet during the panels. The participating companies will be individually supported in terms of organization, laws and tax issues, and interpretation services where needed

Fees: The participation is free of charge.

Travel: Flight to and from [Mersin](#) and hotel accommodation in [Mersin](#) can be booked individually or by local booking service in Turkey. Flight and hotel cost will be covered by the participants.

Application: Until **13.12.2012** with the enclosed **application form**.

The number of participants for all sectors is **limited to 250** from EU countries and Turkey.

Program of the EU – Turkey Global Business Bridge Building Initiative

Matchmaking 1 in [Mersin](#), Turkey, 06.-09.02.2013

Preliminary

Wednesday, 06.02.2013

- Individual Travel of EU and Turkish participating companies to [Mersin](#), Transfer to Hotel
- 19.00 Briefing on the final program and practical tips and overnight stay in [Mersin](#)

Thursday, 07.02.2013: Summit for the Turkish and EU businesses in [Mersin](#)

- 08.30 Leave from Hotel to the conference venue
- 09.00 Opening of the event by representatives of Ministry of Economy
- 09.15 Greeting Address: EU Delegation Turkey
- 09.30 Keynote Address: TOBB
- 09.45 Information on financial programs for businesses and projects in Turkey, Egypt, Tunisia
- 10.15 Coffee Break
- 10.45 Markets & business opportunities in Egypt by Mr. Alaa Ezz, FEDCOC Cairo
- 11.15 Markets & business opportunities in Tunisia by Mr. Karim Garnaoui, Conect Tunis
- 11.45 Markets & business opportunities in the Palestinian Territories & Jenin Industrial Zone by Mr. Jawabreh, FPCCIA
- 12.15 Questions and Answers
- 12.45 Lunch Break
- 13.30 Individual B2B Meetings between EU and Turkish companies in the panel
- Panel Transportation and Logistics (Egypt)**
- 19.00 Dinner
- 20.00 Overnight stay in [Mersin](#)

Friday, 08.02.2013

- For all businesses:
- 10.30-18.00 Follow up of B2B talks, group visit to project sites for the different industries in greater [Mersin](#)

Saturday, 09.02.2013

- 10.30-16.00 Individual Follow of B2B talks and visit to project sites in greater [Mersin](#), resp.
Individual Flights back to EU resp. travel back home

EU – Turkey Global Business Bridge Building Initiative

Application Form for Enterprises from EU (Transportation & Logistics)

06. - 09. February 2013 in Mersin

Please return to: ITM GmbH, Fax (+49) 6172-7572-99, E-Mail ch@itm-online.de or mail to:

ITM International Trade Marketing GmbH
Mr. Claus D. Hagenhoff
P.O. Box 1320
D-61381 Friedrichsdorf - Germany

Name _____

Position / Title : _____

Company / Institution Name : _____

Address : _____

Town, Postal Code, Country: _____

Phone, Fax, Mobile: _____

E-Mail, www : _____

1. Your products, activity, service – please send your company profile _____

–

2. Your core competencies _____

–

–

3. Size of your company: Turnover in 2011: ≤ 2 M. € , > 2 M. € & ≤ 10 M. € , > 10 M. € & ≤ 50 M. € , > 50 M. €

Turnover from overseas operations and exports ____%. Languages spoken: English , French , Turkish , Arabic ,

Number of Employees : < 10 , 10 - 49 , 50 – 249 , ≥ 250 Other Language _____

4. International activities at present _____

–

Do you have existing partnerships in Turkey Egypt Tunisia the Palestinian Territories , No (If yes, pls. specify)

–

5. Objectives & fields of interest in Turkey , Egypt , Tunisia , The Palestinian Territories _____

–

5.1. Trade , 5.2. Subcontracting / outsourcing , 5.3. Production , 5.4. Investment , 5.5. Logistics

5.6. other, please specify _____

–

6. Expectations from prospective partner(s) _____

–

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7. Desired Business Contacts (pls. tick box): Client , Dealer , Agent , Representative , Distributor , Supplier ,
Management / marketing consultant , Legal consultant , Technical consultant , Strategic partner ,
Project partner , Joint-venture (JV) partner , Investor , Logistics provider , Facilities manager , Project developer
, Engineering firm , Design firm , Other _____

8. If you like to get additional information beforehand, please specify: _____

Please return this form before 13.12.2012 in order to give the organizer sufficient time for partner research. Thank you.

Date

Stamp / Signature

EU – Turkey Global Business Bridge Building Initiative
Application Form for Enterprises from Turkey (Transportation & Logistics)

06. - 09. February 2013 in Mersin

Please return to: _____, Fax (+_____) _____, E-Mail _____@_____ or mail to:

Name _____

Position / Title : _____

Company / Institution Name : _____

Address : _____

Town, Postal Code, Country: _____

Phone, Fax, Mobile: _____

E-Mail, www : _____

Membership in TOBB TÜSIAD , TÜMSIAD , TUSKON , TIM , MÜSIAD , Other pls. specify _____

1. Your products, activity, service – please send your company profile _____

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