

Parliament Report March 2016

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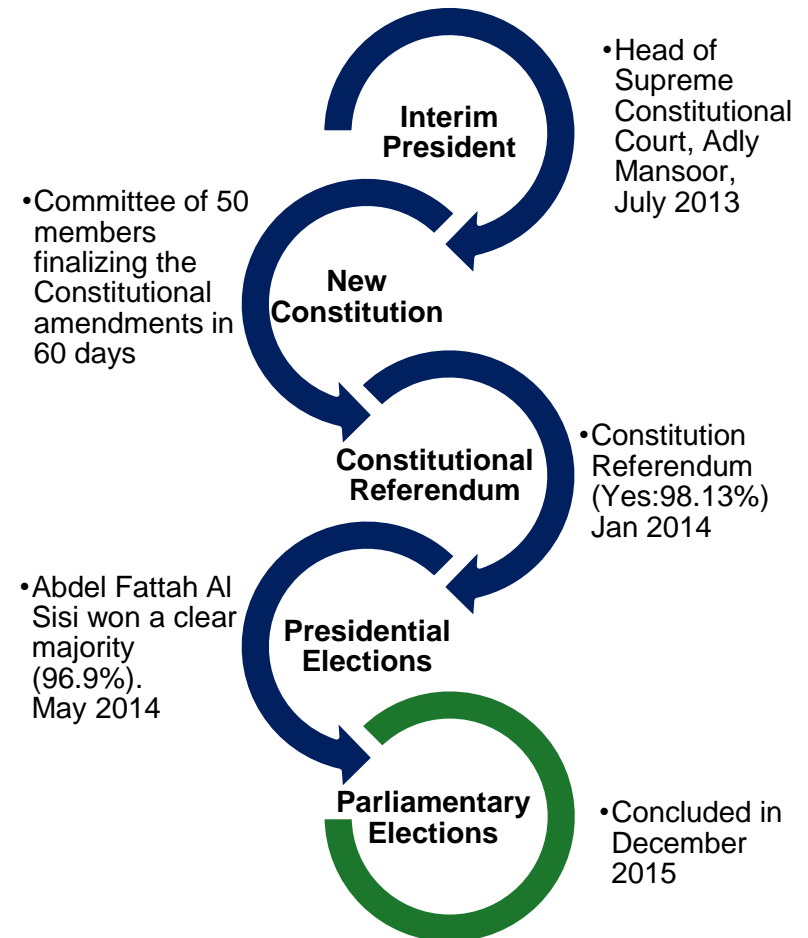
Section 1: Introduction

The last four years, and the importance of a parliament + Roadmap

Political and Security Situation 2011-2015

- Since the January 25th revolution, a state of political uncertainty and security void created a hostile environment for business.
- Egypt saw 4 different political leaderships and 6 different governments in the period 2011-2013.
- In July 2013, Egypt's Political Roadmap was announced to steer the country back to political certainty.
- A significant decline in protests and public unrest was visible since then
- The Roadmap started by appointing an interim President, Adly Mansour, as of July 2013, followed by holding the Constitutional Referendum in January 2014 and the Presidential Elections in May 2014.
- The finalization of the Parliamentary Elections in December 2015 marked the conclusion of the Political Roadmap.
- The security situation got better in parallel with Egypt's steady strides towards political stability.
- Egypt witnessed considerably lower crime rates and terrorist attacks in 2014 as compared to 2013.
- The aggressive terrorism wave that engulfed the world in 2015 hit Egypt as well, but attacks are largely concentrated in North Sinai.

Political Roadmap



Section 2: Parliamentary Elections Results

Key Legislations issued by President Al-Sisi, and the challenge of the upcoming Parliament

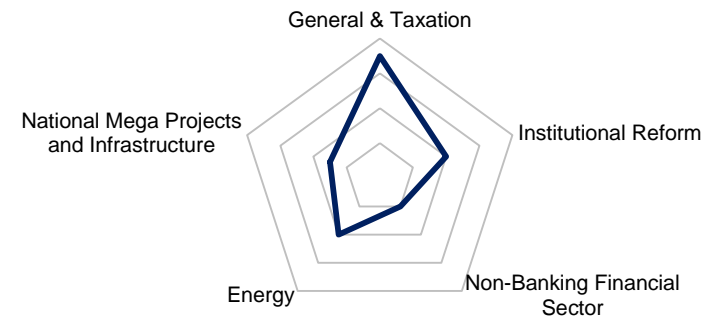
Key Legislations issued 2014-2015

- Micro-Finance Law **No.141/2014**
- New Mining Law **No.198/2014**
- New Electricity Law **No.87/2015**
- Feed-in Tariff Law **No.203/2014**
- Investment Law **No.17/2015**
- Amendments **No. 56/2014** to Competition Protection Law **No.3/2005**
- Suez Canal Economic Zone Law **No.330/2015**
- Real-Estate Financing Law **No. 55/2014**
- Sinai Development Law **No. 142/2015**

Legislations in the Pipeline

- | | |
|----------------------------|----------------------------|
| 1. Natural Gas Law | 5. Industry Law |
| 2. Commercial Register Law | 6. Labor Law |
| 3. Financial Markets Law | 7. Companies Law |
| 4. Customs Law | 8. Consumer Protection Law |
| | 9. Bankruptcy Law |

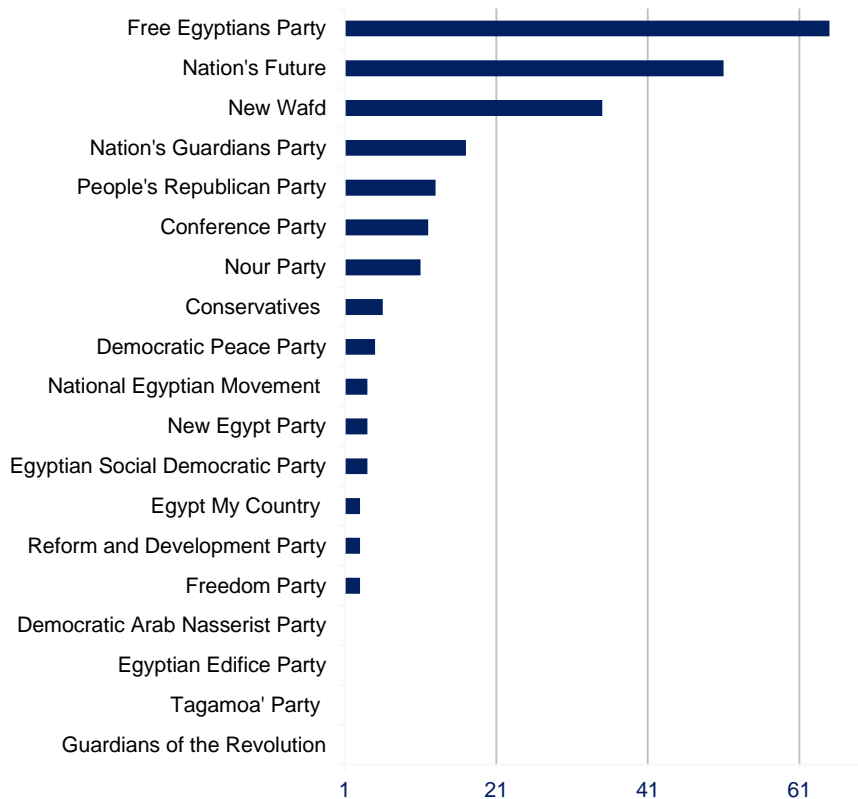
Business-related legislations: General and Taxation Category is the most targeted category, to enhance Egypt's business environment*



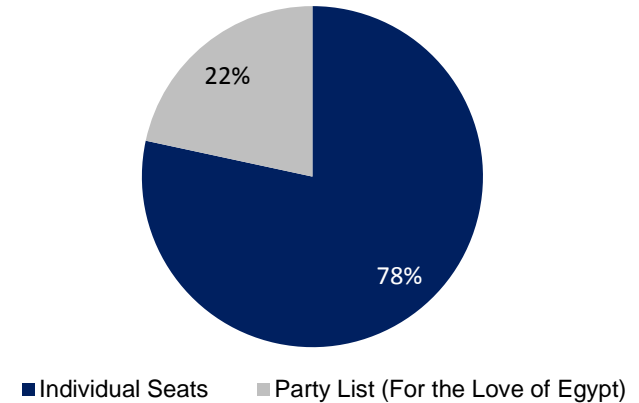
Parliament's Role in Policy and Upcoming Challenge

- **According to article 101**, the Parliament's role is to approve the country's general strategy set by the Executive branch, and the State's General Budget set by the Ministry of Finance.
- According to the 2014 Egyptian Constitution **Art.156**, the newly elected Parliament will have to review all legislations issued in its absence. This article positions the Parliament in the face of a tough challenge only within its first two weeks.

No. of Seats by Party (Total Party Seats:240), where the Free Egyptian Party and the Nation's Future Party Dominate



For the Love Egypt is the winning list consolidating 120 seats in Parliament

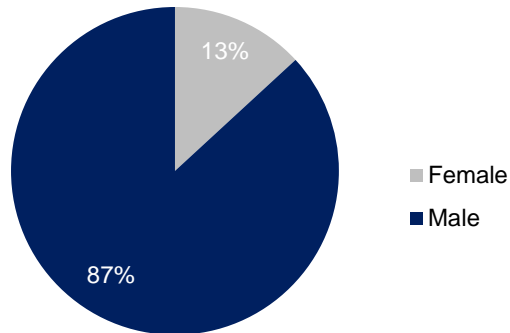


Top two Parties and the Winning Party List

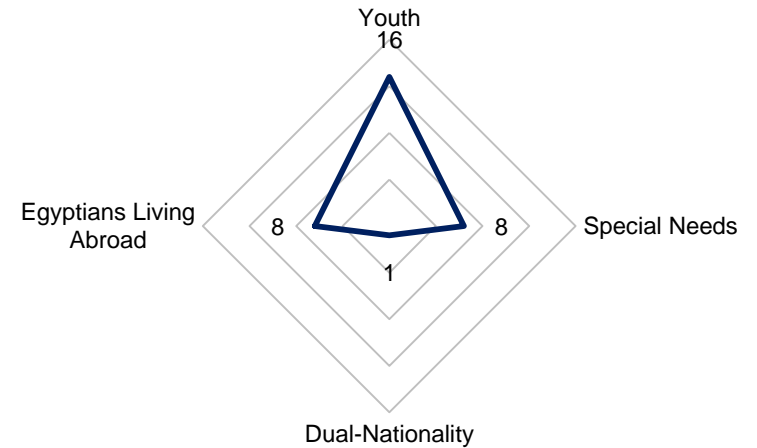
- Top two parties winning seats in Parliament are the Free Egyptians Party and Nation's Future Party. Both the Free Egyptians and Nation's future are formed by major businessmen, Naguib Sawiris and Ahmed Abu Hashima respectively. Both parties are expected to adopt policies favored by the business community.
- As for the Love of Egypt, the winning list, founded by ex-military and now security analyst Sameh Seif Al-Yazal includes Mohamed El Sewedy, Head of the Egyptian Federation of Industries, Faragalla's Mohamed Farag Amer, Partner at Talaat Mustafa Group.

Parliament Distribution

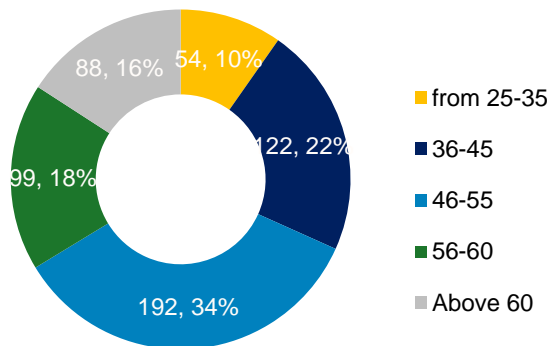
Elected Parliamentarians Male to Female Ratio



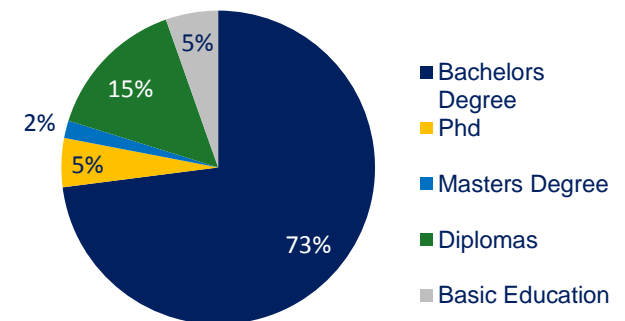
Other Categories such as Youth, Parliamentarians with Special Needs and Egyptians Living Abroad



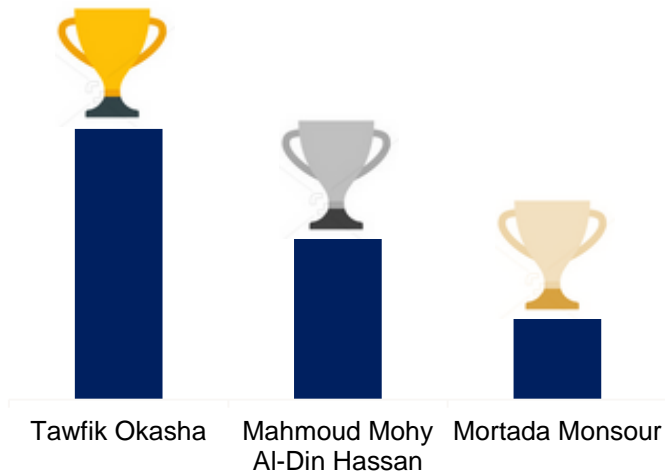
Elected Parliamentarians by Age Groups



Distribution of Elected Parliamentarians by Academic Degree



Top three voted for Members of Parliament



 **Tawfik Okasha (94,968 votes) – Now Stripped of his Parliamentary Membership**

Former Parliamentarian, Television presenter, owner of nationalist Al-Faraeen Channel

District: Talkha & Nibru, Dakahleya



Mohamoud Mohy Al-Din Hassan (85,116 votes)

Former officer in the Armed Forces and Political Researcher in Regional and Security Issues

District: Ashmoun, Munofeya



Mortada Mansour (82,557 votes)

Lawyer, Former Member of Parliament, Chairman of Al-Zamalik Sport Club

District: Mit Ghamr, Dakahleya

High-profile Businessmen in Parliament

Mohamed Farag Amer
Chairman of Borg Al-Arab Industrial Community, Founder of Faragalla

Akmal Qortam
Oil and Gas tycoon, Chairman of the Conservative Party

Mohamed El Sewidy
Electrical Cable Manufacturer, Head of the Egyptian Federation of Industries

Mohamed Wagih Abaza
Automobile tycoon

Mohamed El Sallab
Owner of Al-Sallab for Ceramics

High-profile Media Figures

- Mustafa Bakry – Editor in Chief of Al-Esboa
- Osama Hikal – Former Minister of Information
- Tawfik Okasha – President and TV Host at Fardeen TV
- Abdel-Rahim Aly – CEO at Bawaba News
- Motaz Al-Shazly – CEO and Editor in Chief of Al-Gamahir

Former Ministers in Parliament

- Mohamed Al-Orabi – Former Minister of Foreign Affairs (2011-2011)
- Osama Hikal – Former Minister of Information (2011-2012)
- Tahir Abu-Zeif – Former Minister of Youth and Sports
- Aly El-Messeilhy – Former Minister of Social Solidarity

Section 3: Post-Elections (First 15 Days)

As per the 2014 Constitution, Parliament has to review all legislations issued during its absence. Main business legislations are approved, yet the Civil Service Law failed to appeal MPs

Key Business Legislations approved:

- **New Mining Law**
- **Law Restricting Appeal on Government Contracts**
- **Income Tax Law**
- **Sales Tax Law**
- **Maximum Wage Law**
- **Amendments to Investment Law**
- **Law Granting Preference to Egyptian Products in Government Contracts**

Controversial Laws that Were Approved

▪ **Mining Law:**

The new Mining law is considered a breakthrough for the under-developed sector. The old law that regulated the mining industry was drafted in the 1950's. The law is mainly in favor of the Egyptian government by putting higher royalties than the ones in the old law.

▪ **Law Restricting Appeal on Government Contracts**

The arguments raised regarding this law is that it opens unlimited horizons for the executive branch. The law came during the transitional period of Interim President Adly Mansour, issued essentially to boost investments. During that period a number of privatization reviews were raised. These reviews posed a major concern among foreign investors. Therefore, the law was issued to preserve government contracts for third party challenge.

Civil Service Law: Voted Down, why?

- MPs called to equate the 5% with inflation rates
- Employee assessment are the same regardless of academic degree/qualifications
- Law exempts some entities, mostly sovereign, from the application of the law, which posed questions of fairness and equality.
- Law grants superiors to release/suspend civil servants after filing a report against them if they were seen as incompetent.

Upcoming Draft Laws to be Addressed

- Value Added Tax (VAT)
- New Civil Service Law
- New Customs Law
- New Labor Law
- Further Amendments to Investment Law
- Amendments to Tenders and Bids law
- Unified Journalism Law
- Unified Nile Law
- Amendments to Franchise Law
- Anti-Cyber Crime Law

Section 4: Committees and Special Addresses

Health, Population and the Environment

Head: Youssef Badran

Secretary: Mahmoud Abou El Kheir

Religious Affairs and Endowments

Head: Ossama El Abd

Secretary: Ossama El Azhary

Industry and Energy

Head: Mohamed El Zeiny

Secretary: Mostafa Abou Doma

Agriculture, Irrigation, and Land Reclamation

Head: El Sayid Hassan

Secretary: Mahmoud Shaalan

Foreign Relations

Head: Mohamed El Araby

Secretary: Tarek El Kholy

Defense and National Security

Head: Kamal Amer

Secretary: Hassan Hassanien

Labor

Head: Salah Eissa

Secretary: Mahmoud Azouz

Youth and Sports

Head: Kassem Abou Zeid

Secretary: Ahmed Zeidan

Planning and Budget

Head: Kamal Ahmed

Secretary: Silvia Saidhom

Housing

Head: Youssra El Moghazi

Secretary: Abdel Wahab Khalil

Arab Affairs

Head: Seadawy Hussein

Secretary: Ahmed Ibrahim

Education and Scientific Research

Head: Amna Nasir

Secretary: Mona Abd El Aty

Constitutional and Legislative Affairs

Head: Bahaa El Din Abu Shuka

Secretary: Mohamed Khalifa

Economic Affairs

Head: Aly Misilhy

Secretary: Mohamed El Sallab

Local Administration

Head: Mahmoud Nibia

Secretary: Dina Abdel Aziz

Recommendations and Complaints

Head: Mohamed Hassanein

Secretary: Mohamed El Talkhawy

Transportation

Head: Hassan El Said

Secretary: Ahmed Farghaly

Human Rights

Head: Mortada Mansour

Secretary: Sherif El Wardany

Culture, Media, and Tourism

Head: Mohamed Abdou

Secretary: Sarah Tolba

Key Points of Speech:

- Legislative Powers have been transferred back to the House of Representatives, after being under executive authority granting the President the power to issue laws unchecked in the absence of an elected parliament.
- El-Sisi highlighted achievements, including the development mega projects.
- El-Sisi said that one of the current regime's aims is to attract more foreign investments, leading to an increase in GDP.

Achievements Highlighted by El-Sisi:

- Huge projects have been launched that aim to decrease population density in the Delta and Nile valley.
- A project launched last year to build 5,000 KM of road, as well as the development of the electricity networks that have helped reduce power cuts and deficits.
- The building of new civilian airports, ports and the Dabaa project to build the country's first nuclear power plant, which will be constructed within "the next few weeks."
- The New Suez Canal, as well as the Suez Canal Area development projects which are currently being built.
- All these projects, according to the president, created job opportunities for over one million citizens.
- Winning a non-permanent seat in the UN Security Council

Challenges Proposed in Speech:

- El-Sisi urged the parliament to prioritize the issues of education, health, renewing religious discourse and the media, on its agenda.