

Keynote Address:

By
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Prime Minister of Egypt

Business Forum Italy - Egypt

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His Excellency Mr. Romano Prodi Prime Minister of Italy

Ladies and Gentlemen:

I would like first to welcome you in Egypt and it is a pleasure to be here today to address this distinguished audience gathered on the occasion of the Egyptian Italian business forum.

We value the initiative of the Italian business mission organized by Confindustria and supported by the Italian government. we also believe that such visits and meetings will foster a deeper dialogue , create lasting partnerships between Egyptian and Italian companies and entities for the mutual benefits of our two countries.

Ladies and Gentlemen:

Without doubt, the Egyptian-Italian relationship is a real and successful model to be followed. The two countries have achieved mutual understanding towards all issues on the bilateral, regional and international scene.

We share a clear vision on the best way to enhance and deepen cooperation between our two countries within the Mediterranean context, which represents a vital channel for trade and movement between east and west.

Italy is the largest European trade partner with Egypt and became the first importer worldwide from Egypt for non- petroleum products in 2007 with a value that exceeded 1 billion Euro.

Our volume of trade is growing steadily on both sides, especially after the implementation of the Egyptian European Association agreement and due to the consistent and persistent efforts exerted by the governmental and business bodies in both sides. A healthy sign in this regard is that trade on commodities is showing a relative balance between exports and imports from both sides.

The mutual investment flow between the two countries in various fields specially banking, tourism, energy, industry, IT sectors is substantial. We look forward to widening the scope of investment, particularly in the industrial sector.

Egypt is one of the favorable destinations for Italian tourists with around one million a year. We look forward to receiving more.

In order to nurture trade and to increase investment flow, we need to work on improving the infrastructure necessary for that, mainly in the transport and financial sectors. We in Egypt have put together a new and comprehensive plan for our transport sector. We are ready to strengthen and increase our cooperation with Italian investors that are interested in this vital sector.

We are working with Italy on the establishment of the green corridor, an important initiative which will create a sustainable and reliable channel for the Egyptian agricultural products to flow to the north through Italy, creating a clear opportunity of benefit for both sides.

In the financial sector, we consider the presence of San Paolo group in the Egyptian banking sector after the acquisition of Bank of Alexandria as a model of connectivity and sharing of know-how that can support bilateral and flow of trade and investment.

Ladies and Gentlemen:

Energy is among the crucial issues of this century and our strategic thinking is directed to how to cope with our dramatic increase in demand through the identification of other means, especially of new and renewable resources, as well as to guarantee best rational use of our current resources. And Egypt welcomes the presence of Italian companies in that sector in Egypt either to expand the current existed investments or establishing new investment projects.

We also note that the demographic trends in Egypt and Italy pose a clear challenge; we consider the recent labor agreement between Egypt and Italy as a good step in this direction. We need to evaluate this experience and expand it for the mutual benefits of our two countries.

Ladies and Gentlemen:

The economic reform has been the epitome of our economic agenda. We have focused on changing the business environment to facilitate investment, by reducing tax burdens, providing clear and

stable investment policies and regulations, and improving the interface between business and government. That succeeded within a relatively short period in boosting our GDP and FDI to record levels. We have delivered one of the best performing emerging stock markets worldwide. With new, more transparent monetary policies and an aggressive privatization program, we have energized the business community and restored their confidence in Egypt's future.

The transformation to an open market economy is influencing Egypt in ways that have never been witnessed before – by putting more business in the hands of the private sector, by liberalizing the markets through bilateral trade agreements and by creating attractive investment opportunities in a variety of sectors that reflect the diversity of our economy.

A strong public-private partnership will further enhance our ability to maintain investor confidence and create opportunities for Egypt that it deserves.

I invite all to look closely at our efforts and to try to participate in this growth. We welcome all inputs that investors can provide. If you will provide the know-how, which we definitely need, be sure

that we will value it rightly and make sure that it will be utilized best for our common interest. If you will participate with finance, stay sure that you will benefit from the lucrative reward of our booming recovery.

Ladies and Gentlemen:

I'd like to express once again my pleasure to be with you today. I wish you the best outcome of this interesting event and we look forward to a strong and ever-lasting Egyptian-Italian relations as a model for successful cooperation in their respective regions.

Thank you