|  |  |  |  |
| --- | --- | --- | --- |
| |  | | --- | | EBCC E-newsletter https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/Foodcourt.jpg |  |  |  | | --- | --- | | **June 2016 - Your free monthly newsletter issued by the Egyptian-British Chamber of Commerce**  **The Chamber wishes you and your families a very happy Eid** |  | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | In This Issue [The Headlines](#19ab38cf62da8864fa922f06af391d2e) [EBCC News & Events](#dd1ba1872df91985ed1ca4cde2dfe669) [Tenders & Business Opportunities](#e72df5381fa90bb8442d8aaaf83eea14) [Membership](#77a3f553666ab77020a502e5079335c8) |  |  |  |  | | --- | --- | | Brexit: What does leaving the EU mean for the UK?   The House of Commons Library published a briefing ‘[EU referendum: impact of an EU exit in key UK policy areas](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=ZmQ9fB9boLhRgGVUoL4nYJ0scnjiffu6HwiBHl%2bzdaud8Y8WnruMq36tEU9jzBKl9ioOMW1YXi4n2Cb4iHo7oJ%2fhVqB6KpR%2bbUt4tctWPW4%3d)’ before the referendum on what might happen to major policy areas if the UK voted to leave.  Here we present that briefing combined on what we currently know now the UK has voted to leave the European Union (EU).  **Trade**  The EU is the largest trading partner of the UK. It accounted for 44% of the UK’s goods and services exports in 2015, though this figure has decreased compared to previous years. It also delivered 53% of the UK’s imports.  The UK’s new trading relationship with the EU will depend on negotiation. A vast number of different arrangements could result.  The principle of non-discrimination means that WTO members must not treat any member less advantageously than any other. There are exceptions for regional free trade areas and customs unions like the EU, but the principle implies that, outside of these, the tariff that applies to the ‘most-favoured nation’ (MFN) must similarly apply to all. In practice, this should prevent the EU introducing tariffs on the UK which would discriminate against us or punish us, or the UK introducing similar tariffs on the EU.  The House of Commons Library says that because the UK has negotiated as part of the EU at the WTO, it is likely that we will inherit the EU’s tariff regime when we leave. This would mean that UK consumers could face, higher prices, at least initially, when buying imports from the EU.  **Foreign Direct Investment**  Foreign direct investment is one of four areas where the UK’s decision to leave the EU has the most obvious economic impact, according to the House of Commons Library.  In 2014, EU countries accounted for about half of investment stocks in the UK. This compares with 24% from the US and 28% from other countries.  The effect of leaving the EU on foreign direct investment is a source of disagreement among experts. On the whole, the House of Commons Library has concluded it is reasonable to say that membership of the single market is one of a few important factors in attracting foreign direct investment. Outside the EU, the UK may be able to create a system of regulation that is more attractive to overseas investors. This could possibly offset some of the impact of leaving the EU.  While in the EU, the UK has not had the power to negotiate international agreements on foreign direct investment with countries outside the EU. The EU was given the power to do this on our behalf in 2009. Once it has left the EU, the UK will regain the power to do this. BusinessesIf the UK withdraws completely from the EU and the European Economic Area, and opts out of negotiations on access to the single market, we will be free to regulate businesses largely as we see fit. This wouldn’t mean the end of EU regulations though. The government will undoubtedly decide to retain the substance of some EU laws. Businesses that export to the EU would still have to comply with many EU product standards too. If the UK negotiates a relationship similar to that of Norway and Switzerland where their access to the single market is tied to their acceptance of many EU laws, the UK may not have the freedom to regulate as we see fit.  The House of Commons Library has said that the overall impact of leaving the EU on businesses isn’t really about the impact it will have on the size of the ‘burden’ regulations create. It is about whether the benefits of having a more tailored and flexible national system of regulations outweigh the loss of access to the single market that may come with whatever relationship we negotiate with the EU.  Source: [*fullfact.org*](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=WYVOzs%2fTXERyDLTN83kpdvK1Xk1AcUFc5SKvHMXNncpygOwoQmKHdjMAa%2fh384tLGBKsgK23cpKs9GVg1dPVN1IJWzZZ%2f40FUNI422bDY3E%3d) What we know so far & EBCC Director comments on BrexitThe people of the UK woke up on Friday 24 June to the news that the UK voted to leave the European Union in a public referendum that took place on Thursday 23 June. Even among leave voters the news came as a big surprise. The referendum has divided opinion; notably, Scotland and Northern Ireland are keen to remain in the EU. For Scotland this could mean another Scottish independence referendum to safeguard their existing ties to the single market. So what has happened that we know so far? The ratings agencies Fitch and S&P have indeed downgraded the UK's credit rating, meaning they think that lending money to the UK government is less safe than it was last week. Overall the public finances will be in worse state and so debt interest will be higher. And in the long run rates might rise. But for now economic weakness seems to be accompanied by a fall in gilt rates as people look for safer investments.  There is no question that there were big falls in stock markets in the UK and around the world last Friday, although there have been considerable recoveries this week. The thing with share prices falling is that you only lose money if you sell your shares, so many of the losses have only been on paper. That's a problem for pension schemes that have to report current value, but other investors can hang on and see if anything improves.  One impact on the government is the effect on the value of its holdings in banks. The value of the government's holding in RBS and Lloyds Banking Group dropped by about £8bn, although it has recovered somewhat since.  The pound has dropped considerably against the US dollar, less so against the euro. That has not had a great deal of impact on the economy so far, although it is likely to stoke inflation in due course. National income is reported in pounds so will not be hit automatically by a weaker pound, although it will suffer in comparison with other countries - the status as the world's fifth biggest economy may be threatened.  "The full implications of Brexit will not be understood for some time. It is possible that the UK and Egypt will need to negotiate new trade agreements and the uncertainty will be unhelpful for business. The current challenges with getting hard currency out of Egypt also does not help. However, consumer trading inside Egypt continues to flourish and British goods and services continue to be delivered as previously. For over 2 years, the UK will remain in Europe and all businesses should recognise the reality rather than the headlines. The Stock markets moved dramatically immediately after the referendum but have recovered within a few days as reality has been absorbed. Businesses should be cautious but be careful not to miss opportunities." **Ian Gray, Chairman of the EBCC**  "Brexit has caused a deep rift in the British society. I expect several companies to relocate from Britain if they lose the benefits of exporting freely to the single market. I believe that companies that leave Britain will look to relocate to other countries that can provide them with custom tariff advantages for continued trade with the EU. Egypt could benefit as a result; it has a free trade agreement with the EU – the EU-Egypt Association Agreement - which permits Egypt to trade freely with the single market. British companies will find good opportunities in sectors such as renewable energy, retail, manufacturing, marine services, transportation, information technology and education. But for now, companies are likely to put their investment on hold until the Brexit fog clears." **Taher El Sherif, Secretary-General of the EBCC**  “The result of the UK’s EU Referendum on 23 June will have no immediate effect on the bilateral Egypt-UK business relationship.   The UK remains part of the free trade area established by the EU-Egypt Association Agreement concluded in 2004 and will do so until a new UK relationship with the EU – and our other trade partners - is agreed.  This could take two years and more.  In the meantime, trade continues as normal and the EBCC will be here to help its members and wider business community make the most of the opportunities.”**Robin Lamb, Board Member at the EBCC and Executive Director of the Egyptian British Business Council**  “I was a great believer that we are stronger together so on Friday I spent the day in a daze! We are where we are and that is what living in a democracy means. Never have the old posters – Keep Calm and Carry On been more appropriate. This is not an amicable divorce and the road ahead will be full of sadness, bitterness, challenges, hope and optimism. The result should not have an adverse effect on trading between Egypt and Britain as we are already strong trading partners, but a fresh look at what both countries can offer each other should be investigated further. It is a great shame that we have lost a good and honourable Prime Minister. Never has the world been in such turmoil and threat but we have no choice but to face the challenges ahead full on.” **Jennette Bradbury, Honourary Treasurer at the EBCC & Managing Director of Egyptian Experience**  “At this point in time, any "perceived" effect would be based only on speculation. The UK is still a member for two y‎ears and the negotiations between the 27 members and the UK around the exit procedures are a black hole; nobody can predict at this point how these will go. There are two scenarios: will other countries in Europe follow the UK model thus disintegrating the EU concept, or will the EU pull itself together and decide to impose sanctions on the UK to make it difficult for others to leave? The state of disarray and apparent lack of vision in the ‎UK suggests the second scenario.” **Dr Amr Hassanein, Board Member at the EBCC, Chairman of FinBi & MERIS (Moody’s Middle East)** |  | | |  |  | | --- | --- | | Events Calendar **Farewell Lunch & Reception in honour of our Secretary-General -** London, 14 July 2016  **EBCC Executive & Board Meeting -** London, 14 July 2016 **'Gateway to Egypt' Seminar -** Hull, 22 September 2016  The Chamber is currently planning its schedule of events for Autumn 2016. Please keep an eye on the [**events section of our website**](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=8cptr3EqBSGCglPpG0we3lFvnkrKKA3xWOGXrHAtnPALFQ6GJL6co0tniOtXO9FWnbfP86ed7cFDH9VCjoaDtJFIEv2xXC7YkbA6ocJaOgA%3d)where updates will be posted. |  |  |  |  | | --- | --- | | Event Invitation: Farewell Lunch & Reception for Taher El Sherif, Secretary-General of the EBCC   - 14 July 2016, London*https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/Taher_El_Sherif_photo.jpg* After working for 16 years as the Secretary-General of the Egyptian-British Chamber of Commerce, the time has come for me to step down. I will be honoured if you can accept our invitation to attend my Farewell Reception & Lunch on 14 July 2016 from 1pm at the Millenium Hotel Mayfair on Grosvenor Square (London, W1K 2HP).  Please RSVP with Karin van Wesep at the Chamber. [karin@theebcc.com](mailto:karin@theebcc.com), or call +44 (0)20 7499 3100.  I look forward to welcoming you all.  Sincerely,  Taher El Sherif |  |  |  |  | | --- | --- | | British company Restrata signs aviation security deal https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/Restrata.jpg  British Ambassador John Casson and Minister for Civil Aviation Sherif Fathy today witnessed the signing of a contract between British company Restrata and Egyptian private security firm Falcon Group International, confirming Restrata as Falcon Group’s aviation security consultant of choice.  Under the terms of the contract, Restrata will now deliver a six-month programme of training to 7000 Falcon Group personnel, who have been tasked by the Ministry of Civil Aviation to provide security at airports across Egypt.  The two companies also signed a Memorandum of Understanding to work together on establishing a training institute, which will support long-term sustainability of the partnership.  British Ambassador John Casson said:  "Nothing is more important than the safety of British and Egyptian people as they travel between our countries . I’m proud that Britain is Egypt’s leading and most active partner on the road to a world class airport security system that could be a model for the world . Today’s new UK-Egypt partnership is another important step on that road."  Managing Director of Restrata, Mark Alexander said:  "Our mission at Restrata is to support our clients in building resilience and optimising their operations through effective management of safety and security risks. As such, we are proud to be working with National Falcon in as they undertake this prestigious programme that is critical to the future development of the Aviation Sector in Egypt."  Founded in 2001, Restrata is a British-owned company headquartered in the United Arab Emirates. Restrata draws on a deep understanding of airport security and operations, new technology, and aviation regulation, and has previously worked with airports including Abu Dhabi International and London Heathrow. |  |  |  |  | | --- | --- | | Event Review: International Festival for Business & BCC Trade Academy - 15 & 16 June, Liverpool The Chamber visited Liverpool mid-June for two major events. On 15 June we were invited to present on export opportunities in the Egyptian market by the British Chambers of Commerce during their Annual Trade Academy.  The Trade Academy focused on new developments in Global International Trade and best practises for export documentation.  The event provided the EBCC with the opportunity to showcase Egypt to the UK's regional network of Chambers of Commerce. Our Chamber will be working with a number of these organisations in the coming year to bring opportunities in the Egyptian market - both in export, investment, knowledge transfer etc. -  to the attention of an audience across the UK.  https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/20160615_144326.jpg  On 16 June, the EBCC was a partner of the Liverpool Chamber of Commerce - who hosted one of the largest business events of the year; the International Festival for Business (IFB).  https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/20160616_115812.jpg  On 16 June, the IFB held their 'meet your global network' day, our Chamber had scheduled seminars and 1-2-1 meetings throughout the day for companies - primarily in the northern region of England - with an interest in exploring the Egyptian market. We are currently assisting companies in retail, security, and energy with their market entry strategy and look forward to continued collaboration with them.  https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/egypt%20suite.jpg  https://TheEgyptianBritishChamberOfCommerce.wildapricot.org/resources/Pictures/meeting%20room2.jpg |  |  |  |  | | --- | --- | | Market Tenders & Opportunities [**Government Procurement Portal**](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=c69tljfb1Hu16KnT8VRL7d%2bAsX34CPcuWnZ18gn%2bPRTDTRrLOAHSJR5gxo3OPd6TFrVAD2py4%2bVkhcrngDsctOEMng7H8rHrNz7s6J%2buR4U%3d)  A comprehensive list of public tenders issued by the government of Egypt  [**Latest Investment Opportunities in the Suez Canal Economic Zone**](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=ZFIIeZf0PA0VHc%2bAzUQRtuGwmShA7HG6kAxMhTSi6oM0NKtnjXn65df74x2GY9ZQNqDvWzZKB3qiPYt6952HaofQUMQGxKkLjH3zEiJhoOc%3d)  In the following sectors: logistics, infrastructure, ports, automotive, pharmaceuticals, garments/sports, electronics, green energy  ***We kindly ask our readers to send in your views on Brexit - and potential consequences for business and trade relations - to share with our readers in our next issue.*** |  | |

###### Chamber Membership

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | **Corporate Member**  **+** Access to business events & receptions  **+** Receipt of monthly newsletters and reports  **+** Discounted translation work  **+** Help finding agents, partners and clients  **+** Market research & consultancy services  **+** Free express documentation and amendment stamps for UK exporters |  | | |  |  | | --- | --- | | **Friend**  **+** all corporate membership benefits  **+** VIP status at Chamber events with introductions and private meetings with speakers, Ministers & dignitaries where possible  **+** Listing as a Friend on the Chamber's website  **+** Half page advertisement in the Chamber's Fact File Folder |  | | |  |  | | --- | --- | | **Patron**  **+** all corporate & friend membership benefits  **+** Listing as a Patron on the Chamber's Website  **+** Full page advertisement in the Chamber's Fact File Folder  **+** Sponsorship of one conference per year  **For more information, please contact the Chamber Team directly on 020 7499 3100 or email:** [**info@theebcc.com**](mailto:info@theebcc.com) |  | |

|  |  |
| --- | --- |
| |  | | --- | | [Facebook](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=J88%2ftB1gi%2bsxGXS3cJz9NlHn%2boYJ8Fkyt7cifD3f%2b8naCla1u0B%2bCtVYUAjKEBl4cuSsOv0QqRaKZQSm95OUp3U5Q7ByaUvb3FHNAcJHNns%3d) | [Twitter](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=0BdIkrgK9F7VYG4cTEraqBf1DCZg2frJi2QBFKA1rMi6MW4Aom722U5qnaJ2%2bIxFDn2fSqf%2bN4keBTUg0c18vNy5PHkr6e27NUJO7duXWb4%3d) | [Linkedin](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=E%2brjzlGyWEpxe1%2fw%2b0qts91IJUovXCxi2bNW%2fCfnNtptDAlKDxfeNOjr189Ry7FyCf8soFDTfVE78sQlA0GqZTMDflhBPQ5JTBj9dC8iLi4%3d) | |

|  |  |  |
| --- | --- | --- |
| |  |  | | --- | --- | | Copyright © 2016 The Egyptian British Chamber of Commerce. All rights reserved. Contact email: [info@theebcc.com](mailto:info@theebcc.com) You are receiving this message because you opted in at [www.theebcc.com](https://theegyptianbritishchamberofcommerce.wildapricot.org/EmailTracker/LinkTracker.ashx?linkAndRecipientCode=IUDufOP%2bQbH2KEalE31uwbOKX8NfY7P9U%2fO%2bad8LyH0Y5RtQ4ivjRdAgc2HqOuLsnAKveaIXv2DY4iQ06N%2b0JP8sGsn9XhdnmtMlsibdeAs%3d) |  | |