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## U.S. TRADE AND DEVELOPMENT AGENCY

**FOR IMMEDIATE RELEASE:**

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### **USTDA GRANTS PROMOTES RAILWAY MODERNIZATION AND THE DEVELOPMENT OF THE PETROCHEMICAL INDUSTRY IN EGYPT**

CAIRO, EGYPT (June 17, 2009) – Today, USTDA awarded separate grants totaling \$921,924 to the Egyptian Ministry of Transport (MOT) and Egypt Hydrocarbon Corporation (EHC) designed to promote economic growth and open opportunities for the export of U.S. goods and services. The grants will be used to support the development of a positive train control (PTC) system for Egypt National Railways (ENR) and the establishment of a steam cracker complex in Ain Sokhna for EHC. A previous USTDA grant to EHC resulted in \$275 million in U.S. exports.

The USTDA grants were conferred during a signing ceremony held at the U.S. Embassy in Cairo. U.S. Ambassador to Egypt Margaret Scobey signed both grant agreements on behalf of the U.S. Government. Special Advisor to the Minister of Transport Mohamed Nabil and EHC Chairman and Chief Executive Officer Basil El-Baz each signed the agreement pertaining to their respective organization's grant. USTDA Country Manager for Egypt Sarah Shapiro signed as a witness to both grant agreements.

"Today's \$263,601 grant to EHC will be used to evaluate the proposed construction of a steam cracker complex in Ain Sokhna that will modernize Egypt's petrochemical sector, generating new projects and creating jobs and greater economic development throughout Egypt," said Ambassador Scobey.

The building of a steam cracker by EHC, a building block for petrochemical industrial development, will allow the company to develop, build, own and operate a 2.5 million metric ton per annum (MTPA) steam cracker capable of producing 400,000 MTPA of propylene and 900,000 MTPA of ethylene from a naphtha feedstock.

"EHC is pleased to partner once again with USTDA. Earlier this year, an ammonia plant at Egypt Basic Industries Corporation, became operational following the recommendations of a USTDA-funded study. We look forward to similar results from the study for the steam cracker that we are planning to construct," said El-Baz. EHC has selected Kellogg Brown & Root (KBR) as the U.S. firm that will conduct the steam cracker study.

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The second grant awarded today, to the Ministry of Transport, was valued at \$658,323 and will be used to evaluate the capability of PTC technologies and systems to improve safety of operations on the Egyptian railways, improve the capacity of the ENR network to operate more traffic over existing infrastructure, and optimize ENR's operations including management of trains and adaptation to contingencies in real-time.

“The recommendations supported by this grant are part of a larger U.S. effort that will help improve rail safety in Egypt by optimizing the safe movement of trains across the rail network, increasing rail capacity and reducing operating costs. This effort will not only make Egypt's rail sector more competitive, but holds the potential to save lives through the reduction of accidents,” said Ambassador Scobey.

The introduction of a PTC system in Egypt builds on the findings of a USTDA-funded study completed earlier this year for the MOT. That study included the design of a national traffic management master plan and recommendations on the creation of an independent railway safety oversight and enforcement authority to monitor compliance with safe operating practices.

The opportunity to provide technical assistance to the MOT pursuant to the USTDA grant will be competed on the Federal Business Opportunities (FBO) website. A link to the FBO posting will be available on USTDA's website at [www.ustda.gov](http://www.ustda.gov). Interested U.S. firms should submit proposals following the instructions in the FBO announcement. The MOT will select the U.S. firm that will provide the USTDA-funded assistance.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.