

Applications of BOT System
On the Projects of the New Cities
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Presented by Eng. Mahmoud Kamal Al Sirngawi
Vice President for Technical Follow up and Coordination

The Government of Egypt, in its endeavor for economic reformation and activation in order to be compatible with the international economic requirements, and in order to introduce the modern technology in the framework of globalization, has adopted privatization in either of the following methods:

First: Selling some of existing service companies and activities.

Second: Apply the BOT System on the projects to be performed under the development plan adopted by the government.

The projects of the New Urban Communities Authority are considered the fertile soil for adopting the BOT System in view of the following:

- 1- The availability of the fields in which the system can be applied such as water, sewage, and electricity stations, and central exchanges, in addition to the accompanying networks.
- 2- The higher standard of living for those living in the cities built by the Authority has made it possible for the inhabitants to accept the system.
- 3- The possible participation by the inhabitants in the construction and management through the trustee councils.
- 4- The availability of the capitals that enable performing such projects through the investors of those cities, or other investors.
- 5- Adoption of the most recent technologies in the fields of construction, management, and maintenance.
- 6- The law under which the Authority was established permitted the authority to embark upon performing those projects without being subject to financial restrictions imposed by other laws.
- 7- The Authority has the privilege of ten-year tax exemption for service projects, a matter that encourages the investors to embark thereupon.

The Authority is considered to be the pioneer in this field via another aspect of it, as large lots of land were allocated for the investors who performed at their own account the necessary utilities.

The Suez Gulf Development Project serves as an example to be followed regarding adopting the BOT system in the new cities. The envelopes of the offers submitted for this project were opened and evaluation is ongoing to award it to one of the specialized companies in the field of providing water and electricity.