

# **Egyptian Sovereign Fund and Suez Canal Economic Zone (SC Zone) ink a \$ 10 bn deal to establish the National Egyptian Railway Industries Co (NERIC)**

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Egypt's Minister of Planning and Economic Development, Hala El-Saeed, and Minister of Transport, Kamel El-Wazir, witnessed the signing of a new contract for establishing the National Egyptian Railway Industries Co. (NERIC) in East Port Said. Investments of this company are expected to reach \$10 billion over the coming 10 years according to a statement on Tuesday.

The agreement was signed by the General Authority for Suez Canal Economic Zone (SCZone) and the Sovereign Fund of Egypt with several private-sector companies, including Samcrete Investments Holding, Hassan Allam Holding, Orascom Construction, and Connect Information Technology, on the sidelines of the third edition of the Smart Transportation and Logistics Fair and Forum for the Middle East and Africa (Trans MEA 2020).

The project aims at localizing the production of locomotives in Egypt to meet the country's demand and increase its exports.

The investment cost of the first phase of the project is estimated at EGP 2.8 billion, while the second phase, which will be implemented over the next 10 years, is expected to have an investment cost of about EGP 3 billion.

The rehabilitation factory is expected to start operation in the fourth quarter (Q4) of 2021, while the metro cars factory is projected to begin its operations by Q4-22.

The project aims to deepen and settle the railway industry in Egypt, especially the mobile units with electric traction, in order to secure the requirements of the Egyptian state in this regard and increase the ability to export regionally and internationally.