



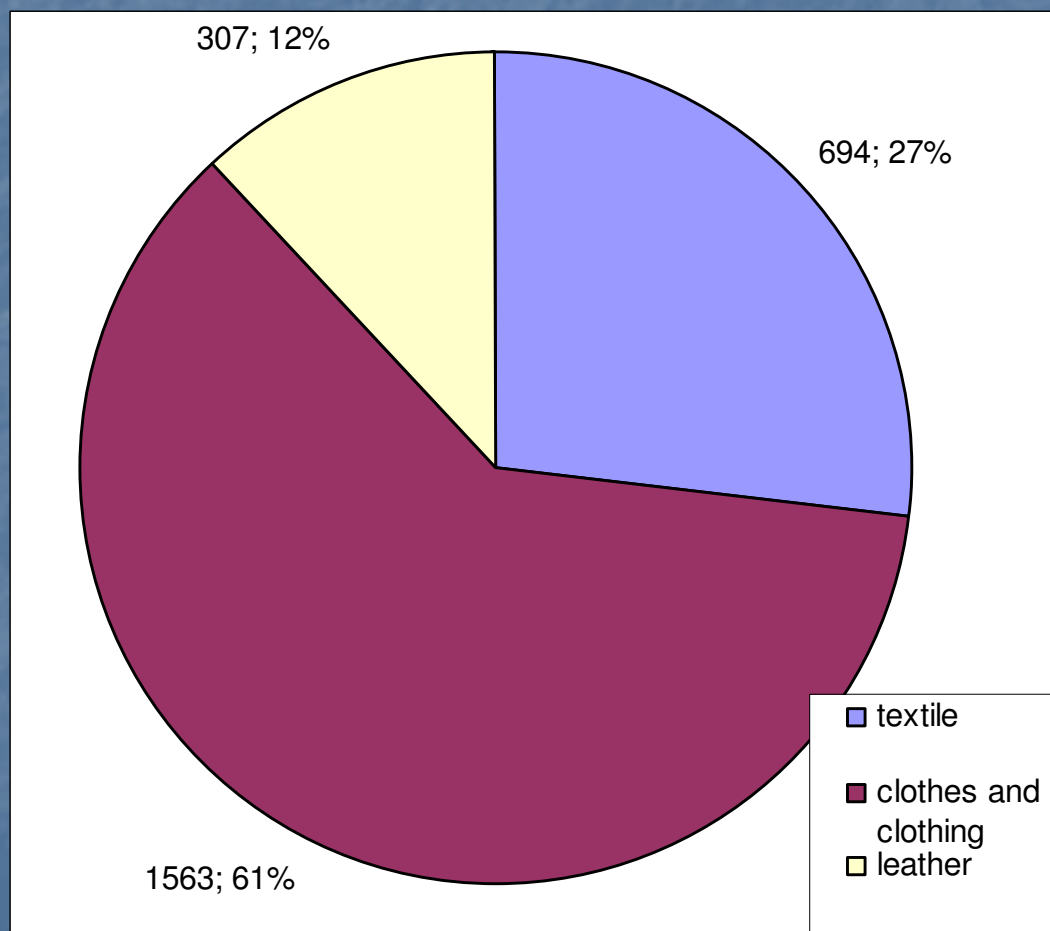
*Style, materials and partnership
between Egypt and Sicily
textile, clothing, home linen and
accessories*

Partners Meeting
February 2007
Cairo





Our universe reference the TAC companies in Sicily





Trade inter exchange Sicily - Egypt 2005 in €

Categories	IMP2003	IMP2004	IMP2005	EXP2003	EXP2004	EXP2005
DB171-Textile fibre yarns	€ 20.310	€ 0	€ 0	€ 0	€ 0	€ 0
DB172-Fabrics	€ 0	€ 0	€ 0	€ 34.629	€ 0	€ 0
DB174- Ready-made manufactured textiles except articles of clothing	€ 584.783	€ 416.960	€ 585.332	€ 0	€ 0	€ 622
DB175-Other textile items	€ 191.164	€ 90.683	€ 153.743	€ 0	€ 0	€ 0
DB182-Fabric clothes articles and accessories (except leather and fur)	€ 4.017	€ 1.387	€ 7.731	€ 18.291	€ 9.374	€ 36.174
DC192-Travel items, bags and saddlery	€ 0	€ 721	€ 0	€ 0	€ 0	€ 0
DC193-Shoes	€ 99.369	€ 136.059	€ 41.879	€ 0	€ 0	€ 0
TOTAL	€ 899.643	€ 645.810	€ 788.685	€ 52.920	€ 9.374	€ 36.796



Strength and Weakness of Textile in SICILY

- Quality of the product
- Made in Italy Force
- Geographical Position
- Control Quality
- Qualified Personnel
- Suiting markets innovations Skill
- Rich and Mediterranean Sicilian Cultural Heritage
- Transferring know how Skill
- Creation of a textile garment and shoe Productive District consisting of 61 enterprises
- Investments of the Sicilian Government for the Internationalisation of the enterprises
- “Country Risk” not existing
- Low Brand Awareness
- Work as contractors for third parties
- Strong competitive pressure in the Home and Foreign Market
- Low Internationalisation of the Enterprises
- Low Capitalisation Level
- Microdimension of the Enterprises
- Incapability of projecting image on the territory
- High Costs for Professional Refreshment
- Transportation System
- Lack of Production of Raw Material “in loco”



Strength and Weakness of Textile in EGYPT

- Production of High Quality Egyptian Cotton
- Egypt's Geographical Position
- Tradition of Exchanging with Africa and Middle East
- Varied and Mediterranean Egyptian Cultural Heritage
- Egypt receives the attention of World Funds and Investments
- Competitive Manpower Costs
- Competitive Energy Costs
- Free Zones
- Weather Conditions (stock open air)
- Economic and Political Stability
- Low Diffusion of Quality Systems
- Difficulty in the stages of Finishing Quality
- Lack of well known Fashion Brands
- Low Entrepreneurial Culture
- Weak Marketing management
- Low Personnel Qualification
- Direct Commercial Network



Actors of the Project

- Financer: Ministry of International Trade funds ex. L. 212/92 D.M. 13rd May 2003
- Italian Proposer: Ciem S.C.p.A. in Palermo
- Partner: Egyptian Ministry of Trade and Industry; Fashion Design Center in Cairo



Target of the Project

- Help the industrial and commercial import export exchange between Egypt and Sicily of cotton and its by-products
- Develop a study of feasibility to launch a new product that mediates the styles and materials of both Italy and Egypt in order to reach a better position in the market within the Arab countries of the Gulf
- Opening of a Center of Services in Cairo, at the Fashion Design Center, and one in Palermo, at Ciem S.C.p.A., for the technical assistance to the Sicilian and Egyptian enterprises.



Opportunities and Risks Joint ventures Egypt - Sicily

- Favourable Legislation (L.n°8 del 1997 Tax Abolishment taxes in Free Zones)
- Possibility of closing spinnerets/threading dies integrating enterprises from Egypt and Sicily
- Low cost Energy
- Competitive Labour Cost
- Egypt Key Country – Bridge to the Arab market
- Free Exchange agreement with African and Middle East countries
- Made in Italy attraction in the textile and garment field
- Availability of raw material: Egyptian cotton
- Growing demand of “Niche” market
- Availability of Italian productive skills
- “Being Mediterranean” as a common feature
- East Europe and Asia Competition
- Different Payment Terms and delivery
- Customs Risk
- Present low import – export exchange level
- Cultural differences
- **2008** the deadline of the WTO agreement on textile export from Asia to EU



Output Expected

- The Site: www.cottonet.it www.cottonet.org
- Center of Services for Italian enterprises in Cairo
- Center of Services for Egyptian enterprises in Palermo
- Workshop in Egypt with Egyptian entrepreneurs for the development of new business opportunities
- Feasibility Study for the creation of a new line/brand of Italian and Egyptian products to start in Joint ventures



Level of Execution

- 100 % Center of Services for Italian enterprise in Cairo
- 100 % Center of Services for Egyptian enterprises in Palermo
- 80 % The Site : www.cottonet.it www.cottonet.org
- 40 % Feasibility Study for the creation of a new line/brand of Italian- Egyptian products to start in Joint ventures
- 20 % Workshop in Egypt with the Egyptian entrepreneurs for the development of business opportunities



Why participate

- Development of a stable commercial joint work
- Creation of a direct pathway for the selling and buying of the Egyptian cotton
- Development of a new line/brand product business meant to reach the best position in the Arab markets of the Gulf
- Use of a Center of Services in Italy dedicated exclusively to the Egyptian enterprises
- Access to the reserved area of the site www.cottonet.org for business contacts and commercial exchanges among entrepreneurs
- Have visibility within the Companies section of cottonet.org
- Free attendance to the promoting activities of the project



How to participate

- **IT IS EASY 30 minutes are enough to enter in the Cottonet Community**

Using which is the best way for the company:

- Subscribe to the Cottonet adhesion Form **TODAY**
- Go to the Business Center in Cairo
- Register at the companies' reserved area of the site cottonet.org
- Ask for an on line assistance operator



Next Step

- Access key to cottonet's site reserved area for the companies delivered
- Contact one to one Cottonet – enterprise operator for the development of the opportunities
- Start the on line Theme Forum
- Commercial workshop participation
- Deliver feasibility study of the new line/brand of Cottonet companies
- Scouting for new commercial pathways



CONTACTS

- www.cottonnet.org
- **Business Center Cairo**
 - Tel +202.396.03.75
 - Fax +202.396.03.76
 - Mail info@fashiondesigncenter.org
- **Business Center Palermo**
 - Tel +39.091.631.40.58
 - Fax +39.091.631.40.58
 - Mail info@cottonnet.org, ciem.pa@libero.it