

EGYPTIAN - ITALIAN COOPERATION
ITALIAN COMMODITY AID PROGRAMME

Terms for the Private Sector

The **Italian Commodity Aid Programme** allocates a total of 31 millions Euros to **import in Egypt** essential commodities, goods, equipment and services thereto connected, produced in Italy.

Egyptian **Public and Private Organizations, including Joint Ventures** and **Egyptian entrepreneurs** are eligible to participate in the Programme and a **Loan in local currency** is available for the repayment of the supply to the Egyptian Government.

Funds pursuant to this Programme should be used **to import from Italy**:

- **Capital goods**, machines and equipment as well as raw materials and semi-finishes materials.
- **Services** related to the supplies, including installation, assembling, training and operation of machinery and equipment.

Main fields of interest -but not the only ones- are: agriculture and irrigation, heavy industry, health, environment and tourism with particular attention to activities related to industrial revamping, integrated rural development and basic needs of new urban communities (for further details about the field of credit interest, please contact the Ministry of Foreign Affairs, International Co-operation Sector or the Programme Italian Head Office in Cairo at the addresses showed at the end of this presentation).

The goods imported should not be resold for a period of at least four years.

All Programme activities are coordinated by the Person in Charge of the Egyptian Ministry of Foreign Affairs, International Cooperation Sector, assisted by the Programme Expert of the Italian Embassy in Cairo.

The National Bank of Egypt-NBE is responsible for the credit management with the Beneficiary. The Banca IMI Sanpaolo di Torino is the Italian Agent Bank in charge to pay the Italian suppliers.

Minimum allowed transaction: € 60.000
Maximum allowed transaction: € 1.750.000

The Italian supplier is selected through a **public tender** floated in Italy and managed by an Italian Procurement company with the supervision of the Italian Ministry of Foreign Affairs.

The **award of the bid to the selected supplier** is responsibility of the Person in Charge in agreement with the beneficiary and according with the public tenders' Italian law. An Italian Supervision company is appointed to check the different phases of the supply as well as to certify the prices' congruity.

Terms and Conditions for Repayment of the goods

Commitment Bond: **2%** of the estimated value of the commodities, to be paid in L.E. by the Beneficiary before floating the tender as a guarantee of the request of supply.

Down Payment: **20%** of the total price awarded (it will include the Commitment Bond already paid), to be paid in L.E. by the Beneficiary within 30 days from the signature of the Supply Contract.

The remaining **80%** of the payment will be paid in L.E. by the Beneficiary to the Programme through a **Loan Agreement** with the National Bank of Egypt at the following conditions:

Credit Interest Rate: **4%** per annum fixed- simple interest rate. Interest will be calculated during the Grace Period also.

Grace Period: **12 months** starting from the date of the first payment done by NBE to the Italian supplier.

Residual payment: within **3 years** through **6 equal semi-annual installments**. The first installment falling is due 6 months after the expiring of the Grace Period.

Exchange Rate: it will be fixed according to the date of signature in Cairo of the Supply Contract.

Bank Fees: to be fixed by the NBE and paid by the Beneficiary.

Custom Duties: to be paid by the Beneficiary.

Letter of Credit: to be opened at the counters of the Agent Bank in Italy by the NBE within 30 days from the date of the supply Contract signature in Cairo.
The fees of the L/C will be at charge of the Beneficiary.

The **Application Form**, including a **detailed list with specifications of the goods and services requested**, should be presented to:

**Ministry for International Cooperation
Cooperation with Europe Dept.
Italian Commodity Aid Programme
The Person in Charge
9th floor - 8, Adly Street - Cairo**

For further information please contact in Cairo:

Ministry of International Co-operation

Madame Zahia M. Abu Zeid, Under Secretary for Cooperation with Europe

Tel. 0020-2-390.1801/391.6791/391.6653

Fax 0020-2-391.0344

Mr. Osama Abd El Aziz (Program Support Unit Contact Person)

Tel. 391.6653 / 391.6379 / 390.8162 - fax 391.0344

Commodity Aid Head Office in the Italian Embassy in Cairo:

Dr. Annibale Angelozzi

Italian Commodity Aid Programme Manager

1079, Cornish El Nile, Garden City

Tel.: 794.1841; tel. & fax: 792.0272

E-Mail: commodity.egitto@esteri.it

National Bank of Egypt (for further Loan Agreement information):

Mr. Abdel Razek M. Diab, General Manager Documentary Credit, National Bank of Egypt, Documentary Credit Central Unit, 24 Sherif St. (4th floor)

Tel. 0020-2-392.9972 / 393.9783

Fax 0020-2-393.6777

Italian Commodity Aid Programme

Paying back chart and interest calculation

(Based on National Bank of Egypt information)

Requested loan (example) in LE **1,000,000.00**

Grace period: one year							
#	Capital	Interest rate	Installments	Interest to be paid	Quota to be paid	Total paying back quota	Notes
A	1,000,000.00	0.04	1.0	20,000.00	0.00	0.00	
Paying back period: three years							
1	1,000,000.00	0.04	0.5	60,000.00	166,666.67	226,666.67	Includes the grace period interests
2	833,333.33	0.04	0.5	16,666.67	166,666.67	183,333.33	
3	666,666.67	0.04	0.5	13,333.33	166,666.67	180,000.00	
4	500,000.00	0.04	0.5	10,000.00	166,666.67	176,666.67	
5	333,333.33	0.04	0.5	6,666.67	166,666.67	173,333.33	
6	166,666.67	0.04	0.5	3,333.33	166,666.67	170,000.00	
Totals				110,000.00	1,000,000.00	1,110,000.00	

Total interest paid on the capital = 11%