

## **Elsewedy Industrial Development and Chinese Kingdom Holdings Ink \$60M Deal to Boost Egypt's Textile Sector**

**Cairo, January 13, 2025** – Elsewedy Industrial Development, a subsidiary of ELSEWEDY ELECTRIC, has signed an agreement with Kingdom Holdings Limited, one of the world's leading companies in the textile industry, allocating a 50,000-square-meter plot in "Industria Sadat" city to establish a private free zone. The agreement which is being facilitated by Egyptian Commercial Services (ECS) and supported by GAFI declaring the factory a private free zone, was signed by Eng. Mohamed AlKammah, CEO of Elsewedy Industrial Development, and Mr. Ren Weiming, Chairman and CEO of Kingdom Holdings Limited. The signing ceremony also witnessed the esteemed presence of Mr. Hossam Heiba, CEO of the General Authority for Investment and Free Zones (GAFI), Mr. Yehia El-Wathik Bellah, Minister Plenipotentiary and Head of the Egyptian Commercial Service, and Eng. Ahmed Elsewedy, President & CEO of Elsewedy Electric.

Aligned with Egypt's comprehensive strategy to enhance the value of the textile sector, Kingdom Group will invest approximately \$60 million in the "Industria Sadat" project establishing its first advanced textile factory in Egypt, featuring state-of-the-art production technologies. This collaboration aims to enhance trade relations between Egypt and China, attract more foreign direct investments to the Egyptian market, promote the growth of the industrial sector, and boost Egyptian exports.

Expressing his enthusiasm about this strategic partnership, Eng. Mohamed AlKammah highlighted the added value of this project to the industrial landscape of Industria Sadat, further diversifying the region's industrial base. Furthermore, he affirmed that Egypt offers promising investment opportunities, especially in the textile industry, which is considered one of Egypt's most competitive sectors.

"At Elsewedy Industrial Development, we are dedicated to attracting foreign investments and supporting international investors in collaboration with the General Authority for Investment and Free Zones. This agreement marks the establishment of the second private free zone in Industria Sadat, reaffirming our commitment to supporting export-driven projects. This initiative aligns perfectly with the Egyptian government's vision to double textile and garment exports by 2026, strengthening Egypt's position as an attractive investment destination. It is worth mentioning that the textile sector's exports reached \$1.2 billion in 2023 and are projected to rise to \$1.4 billion by 2025, fueled by enhanced competitiveness and robust international partnerships." He explained.

Commenting on this collaboration Mr. Ren Weiming stated, "We are optimistic about Egypt's development and have great confidence in its business environment. This is our first investment project in Egypt, and its success will serve as the starting point for our continued investments in the country. Therefore, we are committed to working with Egyptian government authorities and outstanding local enterprises to make our project a benchmark and a true representation of Egyptian manufacturing excellence."

Furthermore, Mr. Yahya ElWathik Bella highlighted the successful efforts of the Commercial Representation Office in Shanghai over the past year, which played a pivotal role in persuading the

Chinese company Kingdom Holdings to consider Egypt as a key market for expansion. These efforts led to seven visits by the company to Egypt between March and September 2023 to explore establishing a yarn production project, with an estimated initial investment of \$60 million.

As a result, a 50,000-square-meter plot of land was allocated for the project within one of Egypt's private industrial zones. ElWathik Bella further emphasized that the coming period will witness more engagement with Chinese companies to encourage them to launch their projects in the Egyptian market.

In addition, Mr. Hossam Heiba, CEO of the General Authority for Investment and Free Zones, emphasized the authority's efforts over the past two years to involve the private sector in promoting investment opportunities and fostering partnerships in feeder industries. "This initiative underscores the conviction that the private sector is instrumental not only in implementing projects but also in spearheading development and paving the way for a more prosperous economic future. This project stands as a testament to that vision," he added.

He also highlighted the important role of this partnership in creating a powerful entity capable of competing globally. By combining Egyptian expertise in textiles with cutting-edge Chinese technologies, the project will operate within a private free zone designed to meet international standards, enhance exports, and boost the global competitiveness of Egyptian products. Additionally, trade agreements will grant Egyptian goods access to 3 billion consumers worldwide.

"The authority remains committed to providing full support to achieve the project's primary goal: establishing a complete flax industry supply chain in Egypt to maximize value addition and revive the country's leadership in this sector." He further explained

It is worth mentioning that the new factory, set to begin operations in 2026, will have an annual production capacity of 5,000 tons of flax yarn, generating \$300 million in sales and creating 1,500 jobs for Egyptian youth.

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#### **About Elsewedy Industrial Development:**

Elsewedy Industrial Development, a subsidiary of Elsewedy Electric ([SWDY.CA](https://www.elsewedy.com)) listed on the Egyptian Stock Exchange (EGX), is a specialized company in the development of integrated industrial zones in the region. Committed to sustainable development, the company efficiently serve the community within the framework of its ethical responsibility relying on its extensive manufacturing experience to build integrated and sustainable industrial cities.

The main services provided by Elsewedy Industrial Development include master planning, consultancy services, infrastructure works, construction management engineering guidance, and designs.

The company also provides its investors with an integrated package of advanced industrial zone services, essential facilities, outstanding infrastructure, and comprehensive manufacturing facilities.

Elsewedy Industrial Development owns a vast land portfolio in Egypt and Africa, which is the largest land portfolio owned by an industrial development company in Egypt. Elsewedy Industrial Development's operations in Africa include the Elsewedy Industrial City (EIC) in the Republic of Tanzania.

Elsewedy Industrial Development's projects in the Egyptian market encompass "SOKHNA360", which is the first fully integrated industrial city in the region on an area of 10 million sqm, in addition to Industria Sokhna, Industria Sadat, Industria Asher, Industria East & West, Industria October, and El Oula in October.

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