

An aerial, long-exposure photograph of a complex highway interchange at night. The image shows multiple levels of overpasses and ramps, with light trails from cars creating a dynamic pattern of white and yellow lines. The surrounding urban area is visible in the background, with buildings and streetlights. A prominent yellow diagonal line cuts across the lower right portion of the image, separating the road scene from the text.

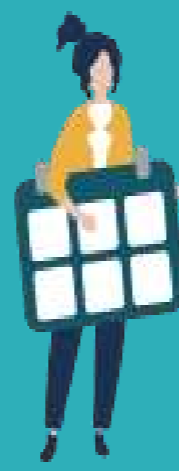
**The Current
Situation in
the Roads
and Highways
Sector in
Egypt**

Team Members

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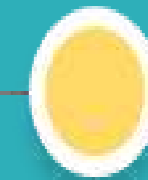
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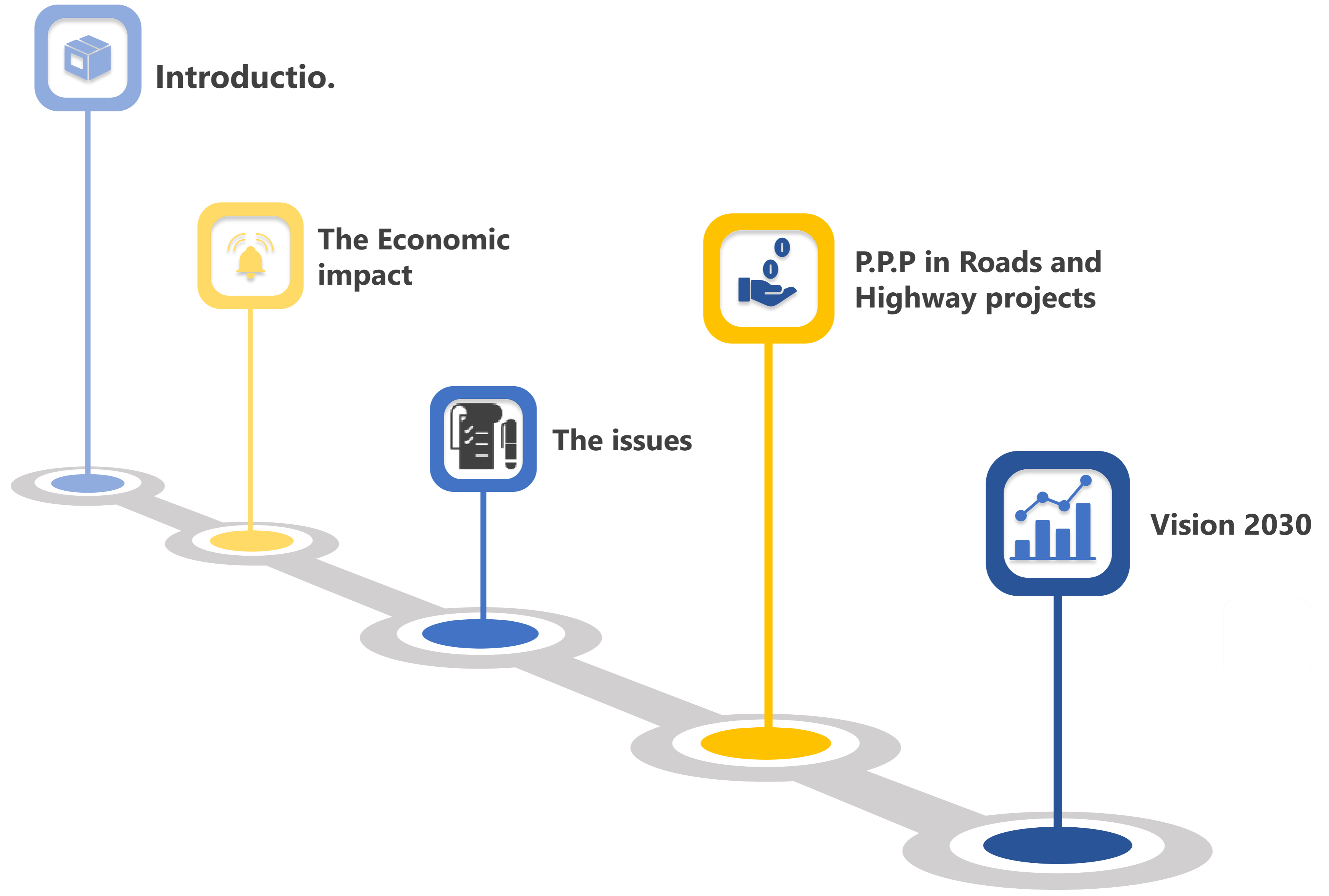
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Outline



Introduction:

1- Overview.

**2- Economic
importance.**

**3- Current
Priorities**





Overview

The Transport sector in Egypt is regarded as one of the most strategic sectors in Egypt, considered as the backbone of an economy and the most important mode for carrying both goods and passengers.

Thus, modernization of the transport sector will not only allow trade and business to flourish but also will strengthen the country's presence internationally and increase its competitiveness.

Traditionally, the provision of means of transport was the monopoly of governments either in providing transport services or building adequate infrastructure including airports, ports, railways and roads.



Economic Importance

As a major contributor to trade and an essential means of transport, Egypt's road sector is responsible for 97 percent of freight movements, most of which are private, and for more than 55 percent of domestic passenger movements (4.1 million vehicles in 2006/07 with 60 million passengers/daily)

1- Share in GDP:

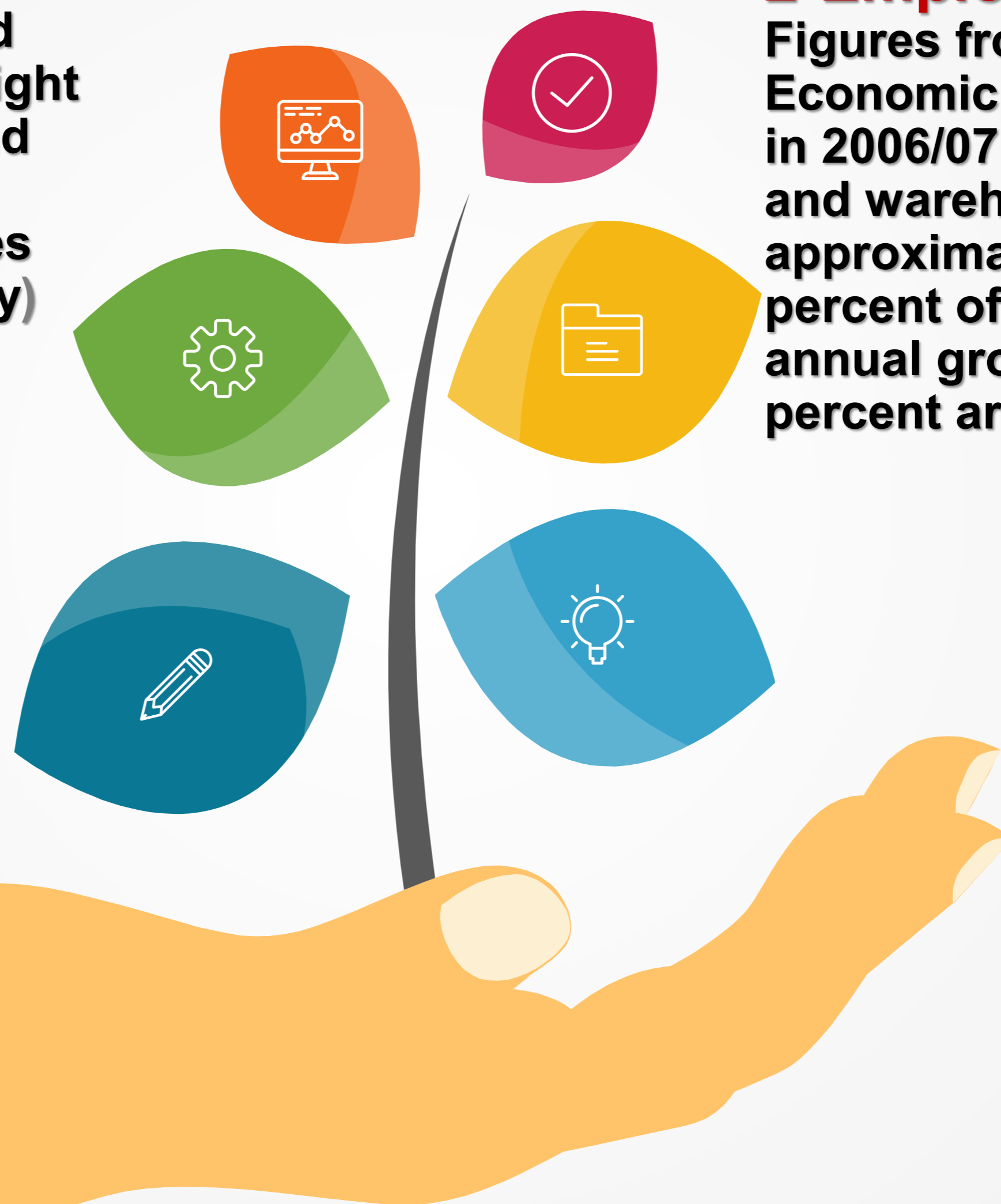
In 2007/08, transportation and warehousing contributed to the economy by only 4.1 percent of GDP on average, and represented 12.9 percent on average of total production services during the same period (transportation and warehousing, telecommunications, Suez Canal, trade, financial services, insurance and tourism)

2-Employment:

Figures from the Ministry of State for Economic Development (MOED) indicate that in 2006/07 employment in the transportation and warehousing sector has reached approximately 812,000, representing 4 percent of total employment with an average annual growth rate of 4.5 percent, where 72 percent are private employees

3- Investment:

Government investment spending on transportation, warehousing and communications has increased significantly, almost doubling from LE 22.8 billion in 2005/06 to LE 40.1 billion in 2007/08 representing 20.1 percent of total investment.



Current Priorities

-the country is aiming to:

- 1- achieve better traffic flows**
- 2- reduce congestion, traffic deaths and costs**
- 3- and increase efficiency**

- High priority has been placed on road design and construction, and the hope is to have the projects meet international standards in terms of lighting, emergency areas, parking, crash barriers, signs and signals.

- A concern for constructing roads with an eye on allowing for less than perfect driving, so that small mistakes will not lead to serious accidents.



02

The Roads and highways issues in Egypt.

- Financial.
- Legal & Legislative.
- Others



Main problems & constraints facing this sector



1. financial constraint

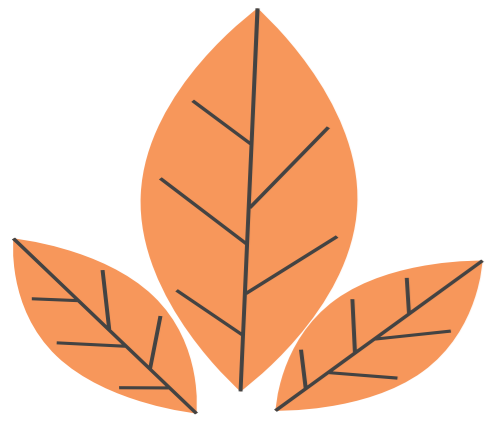
It is the most important one that to have to solve. Traditionally, road expansions and maintenance were financed by the government. Since modifying its role in 2002/03 and increasing its scope of responsibility in 2004, GARBLT started financing part of its budget. Over the last five years, GARBLT has not only the responsibility of roads maintenance but also funded the projected road expansion, which created a pressure on its financial resources



2. Legal and legislative constraint:

laws regulating the sector are both few and outdated; they neither cover pricing nor reflect the cost of maintenance and rehabilitation. Although laws and regulations do not prevent the private sector from engaging in road transport activities, private sector's engagement is still very limited.

3. Other issues



A. Climate Change Resilience

Road sector infrastructure is vulnerable to the effects of climate change and subject to risks from natural occurrences. The consequences of climate change can include a rise in sea levels; increased precipitation; an increase in the frequency and intensity of storms, floods, and droughts; and a reduction in natural flood. Climate change can have some particular effects with respect to road facilities



B. Road safety

1. Road crashes or accidents are associated with all forms of road and road traffic. Accidents happen on rural roads, for example, where there is no lighting
2. Improper maintenance



C. Lack of information /insufficient feasibility studies

As Galala Road that connected Hurgada and Cairo

Highway users

Alternative Policies to enhance & improve sectorial efficiency

To enhance performance, two major requirements are needed: substantial financing; and institutional restructuring and reform management. There are three alternatives to fulfill these objectives.



A) Increasing government financing

The government has to increase financing to the roads sector to support the rapid pace of economic development, to reduce the rate of traffic accidents, and to cut air and noise pollution due to the growing number of vehicles.



B) Private sector engagement

It's a gas giant and also the biggest planet in our Solar System. Jupiter is the fourth-brightest object in the sky

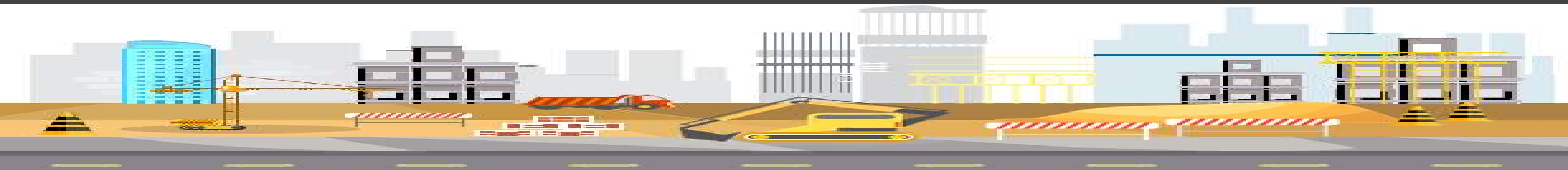
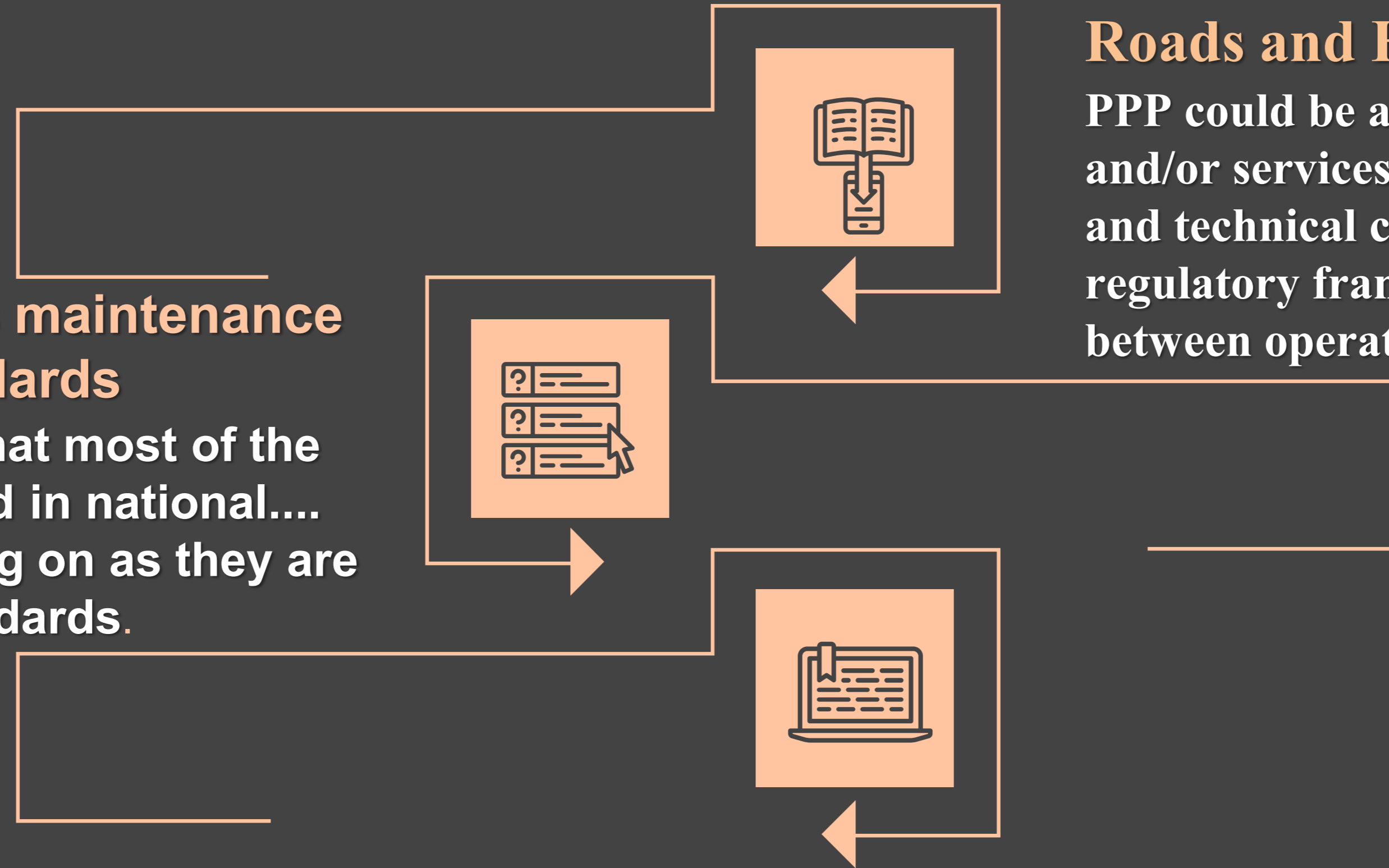
Alternative Policies to enhance & improve sectorial efficiency

3. Public-Private Partnerships (PPP) in the Roads and Highways Sector.

PPP could be a model for providing infrastructure and/or services to solve the political, social, economic and technical constraints. This requires a strong regulatory framework to avoid conflict of interests between operators and policymakers.

4. proper and continuous maintenance using international standards

Taking into consideration that most of the previous issues were solved in national.... Project that they are working on as they are using the international standards.





03

The Public-Private-Partnership in Highways Project:

- The Risk Perception in highway projects.**
- P.P.P in roads in Egypt and BOT.**



Financing
risk

An icon representing financing risk, featuring a brown money bag with a drawstring top and a stack of four gold coins next to it.

Construction
risk

An icon representing construction risk, showing a multi-story building with a blue roof and yellow windows, with a white structure in the foreground suggesting construction activity.

Revenue
risk

An icon representing revenue risk, showing a red envelope with a gold Chinese knot symbol on the front, with several green banknotes sticking out of the top.

Operation and
maintenance
risk

An icon representing operation and maintenance risk, showing a person with dark hair wearing a green shirt, sitting at a desk with a white laptop. The person is enclosed in a yellow circular frame.

Project development phase

Construction phase

Operation phase



a. Financing risk

In the construction phase of PPP projects, financing is done by a combination of debt and equity and in cases, supported by government grants. Equity is usually put in by the developer/promoter of the project. Debt is put in usually by a financial institution like a bank through the developer. There is a risk of the equity and debt not coming into the project at the appropriate time, resulting in cost and time overruns.



b. Construction risk

A project faces a number of intrinsic risks during construction. This poses a threat to the project because delays in the execution can lead to overall stunted development. So construction risk is a major risk to consider in a road project.



c. Revenue risk

The financials of a road project are dependent on the revenue the road project generates. Primary and only source of revenue in the case of a NH project is toll revenue. So the toll revenue risk is a critical factor for a project, as the cash flows generated are essential for servicing of debt, meeting equity return expectations and enabling efficient operation and maintenance of the project.



d. Operation and maintenance risk

Adequate operations and maintenance is required in a road asset. The operations and maintenance expenses consist of the following heads – toll plaza expenses, routine maintenance, major periodic maintenance, etc. In addition to this, sometimes climatic situations entail unexpected maintenance requirements on the road assets.

The P.P.P in Egypt

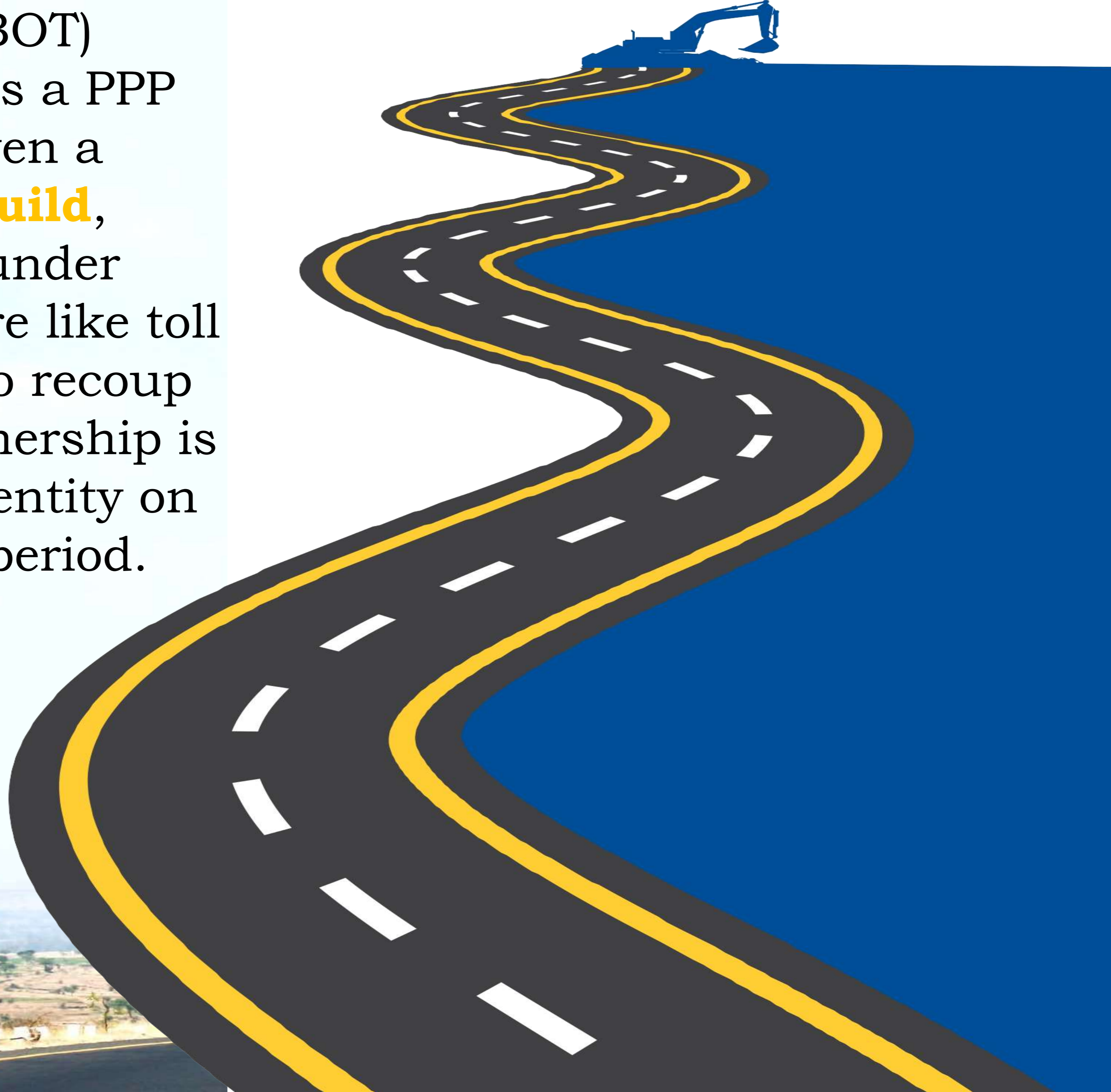


Public Sector

Private Sector

What's BOT?

A Build, Operate, Transfer (BOT) arrangement on the other hand is a PPP whereby a private entity is given a concession to **fund, design, build, operate** and **own** the assets under concession (eg public infrastructure like toll roads) over a long term in order to recoup costs and make a return, then ownership is thereby transferred to the public entity on expiration of the BOT contract period.



The Fruits of BOT



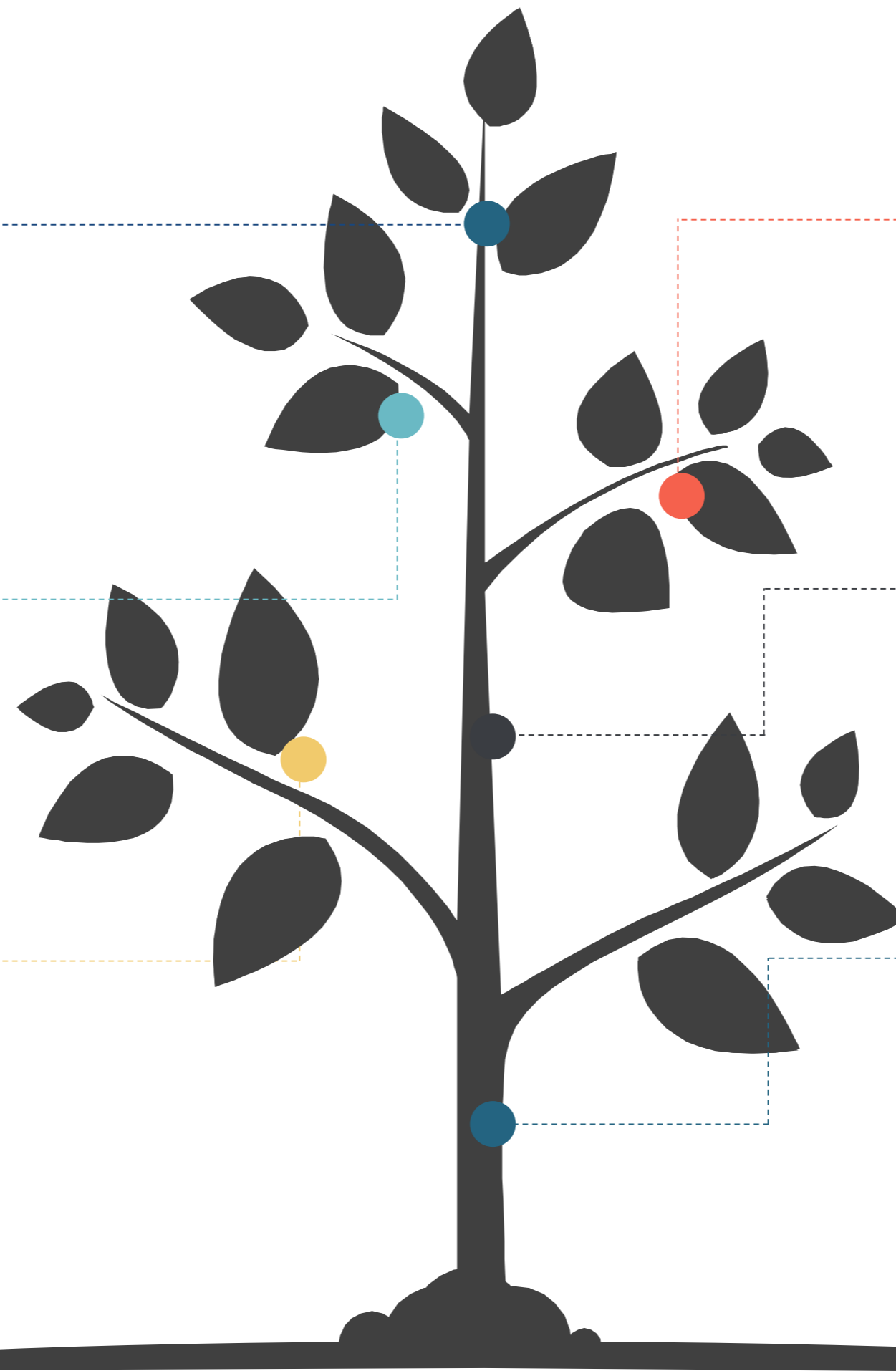
Investment in this way in roads and NH projects reduces the burden placed on the Egyptian government.



It reduces the burden on the public budget and reduces the deficit. Especially in this period facing a steady increase in government spending.



it leads to an increase in the efficient use of the resources of society, as it's known, the private sector is more efficient in production and marketing than the public or government sector.



It reduces government borrowing and helps to alleviate public debt, thereby reducing inflation and unemployment rates, especially if national labors are employed in these projects.



it can be argued that the BOT approach can be utilized in both developed and developing countries, in existing and new projects, where infrastructure projects are complete but may need to be upgraded



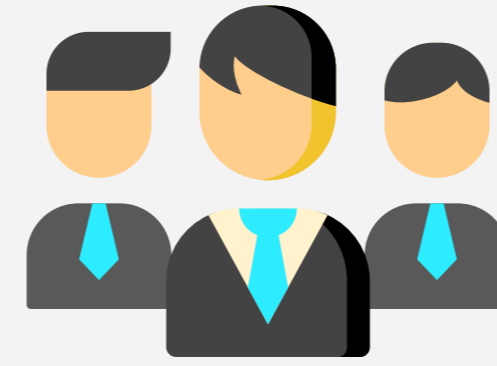
Therefore, its outsourcing to the private sector relieves the state of many burdens and bureaucratic burdens, and provides citizens with better public services.



Examples of BOT contracts



(BOOT)
Build,
operation,
own, and
transfer



(BOO)
Build,
own, and
operate



(BLT)
Build,
lease, and
transfere



04
Vision 2030

What is Egypt Vision

2030?

**The goal of this program
is to achieve:
Social Justice.
Knowledge and
Innovation.
Economic Development.
Environment.**



How is Egypt Vision related to our topic?

-The government interested in developing all the sectors.



- One of them is the Road and highway sector in Egypt.

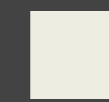
Their plan in this sector includes three dimensions :

1-The contribution of the development of the roads which link between Cairo and other governorates in Egypt



Examples

The improvement of the road which link between Suez and Cairo in order to increase the imports and exports movements from and to Suez Port.



The implantation of Road el Farag – daba'a Axis.

The improvement of Cairo-Alex and Cairo-Ain sokhana road.



The establishment of Shubra- Banha Road.

2)The improvement of the Major streets in Cairo:

-It is an important project on the government activity.

- Letter of Credits.



Examples



- Saidaah Zeinab.
- Phostat.
- Ain El-Hayyah Axis.
- Improvement of Sydiaa Nafisa.
- Mostapha El-Nahass Street.
- Ain El-Hayyah Axis.
- Improvement of Sydiaa Nafisa

3) Paving and develop the internal streets and lanes on the Level of the District of Cairo (38 District Divided on 4 places).



Examples



-Renewal 30 bridges.

- create 12 additional bridges



Thank You





Questions ?

