SIGNIFICANCE OF WHEAT IN LAND UTILISATION

The winter cropped area under wheat has grown from around 900 thousand hectares in 1999 to reach over 1.3 million hectares in 2012. Wheat is the most important grain in Egypt.

TOTAL WINTER CROPPED AREA

47% WHEAT
53% OTHERS

SIGNIFICANCE OF WHEAT IN THE ECONOMY

Egypt is the biggest importer of wheat in the world, importing 10 million tonnes of wheat per year, roughly worth US$ 3 billion per year.

TOTAL WORLD WHEAT IMPORTS

PUBLIC SPENDING IN THE WHEAT SECTOR

(PERIOD) US$2.2 BILLION PER YEAR
1% OF EGYPT’S GDP

COST OF THE BALADI BREAD PROGRAM

OVERALL YEARLY COST OF GOVERNMENT EXPENDITURE ON WHEAT

DOMESTIC PROCUREMENT PRICE SUBSIDIES
CONSUMER (BALADI) SUBSIDIES
FERTILIZER SUBSIDIES

POTENTIAL FOR SAVINGS

ESTIMATED COSTS DUE TO TENDER COMPLEXITY AND SHONA LOSSES

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Cost in US$/tonne</td>
<td>Total Costs, m US$</td>
</tr>
<tr>
<td>GASC Tender complexity and short notice</td>
<td>6.7</td>
</tr>
<tr>
<td>GASC Port of loading inspection</td>
<td>1.5</td>
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<tr>
<td>Risks of ambrosia presence</td>
<td>n.a.</td>
</tr>
<tr>
<td>Cost reduction by replacing shonas with modern silo storage</td>
<td>26.9</td>
</tr>
</tbody>
</table>

INVESTING IN MODERN SILOS WITH STORAGE AND SIMPLIFYING TENDERS COULD LEAD TO POTENTIAL SAVINGS US$ 70 MILLION PER YEAR