Special Economic Zones: From China to Egypt

Experience Evaluation and Guideline Model

A thesis submitted to the Investment and Finance Institute In partial fulfillment for the Degree of Master of Science In Investment

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2013
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Author's declaration

At no time during the registration for the Master Degree has the author been registered for any other university award.

This thesis has a word count of 20,520 approximately.

Signature: [(Signature)]
Date: 14/6/2013
Dedication

To my Mother, Father, Grandmother's blessed soul and Husband
whose moral support, patience and encouragement were very
important and pushed me to complete this work

And special dedication and gratitude to my supervisor

Dr Ashraf Salah

to whom I am heavily indebted for his readily, offered support
and encouragement.
ABREVIATIONS

AECC  Agreement For Economic and Commercial Cooperation

BOT    Built – Operate and Transfer

CADFUND China Africa Development Fund

CIPA   China Investment promotion Agency

CIT    Communication and Information Technology

COMESA Common Market for Eastern and Southern Africa

EPZ    Export Processing Zone

FDI    Foreign Direct Investment

FTZ    Free Trade Zone

GAFI   General Authority for Investment

GAFTA Grand Arab Free Trade Agreement

GDP    Gross Domestic Product

GIPC   Ghana Investment promotion Center
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>KOTRA</td>
<td>Korea Trade Investment promotion Agency</td>
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<td>MDC</td>
<td>Main Development Company</td>
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<td>MENA</td>
<td>Middle East North Africa</td>
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<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
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<tr>
<td>MOFCOM</td>
<td>Chinese Ministry of Commerce</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>NPC</td>
<td>National People's Council</td>
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<td>OCIPED</td>
<td>Omani Center for Investment Promotion and Export Development</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PNA</td>
<td>Pudong New Area</td>
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<tr>
<td>PPP</td>
<td>Public and Private Partnership</td>
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<tr>
<td>PRC</td>
<td>People's Republic of China</td>
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<tr>
<td>QIZ</td>
<td>Qualified Industrial Zone</td>
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<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
</tr>
<tr>
<td>TEDA</td>
<td>Tianjin Economic and Development Area</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>Acronym</td>
<td>Full Name</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>WAIPA</td>
<td>World Association of Investment Promotion Agencies</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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SPECIAL ECONOMIC ZONES: FROM CHINA TO EGYPT
EXPERIENCE EVALUATION AND GUIDELINE MODEL

Mennatallah Moones Atteya

ABSTRACT

Foreign Direct Investment (FDI) has played a vital role in boosting economic development and growth for many nations over the past few decades. Establishing Special Economic Zones (SEZ’s) was a main policy that has been used by Chinese government since economic reform in 1978 to attract more FDI and boosting exports.

After the visit of the Egyptian former President Mubarak to China in 1999, Egypt has developed its own model of SEZ in 2002 in North West Suez Gulf in order to be the robust hub for foreign investments in Egypt. Many challenges are facing Suez SEZ especially the lack of infrastructure and utilities, the complicated investment procedures, the modest level of provided services, and the poor promotional capabilities.

The objective of this thesis is to give an overview on three successful models of SEZ’s in China: Shenzhen, Pudong and Tianjin Economic technological Development Area (TEDA) highlighting their common features and main factors that led them to achieve great figures of attracting FDI and economic growth, and evaluating the Egyptian experience of SEZ, standing upon main challenges and obstacles facing it and defining main advantages and opportunities of success.

This study presents a guideline model of a successful SEZ based on the Chinese experience, and main conditions that must exist to establish SEZ. A SWOT analysis was made to identify the strengths, weaknesses, opportunities and threats in Suez SEZ according to the model, in order to evaluate its performance and give the necessary recommendations to the Egyptian government to enhance the performance of Suez SEZ.
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