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The new Suez Canal and Greek entrepreneurship

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Text: One of the first actions of the new Egyptian President Abdel Fattah al-Sisi after his rise to power was to announce the widening of the Suez Canal in order to increase the ship traffic and reduce the required transit time. The project began in 2014 and was completed within just one year, instead of five years according to the original plans. A major feature of this plan is that the financing of the project was made entirely by domestic investors.

The 8 billion dollar project is aimed directly at achieving a target of annual revenue of over 13 billion dollars up to the year 2023, an amount which is more than double the current revenue. The feasibility of this target is much disputed by many analysts, as this presupposes an annual 10% growth for the maritime transport sector and the global trade, a number rather unrealistic to achieve.

At the same time the project sets a long-term target, and that turns the whole Suez Canal zone into a giant logistical, ship servicing and manufacturing hub. The project promoters argue that if that ambition comes true, there will be created more than one million new and permanent job positions. In this context large Greek constructing companies could step in and take advantage of this opportunity.

Given the traditionally flourishing Greek-Egyptian political and cultural relations and trust, especially in the last two years, it is time that the two countries must invest also on larger economic projects. Moreover the longstanding presence of the Greek community in Egypt and the Egyptian community in Greece can act as a platform for re-affirming economic bilateral relations further at this crucial time of Greek economic crisis. Many Greek major construction companies could easily underbid for some part of the projects that will be launched in the region and will have a timescale of at least 5-8 years. The participation of Greek companies will reaffirm these good Greek-Egyptian relations, especially in context of Greece's new strategic approach with the Eastern Mediterranean countries like Israel, Egypt and Cyprus.

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