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## Dina El-Khachab and Heba El-Gabaly Eklego Design

The rise of private gated compounds and satellite cities in the final years of the Mubarak era led to a glut of niche international design companies pouring into Egypt. But few had connections to the region. Architecture graduate Dina El-Khachab (*pictured, left*) and business partner Heba El-Gabaly (*right*) were keen to try something different.

"We try to integrate local materials and traditional designs to make our products more distinctive," explains El-Gabaly, whose interior design firm works with 60 manufacturers in Egypt. The next step will be transforming Eklego into a national brand.

Political uncertainty hasn't dented their zeal and a new shop is planned this year. "It's time for people like us to grow – anyone who doesn't take this opportunity is losing out," says El-Khachab. "The country is going to move forward one way or another and the business has to be ready for that."

### Monocle comment

Eklego has got it right – why opt for an international brand over local creativity?



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REPORT  
Egypt's new entrepreneurs

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## FUTURE MAKERS —Egypt

### Preface

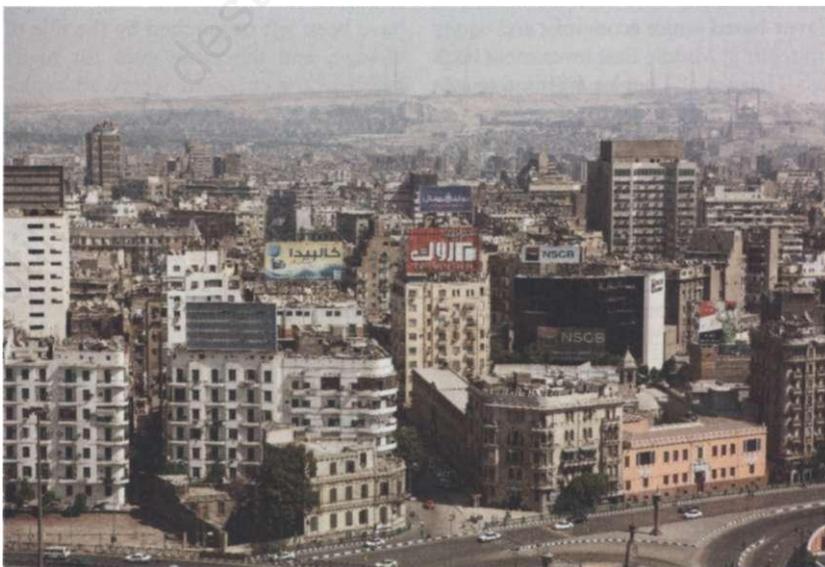
Meet the entrepreneurs building a future for Egypt post-Mubarak. Each is attempting to turn crisis into opportunity and help spark a much-needed national economic recovery.

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If a monument to revolution is ever built in Cairo's Tahrir Square, the face of Ahmed Ezz should be carved upon it. That, at least, is the opinion of one Egyptian activist, who credits the widely hated former steel magnate - Egypt's most important political power-broker under the Mubarak regime, now beginning a 10-year jail sentence for corruption - for helping spark the mass social unrest that eventually toppled the dictatorship back in February. "Ezz embodied everything that was wrong with Mubarak's crony capitalism. If it wasn't for people like him, the general public would never have been angry enough to rise up. The least we can do is give him a statue."

Many statues could be erected to Egypt's economic failures of the past

02

**Hossam El-Sherbiny  
and Eric Monkaba  
Qasr Twenty**

On 25 January, as Cairo's streets filled with demonstrators, riot police and tear gas, Hossam El-Sherbiny and his American business partner Eric Monkaba were launching their latest venture - a boutique cooking school at the heart of the Egyptian capital. "It definitely wasn't the ideal moment for a soft opening," recalls El-Sherbiny. "But we knew things could only get better."

Qasr Twenty, a stunning art deco apartment lying just a few minutes' walk from Tahrir Square, has been a labour of love for the two entrepreneurs who found the property last year in a dilapidated condition and spent five months transforming it into one of

Egypt's most exciting private event spaces. The venue's main function will be as a cooking school specialising in Egyptian cuisine, something that El-Sherbiny - an academic from Cairo's Ain Shams University - believes has been sorely lacking (*chef Randa Ahdel Wahab and her student Amirah Sami pictured*).

"So many nations appreciate their own cooking traditions, but here we don't," he says. "You can learn a lot about a country and its people through food, but Egypt has never learnt how to celebrate its traditional cuisine - which might not always be healthy but is certainly delicious."

**Monocle comment**  
The revolution has sparked interest in Egyptian culture from abroad - it's time to share the nation's cuisine.



three decades. At times, despite the country receiving glowing report cards from international institutions such as the World Bank, it felt like one was witnessing little more than a smash-and-grab assault on the state, engineered by a political and business elite whose boundaries had become dizzyingly blurred.

Under the guise of market-orientated economic reform, some of the nation's most prized assets were sold off to leading members of the ruling party and their associates at a fraction of their real value. Job creation failed to keep pace with a demographic bulge that each year left an estimated 700,000 new graduates chasing 200,000 vacancies. And soaring foreign investment failed to trickle down to the majority of the population, resulting in blockbuster GDP growth rates in a period where nine out of 10 Egyptians became poorer in real terms.

Little wonder that, in the aftermath of Egypt's pro-change uprising, the question of where the country's economy goes from here is an urgent one. Or that,

amid a climate of intense political uncertainty, there is not much consensus over the answer.

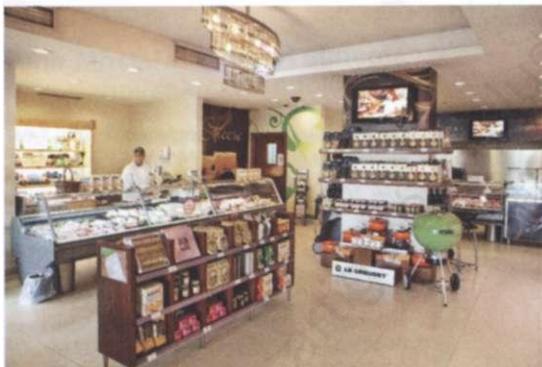
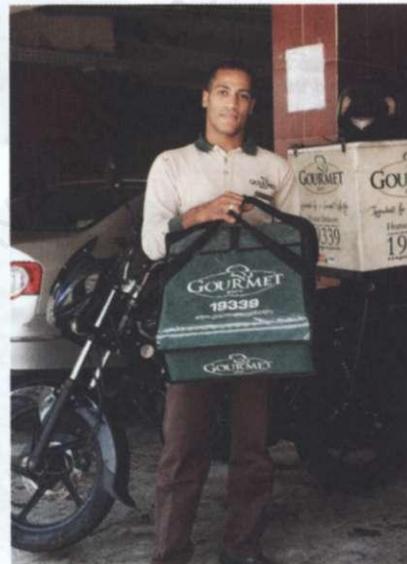
"There's a political overhang across the whole country, which means that would-be investors are wary of making large decisions," says Simon Kitchen, an Egypt-based senior economist and equity strategist at Middle East investment bank EFG Hermes. "They're waiting to see what sort of government is going to be formed, how long it's going to take, and when we're going to see clarity on policies like taxes and labour laws."

With staggered parliamentary elections planned for late this year and early 2012, Egypt's military rulers - who took power when Mubarak fell but promised to hand over to a civilian government following the winter poll - have put major economic choices on the backburner. Unfortunately the volatile post-Mubarak months were exactly when strong leadership was most needed to restore confidence in the country. It's that disconnect between policymakers and Egypt's litany of economic woes that is making many

nervous and persuading major businesses to hold back on capital investment, with the result that GDP growth has now shrunk to under 1.5 per cent.

Of course that doesn't mean that everything is in stasis. Since the fall of Mubarak few institutions large or small have been left untouched by the tide of change, and the same goes for many facets of the economy where an explosion of social expectations and contested visions of the future are reshaping realities in surprising and unpredictable ways.

The Mubarak-era privatisation programme has been rolled back, with some companies - including department store chain Omar Effendi - effectively returned to the state. Wages are under the spotlight, with plans for both a sustainable minimum wage and a maximum wage under intense discussion. And trade unions - long cowed into official subservience by Mubarak's state-run trade union federation - are building on the wave of industrial protest that marked the final years of his regime and breaking out to form their own independent alliances.



03

### Jalal Abu-Gazaleh Gourmet Egypt

It's been 16 years since Jalal Abu-Gazaleh (*main picture, right*) first went into the import-export business, delivering Australian meat to his uncle's restaurant chain back home in Egypt. He's come a long way, returning to his native country and building a national brand that puts quality ingredients on Egyptian tables. What began as a wholesale operation quickly moved into retail and home delivery, though the early days were modest. "We had two guys with a mobile phone and a part-time delivery man with an ice box tied to the back of his motorcycle," he recalls. Gourmet Egypt now employs 220 people, and boasts over 20,000 registered customers.

"In times of uncertainty people still eat - they eat when they are depressed, and they eat when happy," says the entrepreneur who brought wagyu beef and cantuccini astuccio to Cairo. Abu-Gazaleh and his partner Amgad Sultan (*main picture, left*) have just opened a new delivery hub in Zamalek, an island on the Nile, and plan to open a third store.

Monocle comment  
High-quality imported ingredients are only going to get more popular.



04

### Bassem Elhady Kijamii

Egyptian start-ups regularly look east and west for inspiration, but rarely south. For Bassem Elhady though, African tribal networks provided a vision for reshaping marketing and social media and last year Kijamii - meaning "social" in Swahili - was born.

"We wanted to take the old, traditional essence of social interaction and bring that to a virtual market," says the award-winning 24 year old, who is also the mastermind behind a highly successful household utility

product and the man responsible for bringing the TED educational lecture series to Cairo. Kijamii works by taking offline advertising campaigns and adapting them to social media platforms; in the six months since it was officially registered, it has already snapped up a major food producer as a client and attracted investment from one of Egypt's most established entrepreneurs.

"We tried to start this company before the revolution, and the bureaucracy was impossible," recalls Elhady. "You needed approval from state security for every type of licence, and the whole



process was taking months. After Mubarak fell, I was able to register the firm in one day."

Monocle comment  
Many businesses are being launched by young people who took part in the uprising - their energy will be crucial in the coming years.

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05

**Gamal El-Din Sadek  
Bey2ollak**

Revolutionary uprisings come and go, but traffic is here to stay - and nowhere more so than in Cairo, which has some of the most congested streets in the world. Now Gamal Eldin Sadek (*pictured*) and his four cousins have come up with a product that fights back.

Bey2ollak, which literally means "I tell you" in Egyptian Arabic, is a mobile application that collates data from tens of thousands of users to build up a real-time picture of the roads. Launched in

October 2010 with no marketing budget, it spread virally via BlackBerry's instant messenger and signed up 5,000 users within the first few hours. Today it has 80,000 customers and has now partnered with Vodafone; other investors believe the concept could go global.

"What Bey2ollak turned out to be was a tool to empower people - they can understand the traffic, joke about it, avoid it. We turn an inconvenience into an event," says the 23-year-old.

**Monocle comment**  
Sadek and Bey2ollak are on to a winner - Egypt's traffic jams are so frustrating.



The cumulative effect of all this has been the emergence of increasingly vociferous demands for economic justice by a working population who have had enough of marginalisation and poverty. The wave of strikes, sit-ins and protests that have erupted in recent months may be spooking potential investors but, according to prominent journalist and labour rights expert Hossam El-Hamalawy, a grass-roots battle for meaningful economic change can only benefit Egypt long term.

"The government has tried to blame the current wave of strikes for the economic malaise this country is suffering from, and whenever the stock market collapses labour activists are quickly fingered as the culprits," argues El-Hamalawy. "But this is far from the truth; most labour protests are actually aiming to reactivate companies, many of which are being liquidated by businessmen and the government."

And indeed, from within the gloom, rays of light are beginning to stubbornly break out of the Middle East's most populous nation. Tourism, which accounts for one in seven of the country's jobs and has been badly battered by political upheaval, is beginning to see a gentle incline. Economic fraud, both on the individual level and the institutional one, is tentatively being confronted; a raft of lawsuits and legal rulings against corrupt



06

**Mostafa Hemdan  
Recyclobekia**

Amazon, Apple and Google all claim to have started life in a garage. Mostafa Hemdan's residential lock-up in the Nile Delta city of Tanta is a bit scruffier than its Californian counterparts, but that's done little to dent the ambition of this remarkable 20 year old.

After watching a video about the e-waste industry, Hemdan (*right*) - an electronics fanatic from an early age - decided to investigate the availability of computer scrap facilities in Egypt. To his surprise, he found nothing, and so opted to set up a business himself, exporting discarded PC parts to China where they could be stripped down to obtain valuable metals like silver, nickel and platinum.

With the help of a \$3,000 (€2,200) loan from Hemdan's mathematics professor, Recyclobekia now has a team procuring e-waste from dozens of computer maintenance workshops around the country. In the long term Hemdan plans to open a series of regional processing facilities and one day even build an e-waste factory in Egypt himself. "Our generation is coming out of the revolution with a determination to shape the future of Egypt," he says. "At the moment we have nothing except passion, but that will change."

**Monocle comment**

When it comes to commitment and audacity, Hemdan and his colleagues could give some of the world's top entrepreneurs a run for their money.



07

### Ali Ali and Maged Nassar Elephant Cairo

A man in a hospital bed turns down the offer of a cheese sandwich, only for a panda to appear in front of him and begin smashing up the ward. The same thing happens in an office, a restaurant and a supermarket - and nine million people go online to watch the footage. The award-winning "Panda Cheese" advertising campaign turned out to be one of the Middle East's biggest viral hits of 2010, and demand for its creators, Ali Ali (*right*) and Maged Nassar (*left*), has never been greater.

"We never really had a business plan, and it wasn't thought through at all," says Ali of the moment two years

ago that he and Nassar broke away from a major Dubai-based ad agency to start up their own two-man "ideas shop". Since then major clients including Coca-Cola have flocked to the duo's tiny offices above the Nile, and despite the current downturn in the advertising industry - always the sector hardest hit by spells of economic uncertainty - the coming year looks set to be a busy one.

"Whereas most of the big agencies are focused more on pleasing the client than actually creating good work, we have nothing to lose," says Ali.

**Monocle comment**  
Egypt's uprising has forced corporations to start taking heed of people power, which opens up possibilities for creatives like Ali and Nassar.

08

### Amir Mostafa Villa Baboushka

When Amir Mostafa went to England to study engineering in the 1990s, he was surprised by how many of his Egyptian friends asked him to bring back some designer clothes for them. He went on to open 11 shops, bringing international clothing brands back to his native country.

Mostafa's store Villa Baboushka, opened in 2010, is set in a villa on Zamalek Island. Customers include diplomats and celebrities and, despite the post-Mubarak period making for a difficult first year, Mostafa remains optimistic, "We're all here to try and make a better tomorrow; without that commitment, there's no hope."

**Monocle comment**

Elite brands have suffered amid the political uncertainty, but Mostafa has vision and drive.



09

### Hind Wassef and Nadia Wassef Diwan

The average Egyptian allegedly reads a quarter of a page of a novel each year. No surprises then that when sisters Hind (*right*) and Nadia Wassef launched Diwan back in 2002, many friends warned them not to waste their money. "But we knew that this model - of a boutique bookstore which prioritised the whole book-buying experience, where you could browse in comfort and have a coffee - existed everywhere in the world but here," says Hind. "And if any city was big enough and cosmopolitan enough to need that sort of bookstore, it was Cairo."

Nine years on, Diwan boasts nine branches and employs over 170 people - and has prompted a rash of copycat book outlets around the country.

**Monocle comment**

Arabic fiction is making waves internationally - now Egypt needs the retail environment to enjoy it.

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land deals made under the former regime is enabling local entrepreneurs to believe that they have a fair chance of building competitive businesses from scratch, even if they lack the resources to bribe key officials. And there has been something of a renaissance in small and medium-sized businesses, with micro-finance networks stepping in to fill funding gaps created by economic uncertainty.

The interim government even felt confident enough to turn down a \$3bn (€2.2bn) loan offer from the IMF in June, a decision that split domestic opinion sharply but could be offset by growing trade ties with emerging regional allies such as Turkey. Major challenges remain, including reform of the unwieldy subsidy system and a much-needed overhaul of transport infrastructure, but even those closest to the current crisis feel hopeful enough to offer a cautiously optimistic assessment of the future.

"Egypt needs a government that has a real mandate and can say to the public 'look, there are tricky decisions that we need to make - we're going to try and make sure that the very poor do not suffer disproportionately, but we do have to make our economic vision clear,'" says Kitchen. "Once the rules of the game are no longer ambiguous you can potentially see a lot of investment coming into Egypt, not only from foreigners but also from Egyptian companies that have been risk-averse in recent years."

The global economic outlook naturally hangs heavy over any future prospects for change, but Kitchen believes that North Africa's revolutionary heartland still has a fighting chance. "It's going to be particularly tricky for Egypt, but as an economy it ticks a lot of the right boxes," he concludes. "It boasts a young population, low levels of investment in the economy, and there are a lot of things that could be done quite easily to get things moving. If that happens, anything is possible." — (M)



## Mohammad Omara Fascila Technologies

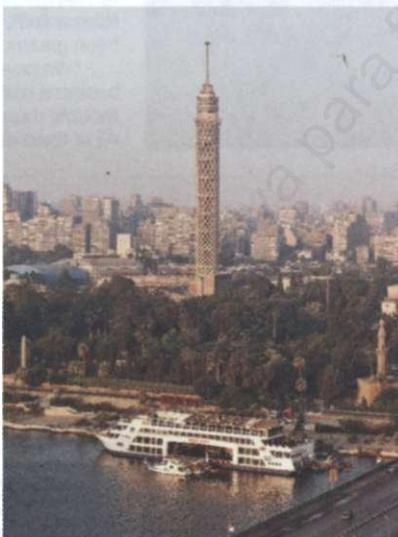
It's never been a better time to be involved in the wireless communication market. From home automation to new "smart" electrical grids and mobile telephones that can function even without a network, the potential for technological breakthroughs is immense - and Alexandria-based Mohammad Omara believes he might just be at the heart of it, with his patented new electronic chip.

Much of the excitement in this area has focused on the renewable energy sector; the US and Europe are set to spend billions of dollars upgrading their electricity systems over the next decade, and Omara's chip could play a major role in any similar expansion in Egypt.

The 34-year-old registered his company on 26 January, the day after Egypt's anti-Mubarak uprising began. "Today is better than yesterday, that's a no brainer," he explains. "But right now we're seeing what is referred to in electrical engineering as 'high stresses', and that instability will take at least five years to correct itself. It's not going to happen overnight."

### Monocle comment

European spending on smart grid technology is expected to hit \$80bn (€58.7bn) by the end of the decade: Omara is well-placed to succeed.



## Monocle's masterplan

### Key issues and improvements for the interim government

**01 Improve transport links**  
Egypt's traffic-snarled road network stifles productivity, so a major upgrade is necessary.

**02 Get tourism back on its feet**  
The tourism industry is Egypt's biggest foreign exchange earner, but has stumbled since the uprising.

**03 Stamp out corruption**  
Trials of former regime fraudsters are a good start, but confidence must be rebuilt from top to bottom.

**04 Get out of Cairo**  
Coloquially Egyptians use the same Arabic word for their country as they do for their capital; it's time other cities became centres of growth.

**05 Encourage the diaspora**  
Egyptians around the world have the money, contacts and ideas to help rebuild their country.

**06 Start saving water**  
Egypt needs more water to expand both industry and agriculture, but levels of waste are shocking.

**07 Support small business**  
A wealth of skill and potential lies in the nation's vast informal and small business sector.

**08 Exploit regional support**  
Egypt once led the region and it could do so again, but only with help from new allies such as Turkey.

**09 Announce a concrete timetable for transition**  
The military junta needs to state clearly when and how a civilian government will take power.