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Making

Polaris International Industrial Parks looks set to become an historic project that will cement economic relations between Turkey and Egypt. Osman Arikan, general manager, and Elif Gurpinar, corporate communications director, talk to Jayne Alverca

When Polaris International Industrial Parks was officially launched in January 2008 by the Turkish president, Abdullah Gul, the event marked an historical milestone in the long history of friendship and co-operation between Egypt and Turkey.

Polaris International Industrial Parks is a Turkish-Egyptian joint collaboration between Polaris Foreign Investments, which is headquartered in Istanbul; SIAC Industrial Engineering Co., a private Egyptian construction and development company; and Egyptian businessman Mohammed Kassem, who is an active member of the business community in Egypt, with a strong presence in the textile and IT sectors.

It is the first initiative of its kind on Egyptian soil and unique as a private industrial park in a region where state control remains the norm. "This is the largest Turkish investment ever made in Egypt and the first private industrial park not only in Egypt but in the region," states general manager Osman Arikan.





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The Polaris project offers synergy at a number of levels and is set to enhance the competitive standing of both countries. It harnesses the competitive manufacturing capability of Egypt in comparison to Turkey and also Egypt’s special access to the US market through the QIZ agreement. Moreover, Egypt enjoys very good relations with the EU and is increasingly assuming an economic leadership position in both the Arab and African trade arenas.

Arikan explains the background to the project. “The partnership arose out of the excellent relations that Egypt has traditionally held with Turkey. In 2005, the Egyptian minister of Trade & Industry His Excellence Rashid Mohamed Rashid, who is of Turkish descent and very familiar with the country, paid an official visit. Consultations with the Turkish business community gave rise to the idea of Polaris International Industrial Parks as the best way the two countries could work together for the benefit of both.

“However, at an early stage it was realised that the concept had an appeal that extended far beyond the Turkish investor community,” he continues. “We soon realised that many other international manufacturers were also interested in developing a footprint in Egypt.”

The first project, which is located at 6th October City, near Cairo, is now nearing completion and is ahead of schedule. A \$1.5 billion investment will provide industrial space and supporting service areas for up to 50 companies on a 2,000,000 square metre site. Many additional facilities will also be made available, such as a health centre, shopping and leisure areas, training centre, daycare facilities and housing.

“A total of 13 different developers have worked on the industrial project and our contribution has centred on the design and marketing as well as the infrastructure, which is now almost all in place,” explains Elif Gurpinar, corporate communications director. “The industrial units and warehousing and logistics centres are already sold out and there is no available land left on the first stage of the project.”

The project has been delineated by the Egyptian prime minister as a special investment zone with a primary focus on light manufacturing such as textiles, furniture, light metal processing, automotive parts, pharmaceuticals and food; and Arikan explains that investors have been carefully selected according to many criteria and especially their environmental impact.



“We have taken a very critical look at all our investors,” he comments. “For example, we have clustered our investors according to their environmental impact, not their industrial processes. All investors operate in light industries with clean processes. We have also worked with Cairo University to ensure that we abide by the strictest environmental regulations in accordance with government directives. This was another first step in the Middle East and it is now becoming obligatory for all industrial parks to report in this way. We are very pleased to have taken a lead in this step forward.”

“As the first environmentally friendly industrial park in the region, we set great importance on the additional value we add to investors through measures such as our solar lighting system which is also a cost saving that we can pass on. We also wanted the park to remain a green and attractive place, so we have left 90,000 square metres of planted open space,” he adds.

Gurpinar is keen to point out that Polaris has an equally carefully planned approach to corporate responsibility. “We are in private-public partnership with GTZ, a German Development

Cooperation, with whom we will be working to advance a gender-based approach to training and employment at an on-site training centre. Major manufacturers in Egypt complain at the lack of qualified labour, yet unemployment is still very high. We believe we can help to close the gap and again, it is the first example of an initiative of this kind taking place in the world.”

Although the first project of the Polaris vision has now been realised, Arian stresses that it is not viewed as a finite project. Rather, he envisages a state of continuous evolution. “We have an agreement to finalise the infrastructure and sales, but we will continue to provide many support services and will start work on a housing development which we named Mira Istanbul this year.”

Mira Istanbul will accommodate its residents by offering a range of lifestyles for working professionals such as technicians, expatriates and junior to senior managers as well as their families. Bringing new standards of modern living, Mira Istanbul offers serviced apartments, with the project also including service areas such as a

kindergarten, supermarket, laundry and gym.

Meanwhile, the team is starting to work on the second Polaris project, this time in partnership with Al-Zamil, a Saudi multi-disciplinary group with a major presence in the Egyptian steel business. “It is a slightly smaller area but a very similar concept, which will be executed by Polaris, the same team again, launched in 2010. Many of the elements will be the same, but we do not plan office or housing space or as much emphasis on services. The focus will be more industrial,” Arian says.

Sales began in 2010 and two of the biggest plot contracts have already finalised, one of them to Turkey’s largest manufacturer of hygienic products. “Egypt already has one of the most promising economies in the region. I believe we have a very important role to play in seeing it expand and grow much further. This country already has 200 of Turkey’s most reputable companies operating here, but I believe we can make it attractive to many more, as well as the international manufacturing community,” he concludes. www.cepgraphics.com/Polaris_Last_webSite/home.html ●

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