

# New Capital. New Cash.

From the ground up: Egypt's cash cycle will be completely modernized over the next two years. So the Central Bank of Egypt has commissioned Giesecke+Devrient Currency Technology with designing and building an integrated plant for the production and processing of banknotes – including cutting-edge IT and security infrastructure, as well as the setup of further regional centers. By the way, Egypt will also get a new capital. Time for a visit.



→ ESSENTIALS

The project with G+D is kind of a starting point for a new era in Egypt's cash cycle



**M**uch has been written about the city of Cairo in its 1049-year history – phrases describing it as a “megalopolis in the shadow of the pyramids,” or “chaos at its most magnificent.” Then there is the saying, “He who lives in Cairo does not live – he survives.” Many authors of these epithets even claim that Cairo might be the “end of the city as we know it.” But maybe it is just the beginning?

Why not say that “everything flows in Cairo”? Or “everything goes like clockwork”? Well, sometimes more, sometimes less. The traffic? More like less, more like tough. Driving in Cairo means always being stuck in a traffic jam, as if the hot asphalt were sticking to the black tires and trying to drag the myriads of vehicles into its depths. But still, it goes on and on. Somehow.

**CAIRO IS A FORCE THAT IMPACTS EVERYONE**

Everything flows in Cairo. But its people? They are in a rush. An estimated 28 million live here, argue, get on each other's nerves, love and hate each other, cheat and reconcile, need space that does not really exist. Yes, Cairo is a force that impacts everyone. Yes, everything flows in Cairo, everything's in motion, everything changes. Yes, it doesn't stop when it comes to money. Quite the contrary. ➤





## The new capital of Egypt

*The large-scale project that Egyptian housing minister Mostafa Madbouly announced in March 2015 is set to become the new capital of Egypt: a city located 45 kilometers east of Cairo, just outside the Second Greater Cairo Ring Road, will become the new administrative and financial capital of Egypt. What might attract future residents? A downtown with skyscrapers; a tall monument that will resemble the Eiffel Tower and the Washington Monument; a park double the size of New York City's Central Park; artificial lakes; about 2,000 educational institutions; a technology and innovation park; 663 hospitals and clinics; 1,250 mosques; 40,000 hotel rooms; a major theme park four times the size of Disneyland; 90 square kilometers of solar energy farms; an electric railway link with Cairo; and a new international airport.*

A new landmark, southeast of Cairo: G+D plans and builds an integrated plant for the production and processing of banknotes

Cairo and cash, or rather, Egypt and cash: the story behind this duo will be rewritten in the coming two years. Even though everything flows, sometimes things get jammed and some hurdles have to be cleared. “Our processes in the cash cycle are just too manual,” says Tarek Elkholy, Sub Governor On-Site Banking Supervision Sector & Chief Risk Officer of the Central Bank of Egypt (CBE). “We will ease processing in the near future.”

Indeed, the Egyptian cash cycle is currently being modernized from the ground up. “In 2020 the CBE will be running a new printing plant and a new cash center,” says Reinhard Hofer, Global Program Manager Managed Services, Currency Management Solutions of Giesecke+Devrient Currency Technology GmbH. Additionally, the already existing four cash centers in the country will be upgraded. So, in two years there will be one print house, a completely new cash center, and four that will be newly equipped. Everything goes? Like clockwork? “Sure,” Hofer says, “we’re on time, still sleeping well,” adding that he occasionally dreams about the project. Which may be due to

the fact that he is the general project manager on the German side for one of the largest projects in the company’s 166-year history.

### A GREAT STEP FOR A MODERN CASH CYCLE

The new printing plant and the new cash center are located in the middle of the new capital district known as “Capital Cairo”, an ambitious urban development project initiated by President Abdel Fattah el-Sisi and announced in the spring of 2015. The new capital is to be built 45 kilometers south-east of Cairo; it will cover a total area of 700 square kilometers and offer space and work for 5 million inhabitants. And a new printing plant with a cash center.

After completion, the plant will do most of the country’s banknote printing and processing, thereby supporting Egypt in its smart automation of the cash cycle and fur-



ther enhancing banknote security. “Already, our existing security features can be considered some of the safest in the Middle East, but we always have to be a few steps ahead in upgrading our designs and adding new security features,” says Elkholy. “With the G+D-turnkey project, we finally will be ready to fulfill our clean note policy, which we can implement when the integrated plant for the production and processing of banknotes is up and running.”

### A FIFTH PYRAMID

The CBE’s current printing plant opened for production in 1967. Its chosen location is near the Giza Pyramids; the building is designed in a sphinx shape, with the production facilities resembling the body, and the administration building the head. They called it “the fourth pyramid” then. Now they are building a fifth.

“We need more and secure automation in the Egyptian cash cycle, because, to this day, cash processing is mostly manual,” says Amany Shams Eldin, Sub-Governor Banking Operations at the CBE. Automation will not just significantly increase the reliability of processing and the efficiency of the cash cycle, but also the quality of banknotes, which is currently, according to Shams Eldin, simply not acceptable, especially when it comes to smaller denominations. “They hardly ever see the inside of a bank; they are passed from hand to hand and their appearance reflects this.” The CBE is always working to integrate the one- or five-pound notes into the process of checking banknotes, “but, as has been mentioned, their fitness for circulation is more or less checked manually – so to realize our clean note policy we rely on G+D’s support in the smart automation of the cash cycle.”

The commitment of Giesecke+Devrient in Egypt has grown, having been proven and tested over decades. The company built the current printing plant near Giza in the mid-1960s and supplied machines, such as the

## “IN 2020 THE CBE WILL BE RUNNING A NEW PRINTING PLANT AND A NEW CASH CENTER.”

**Reinhard Hofer**  
Global Program Manager *Managed Services, Currency Management Solutions*

An old landmark, deep in the heart of Old Cairo: Bab Zuweila, built in 1091

BPS200. But whether under Nasser’s government or today: “We have confidence in G+D, we trust them and their experience,” says Khaled Farouk, CBE’s Sub-Governor Banknote Printing House. “We work hand in hand, in a lean and smart collaboration, and we learn each and every day.” Everyone should learn from different ideas, and with that, from each other, he adds.

### CASH, WE CAN!

There’s that mindset of “we can do it,” that’s inherent in the project – a “we want it” paired with a “we want to do it together.” True, two years is not much time to lay the foundations for the far-reaching, new automation of the Egyptian cash cycle. “But we will manage it and we will manage it efficiently,” says Hofer, “due to the fact that we are able to tailor and coordinate the individual components of the print plant and the cash center precisely to each other.” Speaking of coordination: regarding the rather rhetorical question of why the cash center and printing plant are based in “Capital Cairo”, Sub-Governor Amany Shams Eldin replies: “Cairo will get a new center. Cairo will get new cash. So, we are moving the city to the cash.” ➤

## CBE’s printing house in Giza

*The existing CBE printing plant in Giza started with just one production line consisting of one machine for printing the background design of banknotes, two engraving machines for printing special textures on the front of the design, and one numbering machine. The finishing stage was accomplished manually. The new plant in Capital Cairo will consist of four lines, providing capacity for another four if necessary. “We are delighted to be supporting Egypt with our many years of experience and our leading integration skills,” says Ralf Wintergerst, Chairman of the Executive Board and CEO of G+D. “It also clearly demonstrates how important cash will continue to be for national economies in the future. The volume of cash is growing by around 3–5 percent each year around the globe.”*

Everything’s in motion in Cairo and that doesn’t stop when it comes to money: passers-by in the central, Islamic part of the megalopolis

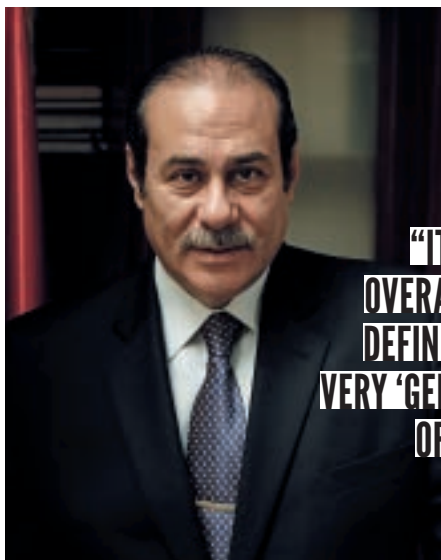


**Tarek Elkholy**

Sub-Governor On-Site Banking Supervision Sector & Chief Risk Officer

*"We are a task force and I am just a part of it. I am not an engineer. I am an analyst, an economist, a financial specialist. But in this project we rely on a huge number of experts from different disciplines in order to help, to support, to advise. That's why we recommend*

*ed Giesecke+Devrient during the tender. We can rely on their consultations and their advice, even if their advice may not correspond to their business interests. They are honest, well-prepared, fair. And we have experienced more than once that Giesecke+Devrient can adapt a pre-set schedule so that it is in line with our changing requirements. It is 'all for the overall project,' which definitely is based on a very 'German' understanding of cooperation: being reliable, committed, trustworthy. And we feel that kind of 'family spirit,' which, by the way, is very close to the Egyptian culture of working together: if I work in a team, no matter how small or big it is, and there is a lack of trust, harmony, or honesty, the team will fail."*



**"IT IS 'ALL FOR THE OVERALL PROJECT,' WHICH DEFINITELY IS BASED ON A VERY 'GERMAN' UNDERSTANDING OF COOPERATION."**

**Khaled Farouk**

Sub-Governor Banknote Printing House

*"We've known G+D since the 1960s and we have confidence in what they do; they are a pioneer in 'all things cash' and we are convinced that we will benefit from their experience in optimizing processes and modernizing systems. And it's that mix of being equal partners, having practical expertise, and being reliable in all of the aspects involved in the planning of components or turnkey plants that is in full view. Add to this G+D's solid after-sales service and immediate response even after the installation of machines, and you are exactly meeting our requirements for an integrated strategy, from consultancy to maintenance, training, and technical updates. Not to forget our experienced and professional staff, our knowledge of the market, and its challeng-*

*es: that's when a collaboration with a solution-minded company like G+D makes sense. When it is not only one party that tries to sell its product, but when it's a 'community' working on a common goal: keeping our banknotes in good shape and securing the Egyptian cash cycle of the future!"*

**"OUR COMMON GOAL: KEEPING OUR BANKNOTES IN GOOD SHAPE AND SECURING THE EGYPTIAN CASH CYCLE OF THE FUTURE!"**





**Amany Shams Eldin**

Sub-Governor Banking Operations

*“The current state of the cash cycle has to be improved. We are more or less operating it manually! As one can imagine, that makes it very difficult to make any predictions for the future. Sure, we can analyze how many banknotes we process on a daily basis, but there is no registration, no follow up, we don’t have a backup for it. And it demands a vast number of human resources, which results in a lack of control. Add to this the intolerable quality of the notes in the market, especially when it comes to smaller denominations. So, the cooperation between G+D and our extremely efficient, highly motivated CBE team is kind of a starting point for a new era in our cash cycle. We will get trustworthy,*

**“THE PROJECT WITH G+D IS KIND OF A STARTING POINT FOR A NEW ERA IN OUR CASH CYCLE.”**



*high-quality banknotes, increase financial inclusion, and deliver better services to commercial banks. Additionally, the project will create confidence – not only in cash, but also in electronic payments. When you trust your banknote, you trust the system itself.”*

**Ahmed Yousef**

General Director Technical Office and overall Project Manager (Egypt)

*“I supervise, coordinate, and advise all parties involved in the project. Sounds easy, but actually, we have to deal with three authorities:*

*Giesecke+Devrient, the Central Bank of Egypt, and the General Intelligence Service. I coordinate everything, from*

*construction to consultancy to daily communication with partners, and I love it! It’s a chance of a lifetime. With G+D, I experience that spirit of leadership, not only regarding print works but also regarding currency processing as a whole. There are companies that can print and others that can manage the cash processing – but having one company that can handle both is crucial for us. That’s why we expect G+D to not only supply us with cutting-edge infrastructures that meet our very individual demands, but also to provide consulting, to advise us regarding the designs of our facilities. We don’t need a partner who just sells us machinery and then leaves. We want a partner who advises us every step of the way, from the moment the banknote is designed to the moment it is shredded. The entire life cycle.”*

**“WE WANT A PARTNER WHO ADVISES US FROM DESIGNING THE BANKNOTE UNTIL SHREDDING IT. THE WHOLE LIFECYCLE.”**

