

# NATCO a Journey of 25 Values

## *The Ignite*

There are moments in life, when you stop to examine the past to choose your path to the future; many wonder what ignites the spark of success, it is moments like now, when you decide to change your future, except these moments keep coming at every roadblock when you decide to keep your grounds and at every success when you decide to grow even more, the future is simply created by working every and each day on creating it; at NATCO that is a truth learnt and known by heart, a group of partners, followed by a team, turning every roadblock into another success story.

They say only the ones who believe they can do the impossible, achieve the impossible; a true thought that many believe only applies to great inventions such as the telephone, the plane or the automobile; however, many take for granted the ones who challenged the status quo, changing the local economy and by extension the culture surrounding it, the ones that worked day by day, idea by idea and challenge after challenge to create what we call now the privatization of our economy. This is not a tale, this is a journey of an Egyptian corporation launched in the era of the public sector, challenged the unquestioned norm, changed the automotive industry in Egypt and changed the manufacturing industry in Egypt all in under 25 years.

NATCO represents a story about a future in the making and a history of 25 values held dearly through time.

## *Ambition*

**In an era where the public sector controlled every major business in Egypt, the idea of a private company managing a leading brand was pure fiction.**

The 1970s was the era of the American cars for the premium car market in Egypt; the 1980s however, were all about Mercedes-Benz, the elegantly strong vehicle designs and the brand on a global pursuit to become the top premium brand in the global automotive market. While Mercedes-Benz was certainly perceived in the Egyptian market as the car to own, Daimler-Benz (Mercedes-Benz's parent company) had

concerns regarding the ability of its current representation in Egypt at that time to provide the fertile ground for the growth needed.

Michael Papastefanou, then representing Mercedes-Benz in Egypt, recalls visiting all the biggest names in the Egyptian automotive industry who could act as a suitable alternative to Mercedes-Benz agency in Egypt at that time. "We visited everyone, the biggest dealers in spare parts, the biggest names in car sales and the biggest names in after sales services, in short we visited the biggest names working downstream of the public sector," said Michael.

Changing Mercedes-Benz's local representation back in 1986 was a significantly difficult task to achieve, for two main reasons, the first being the nature of the business scene in Egypt which was highly volatile at that time; private companies were mostly focused on trade and quite often would rise with a very steep curve, making a lot of money and fall even faster in a couple of months; after all the country and business scene went through many phases during the previous 20 years making it very hard for the private sector to grow at a competitive level; starting with the 1960s where President Gamal Abd El Nasr transferred the ownership of private property -including companies - to the public sector, followed by years of war and ending with president Anwar Al Sadaat's open trade movement (Infitah movement) that highly encouraged trading, keeping all major businesses such as car agencies in the hands of the public sector; which brings us to the second and more difficult obstacle, Mercedes-Benz agency in Egypt was managed by the public sector company Misr Car. The government would never allow a private company to take over its biggest business in the automotive industry, ruining the value of one of its companies back then and opening the door for other private companies to follow, after all it was unheard of for a private company to hold a car agency, let alone a car make like Mercedes-Benz.

During Mercedes-Benz's hunt for their next agent in Egypt, they needed to introduce a new truck to the local market that would service the commercial sector. D. Stobwasser representing Daimler-Benz contacted the leading name in the construction service in Egypt -Sami Saad- to handle selling the trucks that was targeted to the same market segment he was already serving. After conducting some market research and a lot of back and forth between Daimler-Benz and Sami Saad, it was determined that the truck model was not going to be able to compete, the findings were then forwarded to Daimler-Benz; shortly after Stobwasser informed Sami Saad of their search for a new agency, where he asked him to represent Mercedes-Benz's new agency in Egypt. Sami Saad clearly remembers this moment, saying "Back then we had nothing to do with the automotive industry, we were established in other industries and we knew how to

manage a business; the private sector was not in a position to compete with the public sector nor was it in a position to take business out of their hands; nevertheless we decided to be positive and agreed to take the challenge; to strengthen our chances for success we needed more automotive business oriented partners,” Shortly after, Sami Saad contacted four other parties to join him in starting a company that will eventually take over the agency from the public sector.

The partners were Maurice Ghattas, the leading name in spare parts, Mahmoud El Sharkawy, the biggest name in car sales, among others; together they formed a group that significantly complemented each other, in terms of skills and expertise forming a 360 dynamic.

## *Drive*

**Driven with the desire to succeed, together a group of partners stood united, believing in their ability to achieve their goals despite all odds.**

The first order of business for the new five partners was to build a structure for their new company, they booked a meeting room in the business center in Mena House hotel, where they spent more than 24 hours discussing the possibility of launching a company together, the possibility of achieving their goal of becoming Mercedes-Benz agency in Egypt and the structure of the company they will launch. By the end of their lengthy meeting, National Automotive Company - NATCO- was born; little did they know then, the meeting in Mena House was the start of one of the most successful companies in Egypt.

NATCO was established on the 22<sup>nd</sup> of March 1988 and officially registered on the 18<sup>th</sup> of April 1988.

Daimler-Benz at that time needed assurance that the newly launched NATCO, can provide the quality of service they were looking for and address the shortcomings their public sector agent at that time suffered from. “They requested a lot of things, it was a very challenging time, but after investing a lot of hard word, dedication and capital, Daimler-Benz had proof that we were the most suitable match for their needs,” said Maurice Ghattas.

## *Valiance*

**Faced with a challenging beginning, the new partners believing in their ability to achieve their goals, decided to maintain their grounds and continue in their pursuit.**

Many believe that success is merely about hard work; you work hard you will get from point A to point B; success, however, is not a physics equation, it is a journey that is fueled by one's ability to continue working hard despite the daily challenges, removing every roadblock in the way; success requires leadership, unity, hard work and the valiance to stick to your journey, despite the unfavorable odds.

The first year and a half of NATCO's life were the hardest, back then success seemed more of a dream than a goal. "Since the moment NATCO was launched, the government knowing our future intentions gave us a very hard time, so hard in fact that two of the partners dropped out; the future back then seemed bleak at best, but we kept going anyway," remarked Sami Saad.

In an effort to prevent any chances of competition, the government decreed a law tailored to the situation, preventing the transfer of Mercedes-Benz agency from the public sector to the private sector; to the government this may have been a fight to the death, the value of the public company Misr Car was not going to survive losing such a major agency, not to mention opening the door for the private sector to take business from other public companies as well, endangering their portfolio and eventually reducing the role of the public sector in the Egyptian business scene.

NATCO's lawyer then, Mona Zulficar, suggested suing the government for tailoring a law that does not help the business environment in Egypt and only helps one specific company. Shortly after the lawsuit was filed, a series of threats took place, forcing two of the five partners to drop out, the remaining three partners at that time - Sami Saad, Mahmoud El Sharkawy and Maurice Ghattas- became very close and decided to stick together, even if they could not represent Mercedes-Benz's agency, they will continue as one unit in another business venture; their unity and lasting partnership was a positive byproduct of the unfortunate hard times.

Realizing that the future of business will inevitably be in the hands of the private sector, the government decided to change its approach and offer NATCO a compromise. NATCO will handle the distribution and sales of Mercedes-Benz passenger cars and pay two percent commission on each car sold to the public sector company - Misr Car.

The moment NATCO and the government reached an agreement news spread like fire across Egypt's business scene; a private company taking away business of significance from the public sector was an unprecedented event that stirred up a lot of controversy back then, after all NATCO was the first company to open the door for both the automotive industry we know today and the privatization move in the Egyptian economy.

On the 9<sup>th</sup> of November 1989, one year and seven months after the launch of NATCO, a contract was signed in the office of the ministry of trade between Misr Car, NATCO and Daimler-Benz, allowing NATCO to handle the distribution and sales of Mercedes-Benz cars in Egypt. A lot of hard work was proven worth it that day.

The contract between NATCO and Misr was for two years, to be renewed on a yearly basis after that.

When asked, what made you hold on despite all the problems, Maurice Ghattas replied with a big smile on his face, we are Egyptians we are fighters, the exact same response Sami Saad had to the question, adding belief and trust to the mix.

## *Perseverance*

**Perseverance generates success. Perseverance helped three partners achieve their goals, perseverance to prove their ability to shift Mercedes-Benz value in Egypt took them the rest of the way.**

The deal with Misr Car was the beginning of the real challenge; the import tariffs and taxes on cars were around 280 percent limiting the luxury of owning a Mercedes-Benz to the wealthiest of Egypt; the poor perception about the quality of the service then, reduced the number of car sales even more. Misr Car's sales of Mercedes-Benz before NATCO were 68 cars per year, a heavy heritage left for NATCO to change.

Setting a statement that Mercedes-Benz sales and after-sales services have developed to a whole new level was the first task for NATCO's team. On the 21<sup>st</sup> of November 1989 NATCO launched its main showroom in the World Trade Center, enforcing a sense of luxury to the brand and by extension the cars. The team worked day and night on establishing a network of sales and after sales services, to ensure servicing customers with superior quality. NATCO's aim was to use every tool to show current and potential customers that Mercedes-Benz was all about superior quality and luxury. By

the end of their first financial year, NATCO managed to sell 830 cars, a whopping 1,220% increase on Misr Car's sales the previous year.

The deal between NATCO and Misr Car ended up greatly benefiting the public sector financially, instead of earning the profit of 68 cars per year, after paying all the incurred expenses from operating the agency and sales activity; the public sector was earning a net of two percent on the sales price of 830 Mercedes-Benz cars, securing them a steady and much higher profit.

One of the other challenges NATCO faced during that time was the ban on car imports in the late 1980s when NATCO was launched, back then no one could import cars, not even companies, only Egyptians working abroad could import foreign cars into Egypt, cars were imported in their name and ownership had to remain in their name, while other people were the actual true owners of the cars who paid for them; to deal with this issue NATCO hired an army of agents who specialized in collecting the files of Egyptians working abroad who did not mind someone purchasing a car in their name in exchange for a small fee. "My car was owned by a builder in Iraq whom I never met, the market was truly distorted then," jokingly recalled Karim Saad.

## *Effective Performance*

**The market was growing and so was the competition, consistent development was instrumental and effective performance of NATCO's team was their key to securing success.**

NATCO invested a lot of hard work and capital setting superior quality on all levels of service. The partners wanted to ensure that their customers and customers of any other car make in the local market knew that Mercedes-Benz facilities in Egypt offered the best quality of service. "We never left any customer upset or unsatisfied, we made it a point to guarantee a top of the line customer service and that is what we work every day on delivering," said Mahmoud El Sharkawy.

To better service the growing number of customers, NATCO needed to expand its grounds, launching three new 3S facilities, providing sales, spare parts and after sales services; the first of which was Giza Service Center, launched on the 12<sup>th</sup> of October 1991, the second was Alexandria Service Center, launched on the 10<sup>th</sup> of June 1993 and the third was Fom El Khalig Service Center, launched on the 10<sup>th</sup> of October 1995.

By 1993, the ban on car imports was lifted, allowing NATCO to import cars without the need for the files of Egyptians living abroad, giving room to increase imports and sales.

The agreement between Misr Car and NATCO ran for five years; however, during those five years the public sector began to deteriorate until they were no longer able to participate in the arrangement, giving NATCO the right to take over the agency, which Daimler-Benz made official by signing the agency agreement with NATCO on the 28<sup>th</sup> of May 1995.

## *Innovation*

**Many believed a lot of cars can be assembled in Egypt; very few, however, believed one of those cars could be Mercedes-Benz.**

With taxes on imported cars running as high as 280 percent, while cars that are assembled in Egypt are only charged five percent in taxes, it did not require a lot of thought by NATCO's partners to set their next target to assembling Mercedes-Benz vehicles in Egypt, convincing officials at Daimler-Benz, however, was an entirely different challenge.

"You cannot put a Mercedes-Benz star on a car unless it is a Mercedes-Benz quality car, no matter where it is produced, these are the rules," commented Sami Saad. Daimler-Benz had strong doubts that NATCO will be able to provide skilled labor to mimic the quality of assembly provided in Mercedes-Benz factories in Germany, not to mention managing the assembly plant in an efficient, effective and consistent manner securing a top of the line quality at any given point in time; doubts that were well quoted in Dr. Bendak's statement - who was responsible for the assembly factories outside of Germany at the time - "I will not allow a car to leave the factory unless we can sit and eat off the floor."

The only way NATCO and Daimler-Benz were going to be able to maintain success locally was through local assembly of the cars. Cars assembled in Egypt were going to be valued at half the sales price of the same imported cars; opening up new market segments to Mercedes-Benz in Egypt, Daimler-Benz understood that and despite their doubts signed a partnership agreement on the first of April 1996 with NATCO forming the Egyptian German Automotive Company -EGA- where ownership shares were divided between NATCO and Daimler-Benz to 74 percent and 26 percent respectively.

Assuring that the cars produced in Egypt would be a Mercedes-Benz quality was an uphill battle that began with racing time to build the factory, working around the clock, day and night to ensure that everything was perfect. Gamal Okeil, the General Manager of EGA at the time, worked very hard at hiring the best manpower available, assuring superior quality of the cars produced; while Marcus Shaffer, a young man at the time was the Plant Manager, he worked very hard on assuring a consistent quality in all the Mercedes-Benz cars produced in Egypt. His exceptional performance and the quality of the cars produced in Egypt opened many doors for him, allowing him to climb high on the corporate ladder, achieving more than many at his age have.

It took six month of planning and less than a year to build the assembly plant and roll out the first on the 6<sup>th</sup> of October 1997, coinciding with the day Egypt celebrates independence and triumph as a Nation.

Joachim Shmidt - Chairmen of Daimler EU, Africa and Asia commented during the tenth anniversary of EGA "Mercedes-Benz was in Egypt for more than one hundred years, the breakthrough came when we assigned the channel distributorship to NATCO, and later together we decided very wisely and very courageously to produce here in Egypt and we founded EGA. It was a very difficult but a very right decision; the first car produced was an E-class and it was delivered in a quality one hundred percent the same like that of the factory in Germany."

The results EGA generated during its first financial year were astounding; sales rose up from around 500 to 2100 cars and the revenue of the first year was more than the total capital invested in EGA by 33 percent, these results were only the beginning of an enchanting journey for EGA.

## *Synergy*

**The core value of NATCO is in its people, their dedication, loyalty and hard work are the grounds the company stands on.**

Mercedes-Benz is ranked at the top of the premium car market in Egypt, representing more than 50 percent market share of the premium segment, it is one thing for a company to reach this level of success but maintaining it for 25 years is a completely different mission to achieve, it requires a large number of well trained manpower to act as one person.

NATCO is known to invest a great deal of effort in enforcing the value of synergy among its team members both in NATCO's offices and in EGA's plant; a company can only succeed if it acts as one unit, each member believing in the added value of his job, believing in the company's goals and believing that management values him in return, not only for the quality of his work but as a valued part of the company's foundation.

In order to maintain a consistent level of superior quality for both the cars and the service, all employees are routinely trained to ensure that every member of both NATCO and EGA is developing their skills and abilities, consistently developing the company's overall performance.

"Dealing in a product with a growing complexity entails a team of experts who should train regularly to an increasingly demanding technology, we are interested in the continuous development of our human capital and depend on their capacity and loyalty to ensure long term stability," said Karim Saad.

## *Commitment*

**Fueled by their desire to remain as the benchmark for the automotive industry in Egypt, NATCO's partners took their commitment to excellence to a whole new level.**

On the 6<sup>th</sup> of December 1999 Mercedes-Benz Egypt was established as a sub-company to NATCO, for the role of handling the sales dealers. NATCO's commitment to superior quality meant ensuring also a superior performance on the side of the dealers. What NATCO's management realized over time, was that the only way they will be able to guarantee consistency in the quality of the purchase experience of Mercedes-Benz customers was through forward integration. "We had more than ten dealers, some of which had internal problems, we did not want to risk any negative effects on the Mercedes-Benz brand; consolidating all dealers into three official dealerships seemed like the correct decision to make," said Karim Saad.

By 2001, NATCO was ready to officially launch three new sub-companies, the new official dealerships for Mercedes-Benz; the first of which was Cairo National Automotive Company -CNA- launched on the 5<sup>th</sup> of August 2001; two weeks later, on the 14<sup>th</sup> of August 2001, Alexandria National Automotive Company -ANA- was launched; the final dealership Giza National Automotive Company -GNA- was launched on the 19<sup>th</sup> of August 2001. While all three companies have their own

management teams, they fall in the umbrella of NATCO under Mercedes-Benz Egypt Company which overviews their performance.

## *Diversity*

**NATCO takes a lot of pride in owning the only assembly plant outside of Germany that was able to transform itself into a component manufacturer and supplier.**

For a vehicle to be legally considered locally assembled, Egyptian law demanded 40 percent of each car's content to be locally manufactured in Egypt and by Egyptians; otherwise the car will not be considered a local production and will be charged the same taxes paid for imported cars. At the time of EGA's launch, NATCO could reach the required 40 percent while maintaining Mercedes-Benz quality; however, by 2002 the Ministry of Industry in Egypt raised the percentage of the local content to 45 percent, proving a new challenge for EGA who was not going to be able to reach this percentage and mimic the same quality of Mercedes-Benz factories in Germany.

The only way to be able to continue assembling Mercedes-Benz cars in Egypt was to manufacture some of the content locally. Racing time trying to avoid any halt in EGA's production process, NATCO decided to invest in a brake disc factory, locally producing a Mercedes-Benz quality brake disc and accordingly reaching the required percentage while maintaining the quality level of the cars produced.

Quickly the partners realized the presence of a new dilemma; EGA was producing just above 2000 cars a year, which translated to the need of 8000 brake discs a year, while the capacity of the factory was around 300 thousand brake discs per year. After approving the quality of the discs, Mercedes-Benz factories in Germany decided to import from Egypt brake discs for some of the models they produce.

The brake disc factory was launched on the 12<sup>th</sup> of August 2002, producing its first brake disc on the same day. Today NATCO has successfully produced close to 2 million brake discs.

EGA closed this phase in its journey by producing its 10 thousandth car in the beginning of March 2004.

## *Determination*

**Through sheer determination, NATCO's partners were able to turn obstacles into opportunities for significant growth; a paradigm of development.**

After EGA's successful assembly of the E-class and two years later of the C-class, Daimler-Benz and NATCO wanted to assemble the S-class in Egypt; unfortunately despite their best efforts they were unable to exceed a local content of 38 percent, falling seven percent short from the percentage required by the Egyptian government. In an effort to encourage Egyptian exports the Minister of Industry then informed NATCO that they can increase their exports of brake discs, substituting the value of the exports with the seven percent gap reaching the legally required percentage.

After proving a consistency in the quality of the Egyptian manufactured brake discs and consistency in the supply flow to Mercedes-Benz factories in Germany, Daimler-Benz increased the quantity imported from Egypt.

Producing the brake discs was a mere solution to an imposed law, exporting them was the obvious solution to excess capacity and offering competitive pitches to increase exports was only to support the production of a new model; each step a mere solution to an obstacle, together igniting the spark for a new journey.

On the 13th of January 2007, NATCO's partners received a very valuable visit from Dr. Dieter Zetche, the Chairmen of the board of DaimlerChrysler AG and head of Mercedes-Benz Car Group. Such an important visit meant that Daimler-Benz considers NATCO and EGA a significant value added to Mercedes-Benz. Dr. Zetche concluded his visit stating "Thank you for giving me the opportunity to visit your magnificent plant. I'm very impressed by your equipment and more importantly by your people, both together providing for impeccable Mercedes-Benz quality."

## *Dedication*

**Taking their dedication to customers a step further, NATCO decided to add a new set of services connecting potential customers with the car they deem desirable.**

With their customers in mind, NATCO launched Star Finance Company on the 14th of January 2009. The company operates at helping current and potential customers purchase the car of their dreams.

Star Finance service is available at all authorized dealership, serving clients between the ages of 21 and 65 years old. The customer simply picks the car he wants, pays 25 percent of its cost and receives financing up to 700 thousand Egyptian pounds. This service has made purchasing a Mercedes-Benz car significantly easier, adding new market segments to Mercedes-Benz customer base, especially younger customers.

EGA closed 2009 by hitting the 20 thousand cars production mark. Locally producing in Egypt 20 thousand Mercedes-Benz cars with grade-A quality represents a momentous achievement to NATCO's partners who less than 20 years before that date thought that their goal of merely representing Mercedes-Benz agency in Egypt was never going to happen. Time, hard work and leadership achieve goals.

## *Loyalty*

**One of the assets of owning a Mercedes-Benz is its resale value; NATCO makes it a point to enhance the value of every Mercedes-Benz car in the streets of Egypt.**

On the 9<sup>th</sup> of May 2010, NATCO launched Young Stars a company designed to maintain the value of Mercedes-Benz in the local market. The company offers medium to customers willing to exchange or sell their used Mercedes-Benz cars for a suitable value reflecting the premium status of the brand in the Egyptian market.

“We launched Young Stars to support the owner of a Mercedes-Benz car, aiming at keeping the value of his investment in the car as high as possible, despite its used state; this way if the owner decides to trade his car in or simply sell it through Young Stars, he will be satisfied with the value he gets. Mercedes-Benz is an asset, and we work hard to keep it that way,” remarked Sami Saad.

## *Empowerment*

**Enterprises are crucial building blocks to every country; the more a company achieves the more it empowers the community surrounding it.**

“It is feasible to make a factory in Egypt and we are very proud about that, we see a very bright future for EGA and for this production in Egypt” Joachim Shmidt - Chairmen of Daimler EU, Africa and Asia.

2010 marks many milestones for NATCO and EGA, beginning with the opening of Kattamya 3S service facility on the 24<sup>th</sup> of June to generating NATCO’s highest revenue from vehicles in one year - 1.7 Billion Egyptian pounds- and selling over 4,400 cars; these achievements mark a long journey from the past to a future that NATCO works everyday at creating.

## *Consistency*

**Companies are tested through challenging their ability to maintain their performance during hard times; great companies withstand the pressure while weak ones tremble to their fall.**

During the Arab spring, it was very difficult for companies working in the Egyptian market, under these circumstances to survive, let alone generate a profit; thankfully NATCO’s team were able to maintain Mercedes-Benz’s sales performance through the political unrest of 2011, the economic and social deterioration in 2012 and 2013, achieving one milestone after the other.

Safety was an issue for the workers at the plant during 2011, management spent a lot of time coordinating working hours and output, increasing output during calmer times in anticipation of less secure periods, offering overnight amenities during harsher periods where it was safer for works to remain at the plant; the result was a steady stream of brake disc exports and vehicle production.

By February 2012, EGA marked its production of 25 thousand cars, a significant achievement for a politically unstable environment; NATCO closed the year selling yet another 3000 cars, a 20 percent increase from 2011.

By October 2013 NATCO launched a new addition to its 3S facilities in Pyramids Heights. One of the key components of Mercedes-Benz success in Egypt is the quality of the services presented to the owners, especially the after sale services, as it boosts the resale value of Mercedes-Benz, making it a better investment overtime.

NATCO’s outstanding performance and consistent output during the Egyptian revolution was well recognized during IAA’s biannual motor show in Frankfurt. In an

event where all Mercedes-Benz private agencies celebrate their results, Egypt was the only recognized country for its impressive performance despite the declining economy and safety problems.

## *Passion to Achieve*

**Growth for NATCO's team is a passion that goes beyond profit and market share; becoming the best is their goal of choice.**

Out of belief in the private sector's responsibility in developing Egypt's industry and enhancing the country's export portfolio, NATCO launched its 'One Million Brake Disc' project in November 2011. The concept of the project is to produce and export one million brake discs to Mercedes-Benz factories in Germany, through offering competitive deals for grade-A quality brake discs and adding two new assembly lines. NATCO is less than a few months away from hitting the one million mark, at the time of writing this text NATCO had successfully produced and exported 799,503 brake discs since setting the one million target.

NATCO recently signed an agreement with Volkswagen to supply them with their needs of brake discs. These achievements entail taking the production method to a whole new level; therefore, NATCO formed with Kuwaiti Foundry Company a joint venture - Egyptian Kuwaiti Foundry (EKF) - aiming at acquiring an earlier stage of the production process of brake discs. Currently the brake discs are produced from raw metal discs, NATCO is working on beginning the production process at the plant from melted iron instead of solid iron and therefore increasing efficiency. This new shift in the brake disc production dramatically increases NATCO's investment in the components supply and export. The new company is expected to commence production in quarter four, 2014.

## *Contribution to Society*

**Communities and corporations work hand in hand to develop nations that are capable of building a better country and a better economy.**

Just as EGA was turning ten years old in 2007, NATCO launched Star Care Egypt in an effort to contribute to society, helping communities develop the means and skills that will allow them to foster and grow on their own, building generations of productive Egyptians.

“We promised to contribute a share from the value of every car sold to CSR projects and we have kept our promise,” said Maurice Ghattas. Star Care is a non-profit organization founded by the company executives, where NATCO contributes 100 Euros on every car sold to finance CSR projects; there are currently six main projects NATCO is involved in.

NATCO assigned management of all its CSR project to Omnia Ibrahim who spent the last 17 years of her life working on CSR and charity projects, Omnia’s commitment stems from her deep belief that children are the future of Egypt and preparing them for the future is pivotal to the development of Egypt, both culturally and economically. “It is not enough to give money, especially when it comes to children, we have to do our part in ensuring a brighter future for them, giving them the means that will enable them to be productive and valued members of society,” said Omnia.

Initiating a project requires a lot of patience and effort. There is usually a mechanism to start working in an area that sometimes takes up to a year and a half. People will not really cooperate if someone stops by one day offering a CSR project. Star Care’s team begins by introducing themselves and building a strong relationship with someone from the area, where they provide him with a service he needs, showing that they do not need anything from him in return, proving that the team simply wants to help. Through the trust they built with this person they begin to access his neighborhood where people will then believe that they are there to help.

## *Virtue*

**CSR is not about giving money to the needy, but rather how donation founded projects can be created to ensure a brighter future for as many children as possible.**

In an effort to introduce a new concept in the field of medical service in Egypt, Star Care provided the Children Cancer Hospital 53753 with a fully equipped Mercedes-Benz car. The purpose of the car is to transport medical professionals and medicine to sick children in their homes. The car began its service with visiting one to two children per day; now and after adding a second Mercedes-Benz car, this service reaches around 13

children per day. These visits not only save time, effort and money for the sick children and their families but they save an estimate of 15 beds in the hospital than can be utilized for more deteriorated cases.

This project began in May 2009 and has contributed to the successful treatment of more than 4,000 children.

In November 2011, Stare Care launched a new project also addressing cancer in Egypt. The project -Health and Hope Oasis Project- was aimed at launching the first supportive and nutritional care center for children with cancer in Egypt. The project seeks to provide distinctive care and services for children with cancer in terms of health, nutrition, and emotional support; in addition to recreational services during the period of receiving their post treatment.

Located in Wadi El-Natron, the oasis comprises of 64 housing units providing accommodation for up to 250 cancer patients; in addition to 8 units for critical cases and their families.

In addition to the healthcare programs specifically designed for child cancer patients, the project provides training programs for the families and their children, raising their awareness on the methods of proper nutrition and care at home.

## *Self Improvement*

**Many young women in Egypt are not educated about their options in life, their potential or the method through which they can create a better life for themselves and their families.**

Less fortunate girls are brought up believing that they have no potential in life, simply for being born a woman in a less fortunate community; that is what their mothers were taught and that is what they are brought up to believe.

Star Care began a project called 'Ahlam al Banat' - meaning girls' dreams, in Ezbet Khairalla. The purpose of the project is to help young girls understand themselves as unique individuals and understand their options in life.

The project focuses on addressing the physiological changes of development, moving to educating the girls on the role of legal papers and how they can make their lives easier, from birth certificates to IDs, ending with education certificates, which brings us to the main objective of the project, fostering the desire to learn and graduate in the girls

through explaining how education gives them better opportunities in life, including increase in pay rate.

When we first began 40 percent of the girls were enrolled in literacy classes; one month later 80 percent of the girls were enrolled in the classes. The girls did not even want to wait for the current class to finish, where they can join the following one, they wanted to start immediately; others stopped skipping class and started to actively seeking information.

Informing young women or anybody about the opportunities education opens up, especially in less fortunate communities is equally as important - if not more valuable than- the education opportunity itself.

“Shortly after we begin our program the parents start commenting on how different their children are starting to think, how less problematic they have become, bit by bit they start accepting us more in their community. When the mothers hear that we are registering IDs for their girls, they ask if we could help them issue IDs too, we then become a part of their community and trusted members,” explained Omnia Ibrahim.

## *Motivation*

**Star Care team helps children channel their emotional scars through art, enabling them to develop into productive adults in society.**

Ana Al Masry, one the bigger projects that Star Care is working on, the project focuses on street children, or in better words, neglected or alienated children, who live their lives experiencing everyday how society is not only neglecting them but mistreating them as well.

Star Care’s team begins addressing the children’s problems one by one, starting with their need for shelter, basic birth certificates and IDs, ending with education. Needless to say the needs of alienated children to education and knowledge is very different than other children, the classes Star Care offers help children reach a state where they can join public schools and later universities.

The team works with neglected children through music, singing, drawing, arts and crafts; this method enables them to express their problems and deep emotions. The children’s emotional scars from past experiences are the main reason why many of them are very aggressive and defensive. The team treats each child as an individual

case, helping them channel their problems and fears into points of strength in their personality.

The role of arts and crafts in Star Care's programs is vital, as many children are illiterate or very weak in reading and writing, preventing them from expressing their feelings, their anger, their deepest fears, their dreams and hopes for the future.

Another benefit to the employment of arts and crafts is helping the children create what they sometimes see on TV and wish to acquire one day, such as a pretty necklace for example. Giving a little girl the material and the opportunity to create with her own hands and her own skills, the necklace she saw and wanted to have is a very rewarding experience; reminding them of the possibility of creating beauty in their lives with their own hands and objectivity.

## *Pursuit of Excellence*

**"We dream to produce the car in the future, not just assemble it," said Maurice Ghattas. While the current market does not render this shift feasible, NATCO is definitely approaching this stage.**

The future is built on the strength of the past; for NATCO the past 25 years represent a long journey measured in challenges, in achievements, in years and most importantly in the number of Mercedes-Benz cars decorating the streets of Egypt, each of them representing the hard work and dedication of many people.

At the time of writing this text EGA had produced 26, 370 cars since its launch, while NATCO has successfully sold a combined total of 41,306 cars over the past 25 years; however, NATCO takes a lot of pride in representing more than simple numbers. NATCO is a company that works on affecting the community, benefiting the economy and developing the industry surrounding it.

Every employee in NATCO and EGA generates one million Egyptian pounds a year in profit, while NATCO gives the Egyptian government in taxes and related expenses around one million Egyptian pounds a day, both these facts, in addition to the company's export portfolio represent significant benefit to Egypt's economy.

As these words lay printed on a desk, waiting to be approved for publishing, we mark another milestone in our journey, hoping, dreaming and believing that one day 75 years

from today we will also be marking our first century of success in Egypt, where the first 25 years will only represent a chapter in a much larger book of values.