

Qatar in talks with Egypt's wealth fund over hotels investment - sources

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Qatar's sovereign wealth fund is in talks with Egypt about potentially investing in seven historic hotels there, in what could be a landmark deal between the two countries that restored diplomatic ties in 2021 after a long-running dispute.



File photo: Farmers use a threshing machine as they harvest their wheat crop at a farmland on an island on the River Nile next to the capital city of Cairo, Egypt 11 May 2023. Reuters/Amr Abdallah Dalsh/File Photo

The Qatar Investment Authority (QIA) is in talks with The Sovereign Wealth Fund of Egypt (TSFE) about the deal, said two sources with knowledge of the matter, who declined to be named.

The fund is considering acquiring a stake of up to 30% in the hotels, the sources said.

The seven hotels are the Cairo Marriott Hotel, Steigenberger El Tahrir in Cairo, Marriott Mena House at the Giza pyramids, Sofitel Legend Old Cataract in Aswan, Mövenpick Aswan, Sofitel Winter Palace in Luxor and Steigenberger Cecil Alexandria.

The \$445bn QIA declined to comment. Egypt's TSFE did not immediately respond to a request for comment.

The QIA's investments include trophy assets such as the Shard skyscraper and the Harrods department store in London.

While it has been shifting away from such assets into sectors like technology, healthcare and public and private markets, the sources said the hotels would still fit into its portfolio and match its experience as an investor.

The hotels would not just be valued as real estate assets, but as businesses with an historic premium, as some of them date back to the 1800s, one of the sources said.



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The Egyptian government has previously said it could sell stakes in hotels such as the Old Cataract which overlooks the Nile in Aswan, believed to have been the inspiration for detective writer Agatha Christie's "Death on the Nile."

Rebuilding relations

Relations between Egypt and Qatar soured in the wake of the Arab Spring uprisings that toppled former Egyptian President Hosni Mubarak. Qatar backed the Muslim Brotherhood's subsequent rise to power, but it was later ousted by the military in 2013.

Regional heavyweight Saudi Arabia has led efforts to rebuild ties with Qatar and, along with Egypt, re-established diplomatic relations in 2021.

Egyptian President Abdel Fattah al-Sisi met with Qatari Emir Sheikh Tamim bin Hamad al-Thani in Baghdad in August 2021 for the first time since ending the dispute. Relations since then have warmed.

Egypt, the Arab world's most populous nation, is grappling with an economic crisis and its currency has plunged by roughly half in value since Russia's invasion of Ukraine last year, which prompted foreign investors to pull more than \$20bn out of Egyptian treasury markets.

Qatar last year pledged to invest \$5bn in Egypt's economy and has said previously that, like other Gulf states, it would support regional economies like Egypt's through commercial investments rather by providing direct financial aid.

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