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The Development Role of MSMEs in EGYPT



Soha Soliman

Head of SME's Corporate Banking
National Bank of Egypt

MSME Overview

MIDDLE EAST

- Unemployment rate is the highest in the world 19% (28% for young people - 15 : 24 years).
- Unemployment rate among young people in Egypt, Jordan, Syria and Saudi Arabia reached about 30%.
- MENA microfinance borrowers are expected to reach 19 Mn. by 2020, & jobs needed are estimated ~ 60: 90 Mn.

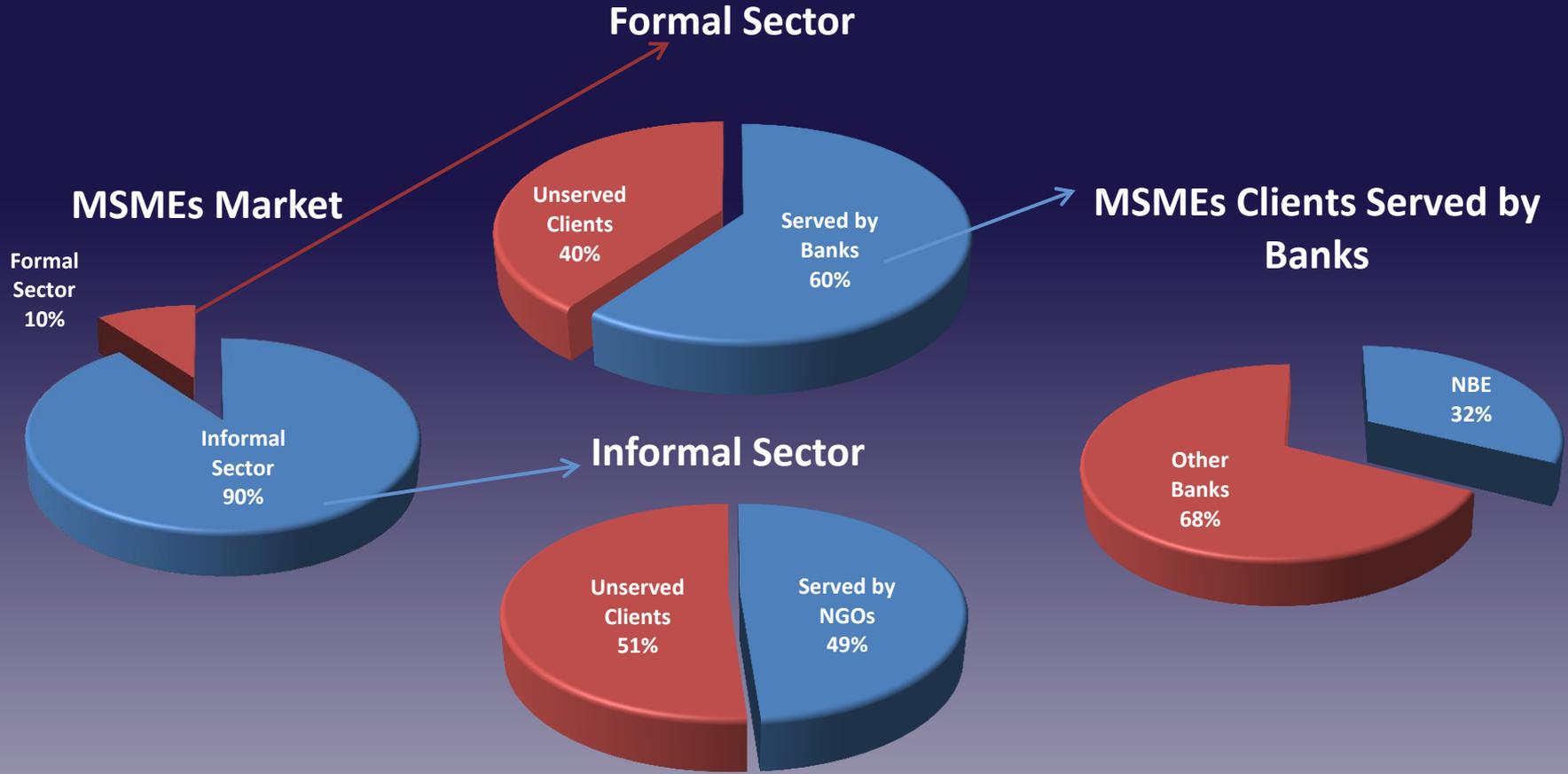
Source: ILO 2012

EGYPT

- Poverty rate 25.2%, Unemployment 13.3% at 2013.
- MSMEs Represent 97% of total Enterprises in Egypt (2 Mn. Enterprises – formal & informal).
- MSMEs Contribute ~80% of GDP.
- MSMEs Absorb around 75-80% of the total workforce in Egypt (35% Females).

Source: CAPMAS, COFACE

MSMEs Overview (Egypt)



Future Vision of Msme in Egypt

GOVERNMENT

- Change of government perception to the sector.
- Establishing Specialized Council or Ministry for MSME
- Set unified definition for MSME.
- Assist informal sector to convert to formal.
- Credit guarantee schemes to ensure MSME access to finance.
- Create more incentive Schemes for banks lending MSMEs.

BANKING

- Providing ~500 Mn \$ annually to finance new startups & gazelles that create ~350 K jobs annually
- Developing industrial and rural clusters,
- Developing MSMEs Incubators.
- Venture Capital to finance MSME growth.
- Technical Assistance Support Programs for MSMEs.



THANK YOU

Soha Soliman

SME Head - National Bank of Egypt

soha.soliman@nbe.com.eg