The Egyptian Opportunity
EGYPT'S ECONOMIC OUTLOOK

Egypt has adopted an ambitious approach towards achieving inclusive sustainable development that is supported by firm commitment at the highest political level. Building on the powerful momentum for transformational change, the government has embarked on an all-encompassing economic and social reform program that was launched in 2014 and aims to build a strong foundation for inclusive sustainable development through boosting growth, productivity, and investment. Furthermore, the government encourages growth led by the private sector, and has taken bold strides to advance major policy and legislative reforms to transform Egypt's investment climate and boost private sector development. These efforts include investment incentives and guarantees that streamline business registration and foster an effective competition framework. Additionally, the government ensures appropriate economic settings that encourage entrepreneurs to reach their full potential through the provision of business advisory and support services, access to finance and skill development. The government's reforms have started to yield positive results in Egypt's economic performance indicators, ratings and enhanced confidence from investors.

FISCAL CONSOLIDATION

Fiscal policy continues to strive for placing general government debt on a declining path to reach sustainable levels. To achieve a more sensible balance between expenditure and revenue, and in view of decreasing the budget deficit and public debt, the wage bill is being kept in check, VAT was introduced and effectively rolled out, and repetitive cuts were made on energy subsidies such as fuel and electricity. Moreover, Egypt has achieved a primary fiscal surplus of 4 billion Egyptian Pounds (US$ 224 million) for the first time in 15 years, and the budget deficit for the 2017-2018 fiscal year amounted to 9.8% of Egypt's Gross Domestic Product (GDP), down from the previous year's rate of 10.9%.

FOREIGN EXCHANGE MARKETS

The Egyptian Pound was floated at market price, from EGP 8.88 per US Dollar in the beginning of November 2016, to around a stable EGP 17-18 per US Dollar as of Q3 2017. Overall, the floatation eliminated black market activities, helped restore confidence in the Egyptian Pound, and ensured the stability of the exchange rate for a year. Egypt has succeeded in setting a free-float exchange rate regime since 2016. While inflation is inevitable on the short run, Egypt will ultimately become more competitive and is looking at a boost in domestic activities and significant reduction of its trade deficit. Inflation has dropped from 23.3% in 2017 to 22.1% in 2018 and is expected to decrease further next year.

GOVERNANCE AND DOING BUSINESS REFORMS

Driven by the vision to transform the investment landscape in Egypt and promote private sector participation in the development process, it was crucial to respond to private sector demands and improve the legal and regulatory framework that governs private sector operations in Egypt. Hence, Egypt is currently undergoing a regulatory make-over by modernizing a large array of laws and enacting new ones, including:

1. The New Investment Law
2. Industrial Licensing Law
3. Insolvency Act
4. Companies Law
5. Bankruptcy Law
6. Non-Banking Financial Services Laws to the Capital Market
The Egyptian Opportunity

The New Investment Law, in particular Law No. 72 of 2017, is a major step in enhancing the business climate in Egypt. It is expected to facilitate the increase of Foreign Direct Investment (FDI) into the country through a wide range of incentives for investments in strategic sectors and regions. It also guarantees to protect investors and boost their confidence by streamlining business procedures and cutting red tape through the establishment of the Investor Service Center (ISC) by GAFI; a one-stop-shop for investors that offers approvals, certifications and licenses needed for the establishment, operation or dissolution of a company.

THE GOVERNMENT’S BOLD MOVES ARE ALREADY PAYING OFF AND INVESTOR CONFIDENCE IS ON THE RISE:

- Net International Reserves (NIR) have increased to a record-high US$ 44.4 billion during August 2018 (covering 8.5 months of imports), compared to US$ 36.1 billion at the end of August 2017 (covering 7.3 months of imports), and compared to a lowest level of US$ 13.4 billion at the end of March 2013 (covering 3.5 months of imports).
- Growth rates are consistently rising and are projected to stay between 5% and 6% over the next two years.
- FDI inflows grew to US$7.9 billion in 2016/2017, a 14.2% increase from 2015/2016 levels and 24.1% from 2014/2015 levels.
- Purchases of Egyptian treasury notes doubled in January 2017.
- US$ 4 billion worth of government bonds were issued in January 2017 and were oversubscribed by more than threefold.
- Current account and fiscal balances are successfully on the road to recovery.

PROJECTIONS FOR THE EGYPTIAN ECONOMY

<table>
<thead>
<tr>
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<tr>
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<td>Inflation (Consumer Price Index)</td>
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<td>23.3</td>
<td>22.1</td>
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EGYPTIAN COMMODITY IMPORTS
(JULY/MARCH 2017/2018, IN DESCENDING ORDER)

Source: Central Bank of Egypt

EGYPT'S EXPORT DESTINATIONS 2017

Egypt Export Destinations (2017, US$ million)

Source: ITC Trade Statistics from COMTRADE Data

EGYPT'S IMPORT SOURCES 2017

Egypt Import Sources (2017, US$ million)

Source: ITC Trade Statistics from COMTRADE Data

EGYPTIAN COMMODITY EXPORTS
(JULY/MARCH 2017/2018, IN DESCENDING ORDER)
Crude Oil, Petroleum Products, Gold, Phosphate or Mineral Fertilizers, Textiles, Household Elec-trical Appliances, Ready-Made Clothes, Ethylene-Propylene Polymer, Wires and Cables, Fresh, Chilled or Cooked Vegetables, Fresh or Dried Fruits, Medicines, Serums, Vaccines and pharmaceuticals.

Source: Central Bank of Egypt

EGYPTIAN COMMODITY IMPORTS
(JULY/MARCH 2017/2018, IN DESCENDING ORDER)
Egypt was the top destination for FDI in Africa 2017, receiving the Largest FDI inflows in of $7.4 billion in the continent. Inflows were supported by a large increase in Chinese investment in manufacturing industries, in addition to the government’s reforms beginning to offset the decline in commodity prices. The stock of FDI between 2016 and 2017 increased from US$ 102 billion to US$ 109 billion.

According to FDI Markets Egypt has, both, the highest total and highest average investment at US$ 177.19 billion overall and US$ 223.70 million per project, respectively. The value of Greenfield Foreign Direct Investments in Egypt amounted to US$ 266.9 million. Key sectors such as industrial, service, and construction acquired the majority of investments, which accounted for 46.6%, 24.4%, and 21.3% of total investments, respectively.

**WHY EGYPT?**

- **Commitment at the Highest Political Level**
  Egypt’s legislative reform initiatives are conducive to a modern business environment, foreign investment, entrepreneurship, and financial inclusion.

- **Location**
  Situated at crossroads between three continents, Egypt’s strategic geographic location makes it the ideal launching pad for access to markets in Asia, Africa and Europe.

- **Top Investment Destination**
  Egypt ranked as the first Foreign Direct Investment (FDI) destination in Africa, according to the Rand Merchant “Where to Invest in Africa 2018” Report. Moreover, the Center for International Development (CID) at Harvard University published a report that stated Egypt as the third fastest growing economy to 2026, at a 6.7% annual growth rate.

- **Access to Markets**
  Egypt’s multiple free trade agreements provide access to 1.5 billion consumers, 100 million of which are in Egypt. Furthermore, Egypt enables investors to easily connect with established and emerging markets, with 8% of the world trade passing through Suez Canal. Shipping time and costs are also lower from Egypt; 7 days less to the USA than from China and 50% cheaper compared to the UAE.

- **Advanced Infrastructure**
  Egypt has invested over US$ 15 billion in infrastructure projects last year, with approximately 6,200 kilometers of new roads and an increased capacity for power generation by 45%. This overhaul in infrastructure aims to provide better services and easier connections between production facilities and markets.

- **Large Domestic Market**
  With a population of almost 100 million, Egypt is the largest market in the MENA region. Consumers are growing at an approximate rate of 1 million person each year, 41% of which are under the age of 25.
INVEST IN EGYPT
EGYPT'S INVESTMENT MAP

Knowledge sharing and information dissemination are believed to be key catalysts of investments and business growth. to that end, MIIC introduced the Investment map that provides a comprehensive 360-degree view of many investment opportunities across the country. In efforts to encourage new projects and business opportunities, the map allows any potential investor to search and discover opportunities by geographical location, economic sector and/or all major national projects including the mega projects. Furthermore, the map outlines all the different zones and incentives, including free zones, as well as investment zones, industrial, technology, and economic zones, in addition to development projects categorized by the relevant development partners. The map also provides the investors with case studies and information about other investors operating within the market.

In February 2018 the first phase of the investment map was launched. This phase identified the plan and the purpose of the map, and how will it fit into the ministry’s strategy. This phase included the design, structure and data production for the map. the final format of the map provides the user with a 360-degree image of all investment opportunities. upon choosing and selecting a potential opportunity, a short description of the project is provided, in addition to main information and statistics about the governorates in which it is situated (such as land area, employment rates, etc.). The map also indicates the main utilities surrounding the projects, such as airports, ports, hospitals, universities, technical centers, governmental services and touristic locations. Moreover, the map specifies for the investor the type of contract for the project (rent, holding, usufruct) and the relevant governmental entity to contact. Finally, the map provides a direct link to contact the MIIC customer service center or GAFI, allowing these entities to fulfill their function as a liaison between investors and other government institutions. The second phase of the map is coming within Q4 of 2018 and includes the design and implementation of a management system that ensures the sustainability of the portal. the system will provide access to governorates and relevant authorities to collaborate in order to update the data and provide additional investment opportunities. It will also allow investors to create an account with which they will gain access to more information and unlock various useful features that will guarantee the map sustainability.

Egypt’s Investment Map Key Features

- 360-degree view of the investment climate and investment opportunities in Egypt
- Present public and private investment opportunities
- Present overall investment climate in Egypt
- Integrative view of available infrastructure, governmental services, logistics, and other services
- Existing investments and highlight success stories
- Link investments with developmental opportunities

www.investinegypt.gov.eg

www.miic.gov.eg
SECTORS FOUND ON THE INVESTMENT MAP OF EGYPT

RENEWABLES

Egypt possesses an abundance of land, sunshine, and high-wind speed, making it a prime resource for three renewable energy sources: wind, solar and biomass. Recent developments in the sector reflect Egypt’s sturdy and abiding commitment to promote the generation and use of renewable energy. Although private sector investment in renewable energy is a relatively new market in Egypt, the country’s high potential and the government’s commitment to increase its renewable energy output present lucrative investment opportunities.

Key Initiatives that Demonstrate Egypt’s Commitment to Renewable Energy:

- Energy Subsidy Reform
- Feed-in-Tariff Program (2017)
- Dedicated funds
- Renewable Energy-Focused Centers
- Land Access

Strategy and Objectives

- Renewable energy to constitute 20% of total generated electricity by 2020
  - 12% from wind
  - 5.8% from hydro-power
  - 2.2% from solar
- Add 54 gigawatts of newly installed capacity in, both, conventional and renewable energy by 2022
- Reform the current legislative framework
- Concentrate on means of developing renewable energy and raise its efficiency
- Develop the energy sector infrastructure
- Promote innovation in the energy sector
- Apply more rigorous environmental standards

Key Highlights

- Egypt is moving away from a state-controlled system and towards a privatized power sector
- The International Finance Corporation (IFC) will invest US$ 635mn to construct, operate, and maintain 11 solar power plants in Aswan, Upper Egypt
- The National Renewable Energy Authority signed a protocol for cooperation with the Italian Ministry of Environment to introduce electricity in two remote settlements in the Matrouh Governorate using PV technology
- Electrical interconnection between Egypt and Saudi Arabia is expected to begin operations in 4Q19

Economic Indicators

- Energy sector contribution to the GDP in FY 2016/17: 20%
- Sector investment growth rate in FY 2016/17: 286%
- The total value of investments for production, transportation, and distribution projects for the FY 2016/17: EGP 116.6bn

FOOD PROCESSING

Food processing involves all the steps required to send an agricultural product to the market, spanning from production through distribution. Egypt is widely recognized as one of the oldest agricultural societies, with products grown on Egyptian land from as early as 4000BC. Today, the manufacturing of crops is the largest segment of the food processing sector, positioning the agriculture sector as a key contributor to Egypt’s booming economy.

Strategy and Objectives

- Increase cultivated land areas (1.5 million acres project)
- Secure strategic crops such as wheat and medical and aromatic plants as per Egypt’s Vision 2030
Investor’s Guide To 10 Million EGP

The Egyptian government has introduced a number of international opportunities for foreign ICT participation. Egypt’s massive youth population, coupled with its rapidly growing internet diffusion (40%), e-commerce potential (to reach 2.7bn by 2020), and a strategic geographical location all provide an enticing investment environment in the ICT sector. Egypt also possesses a large and growing consumer base, underlining the international opportunities for foreign ICT participation. The Egyptian government has introduced a number of key performance indicators for the ICT sector, aiming to become among the world’s top 20 countries in the number of patents and IP rights by 2030, and in the top 40 world countries in innovation, quality of scientific research institutions, and retaining innovative talents.

Key Highlights

Egypt is the main exporter of rice, fruits, and vegetables to COMESA members.

Number of Companies Working in Food Processing and Issued Capital

Source: General Authority for Investment and Free Zones

Economic Indicators

- Agriculture sector contribution to GDP FY 2016/17: 15%
- Exports of dairy and cheese products FY 2016/17: US$ 210mn
- Exports of dairy and cheese products FY 2017/18 (9-month): US$ 172.6mn

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

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Strategy and Objectives

- Develop infrastructure and provide integrated communication services
- Encourage international investments in ICT projects
- Promote electronics design and manufacturing
- Boost business process outsourcing

Key Highlights

- The country’s network of postal outlets is being reconfigured to become a business communications network, as well as a point-of-contact for government services
- Egypt’s information and communications technology sector is a prime global outsourcing destination, leading the MENA region and ranking 14th worldwide on A.T. Kearney’s 2017 Global Services Location Index (GSIL)
- Leading global players, such as Intel, Oracle, Orange, and Vodafone have established product development divisions and call centers in Egypt to serve their global operations

Incentives to Investors

- Facilitate the set-up and establishment of a business in Egypt, in addition to providing incentives that support companies’ business needs
- Provide data and internet centers, a high-tech Pyramids Smart Village, and a Free Zone (Telecom Hotel) for international call centers and transit regional Internet traffic
- Special tax exemptions and reductions for CIT companies
- Special reductions on land prices for investors in the CIT sector
- Easing of export and import regulations
- Training programs for professionals in IT, communications, and networks, in accordance with investors’ standards and specifications. Training programs are often offered at the government’s expense

Economic Indicators

- Sector contribution to GDP FY 2017/18 (9-month): 2.1%
- Sector growth rate FY 2017/18 (9-month): 25.5%
- Investments FY 2017(9-month): EGP 25 million
TOURISM

Known for its historical archaeological sites and pristine sandy beaches, a unique geographical location, and moderate climate, Egypt has long been a favored destination for global travelers; this is why tourism is considered a key contributor to Egypt’s national economy. In order to further strengthen the sector, the government is constantly investing in promoting its touristic sites and improving its level of security, swiftly regaining its superiority in the travel industry among the region. Accordingly, Egypt has plans to be amongst the top 30 economies worldwide and has put forward Egypt’s Vision 2030 that includes tourism strategy goals as follows:

- Promote Egypt as a tourist destination while highlighting the country’s modern character, hospitality, and safety
- Develop existing touristic destinations and create new ones on the Western Northern coast, the Oases, and the Southern Red Sea
- Encourage repeat visits, increase visit period, and reduce the impact of the country’s seasonal nature on tourists to promote Egypt as a year-round destination
- Decrease the gap between domestic and international tourism
- Promote new tourism purposes in the Egyptian market to reach different segments, such as health and hospitalization, religion, eco-tourism, deserts, oases, in addition to conferences and exhibitions
- Cooperate with the Ministry of Tourism and other concerned parties in the tourism industry to ensure decisions are consistent with tourism objectives and growth indicators
- Expand the promotion and activation of tourism through the organization of tourist convoys participating in international conferences and exhibitions, and increasing media campaigns in foreign markets
- Consider new promising tourism markets, especially in East and Southeast Asia and Commonwealth countries
- Expand infrastructure projects serving the tourism sector
- Develop human skills for workers in the tourism sector and related services
- Encourage the private sector to invest more in tourism
- Increase hospitality management skills

Key Highlights

According to the latest update of the aggregated number of companies in the tourism industry (from the year 1970 until December 2017), the tourism sector’s structure is distributed as follows:

- Total number of newly-established companies increased from 305 in 2014 to 419 in 2017
- Total capital inflows increased from EGP 3,294.85mn in 2014 to EGP 3,640.85mn in 2017

Economic Indicators

- Tourist arrivals increased by 10% to reach 6.0 million in 2017
- Tourism revenues in 2018 (9-months): EGP 129,837mn
- Total implemented investments July/March 2017/18: EGP 3963.7mn
- Contribution to GDP (current prices): 2.6%
- GDP growth rate (current prices): 64%

LEATHER

The leather industry in Egypt is divided into two segments: leather tanning companies that export raw leather to foreign countries and leather product distributors that import finished leather goods from abroad. Leather manufacturing companies are limited, as most companies in Egypt defer from the complexities of the leather manufacturing process and prefer to either export raw leather or import handmade leather products. The Egyptian leather industry possesses distinct characteristics and favorable marketing opportunities in Africa, some European markets, and the United States. Major exporters of Egyptian leather include Spain, the United States, Italy, and China, as well as GCC and Middle Eastern countries such as Saudi Arabia, Lebanon and the United Arab Emirates.

Between 1970 and 2017, the total number of companies working in leather products reached 919, with a total capital of EGP 1532.7mn. According to a
study conducted by the Chamber of Leather Industries, investment in the leather sector, which employs 250,000 individuals, amounted to about EGP 5bn.

In line with the massive Egyptian market and the various flourishing markets abroad, Egypt is planning to develop Rubiki Leather City. This national project is set to become the first Industrial Zone in Egypt that specializes in leather tanning and leather products manufacturing. The project will be established specifically for the development of the leather sector in Egypt and is expected to increase its competitiveness in international markets.

**Economic Indicators**

- The export of Egyptian tanneries to international markets represents 5% of its production
- Calf crop production reached 1.85 million heads in 2017 and is expected to increase to 1.93 million heads in 2018
- In 2017 value sales of footwear increased by 30% to reach EGP 10.8bn
A SAMPLE OF EGYPT’S MEGA PROJECTS

1. Suez Canal Economic Zone
2. New Al Alamein City
3. 1.5 Million Feddan Land Reclamation Project
4. The New Capital
5. Grand Egyptian Museum

Investor’s Guide To EGYPT

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Suez Canal Economic Zone

Covering a total area of 460 square kilometers, the Suez Canal (SC) Zone project is dedicated for industrial activities and ideally located along the banks of the Suez Canal, thus capitalizing on one of the world’s most important maritime routes. Meticulously planned, the SC Zone project leverages on the unique value proposition of each separate zone. While some zones are naturally blessed with an abundance of natural and labor resources, others possess unique value chain activities that are already in place and are yet to be unleashed to transform the area into an industrial hub that benefits the entire region.

The project has two fully-integrated zones, the Ain Sokhna Integrated Zone and the East Port Said Integrated Zone, and two detached zones, West Qantara and West Ismailia Technology Valley, in addition to 6 ports with strategic locations along the Suez Canal and Sinai.

**Location**
Suez Canal

**Proposed area**
461 km²

**Authority**
Suez Canal Economic Zone Authority

**Infrastructure**
In progress

**Method of land allocation**
Usufruct agreements

**Why Invest in SC Zone**
- The board is an autonomous body with the capacities of all the pertinent ministries, to streamline procedures and approvals of projects
- Multi-modular contractual arrangements - Concession Fees - Profit Sharing - Revenue Sharing - Joint venture are all investment platforms that are considered
- Strategically located along one of the most significant maritime routes, connecting the Mediterranean Sea with the Red Sea, with 8% of global trade flowing through the Suez Canal
- Competitive start-up costs
- Strategic plan in place to develop the zone in a cluster-based approach to maximize value chain operations
The Egyptian Opportunity

SUEZ CANAL ECONOMIC ZONE

Investor’s Guide To EGYPT

Description

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461 km²
Authority
Suez Canal Economic Zone Authority
Infrastructure
In progress
Method of land allocation
Usufruct agreements

Investment Opportunities

Investment Opportunities

Investment Opportunities

Investment Opportunities

Ain Sokhna Zone

• SME Cluster Park Development (all value chains activities)
• Pharmaceutical Cluster Parks
• Residential Cities
• Recreational Facilities
• Waste Water Treatment
• Petrochemicals
• Oil Refineries
• Container terminals/ Dry Bulk/ Liquid Bulk /General Cargo
• Business Incubators

East Port Said Integrated Zone

• SME Cluster Park Development (all value chains activities)
• Logistics Parks
• Textiles and Readymade Garments
• Food Processing
• Electronics and CIT
• General Industries
• Pharmaceuticals
• General/ Feeding Industries

West Qantara Zone

• Integrative Industries (leveraging the abundant natural resources in the area)
• High-Tech Industries
• Recreational Facilities
• Research Facilities and Incubators
• Logistics
• Warehousing
• Vocational Training

• Embedded ecosystem system for industrial metabolism
• Multi-trade agreements providing free and preferential access to more than 1.4 billion consumers
  • COMESA Agreement
  • European Union-Egypt Association Agreement
  • PAFTA Agreement
  • Agadir Agreement
  • QIZ Agreement
  • Egypt-Turkey Agreement
  • Egypt EFTA Agreement
• Competitively priced governmental fees to start up a company
• Diversified industrial activities
• Access to a local population of more than 90 million consumers
• State-of-the-art, one-stop-shop services:
  • A comprehensive range of services including registration, customs, construction, and labor permits
  • Single point-of-contact for tenants through dedicated relationship managers
  • Registration process within 1-3 days
  • Licensing process within 3 days
• Competitive utility rates (1/3 of Europe, US$ 0.04/kwh)
• Competitive labor costs (1/10 of the USA, US$ 140/month for low-skilled labor)
• Competitive land lease rates
• Customs exemption on import to the zone and on re-export
• Potential subsidies on training and social security
• 40% CapEx rebate for selected industries
• Access to a large pool of highly-skilled, competitive labor force (~ US$ 700/month vs US$ 2,800/month in Jordan and US$ 4,900/month in KSA)
The Egyptian Opportunity

Investor's Guide To EGYPT

Egypt's New Capital City

Description
The New Capital project was inaugurated to create a new economic development hub close to Cairo in order to relieve congestion in the old capital. Situated along the corridor between Cairo and the Red Sea, it provides strategic linkages to significant shipping routes and is set to become a focal point in the Eastern Cairo region.

Greater Cairo's population is expected to grow from 18 million to 40 million by 2050. With the emergence of the New Capital, the country's economic potential will diversify with the presence of new places to live, work, and visit. In order to draw people to this new capital city, a series of key catalyst developments will be established at its core. This will include a new government administrative district, a cultural district, and a wide array of urban neighborhoods.

Project Features
- The city will accommodate up to 6.5 million people
- The city is expected to provide 1.5 million housing units
- 3.5 million job opportunities will be created
- 15 square meters of green areas/capita
- 30% of the project area is allocated to business and financial services
- 40% of roads are allocated to pedestrian walkways and bike lanes
- 70% of the total area will be covered by advanced CIT networks
- 67% of the city is allocated to residential areas (285,000 low-income housing units, 185,000 middle-income housing units and 15,000 high-income housing units)

Project Districts
- Presidency, Government and Embassies District
- Universities
- Hotels
- Conferences and Exhibition Centers
- Commercial and Recreational Areas
- Residential
- Medical
- International Airport

Opportunities
The smart city is planned to consist of residential districts, artificial lakes, educational institutions, hospitals and clinics, mosques, 40,000 hotel rooms, a major theme park, 91 square kilometers of solar energy farms, an electric railway link with Cairo, and a new international airport. The parliament, presidential palaces, 18 ministries and foreign embassies will also be transferred to the New Capital.

Location
Cairo–Suez Road
Proposed area 770 km²
Authority
Administrative Capital Company for Urban Development
Infrastructure
In progress
Method of land allocation
Sealed envelopes auction

The Grand Egyptian Museum

Description
Set to become the world's largest museum of Egyptian art and culture, the Grand Egyptian Museum (GEM) boasts a harmonious integration of two worlds. It seamlessly merges 5,000 years of civilization with the allure of the modern world, standing proudly as a portal through time. Sitting between the modern complexities of Cairo and the ancient wonder of the Pyramids, the museum is organized with three distinct elements. First is the plateau edge, which divides the site into higher and lower sections; second is the view towards the Pyramids; and third is the easy approach from Cairo-Alexandria Desert road. GEM will be a world-leading scientific, historical, and archaeological study center across an area that extends 491,000 square meters. Spanning an area of 168,000 square meters, the colossal building can accommodate up to 15,000 daily visitors and will display artefacts that have never before been shown to the public. GEM also offers promising investment opportunities which include a Conference Center, a 3D Cinema, 28 retail outlets, restaurants, and a boutique hotel.

Investment Opportunities
- Conference Center
- 3D Cinema
- Retail Outlets
- F&B Outlets and Restaurants, including the GEM Restaurant and the Pyramid Restaurant
- Boutique Hotel
- Promenade
Egypt's New Capital City

**Description**
The New Capital project was inaugurated to create a new economic development hub close to Cairo in order to relieve congestion in the old capital. Situated along the corridor between Cairo and the Red Sea, it provides strategic linkages to significant shipping routes and is set to become a focal point in the Eastern Cairo region.

Greater Cairo's population is expected to grow from 18 million to 40 million by 2050. With the emergence of the New Capital, the country's economic potential will diversify with the presence of new places to live, work, and visit. In order to draw people to this new capital city, a series of key catalyst developments will be established at its core. This will include a new government administrative district, a cultural district, and a wide array of urban neighborhoods.

**Project Features**
- The city will accommodate up to 6.5 million people
- The city is expected to provide 1.5 million housing units
- 3.5 million job opportunities will be created
- 15 square meters of green areas/capita
- 30% of the project area is allocated to business and financial services
- 40% of roads are allocated to pedestrian walkways and bike lanes
- 70% of the total area will be covered by advanced CIT networks
- 67% of the city is allocated to residential areas (285,000 low-income housing units, 185,000 middle-income housing units and 15,000 high-income housing units)

**Project Districts**
- Presidency, Government and Embassies District
- Universities
- Hotels
- Conferences and Exhibition Centers
- Commercial and Recreational Areas
- Residential
- Medical
- International Airport

**Opportunities**
The smart city is planned to consist of residential districts, artificial lakes, educational institutions, hospitals and clinics, mosques, 40,000 hotel rooms, a major theme park, 91 square kilometers of solar energy farms, an electric railway link with Cairo, and a new international airport. The parliament, presidential palaces, 18 ministries and foreign embassies will also be transferred to the New Capital.

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**Location**
Cairo–Suez Road

**Proposed area**
770 km²

**Authority**
Administrative Capital Company for Urban Development

**Infrastructure**
In progress

**Method of land allocation**
Sealed envelopes auction

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**Investment Opportunities**
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Al Alamein City

<table>
<thead>
<tr>
<th>Location</th>
<th>Northwest Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed area</td>
<td>50,000 acres; coastal area is 14 km; phase one is 8,000 acres</td>
</tr>
<tr>
<td>Authority</td>
<td>Matrouh Governorate and Ministry of Housing</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>In progress</td>
</tr>
<tr>
<td>Method of land allocation</td>
<td>Sealed envelopes auction</td>
</tr>
</tbody>
</table>

Description

Al Alamein area, once a battleground during World War II, is now being developed to become a second Alexandria. With an estimated initial investment value of US$ 10bn, the project will offer investment opportunities in the tourism, healthcare, logistics, agriculture, industry, education, and energy sectors. The government is currently developing a new city on Egypt's coastline of the Mediterranean Sea, amidst dozens of recent touristic projects that have already gained popularity there. The new city is located in the Governorate of Matrouh, West of Alexandria.

Already a major touristic attraction due to its white sandy beaches, crystal clear waters, and mesmerizing weather, Al Alamein is envisioned to become a cultural center. President Abdelfattah El Sisi recently announced the establishment of a new library in Al Alamein that will rival the library of Alexandria and attract visitors from around the world. Al Alamein will also become a medical hub, as the country aims to attract investments to develop a medical city on the coast Mediterranean coast.

The region will also be home to various industries such as the food and beverage sector, agri-processing (figs, olives, and dates are the most cultivated crops in the area), chemicals, leather tanning and fish processing sectors, in addition to ship-building.

In support of the development of the Governorate of Matrouh, the Ministry of Investment and International Cooperation (MIIC) announced that almost 40% of all landmines have been cleared from the governorate's World War II zone.

The General Authority for Investment and Free Zones (GAFI) has signed Memoranda of Understanding with investors from the United Arab Emirates and Saudi Arabia to execute ten projects in Matrouh. Furthermore, the construction of a water plant in the governorate, set to produce energy at a capacity of 2,000 mw, was signed with El Sewedy Electric and Marubeni.

Opportunities

Tourism: The area is expected to feature 25,000 hotel rooms available all year round along with recreational and commercial activities. Bike lanes and pedestrian promenades will stretch across 14 kilometers, along with water fountains and green areas. The adjacent coastal road will feature five lanes to accommodate for the growing traffic.

Agriculture: The project includes land reclamation and cultivation of about 1 million acres.

Mining: The North-West Coast area is rich in mineral resources including limestone, clay, bentonite, dolomite, gypsum, quartz sand, and rock salt crystal, in addition to oil and natural gas, which represents an opportunity for industrial mining projects in the region.
1.5 Million Feddan Land Reclamation Project

<table>
<thead>
<tr>
<th><strong>Location</strong></th>
<th>Aswan, New Valley, Qena, Menya, Matrouh, Ismailia, and Sinai areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposed area</strong></td>
<td>1.59 million acres</td>
</tr>
<tr>
<td><strong>Authority</strong></td>
<td>Egyptian Reef Development Company (with New Urban Communities Organisation and General Authority for Reclamation Projects and Agricultural Development)</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>Sale with a price range between EGP25,000 and 65,000 per acre. The project ToR indicates information on land offered, technical and financial qualification requirements, and required documentation to be submitted by the investor</td>
</tr>
<tr>
<td><strong>Method of land allocation</strong></td>
<td>Sealed envelopes auction</td>
</tr>
</tbody>
</table>

**Description**

The project is part of a 4-million-acre reclamation project that seeks to create new urban communities dependent on agriculture, food processing, and logistics. The main objective of this project is to build integrated societies on new land to support Egypt’s sustainable development initiatives. The project is based on an integrated agribusiness development approach targeting the cultivation and processing of specific vegetables and fruits, and the provision of manufacturing and logistics facilities. The land will be allocated to large, medium, and small companies.

**Investment Opportunities**

**Agriculture:** The project targets integrated agro-industrial development through the cultivation of water-saving crops, vegetables, and fruits such as pomegranates, palms, medical and aromatic plants, figs, and olives, as well as the establishment of factories for packaging and production. Opportunities will also be available for breeding cattle, sheep, and camels, and the development of fisheries.

**Connected Industries:** Opportunities will be available in agricultural mechanization, marketing, logistics, storage and refrigeration, food processing, agro-industrial parks, and infrastructure (water, electricity, and sewage).
Egypt’s recently ratified Investment Law (No.72 of 2017) guarantees fair treatment to local and foreign investors alike and protects invested capital and projects from unjustified government intervention, unless decided by a court of law.

It also provides additional guarantees and benefits to projects specialized in specific activities, via a Prime Ministerial decree and based on the principle of equitable treatment. Foreign investors are also guaranteed profit and capital repatriation without delay. In case of liquidation, all outstanding financial liabilities have to be communicated to the liquidated company within a maximum of 120 days to ensure timely exit for investors.

**GENERAL INCENTIVES**

The company’s Articles of Association, credit facility agreements, and mortgage contracts are all exempted from stamp duty and notarization fees for five years starting from the company’s registration date in the Commercial Register. Land registration contracts necessary for company establishment are exempted from the related fees. All imports defined as equipment necessary to establish and operate a project are liable to a unified Customs Tax of 2%.

In compliance with the provisions of the Customs Law, industrial projects, subject to the provisions of Egypt’s Investment Law, are exempted from custom fees on production inputs imported and used - for a temporary period - in the manufacturing process for export purposes.

**SPECIAL INCENTIVES**

Investment projects established after the implementation of this law, in accordance to the investment map, are granted special incentives through deductions from their net profit before tax. Two sectors ("A" and "B") have been determined for the application of and eligibility to special incentives under Article (11) of the Investment Law and are defined as follows:

**SECTOR/CATEGORY (A) PROJECTS:**

Sector/Category A projects enjoy a rebate of 50% of the investment cost in the form of tax deductions over a period of time. These projects are located within geographical areas that are underdeveloped, as per the investment map and the data and statistics issued from the Central Agency for Public Mobilization and Statistics. Additionally, investments in the Suez Canal Economic Zone and the Golden Triangle Economic Zone are classified as Sector/Category A projects.
**ADDITIONAL INCENTIVES**

Additional incentives may be provided via a decree from the Prime Minister such as:

- It is allowed to establish custom points dedicated for imports or exports of an investment project, after approval by the Minister of Finance
- The State reimburses the costs of connecting utilities to buildings related to the investment project
- The State reimburses part of the vocational training expenses
- 50% of the land value allocated to industrial projects will be repaid, conditional to production commencing within two years from the date of receiving the land
- Free land may be allocated to some strategic projects as per regulations stipulated in the law

If necessary, non-tax incentives can be added via a Prime Minister’s decree and according to a proposal from the relevant minister.

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**TYPE (B) PROJECTS:**

Type B projects enjoy a rebate of 30% of their investment costs in the form of tax deductions over a period of time. These projects are located across the country and are classified as:

- Labor-intensive projects
- Small and Medium Enterprises (SMEs)
- Projects that depend on or produce new and/or renewable energy
- National and strategic projects determined by a decision issued by the Supreme Council
- Tourism projects determined by a decision issued by the Supreme Council
- Projects in the field of production and/or distribution of electricity
- Projects that are export-driven
- Automotive manufacturers or producers within the automotive feeding industries
- Wood, furniture, printing, packaging, and chemical industries;
- Pharmaceutical projects producing antibiotics, oncology drugs, and cosmetics
- Food and beverage projects, crop producers, and recyclers of agricultural wastes
- Engineering, metal, leather, and textile related projects

Article No. 12 in the law clarifies some conditions that must be present to receive the special incentives.