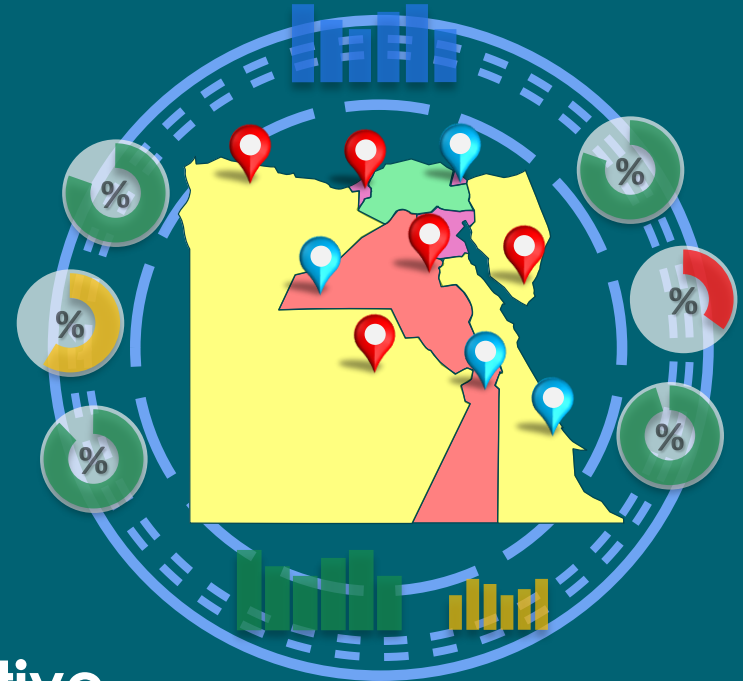


# Guide to Industrial Investment in Egypt

2021 Update

## 4. Border Governorates



An ECES Initiative

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**New 2020**

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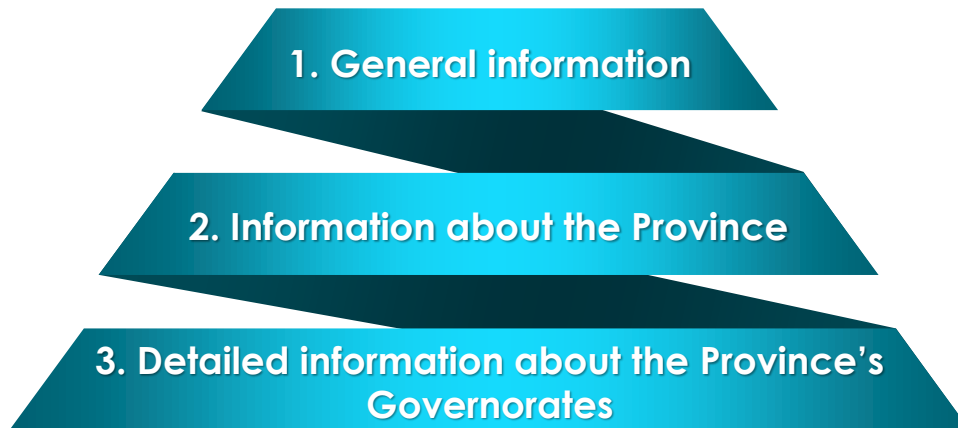
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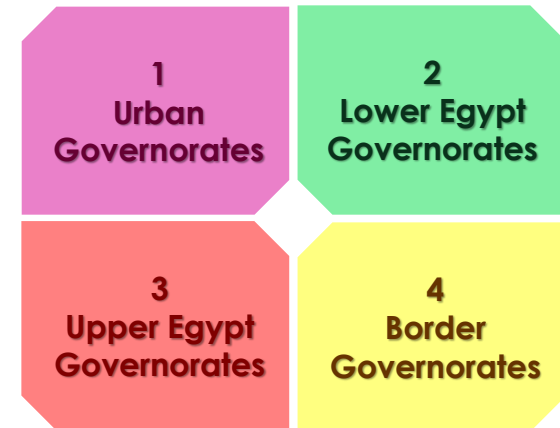
# Purpose of the Guide

To provide basic information needed by any investor to invest in various governorates of the Republic. The Guide relies on several sources to provide such information.

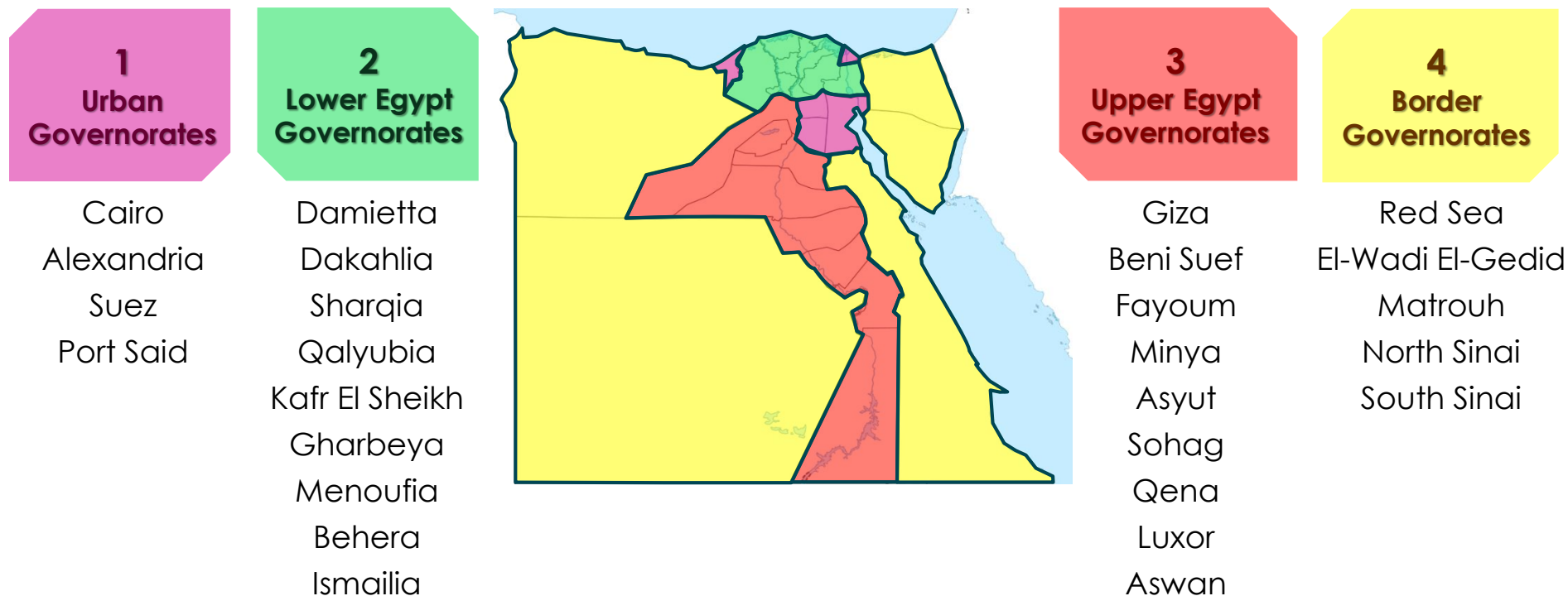
- The Guide comprises three sections



- The Guide was prepared at the following levels:



# Egypt's Map and its Four Provinces



\* The four provinces were classified in accordance with the Human Development Report, 2010.

# Sections of the Guide

## 1. General information

## 2. Information about the Province

## 3. Detailed information about the Province's Governorates

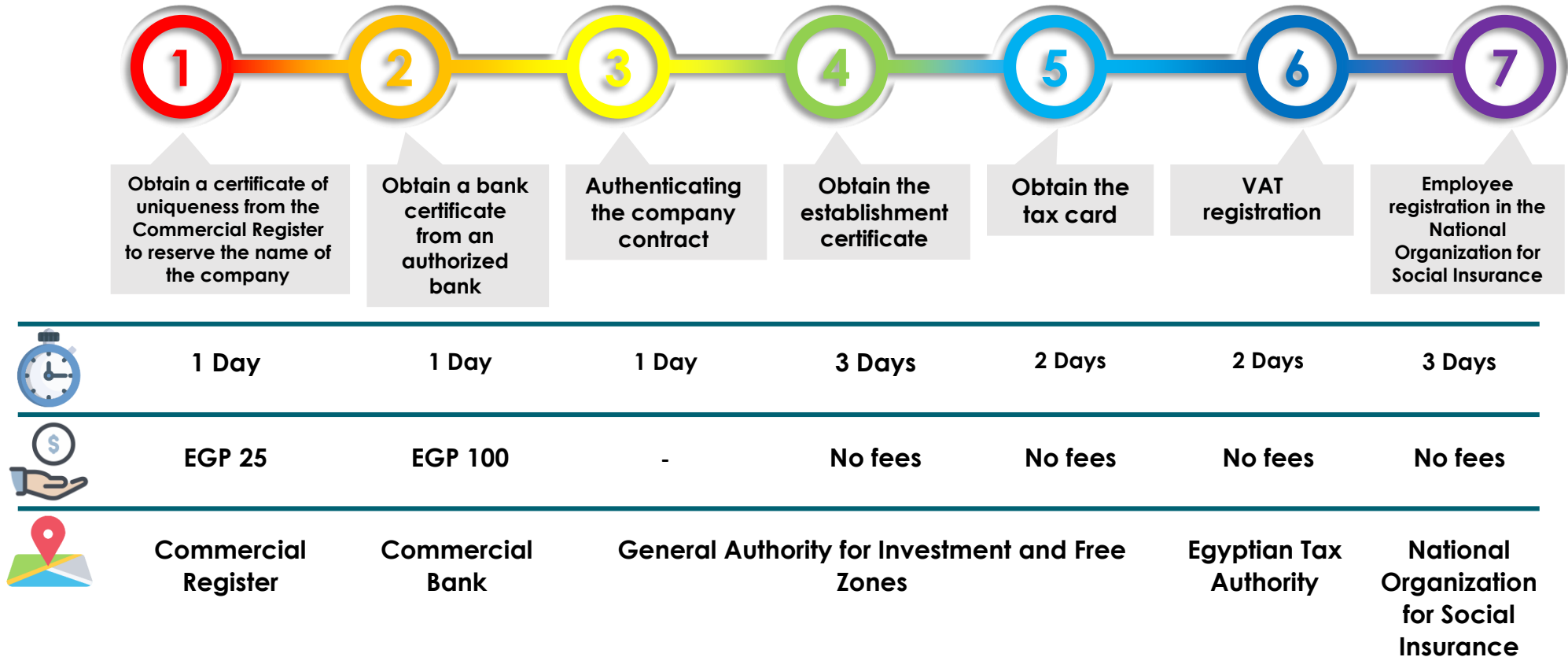
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2. Utility and Energy Prices
3. Laws and Regulations Governing Investment
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5. Tax Structure and Customs System
6. Trade Agreements
7. Defining Different Types of Zones

New  
2020

# 1. Procedures for Starting A Business in Egypt



# Summary of time, cost and procedures to start a business in Egypt



Source: General Authority for Investment and Free Zones.

# Company Establishment Fees

Establishment fees	
Notary fees	xxx
Establishment fees	xxx
Syndicate of Commercial Professions fees	xxx
Publishing fees	xxx
Commercial register	xx
Issuing operating certificate	xx
<b>Total fees</b>	<b>xxxx</b>

0.25% of the capital  
(Minimum of EGP 10 and maximum of EGP 1000)

0.1% of the capital (minimum EGP 100 and maximum EGP 1000 in accordance with Article 17d of the Companies' Law)

EGP 125 (if the capital is less than or equal to EGP 500,000)  
EGP 250 (if the capital is more than EGP 500,000)

EGP 150 (limited liability companies in Arabic)  
EGP 300 (limited liability companies in both Arabic and English)

EGP 56

EGP 29

Source: General Authority for Investment and Free Zones.



# Amending procedures for starting a business in Egypt

- A certificate proving that the name of the company is unique and shall not cause confusion is sent by mail to the investor and the bank; this is done through the General Authority for Investment website [www.gafi.gov.eg](http://www.gafi.gov.eg)
- Reducing the cost of obtaining a bank certificate to EGP 50 pounds (to a maximum of EGP 100).
- Cancellation of fees for publishing in the corporate newspaper.
- The General Authority for Investment merged Procedure 3 (Submitting the application and other documents) with Procedure 4 (Publicizing the Company Contract). Accordingly, the investor notarizes the company contract and submits all documents to one employee only.
- The General Authority for Investment has also merged steps 5, 6 and 7. The investor now gets the establishment contract, tax card and social insurance registration from one employee only in one step.

*Source: General Authority for Investment and Free Zones.*

New  
2020

## 2. Utility and Energy Prices



# Drinking water and sanitation tariff for FY 2018/2019 (EGP/m<sup>3</sup>)



Non-domestic						Sanitation
Service	Commercial	Industrial	Touristic	Other	Sports and social clubs and affiliates	Percentage of water tariff
3.3	3.6	4.55	4.6	9	10	98%
Water tariff in Border governorates (Sinai / Red Sea / Matrouh)						Sanitation
Unified water tariff						Percentage of water tariff
13						50%

# Treatment of industrial facilities wastewater in FY 2018/2019 (LE/m<sup>3</sup>)



Pollutants	CoD			BoD		
Concentrations (g/m <sup>3</sup> )	More than 1,100 and less than 2,000	2000 and more and less than 5,000	5000 and more	More than 600 and less than 660	660 and more and less than 2,000	2000 and more
Purification costs (LE/m <sup>3</sup> )	6	18	30	3	9	18

# Electricity tariff to be applied during FY 2019/2020



Purpose of use / voltage	Average price of energy (piastre/ kwh)	Peak (piastre/ kwh)	Off-peak (piastre / kwh)	Cost (EGP / KW-month)	How to apply
Ultra High voltage (132, 220 KV)	105	145.4	96.9	40	The wattage is applied on the basis of maximum load per subscriber every three months
High voltage (66, 33 KV)	110	152.3	101.5	50	The usage time tariff is applied according to the smart meters program and the peak period is 4 hours, determined by the Ministry of Electricity and Energy
Medium voltage (22, 11 KV)	115	159.2	106.2	60	
Low voltage (380 V)	125				If not available, the power price is applied

# Electricity tariff to be applied during FY 2019/2020



Purpose of use / voltage (kvm)	Average price of energy (piastre/ kwh)	Peak (piastre/ kwh)	Off-peak (piastre / kwh)	Cost (EGP / KW-month)	How to apply
Bracket 0 - 100		65			The wattage is applied on the basis of maximum load per subscriber every three months  The usage time tariff is applied according to the smart meters program and the peak period is 4 hours, determined by the Ministry of Electricity and Energy
Bracket 0 – 250		115			
Bracket 0 - 600		140			
Bracket 1000 - 1500		155			
Bracket (0 to more than 1000 kvm)		160			If not available, the power price is applied

# Prices of petroleum products for FY 2020/2021



Commercial LPG	Gasoline 95	Gasoline 92	Gasoline 80	Kerosene	Diesel
65 EGP/Cylinder	8.75	7.75	6.50	6.75	6.75
			EGP/Liter		
Fuel Oil (fixed prices for food industries, electricity and cement)				Automotive natural gas	
3900 EGP/ton				3.50 EGP/m <sup>3</sup>	

The above prices are announced on April 2021 & valid only for 3 months, check the next page to know more about the automatic pricing mechanism, and for the updated prices visit MOP website:

<https://www.petroleum.gov.eg/ar-eg/Pages/HomePage.aspx>



# Resolution regarding quarterly price equalization of the prices of fuel and petroleum products



The committee formed by Prime Minister Resolution No. 2764 of 2018, whose membership is determined by Minister of Petroleum and Mineral Resources Resolution No. 505 of 2019, will undertake the following:

- Apply the automatic pricing mechanism on petroleum products (consumer delivery), including value-added tax, with the exception of LPG and petroleum products used by the electricity and bakery sectors, as of end June 2019, after cost recovery. The selling price of these products in the local market will be reviewed as mentioned in the first article of this Resolution, provided the percentage change in the selling price to consumers shall not exceed +/-10 percent of the selling price.



# Temporary measures to support the manufacturing sector, and to deal with the economic repercussions of COVID-19

Cabinet resolution reducing the price of natural gas for industry to \$4.5 per million thermal units

Cabinet Resolution No. 781 of 2020

- Reducing power prices for manufacturing activities for ultra, high, and medium voltage in and outside peak hours by 10 piasters per kW/h.
- The State budget will bear the cost of the reduction in support of manufacturing.

[Click here to view the full text of the resolution](#)

New  
2020

### 3. Laws and Regulations Governing Investment



# Laws and Regulations Governing Investment

- New Investment Law No. 72 of 2017
- Law amending some provisions of Investment Law No. 141 of 2019
- Mining and Mineral Resources Law No. 198 of 2014
-  • New Income Tax Law No. 91 of 2005
- Special Economic Zones Law No. 83 of 2002
-  • Microfinance Law No. 141 of 2014
- New Intellectual Property Rights Law No. 82 of 2002
-  • Law of Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies promulgated by Law No. 159 of 1981 and its amendments

*Source: Ministry of Investment and International Cooperation.*

# Amendments to the Income Tax Law No. 91 of 2005

- The issuance of Law No. 26 of 2020 amending some provisions of the Income Tax Law promulgated by Law No. 91 of 2005.

[Click here to view the full text of the resolution](#)

- The issuance of Law No. 16 of 2020 extending Law No. 79 of 2016 concerning ending tax disputes and amending some provisions of the Income Tax Law promulgated by Law No. 91 of 2005.

[Click here to view the full text of the resolution](#)

- The issuance of Law No. 173 of 2020 waiving consideration for delay, additional tax, interest and similar non-criminal financial penalties, and extending Law No. 79 of 2016 regarding the ending of tax disputes.

[Click here to view the full text of the resolution](#)

New  
2020

# Issuing Law No. 152 of 2020 promulgating the Small, Medium and Micro Enterprises Development Law

Law No.152 of 2020  
promulgating the Small, Medium and Micro  
Enterprises Development Law

[Click here to view the full  
text of the resolution](#)

New  
2020

# Law on Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies as promulgated by Law No. 159 of 1981 and its amendments

Provision of the third paragraph of Article 203 of the executive regulations of the law on joint stock companies, companies limited by shares, and limited liability companies will be replaced with the following:

## **Article (203), third paragraph:**

Publication or notification will be at least 21 days before the scheduled date of the first assembly meeting, and at least seven days before the date of the second meeting, in case the quorum is not reached.

[Click here to view the full text of the resolution](#)

New  
2020

## 4. Investment Incentives

\* Investment Law No. 72 of 2017



# Investment Incentives: General Incentives

All projects subject to the provisions of this Law shall enjoy the general incentives mentioned in this Chapter, except for projects established under the Free Zone System. These incentives include:

- Establishment contracts, and related credit facilities and pledge contracts shall be exempt from stamp duties, notarization and registration fees for a period of five years from the date of registration in the Commercial Register.
- Registration contracts for land required for the establishment of companies and establishments are exempted from the above- mentioned taxes and fees.
- Companies and establishments under the provisions of this law shall be subject to the provisions of Article (4) of the law regulating the customs exemptions issued by Law No. 186 of 1986 regarding the collection of a unified customs tax rate of two percent of the value of its imports of machinery, equipment, and devices required for its establishment.
- This unified rate also applies to imports of enterprises and establishments that operate in public utility projects, including machinery and equipment necessary for their establishment or completion.
- Without prejudice to the provisions of temporary clearance provided for in the Customs Law promulgated by Law No. 66 of 1963, investment projects of an industrial nature subject to the provisions of this Law shall have the right to import moulds, die casts and other similar production requirements without customs duties for temporary usage in production for re-exporting.
- Admission and re-exporting shall be in accordance with the bill of landing, provided that entry and re-entry documents shall be registered in records prepared for this purpose by the Authority in coordination with the Ministry of Finance.



# Investment Incentives: Special Incentives

Investment projects established after the entry into force of this law according to the investment map shall be granted an investment incentive in the form of a deduction on taxable net profits in the following manner:

1. **50 percent deduction of investment costs for Sector A**, which includes the geographical areas most in need of development according to the investment map and based on the statistics issued by the Central Agency for Public Mobilization and Statistics and according to the distribution of investment activities as indicated in the executive regulations of this law.
2. **30 percent deduction of investment costs for Sector B**, which includes the rest of the country according to the distribution of investment activities for the following investment projects:
  - Labor intensive projects in accordance with controls stipulated in the Executive Regulation of this law
  - Small & medium enterprises
  - Projects that depend on or produce new and renewable energy
  - National and strategic projects to be determined by a decision of the Supreme Council
  - Tourism projects that are determined by a decision of the Supreme Council
  - Electricity production and distribution projects, determined by a decree issued by the Prime Minister upon a joint proposal by the competent minister, the minister of electricity affairs and the Minister of Finance
  - Projects whose production is exported outside the geographic territory of the Arab Republic of Egypt
  - Automotive industry and its feeding industries
  - Wood, furniture, printing, packaging and chemical industries
  - Manufacture of antibiotics, oncology drugs and cosmetics
  - Food industries, agricultural crops and recycling of agricultural wastes
  - Engineering, metallurgical, textile and leather industries

# Investment Incentives: Special Incentives

- In all cases, the investment incentive must not exceed 80 percent of the capital paid until the date of commencement of activity; in accordance with the provisions of Income Tax Law No. 91 of 2005.
- The deduction period shall not exceed seven years from the date of commencement of activity.
- The Prime Minister shall issue a decree upon the submission of a joint proposal by the competent minister, the Minister of Finance and the Minister concerned, determining the distribution of the sub-sectors of investment activities in sectors (A) and (B) referred to previously.
- The Executive Regulations of this law set out the concept of the investment cost and the geographical scope of sectors (A) and (B), and conditions and controls for granting of special incentives; and include the investment sub-activities set forth in the decree of the Prime Minister.
- By a decision of the Supreme Council, new activities may be added to enjoy the special incentives

# Conditions for Obtaining Special Investment Incentives

To enjoy the special incentives provided for in Article (11) of this Law, the Investment Projects are required to meet the following conditions:

1. A new company or establishment shall be incorporated to conduct the Investment Project.
2. The company or establishment shall be incorporated within a maximum of 3 years from the effective date of the Executive Regulation of this Law. This term may be extended subject to a decree issued by the Council of Ministers and upon a proposal by the Competent Minister.
3. The company or establishment shall keep regular accounting books. In the event the company or establishment operates in more than one zone, it may benefit from the percentage prescribed for each zone as long as it keeps separate accounting books for each zone.
4. None of the shareholders, partners, or owners of the establishment have presented, contributed, or used, in the setting up, incorporation, or establishment of the Investment Project enjoying the incentive, any of the material assets of a company or establishment that existed on the effective date of this Law, nor have they liquidated this company or establishment within the term set forth in Paragraph (2) of this Article for the purpose of setting up a new Investment Project that enjoys the special incentives referred to. Violation of this term shall nullify such incentives and the company or establishment shall be liable to pay all taxes due.
5. Expansions of existing investment projects may enjoy the incentives stipulated in Articles (11) and (13) of this law. Expansions as per the provision of this article mean increasing used capital by adding new assets that lead to a rise in the productive capacity of the project, all in accordance with the rules and conditions set by the Cabinet.

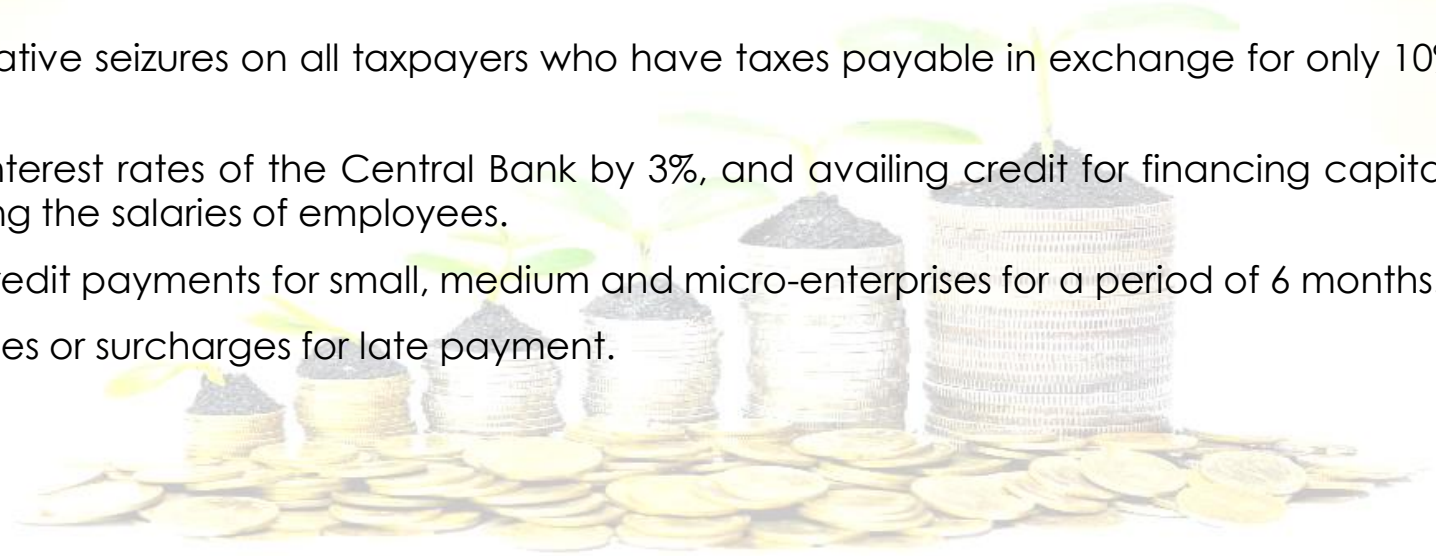
# Investment Incentives: Additional Incentives

- Without prejudice to the incentives, privileges, and exemptions provided for in this Chapter, the Council of Ministers may issue a decree granting additional incentives to the Projects provided for in Article (11) of this Law, as follows:
  1. Allowing the establishment of special customs offices dedicated for the Investment Project's exports or imports in agreement with the Minister of Finance
  2. The State shall incur the expenses paid by the Investor, in whole or in part, for the extension of utilities to the real-estate properties allocated for the Investment Project, after starting the operation of the Project
  3. The State shall incur part of the expenses of the technical training provided for workers;
  4. Refund 50% of the value of the land allocated for the industrial projects if production starts within 2 years from the land delivery date
  5. Allocate lands free of charge for some of the strategic activities in accordance with the relevant rules prescribed by the law.
- Upon a proposal by the Competent Minister, the Council of Ministers may pass a decree to introduce new incentives, other than tax whenever it is necessary.
- The Executive Regulation shall indicate the rules of granting the additional incentives prescribed in this Article as well as the conditions and rules of such incentives.



# The Cabinet issued a number of COVID-19 related resolutions in support of the manufacturing sector

- Directive from the Ministry of Finance to allocate EGP 100 billion to confront COVID-19.
- Availing one billion pounds to exporters during the months of March and April 2020 to pay part of their dues.
- Lifting administrative seizures on all taxpayers who have taxes payable in exchange for only 10% of their tax due.
- Reducing the interest rates of the Central Bank by 3%, and availing credit for financing capital, especially paying the salaries of employees.
- Deferment of credit payments for small, medium and micro-enterprises for a period of 6 months.
- Not applying fines or surcharges for late payment.



# Controls Specific to Machinery and Equipment

## Domestic Equipment

- Link to machinery and equipment production plants



<https://drive.google.com/file/d/1TstGZTwHcd1WoxXULwkgK3KopBsSqSjE/view?usp=sharing>

## Importing Equipment

- The investment projects subject to the provisions of this Law shall be entitled to import on their own or through third parties what they need for project establishment, expansion or operation in terms of raw materials, production requirements, machinery, spare parts and means of transportation appropriate to the nature of their activity without having to be listed in the register of importers.
- These projects are entitled to export their own products on their own or through an intermediary without a license and without having to be listed in the register of importers.
- Investment projects that import and export in accordance with the provisions of this Article, either on their own or through third parties, shall notify the Authority by means of a quarterly report of the quantities and types imported or exported as required.

Source: Investment Law No. 72 of 2017

# Controls Related to Foreign Labor

- The investment project has the right to employ foreign workers within 10 percent of the total number of employees in the project. This percentage may be increased to no more than 20 percent of the total number of employees in the project, in case it is not possible to employ national workers with required qualifications subject to the Executive Regulation of this Law.
- In some strategic projects of special importance, determined by a decision of the Supreme Council, exceptions may be made to the percentages indicated, subject to the training of national workers.
- Foreign workers are entitled to remit their financial dues, in whole or in part, abroad.

Source: Investment Law No. 72 of 2017

## New 2020 5. Tax Structure and The Customs System





# Tax Structure

- The corporate tax does not exceed 22.5 percent in Egypt.
- The tax code is simplified and easy to explain.
- The Government conducts an audit of random samples.
- A special and highly trained unit in the Tax Authority to collect tax returns.

Free zones	Local investment	Item
Exempt	<ul style="list-style-type: none"><li>• Fixed rate of 22.5%</li><li>• 10-year exemption for agricultural activities and animal production</li></ul>	Income tax
N/A	<ul style="list-style-type: none"><li>• 2-32% by product</li><li>• A fixed rate of 2% of the value of imported machinery and equipment</li></ul>	Import duties
N/A	N/A	Minimum exports

# VAT

- The value added tax was decreed by the President of the Republic by Law No. (67) of 2016. The Value Added Tax Law is composed of ten articles that identify taxpayer obligations.
- The law sets the general rate for taxes on goods and services at 13 percent for FY 2016/2017, and 14 percent starting FY 2017/2018, excluding the tax rate on machinery and equipment used for the production of goods or services, which is set at 5 percent, except for buses and passenger cars.

For a review of the VAT law, click on the following link:

[www.eta.gov.eg/images/salestax/lownew/1.pdf](http://www.eta.gov.eg/images/salestax/lownew/1.pdf)



Source: Egyptian Tax Authority.

# Adjustments to the Value Added Tax

Law No. 13 of 2020. Adjustments to the Value  
Added Tax law No. 67 of 2016

[Click here to view the full  
text of the resolution](#)

# Property Tax

- The property tax was imposed per Law No. 196 of 2008. The law defines properties subject to the tax. It also includes a list of properties exempted from the tax, as well as procedures for inventory, assessment, appeal, collection and penalties for non-compliance with the provisions of the law.
- The tax rate is unified: 10 percent of the annual rental value after deduction of 30 percent for residential properties and 32 percent for non-residential properties against expenses incurred by the taxpayer, including maintenance expenses.

For a review of the property tax law, click on the following link:

[www.rta.gov.eg/Home/BuildingTaxType?Length=4](http://www.rta.gov.eg/Home/BuildingTaxType?Length=4)



Source: Real Estate Tax Authority.

At the time of preparation of this Guide, it has been announced that amendments may be introduced to the law.

New  
2020

## The issuance of Law No. 23 of 2020 amending some provisions of the Built-Up Real Estate Tax Law promulgated by Law No. 196 of 2008

Law No. 23 of 2020 amending some provisions of the Built-Up Real Estate Tax Law promulgated by Law No. 196 of 2008

[Click here to view the full text of the resolution](#)

## Temporary Measures: Minister of Finance:

- Tax facilities for companies operating in 10 sectors affected by COVID-19
- Installment payment of the income tax due for the 2015 return until next June 30 without imposing any fines or surcharges
- Payment of 20% of the tax due during April, 30% in May and 50% before the end of June
- Postponing or installment payment of the real estate tax for the affected sectors for a period of three months without delay fines
- Waiving the real estate tax on hotel and tourism establishments for six months and delaying payment of all dues for three months without fines or late payment fees
- Allowing affected sectors to submit income tax returns until June 30 ... and payment in 3 installments without delay fees
- Not dispensing with workers is a condition to benefit from any of these facilities that support the affected sectors

# Customs System

- Presidential Decree No. 419 of 2018 on customs tariff was issued. The following are some of the most prominent amendments to the customs tariff in accordance with the decree:

Find out more on tariffs in the following link:

[www.customs.gov.eg/Services/Inquiries/Tariff](http://www.customs.gov.eg/Services/Inquiries/Tariff)



Item	Tariff Amendment
Consumer goods not related to the basic needs of the citizen	Ranging from 20% to 60%.
Materials used in the manufacture of sedative drugs	Only 2% to encourage the industry
Materials related to locally produced medicines for chronic and terminal diseases	Exempt from customs
Agricultural pesticides	Only 5% to encourage Egypt's agricultural exports
Materials used in the manufacture of LED bulbs	Exemption of light emitting diodes and only 5% for other parts to encourage this industry
Electric cars	Exempted to promote clean energy
Hybrid motor cars (Electricity + gas)	Cars less than 1600 cc: reduction from 40% to 30% More than 1600 cc: reduction from 135% to 100%
Medical Soap	Reduction from 60% to 40%
Clothes made of leather	Reduction from 60% to 40%

Source: Egyptian Customs Authority.

New  
2020

# Issuing Law No. 207 of 2020 promulgating the Customs Law

Law No. 207 of 2020 promulgating the Customs Law.

[Click here to view the full text of the resolution](#)





## 6. Trade Agreements

# Trade Agreements

Egypt's policies seek to make Egypt a global and regional hub for services, production and re-export, creating jobs and achieving economic growth through access to new markets for Egyptian products while attracting foreign direct investment from companies looking to benefit from: Egypt's preferential trade agreements, employment competitiveness and utility costs, skilled labor and proximity to major global markets. Together, these advantages make Egypt an ideal hub for export to Europe, the Arab world, the US and Africa.



**For more information,  
Contact the Trade  
Agreements Sector**

[tas.gov.eg](https://tas.gov.eg)





## 7. Defining Different Types of Zones

# Defining Different Types of Zones

Zones across the governorates are of different types. Each has a specific definition, affiliation and controls. Accordingly, projects that can be established in each of them vary.

**1. Industrial Zones**

**2. Free Zones**

**3. Investment Zones**

**4. Economic Zones**

**5. Logistical Zones**

**1. Industrial Zones**

*(Source: Industrial Development Authority)*

Zones that include specific areas of land located inside or outside governorates, and whose outer limits are delineated on survey maps. They are devoted to industrial projects and related service activities in accordance with provisions of laws and resolutions regulating industry.

# Defining Different Types of Zones (cont'd)

## 2. Free Zones

*(Source: General Investment Authority)*

### 2.1. Public Free Zones:

Zones under the sovereignty of the State, often located in one of the State's sea, land or air outlets, and are surrounded by fences to separate them from the rest of the country's territory. Public zones include investment projects that are established to take advantage of investment incentives and advantages in these zones. The State avails the necessary infrastructure for the exercise activity within the zone.

### 2.2. Special Free Zones:

Zones limited to one project only, as dictated by the nature of the project, such as if the project site is influential in relation to its economics (such as proximity to sources of raw materials), or the site is appropriate for the nature of activity such as maritime transport projects, cement silos, or if the project contributes to the development of a new urban area according to the State's plan. The project established per this system will enjoy the same benefits, incentives and guarantees as projects established in public areas.

*Note: Establishment of new companies under the special free zones system has been discontinued as per Law No. 17 of 2015.*

# Defining Different Types of Zones (cont'd)

## 3. Investment zones

*(Source: General Investment Authority)*

Investment zones arose under Law No. 19 of 2007. The legislator created a new system of investment under this law that was not previously covered by the Investment Guarantees and Incentives Law, namely, the investment zones system, where the establishment of investment zones was authorized by a decision of the Prime Minister operating in any of investment areas. A decision was issued per Prime Ministerial Resolution No. 1675 for 2007 determining the mechanisms for establishing and operating investment zones and the method of managing them. The main investor (developer) shoulders the burden of establishing and implementing the infrastructure, whether the main investor is a private company or a government body, and provides all services within the zone, which is the primary reason for establishing the investment zone.

### **Benefits, guarantees and exemptions:**

1. Homogeneity of investment activities in the same zone, availing investors competitive costs in terms of operating and marketing economics as a result of industrial integration.

# Defining Different Types of Zones (cont'd)

2. Exemption from stamp duty and notarial fees for a period of five years from the date of registering the project in the commercial register, as well as from the tax and fees referred to in the land registration contracts necessary for the establishment of companies and establishments.
3. Companies and establishments may not be nationalized or confiscated.
4. It is not permissible by administrative means to place companies and establishments in receivership or seize, confiscate, or freeze their funds.
5. No administrative body may interfere in the pricing of companies and establishments' products or determine their profit.
6. It is not permissible for any administrative authority to cancel or halt the license to use real estate that has been allocated to the company in whole or part except in case of violating the conditions of the license.
7. The board of directors of the investment zone approves the projects inside it and issues all necessary licenses according to simplified procedures and for nominal fees.

# Defining Different Types of Zones (cont'd)

## 4. Economic Zones

*(Source: General Authority For Suez Canal Economic Zone)*

The zone north west of the Gulf of Suez is the first economic zone established in Egypt under Law 83 of 2002 as an economic zone of a special nature. The primary objective of establishing the zone is to take advantage of foreign investment, develop industries and export to obtain foreign currency, as well as to develop new high-tech industries. It is an experimental zone for operating new projects, and establishing and improving the structure of the market economy in Egypt.



# Defining Different Types of Zones (cont'd)

## **Incentives**

Companies operating within the SC Zone are entitled to:

1. 100% foreign ownership of companies
2. 100% foreign control of import/export activities
3. Imports exempt from customs duties and sales tax
4. Customs duties on exports to Egypt imposed on imported components only, not the final product
5. Fast-track visa services

# Defining Different Types of Zones (cont'd)

## 5. Logistical Zones

*(Source: Internal Trade Development Authority )*

They are zones that provide integrated services covering storage and other complementary activities to ensure product safety and provision to consumers with high quality. They include closed warehouses, open and equipped storage yards, cold stores (freezing), sorting and packaging activities, wholesale and semi-wholesale activities, and outlet centers for neighboring factories.

# Sections of the Guide

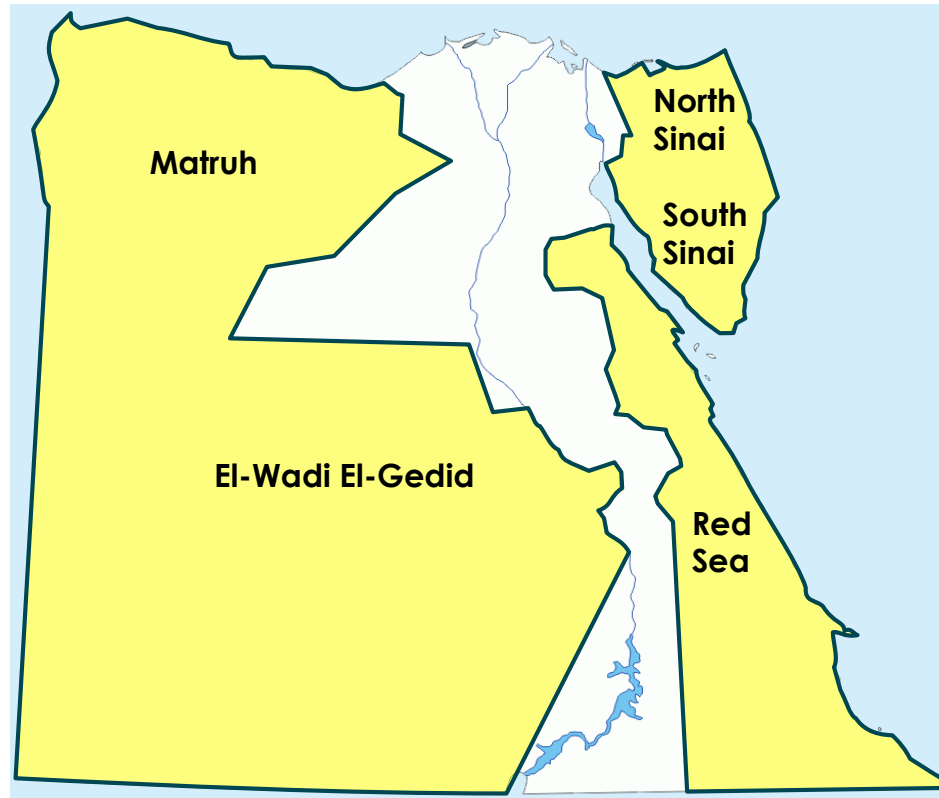
1. General information

2. Information about the Province

3. Detailed information about the Province's Governorates

1. Map of the Urban Governorates and Their Locations
2. Distances Between Cairo and The Cities of Urban Governorates
3. Total Area and Characteristics of The Population
4. Industrial Zones in Urban Governorates
5. Commercial Ports

# 1. Map of the Border Governorates and Their Locations

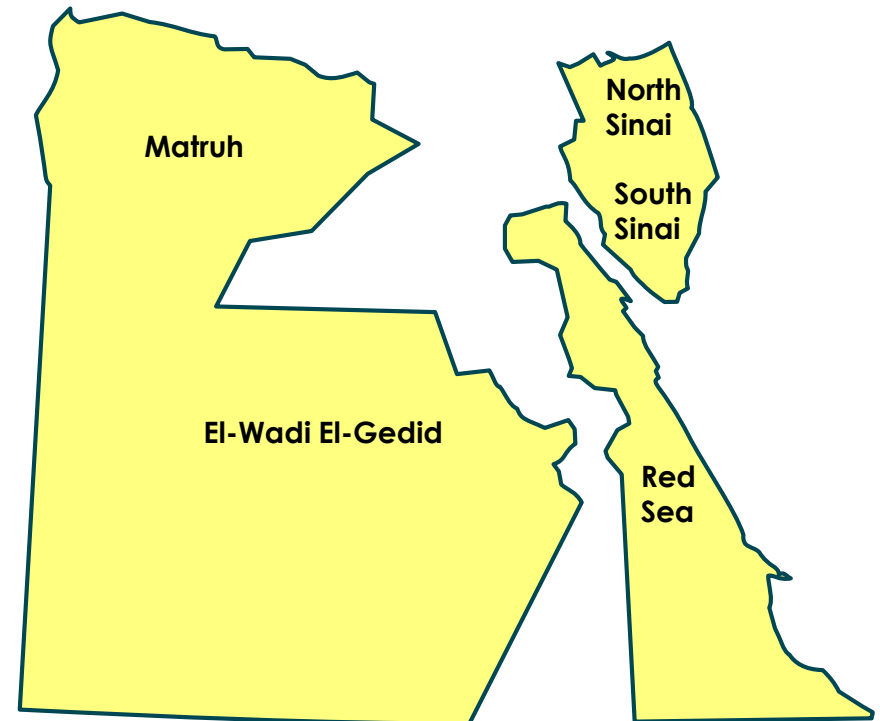
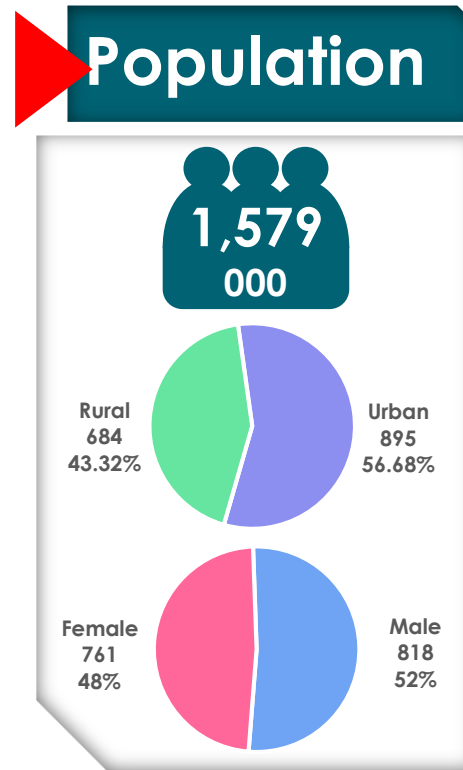
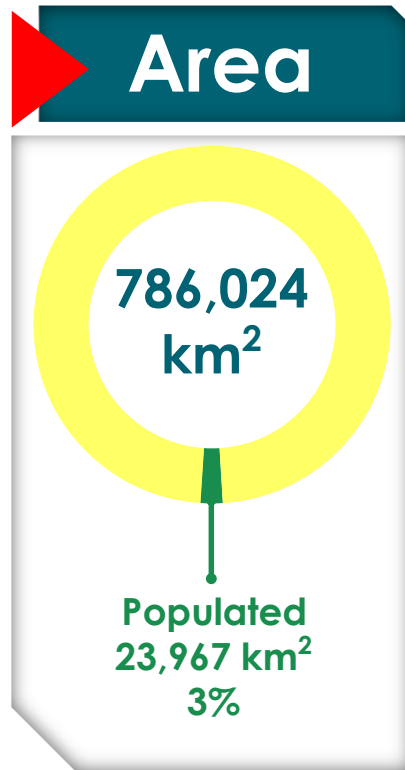


## 2. Distances Between Cairo and The Cities of Border Governorates

	KM
El-Dakhla	766
El-Kharga	600
Marsa Matruh	499
Hurghada	460
El-Arish	381
El-Tor	227

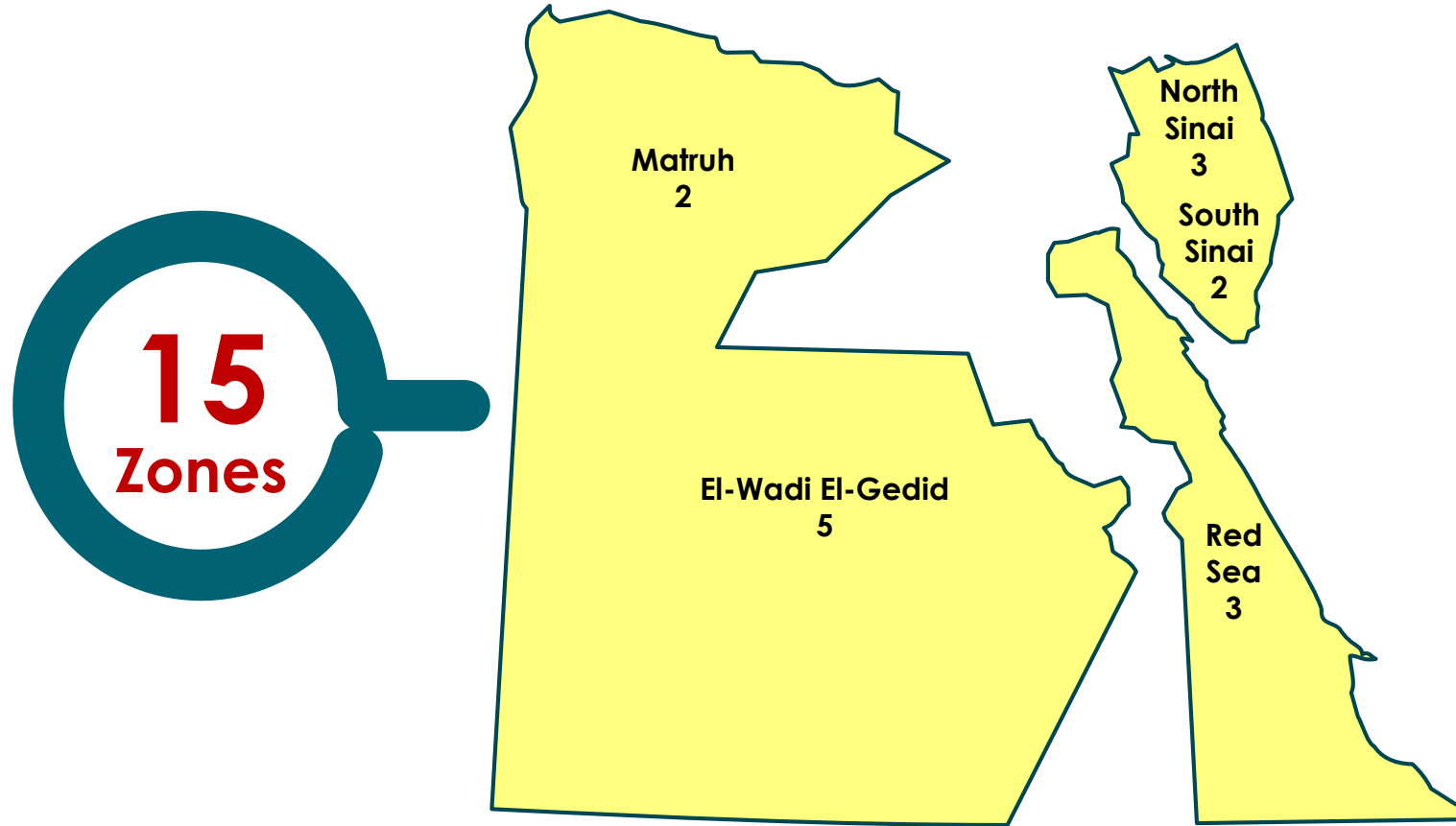


### 3. Total Area and Characteristics of the Population



Source: Census of Population, Housing and Establishments for 2017; Egypt in Figures 2018, Central Agency for Public Mobilization and Statistics.

## 4. Industrial Zones in Border Governorates



Source: Industrial Development Authority.

# For more data on industrial zones:

- For more data on industrial zones in the province, please contact:\*



**Investment Services  
Complex  
16035**

<http://www.gafi.gov.eg>



**New Urban Communities  
Authority  
+2(02)38519875**

<http://www.newcities.gov.eg>



**Industrial Development  
Authority  
19780**

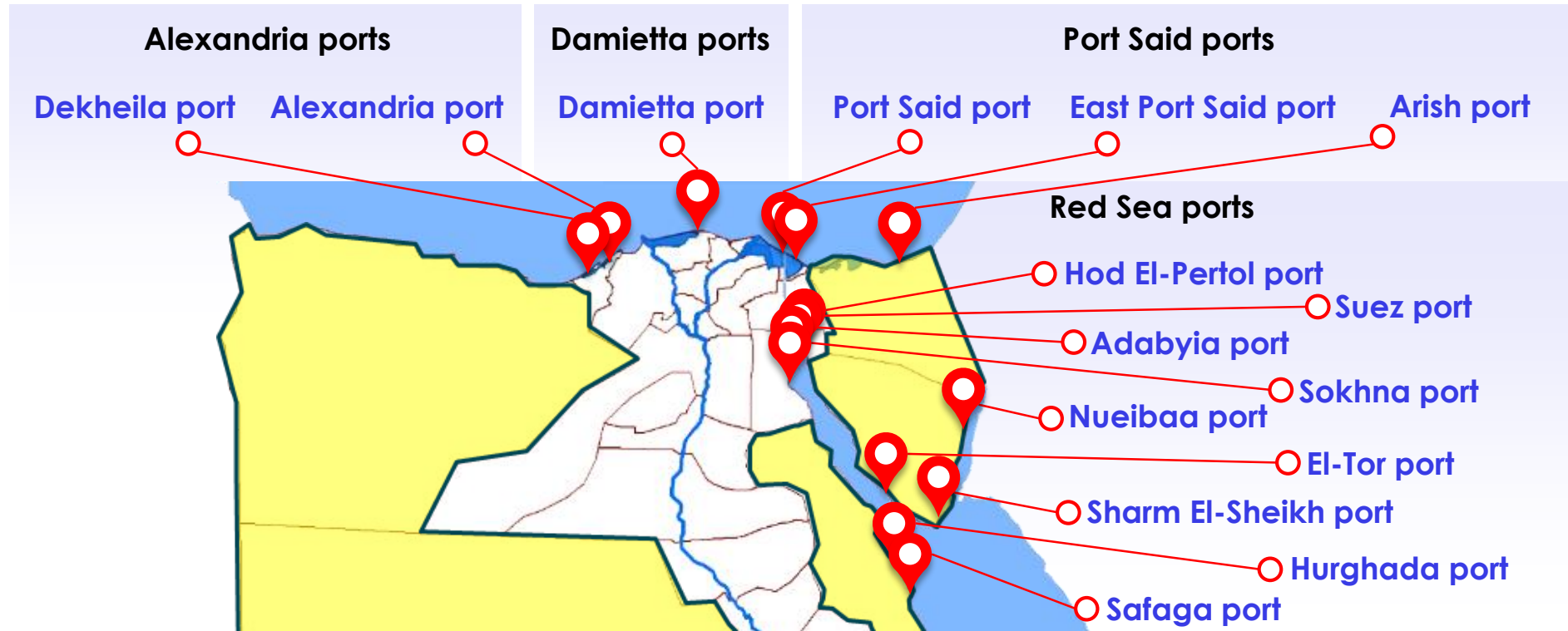
<http://www.ida.gov.eg>



\* To find out the entity is in charge of an industrial zone, see the zone table for each governorate.



## 5. Commercial ports near The Border Governorates



Source: Ministry of Transport.

Table of distances between governorates and commercial ports (km)\*

Gov.	Commercial Ports										
	Safaga	Hurgada	El-Tor	Nueibaa	Sharm El-Sheikh	Sokhna	Suez	Port Said	Damietta	Alexandria	Dekheila
Red Sea (Hurghada)	62	5	657	729	751	333	381	594	668	671	668
El-Wadi El-Gedid (El-Kharga)	595	650	985	1053	1075	697	724	807	794	792	790
Matruh (Marsa Matruh)	944	895	851	920	942	575	591	544	489	288	274
North Sinai (El-Arish)	711	662	437	312	467	330	288	223	298	485	494
South Sinai (El-Tor)	823	767	107	150	15	436	376	528	602	730	727

Farthest  Nearest

\* Approximate distances, Source: Google Maps.

# Sections of the Guide

1. General information

2. Information about the Province

3. Detailed information about the Province's  
Governorates



# Red Sea



- Area and Population
- Labor Force Indicators
- Industrial Zones and Infrastructure
- Challenges

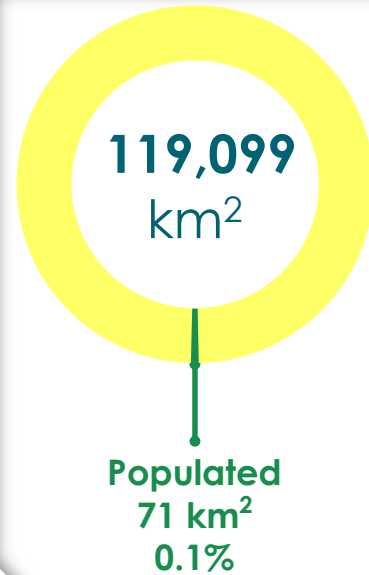




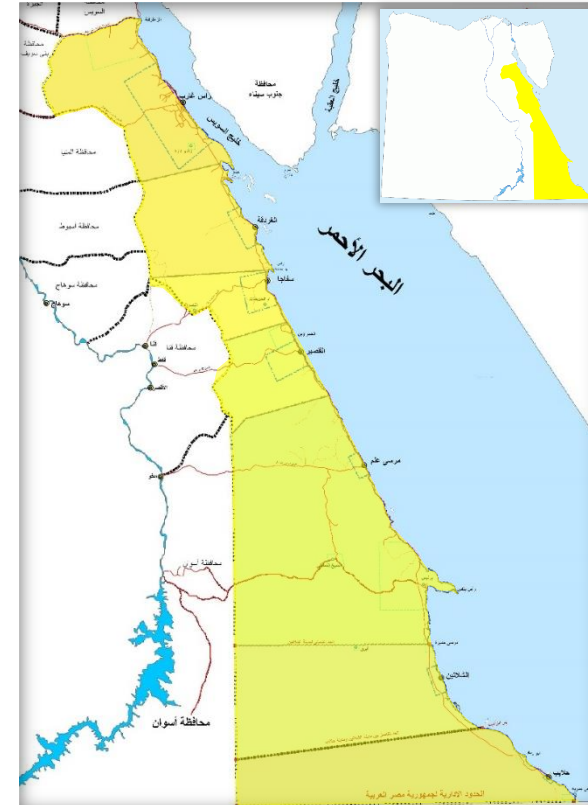
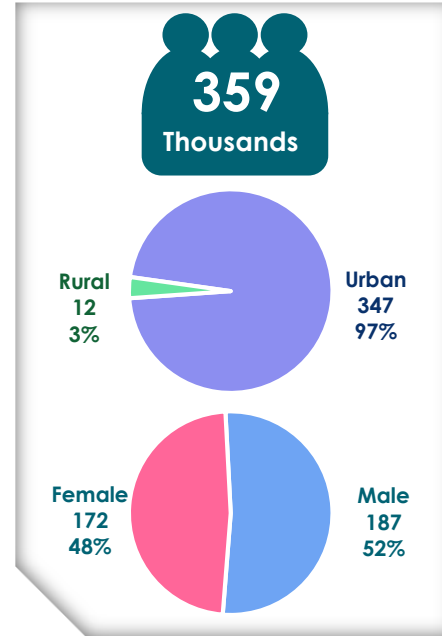
Red  
Sea

# Area and Population

## Area



## Population



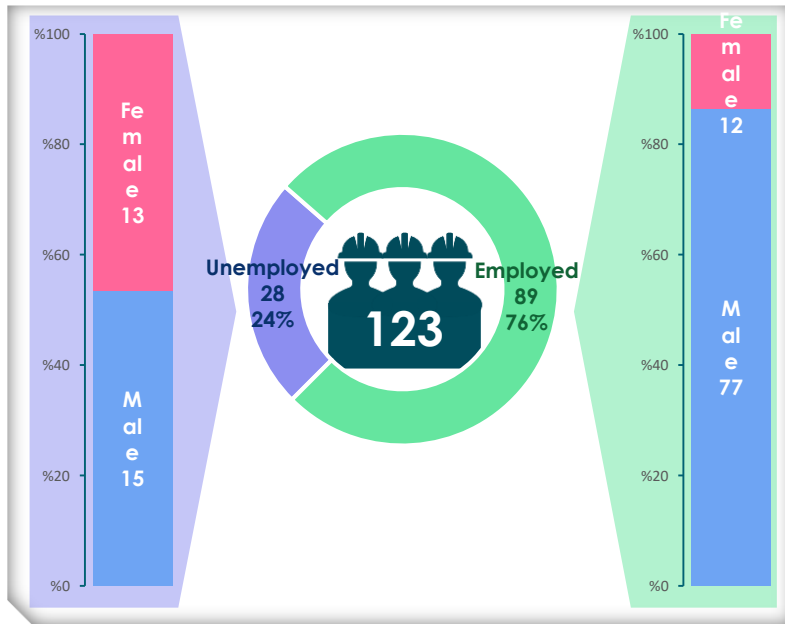
Source: Census of Population, Housing and Establishments for 2017; Egypt in Figures 2018, Central Agency for Public Mobilization and Statistics.



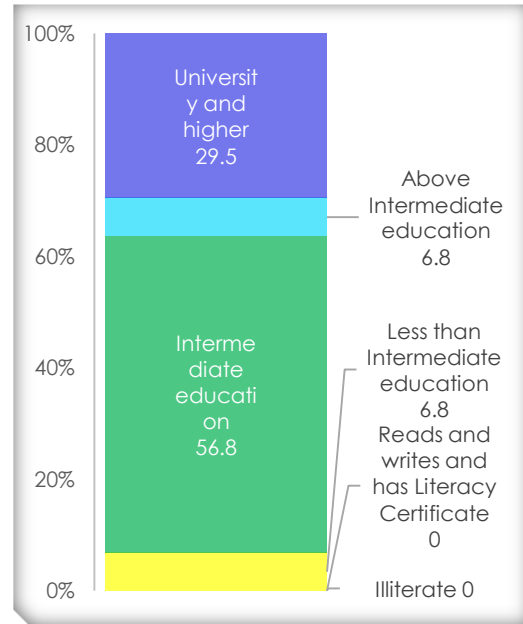
Red  
Sea

# Labor Force Indicators

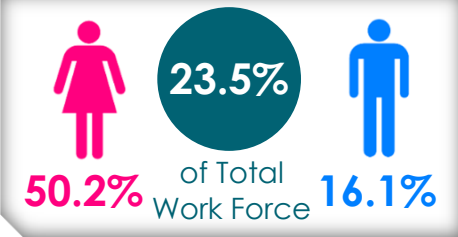
## Total Labor Force (Thousands)



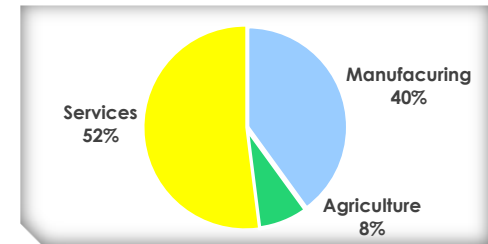
## Distribution of Unemployed According to Educational Status (%)



## Unemployment (%)



## Sectoral Distribution of Employment\*



Source: Egypt in Figures 2018; Statistical Yearbook 2017, Central Agency for Public Mobilization and Statistics.

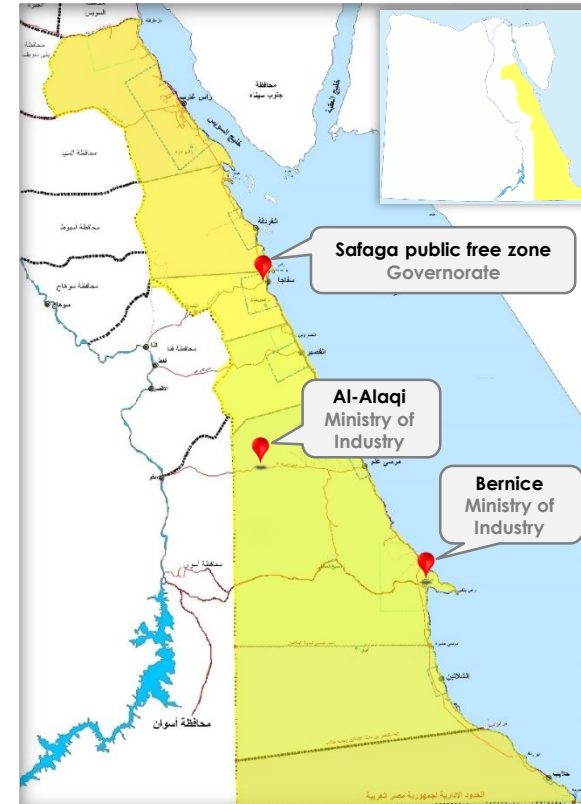
\*Source: Ministry of Investment.



Red  
Sea

# Industrial Zones in Red sea

#	Name	Affiliation
1	Al-Alaqi I & II	Ministry of Industry
2	Bernice I & II	Ministry of Industry
3	Safaga public free zone Area: 100 feddans	Governorate





Red  
Sea

## Industrial zone in Al-Alaqi I

Date  
Established

2008

Area

61.841 feddans

259.730.940 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.





Red  
Sea

## Industrial zone in Al-Alaqi II

Date  
Established

2008

Area

306.750 feddans

1,288,348,740 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



Red  
Sea

## Industrial zone in Bernice I

Date  
Established

2008

Area

120.485 feddans

506,037,840 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



Red  
Sea

## Industrial zone in Bernice II

Date  
Established

2008

Area

89.616 feddans

376,386,360 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



Red  
Sea

# Challenges

Challenges = Investment  
opportunities

- Lack of a permanent water source in the governorate.
- Lack of investments and expansion in the mining sector.
- Lack of support for Safaga's medical tourism.
- Non-organization of tourism conferences and festivals.
- Weak advertising and tourism marketing.
- Absence of animal or poultry activity in the governorate and reliance on the import of meat, dairy products and food commodities from Qena and Luxor.
- Lack of plans to support investment in agriculture.
- The rise of groundwater in some areas.



Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.

# El-Wadi El-Gedid



- Area and Population
- Labor Force Indicators
- Industrial Zones and Infrastructure
- Challenges





El-Wadi  
El-Gedid

## Area and Population

### Area

440,098  
km<sup>2</sup>

Populated  
1,082 km<sup>2</sup>  
0.2%

### Population

241  
Thousands

Rural  
130  
54%

Urban  
111  
46%

Female  
117  
49%

Male  
124  
51%



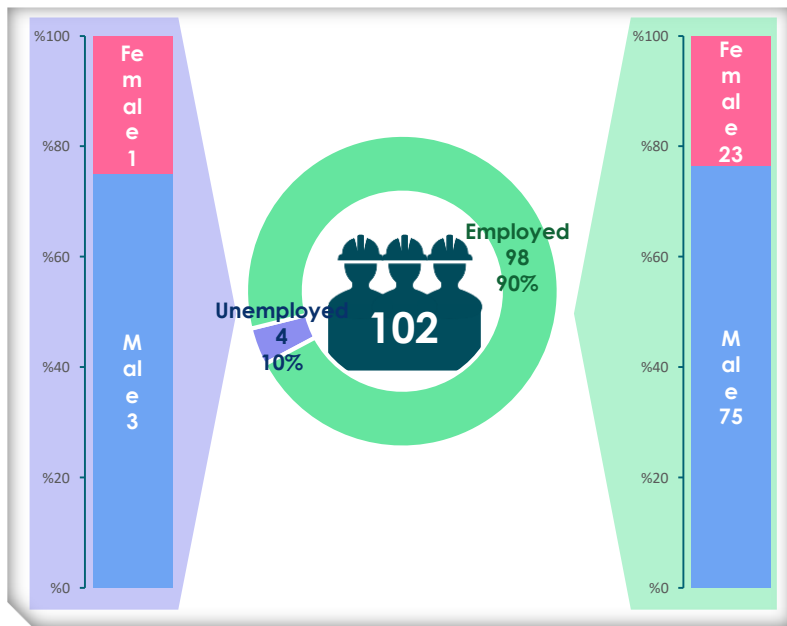
Source: Census of Population, Housing and Establishments for 2017; Egypt in Figures 2018, Central Agency for Public Mobilization and Statistics.



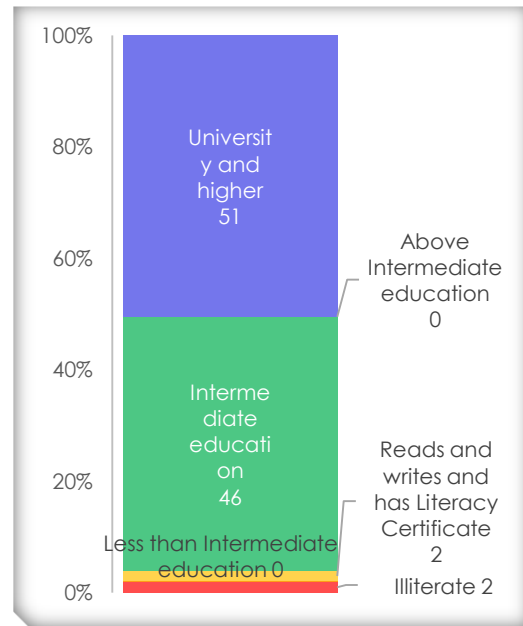
El-Wadi  
El-Gedid

# Labor Force Indicators

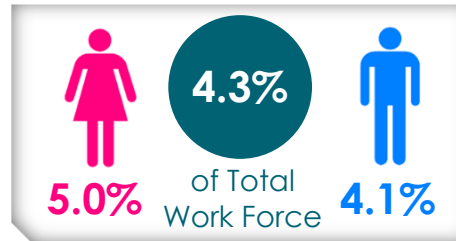
## Total Labor Force (Thousands)



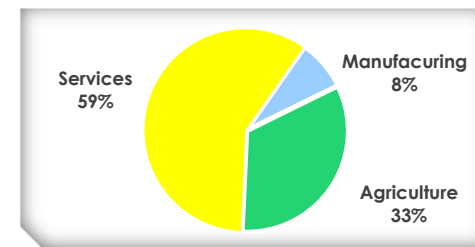
## Distribution of Unemployed According to Educational Status (%)



## Unemployment (%)



## Sectoral Distribution of Employment\*



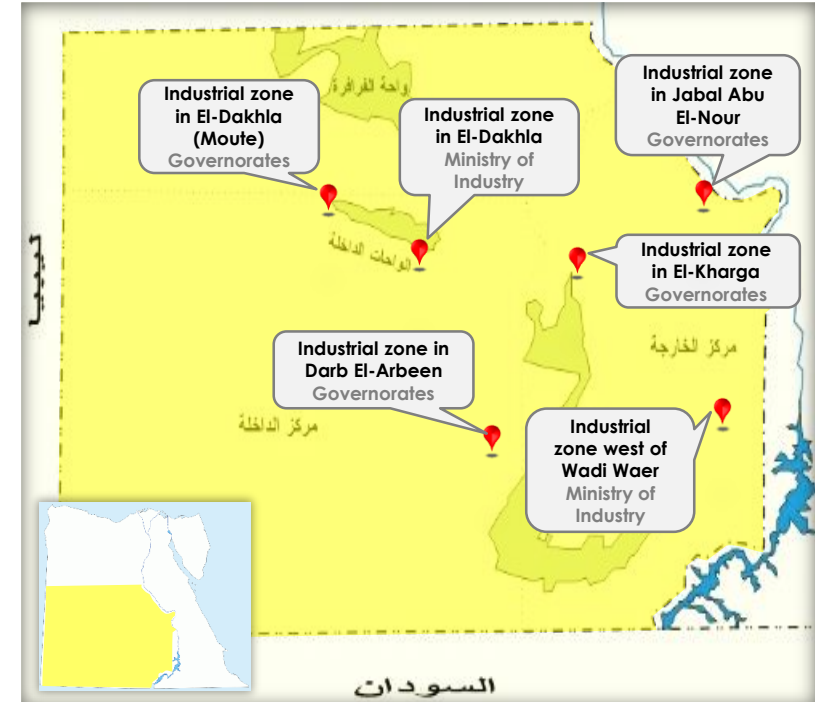
Source: Egypt in Figures 2018; Statistical Yearbook 2017, Central Agency for Public Mobilization and Statistics.

\*Source: Ministry of Investment.



# Industrial Zones in El-Wadi El-Gedid

#	Name	Affiliation
1	Industrial zone in El-Kharga	Governorates
2	Industrial zone in El-Dakhla	Ministry of Industry
3	Industrial zone west of Wadi Waer	Ministry of Industry
4	Industrial zone in Darb El-Arbeen (no data available)	Governorates
5	Industrial zone in Jabal Abu El-Nour (no data available)	Governorates







El-Wadi  
El-Gedid

## Industrial zone in El-Kharga

Date  
Established

1996

Area

180 feddans

756,000 m<sup>2</sup>

Infrastructure implementation  
percentage

Electricity

65%

Roads

65%

Water

65%

Sanitation

65%

Natural Gas

0%

Comm.

To be  
connected  
upon  
applying

% of Allocation

15%

Economic  
Activities

Food and  
beverages

Metallurgical

Wood

Chemical

Building materials

Source: Industrial Development Authority, January 2018.



El-Wadi  
El-Gedid

## Industrial zone in El-Dakhla (Moute)

Date  
Established

1996

Area

70 feddans

294,000 m<sup>2</sup>

Infrastructure implementation  
percentage

Electricity

100%

Roads

90%

Water

100%

Sanitation

100%

Natural Gas

0%

Comm.

40%

% of Allocation

48.7%

Economic  
Activities

Food and  
beverages

Metallurgical

Chemical

Wood

Source: Industrial Development Authority, January 2018.



El-Wadi  
El-Gedid

## Industrial zone in El-Dakhla (Heavy)

Date  
Established

2008

Area

298.043 feddans

1,251,780,600 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



El-Wadi  
El-Gedid

## Industrial zone in Wadi Waer

Date  
Established

2008

Area

231.158 feddans

970,861,920 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.

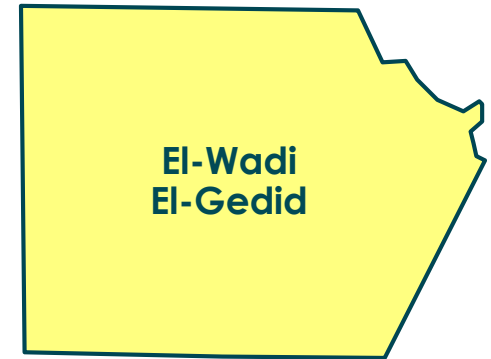


El-Wadi  
El-Gedid

# Challenges

Challenges = Investment  
opportunities

- Use of conventional irrigation systems that harm the groundwater reservoir.
- Low efficiency of some irrigation and drainage facilities.
- Pollution from sewage and agricultural drainage.
- Difficulties in marketing agricultural products.
- Shortage of cadres trained on new production systems.
- Geographical isolation and distance from major urban centers.



Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.



# Challenges (cont'd)

Challenges = Investment  
opportunities

- Lack of colleges or institutes in scientific and technological fields.
- Low industrial activity in the governorate.
- Labor force deficit and low technical level of employment.
- The low purchasing power makes it difficult to market manufacturing products.
- Lack of markets for manufacturing products.
- Weak communication and isolation of the region from other tourist areas.
- Low level of tourism education and lack of human resource skills.

Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.

# Matruh



- Area and Population
- Labor Force Indicators
- Industrial Zones and Infrastructure
- Challenges





Matruh

# Area and Population

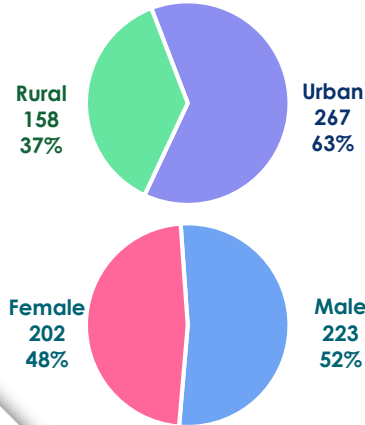
## Area

166,563  
km<sup>2</sup>

Populated  
3,921 km<sup>2</sup>  
2.4%

## Population

425  
Thousands



Source: Census of Population, Housing and Establishments for 2017; Egypt in Figures 2018, Central Agency for Public Mobilization and Statistics.

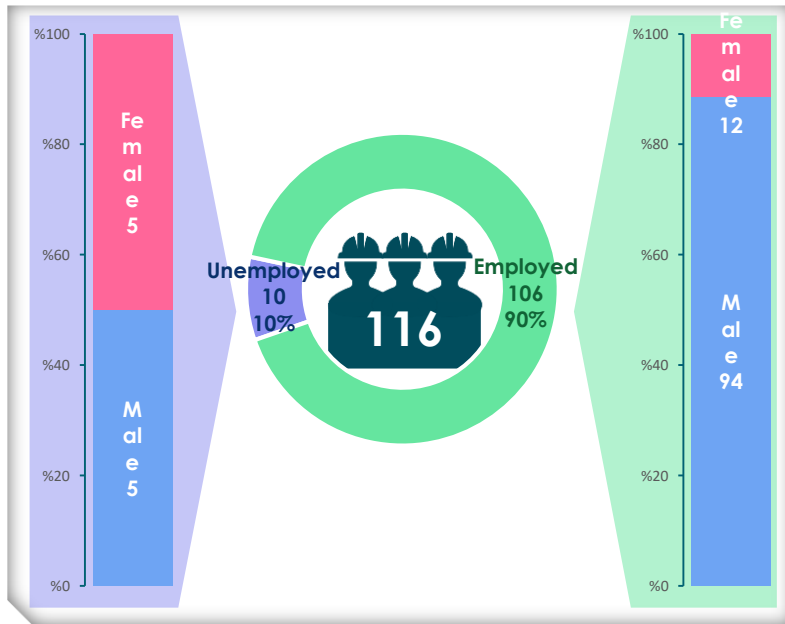




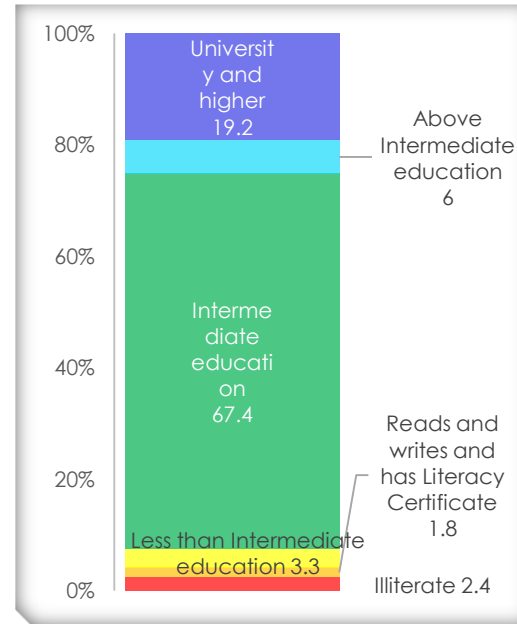
Matruh

# Labor Force Indicators

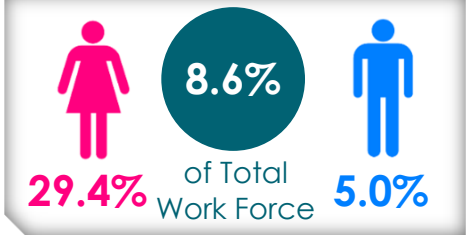
## Total Labor Force (Thousands)



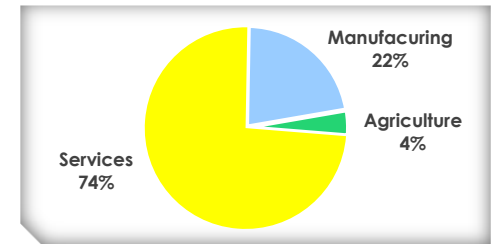
## Distribution of Unemployed According to Educational Status (%)



## Unemployment (%)



## Sectoral Distribution of Employment\*



Source: Egypt in Figures 2018; Statistical Yearbook 2017, Central Agency for Public Mobilization and Statistics.

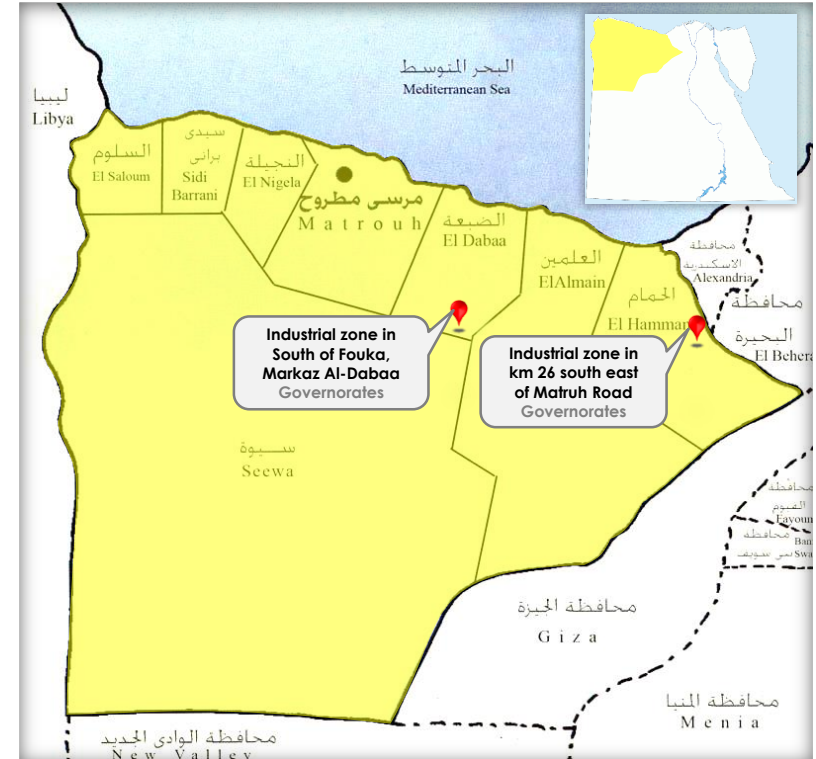
\*Source: Ministry of Investment.



Matruh

# Industrial Zones in Matruh

#	Name	Affiliation
1	Industrial zone in km 26 Southeast of Matruh Road	Governorates
2	Industrial zone in South of Fouka, Markaz Al-Dabaa	Governorates
3	industrial zones Alamein New city Area: 9 feddans	Governorates





Matruh

## Industrial zone in km 26 Southeast of Matruh Road

Date  
Established

1993

Area

803 feddans

3,372,600 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



Matruh

## Industrial zone in South of Fouka, Markaz Al-Dabaa

Date  
Established

2015

Area

290 feddans

1,218,000 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.

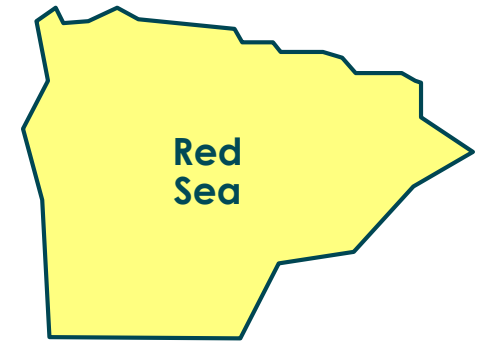


Matruh

# Challenges

Challenges = Investment opportunities

- Concentration of activity in traditional agriculture (rainwater) for domestic consumption.
- Oil and natural gas activity linked to companies with a concession for exploration and exploitation.
- Simplicity of industrial activity and predominance of craftsmanship, with geographical concentration.
- Commercial activity is concentrated in Matrouh and Salloum (land port).
- Commodity activity is limited to domestic tourism and for limited periods (summer months).



Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.



# Challenges (cont'd)

Challenges = Investment opportunities

- Predominance of non-hotel accommodation without availing appropriate services in line with preferences of international tourism.
- Lack of infrastructure and social services to meet the needs of stable communities in the area.
- Weak training and craftsmanship among large groups of young people.
- Non-exploitation of the traditional craft skills of Bedouin women.

Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.

# North Sinai

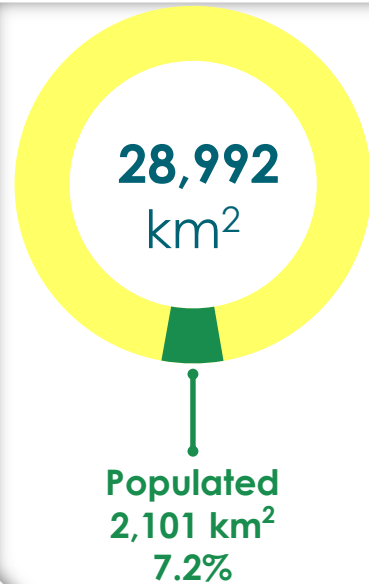


- Area and Population
- Labor Force Indicators
- Industrial Zones and Infrastructure
- Challenges

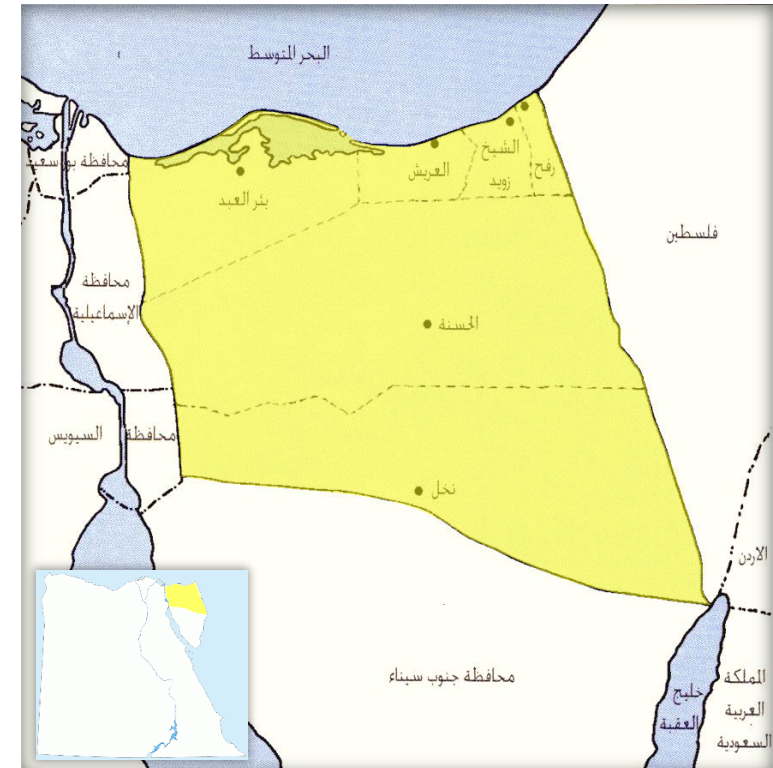
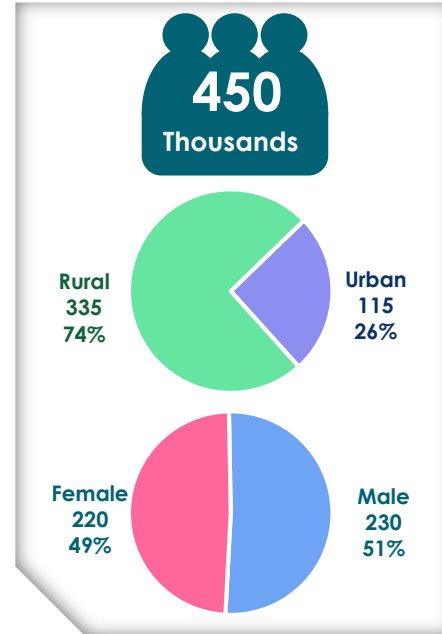


## Population

# Area



# Population



Source: Census of Population, Housing and Establishments for 2017; Egypt in Figures 2018, Central Agency for Public Mobilization and Statistics.

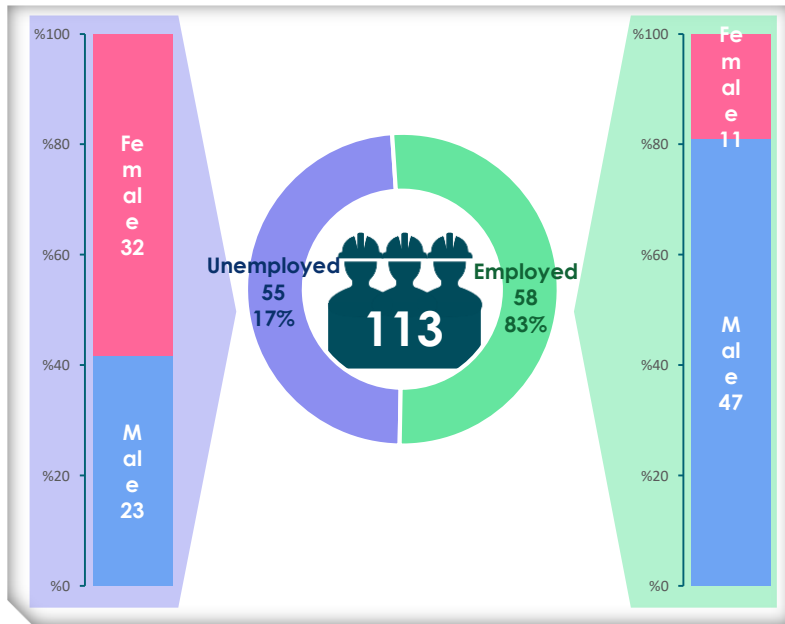




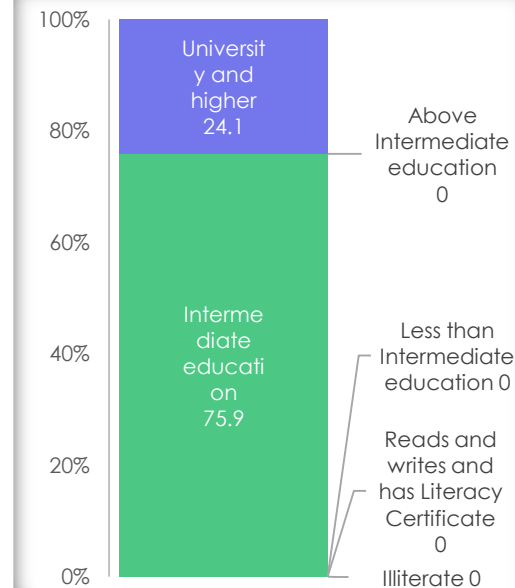
North  
Sinai

# Labor Force Indicators

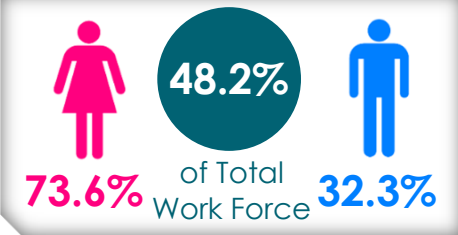
## Total Labor Force (Thousands)



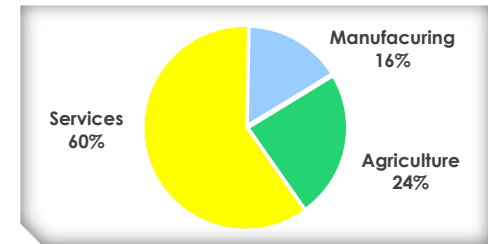
## Distribution of Unemployed According to Educational Status (%)



## Unemployment (%)



## Sectoral Distribution of Employment\*

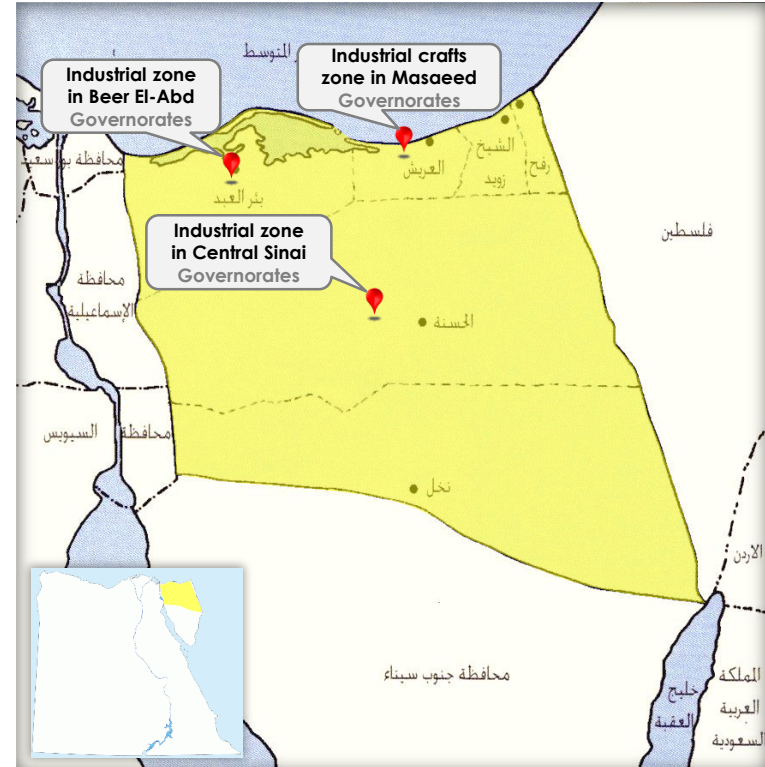


Source: Egypt in Figures 2018; Statistical Yearbook 2017, Central Agency for Public Mobilization and Statistics.

\*Source: Ministry of Investment.

## Industrial Zones in North Sinai

#	Name	Affiliation
1	Industrial zone in Beer El-Abd	Governorates
2	Industrial crafts zone in Masaeed	Governorates
3	Industrial zone in Central Sinai	Governorates





North  
Sinai

## Industrial zone in Beer El-Abd

Date  
Established

1993

Area

238 feddans

999,600 m<sup>2</sup>

Infrastructure implementation  
percentage

Electricity

100%

Roads

100%

Water

100%

Sanitation

100%

Natural Gas

N/A

Comm.

N/A

% of Allocation

N/A

Economic  
Activities

Food and  
beverages

Metallurgical

Chemical

Wood

Source: Industrial Development Authority, January 2018.



North  
Sinai

## Industrial zone in Masaeed – Phase I

Date  
Established

1987

Area

238 feddans

999,600 m<sup>2</sup>

Infrastructure implementation  
percentage

Electricity

70%

Roads

75%

Water

75%

Sanitation

N/A

Natural Gas

N/A

Comm.

N/A

% of Allocation

N/A

Economic  
Activities

Food and  
beverages

Textile

Bricks

Textiles &  
Garments

Source: Industrial Development Authority, January 2018.



North  
Sinai

## Industrial zone in Masaeed – Phase II

Date  
Established

2010

Area

129 feddans

541,800 m<sup>2</sup>

% of Allocation

N/A

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



North  
Sinai

## Industrial zone in Mid-Sinai

Date  
Established

2017

Area

78,386 feddans

329,223,300 m<sup>2</sup>

% of Allocation

0%

Economic  
Activities

None

Infrastructure implementation  
percentage

Electricity

0%

Roads

0%

Water

0%

Sanitation

0%

Natural Gas

0%

Comm.

0%

Source: Industrial Development Authority, January 2018.



North  
Sinai

# Challenges

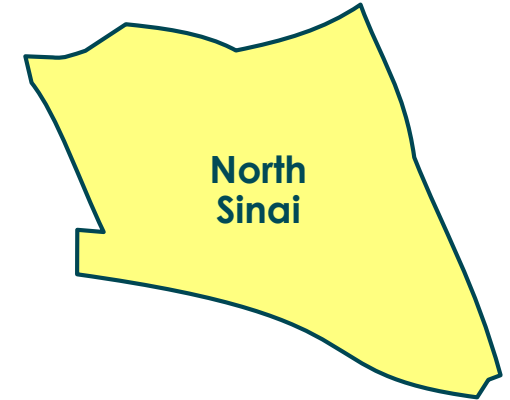
Challenges = Investment  
opportunities

## Limited water resources

- Limited renewable water resources, leading to slower development rates.
- Need to expand the industrial works of dams, industrial lakes and ground rainfall storage bridges.
- Need to exploit water resources existing in the subsurface and rocks in North Sinai.
- Absence of modern technologies in handling renewable groundwater wells to prevent their depletion.

## Energy challenges

- Non-utilization of new and renewable energy resources in saving energy.
- Low efficiency of energy and resources.



Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.



# Challenges (cont'd)

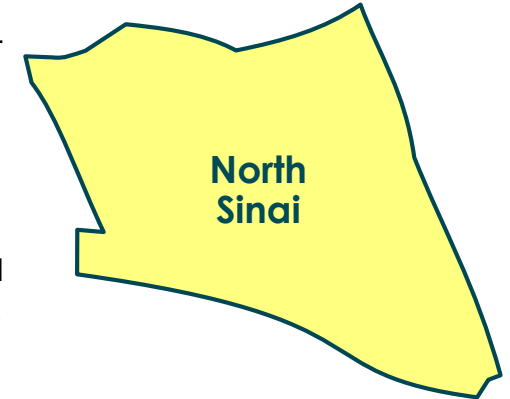
Challenges = Investment opportunities

## Human development challenges

- Absence of factors that attract population from outside the governorate.
- Difficulty of influencing the demographic variable as it relates to the Sinai culture and inherited customs.

## Transport challenges

- Slow implementation of lateral road projects (Qantara Sharq - Rafah - Ismailia - Awja) to support links with the area west of the Suez Canal.
- Delayed expansion of the railway network in North Sinai.
- Need to develop the transport system between the Gulf of Aqaba and the Mediterranean.



Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.



# South Sinai



- Area and Population
- Labor Force Indicators
- Industrial Zones and Infrastructure
- Challenges

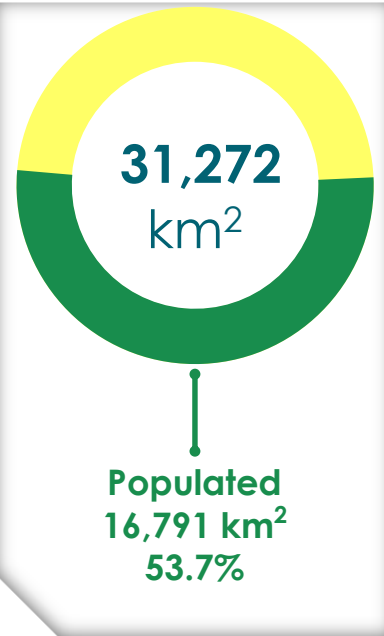




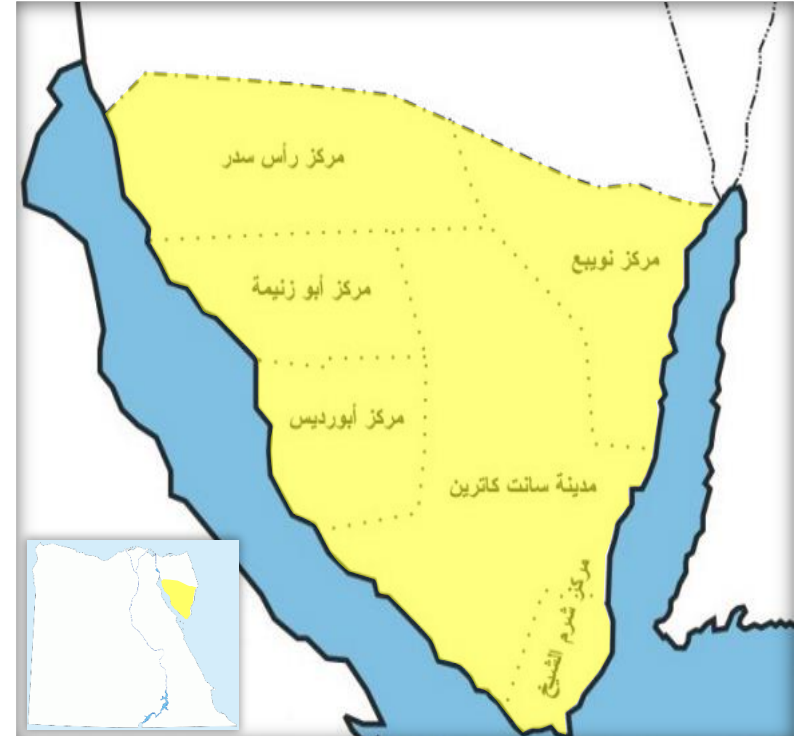
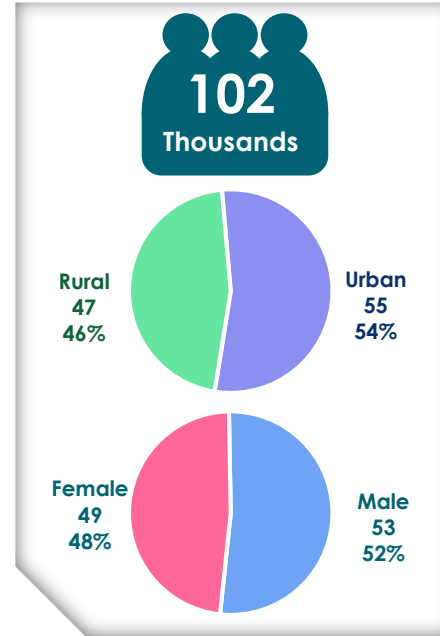
South  
Sinai

# Area and Population

## Area



## Population



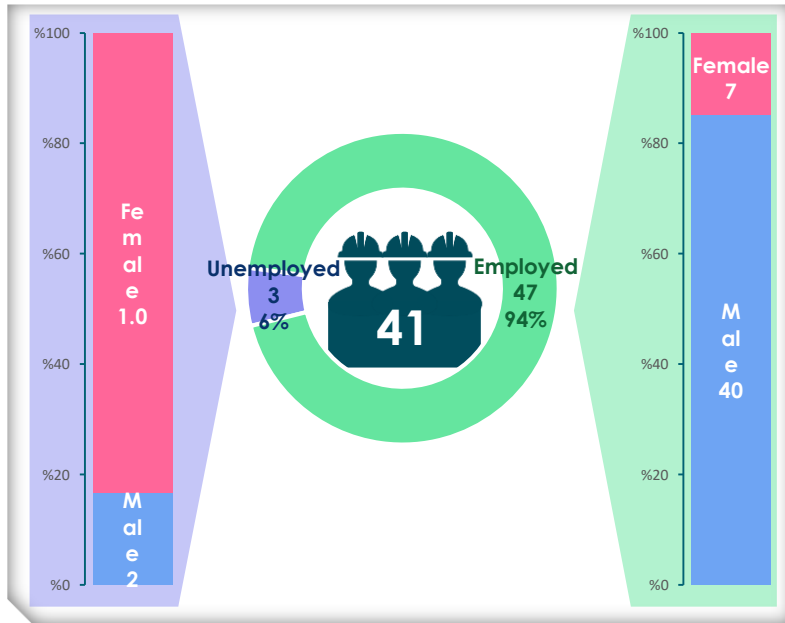
Source: Census of Population, Housing and Establishments for 2017; Egypt in Figures 2018, Central Agency for Public Mobilization and Statistics.



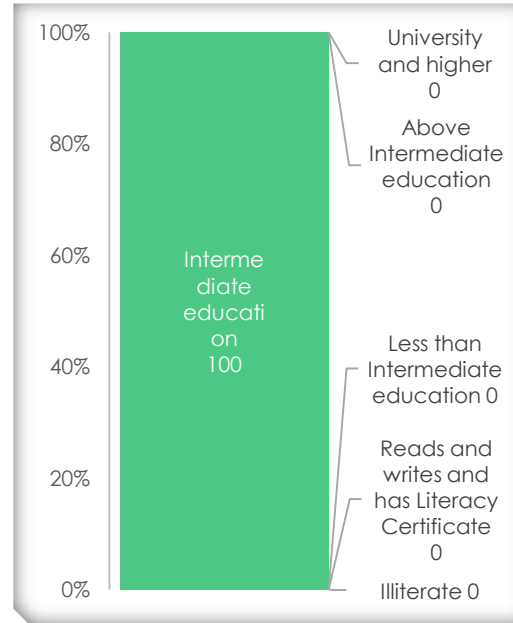
South  
Sinai

# Labor Force Indicators

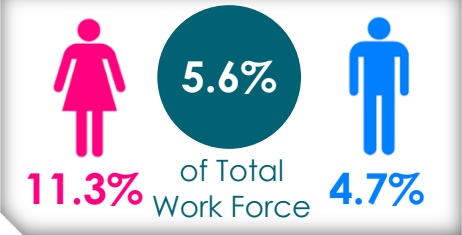
## Total Labor Force (Thousands)



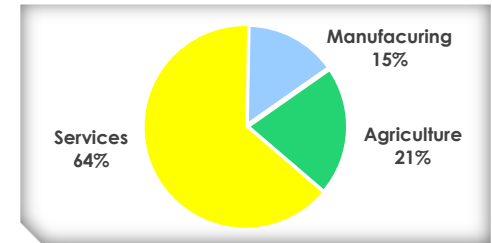
## Distribution of Unemployed According to Educational Status (%)



## Unemployment (%)



## Sectoral Distribution of Employment\*



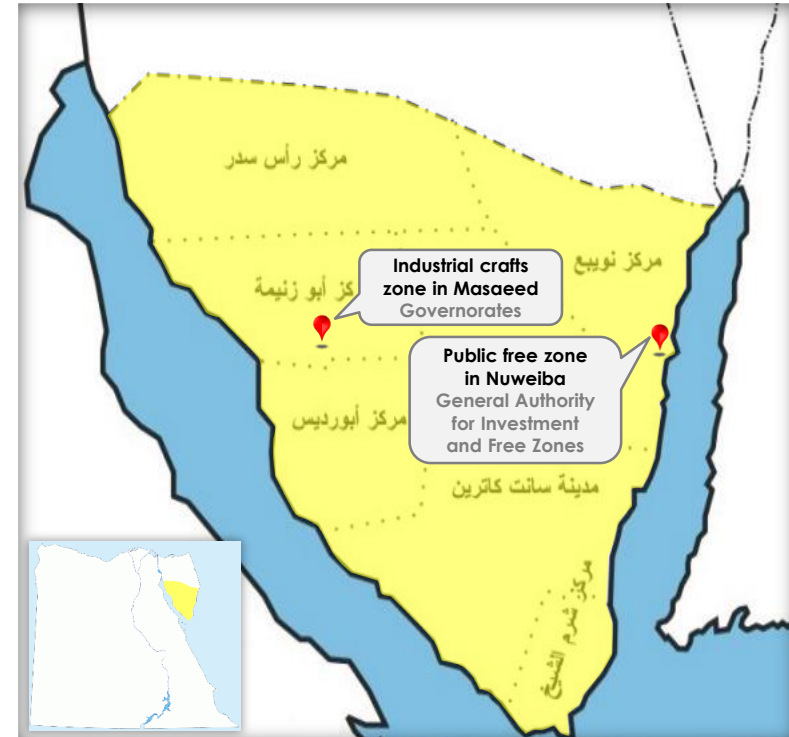
Source: Egypt in Figures 2018; Statistical Yearbook 2017, Central Agency for Public Mobilization and Statistics.

\*Source: Ministry of Investment.



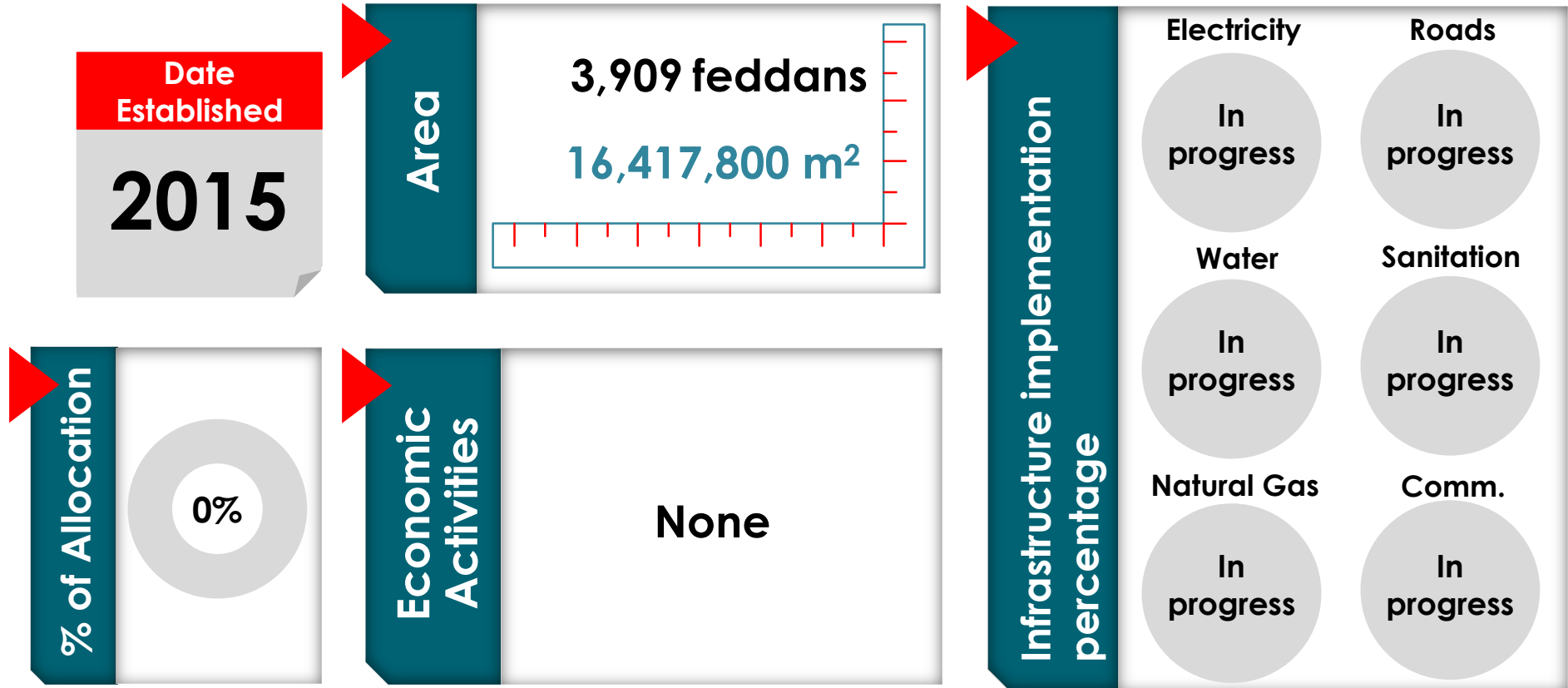
## Industrial Zones in North Sinai

#	Name	Affiliation
1	Industrial zone in Abu Zeneima	Governorates
2	Public free zone in Nuweiba Area: 238 feddans Established: 2014	General Authority for Investment and Free Zones





## Industrial zone in Abu Zeneima – industrial zone in km 9



Source: Industrial Development Authority, January 2018.



South  
Sinai

# Challenges

Challenges = Investment  
opportunities

## Limited water resources

- Limited renewable water resources, leading to slower development rates.
- Need to exploit water resources existing in the subsurface and rocks in South Sinai.
- Absence of modern technologies in handling renewable groundwater wells to prevent their depletion.
- Need to weigh the costs of transporting Nile water against desalination of seawater.
- depletion.



Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.



South  
Sinai

# Challenges (cont'd)

Challenges = Investment  
opportunities

## Energy challenges

- High cost of production of new and renewable energy represents a burden on urban development.
- Low usage efficiency of new and renewable energy.

## Human development challenges

- Lack of skilled and trained manpower and the need to prepare and qualify technical cadres and train workers as one of the most important factors of human development.

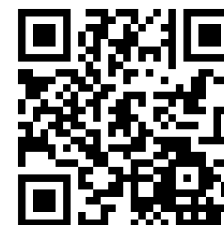


Source: Strategies for developing the governorates of the Republic in the light of the new demarcation, 2014.

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