



# مصر

**INVEST IN  
EGYPT**

August 2019

# Egypt at a glance

	2015/2016	2016/2017	2017/2018	2018/2019
Real GDP growth rate	4.3%	4.2%	5.3%	5.6%
Inflation rate (CPI urban)	10.9% (Jan. 2016)	28.1% (Jan. 2017)	17.1% (Jan. 2018)	8.7 % (July 2019)
Population	89 Mn (Jul 2015)	91 Mn (Jul 2016)	97.6Mn (Sep. 2018)	99.079 Mn (Aug.2019)
Net FDI (USD bn)	6.9	7.9	7.7	4.6 (Jul.-Mar.2018/19)
International Reserves (USD bn)	17.5 (Jun. 2015)	31.3 (Jun. 2016)	44.5 (Oct. 2018)	44.9 (July 2019)
Unemployment Rate (%)	12.5 (2016)	11.8 (2017)	8.9 (2018)	8.1 (Q1 2019)
Doing Business Rank	122 (2017)	128 (2018)	120 (2019)	120 (2019)
Global Competitiveness Report Rank	115 (2016)	100 (2017)	94 (2018)	94 (2018)

**Why Egypt?**

# Why Egypt?

- **Central location & proximity to the global market**
- Access to a large consumer base in Egypt and beyond
- Large pool of trained and skilled labor
- Revamped infrastructure base
- Abundance in natural resources
- Competitive tax rates
- Growing economy



- **Gate to Africa & the Middle East**
- **Center of the World**



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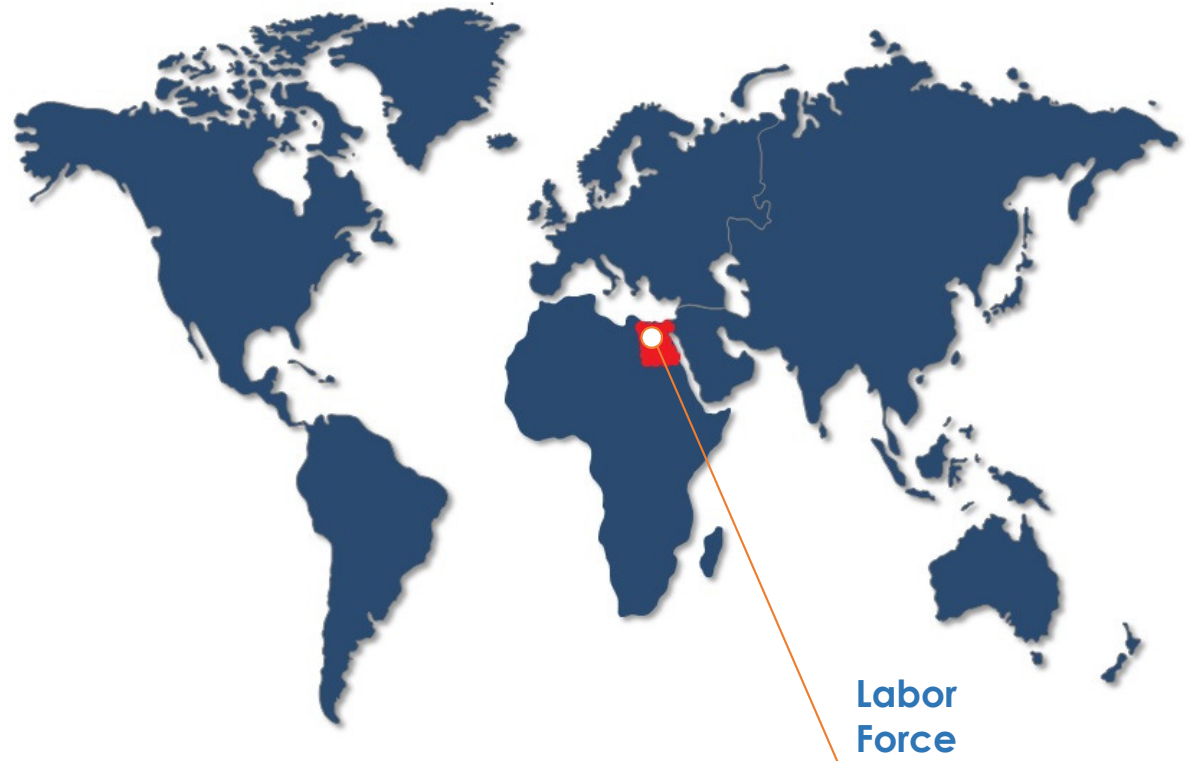
## FTAs

- |            |                    |
|------------|--------------------|
| ▪ COMESA   | ▪ Aghadir          |
| ▪ GAFTA    | ▪ EFTA             |
| ▪ EU Egypt | ▪ Egypt Mercosur   |
| ▪ QIZ      | ▪ Egypt Turkey FTA |



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Labor  
Force

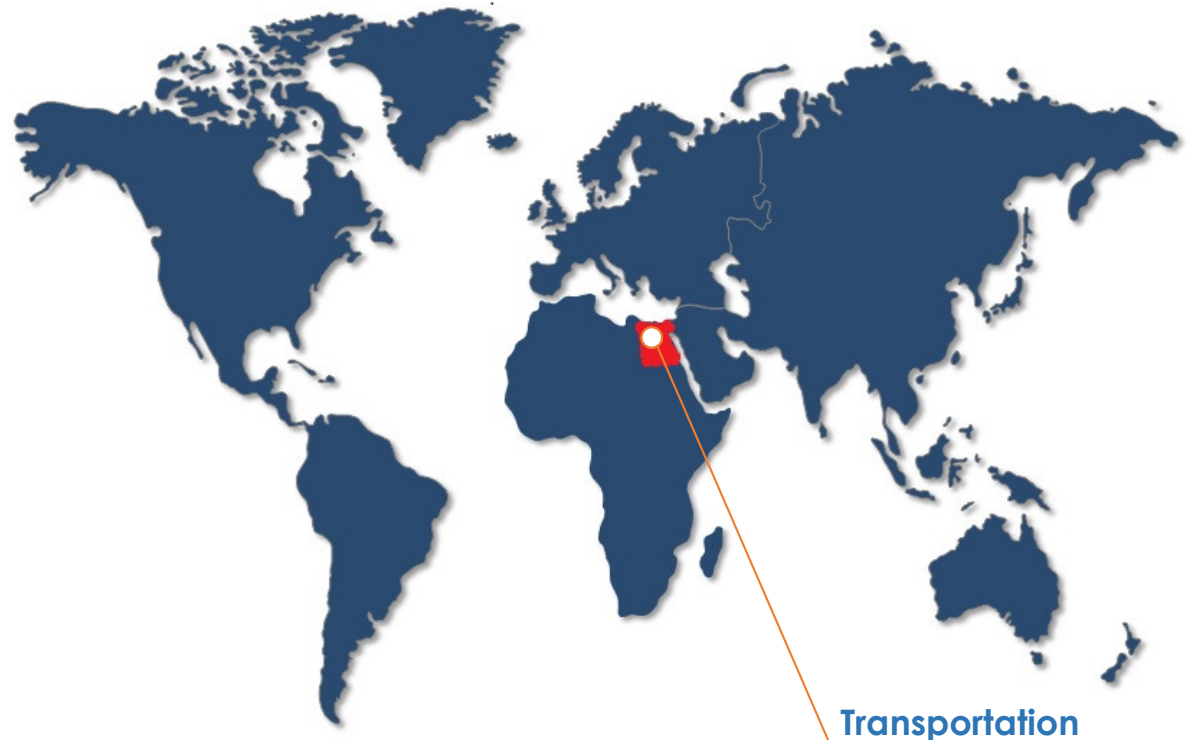
- Over **29**million
- **60%** under **30**
- Competitive wages





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## Transportation

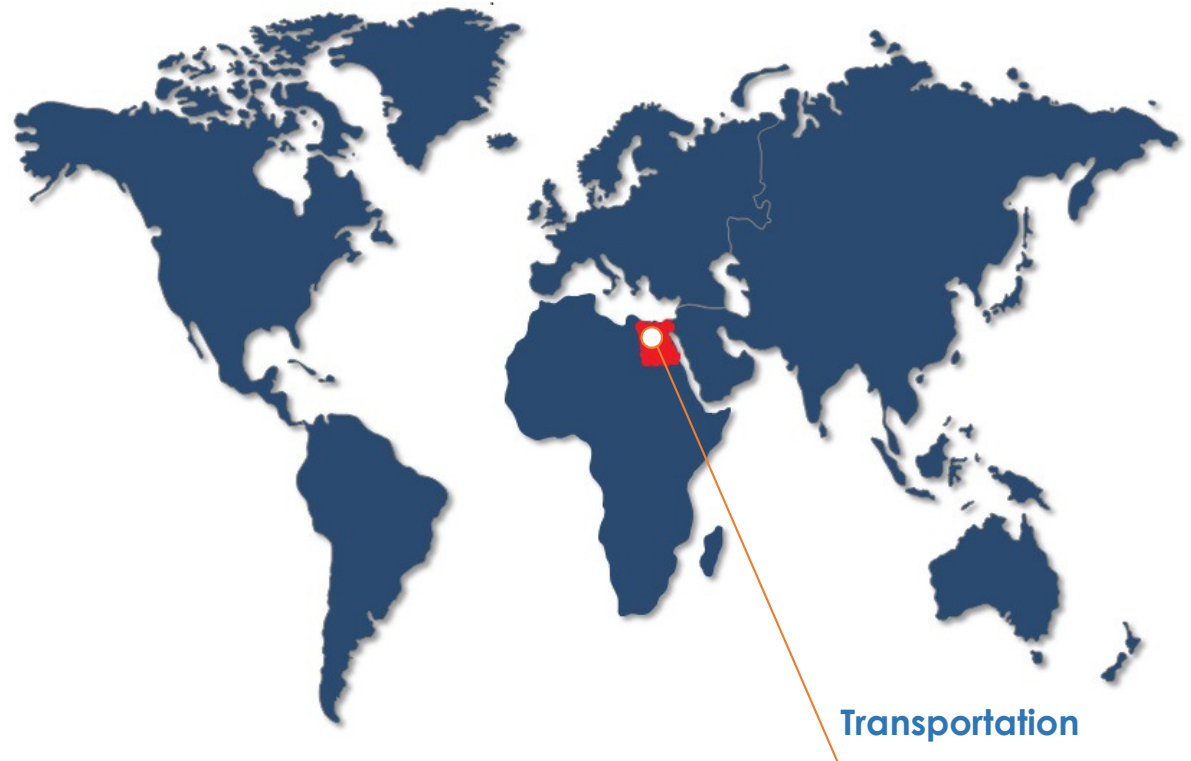
- **20** Airports
- **191** Railway stations
- **15** Seaports & **Suez Canal**
- **Subway** network





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- **174.6 km Road Network**
- **Communication Networks**



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**Mineral & Renewable  
Resources**



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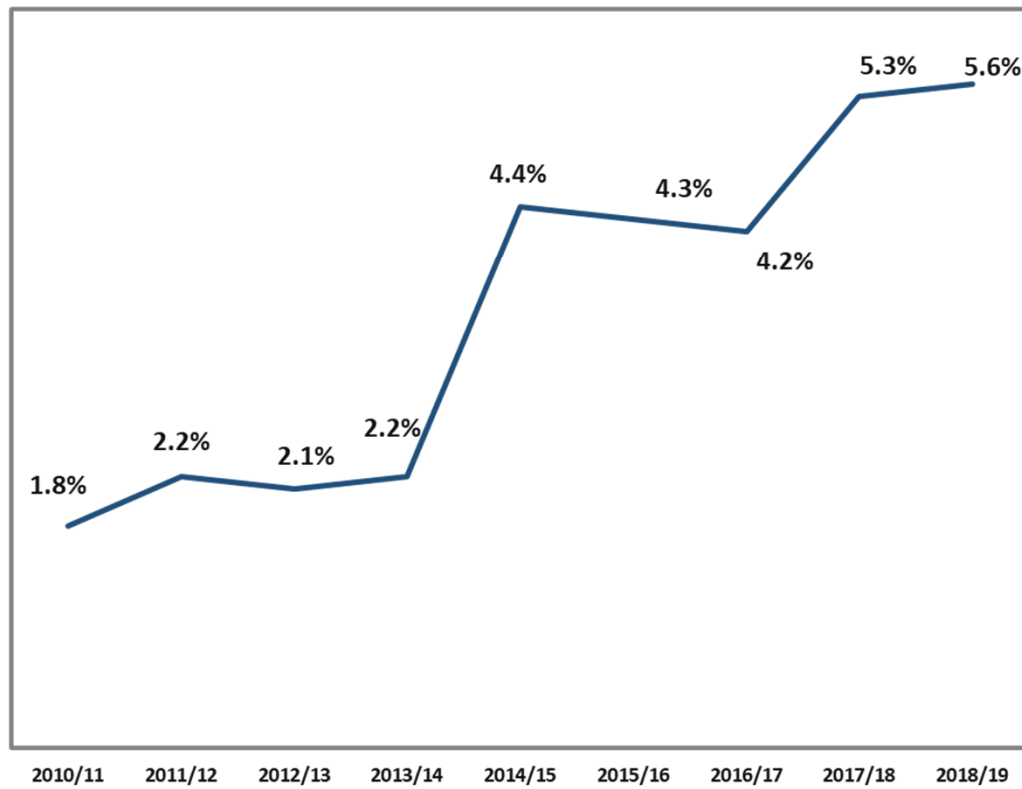


- **Economic Indicators**
- **International Ranking**



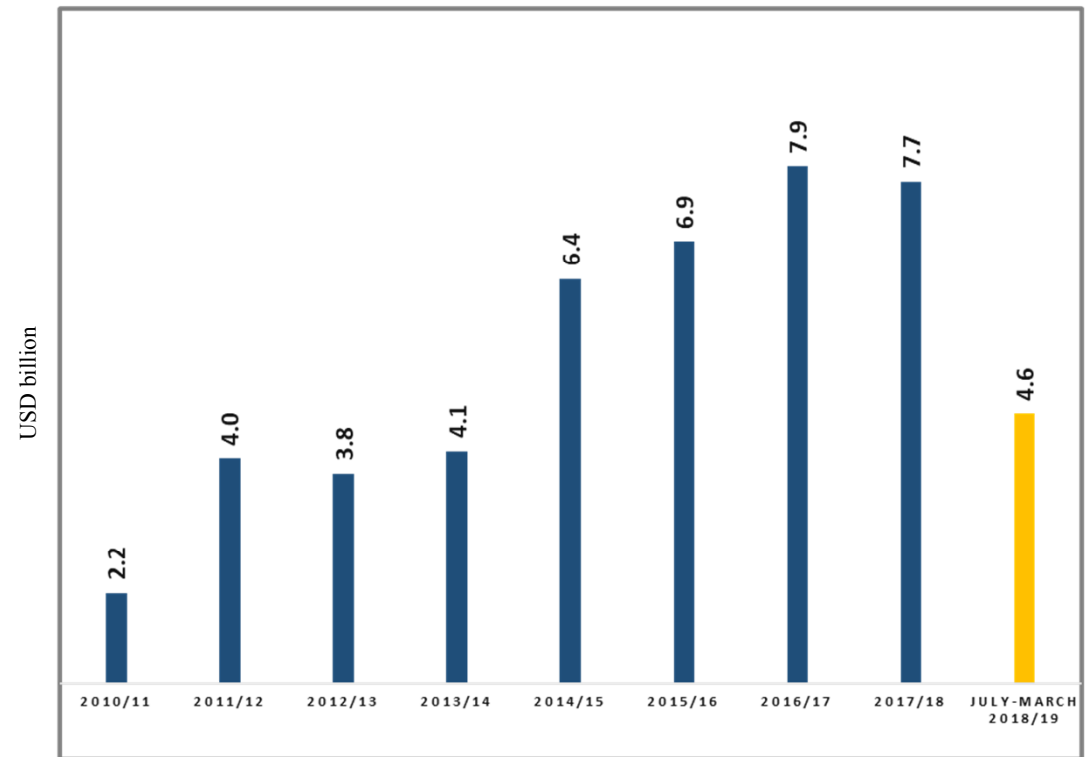
# Economic Indicators

## GDP Growth Rate



Source: Ministry of Planning

## FDI in Egypt



Source: CBE

# Sovereign Credit Rating



**S&P Global**  
Ratings

Revised Egypt's Sovereign Credit outlook being **"Positive"** in Nov. 2016 & **"B" (Stable)** in May 2018

**MOODY'S**  
HOME

Last rated Egypt's Sovereign Credit outlook as **"B2" (Stable)** in April 2019

**Fitch**Ratings

Last rated Egypt's Sovereign Credit outlook as **"B+" (Positive)** in May 2019



# Investment Climate Reforms

# **Reforms are underpinned by actions aimed at improving the legislative framework of investment...**

## **Legal / Regulatory Reforms**

- **The legislative reforms are pivotal in any economy reform process, in order to complement the macro-economic ongoing reforms. Hence, full-fledged Legislative Reform plan is taking place, of which some laws are amended and some were newly decreed such as :**
  - **New Investment Law.**
  - **Insolvency & Debt restructuring law.**
  - **Sole Partnership Companies.**
  - **Commercial Registry Law.**
  - **Commercial Companies Law.**
  - **Mortgage Law and Capital Market's Law.**
  - **Bankruptcy law.**

# Investment Incentives

## General Incentives

- All investment projects, except free zone projects, shall enjoy the following general incentives for a period of 5 years:
- Exemption from Stamp Duty Tax and Notary Public Fees on:
  - Registration of the constitutional documents of a company.
  - Loan agreements.
  - Pledge contracts.
- Exemption from Land Registration Fees.
- Unified Flat Customs Duty Rate fixed of 2% on equipment and machines required for setup.

## Special Incentives

- The new investment projects and the expansions for companies established according to the investment law, shall be allowed to a special incentive represented in a tax redemption according to the following criteria;

# Investment Incentives – Cont'

## Zone A - Tax Deduction of 50%

- Projects located in the areas that are much in need for development .(upper Egypt, Red Sea , golden triangle, Sinai, New valley ,& SE ZONE)
- The 50% shall be calculated of the Investment cost of the project.
- The 50% will be deducted from the taxable net profit Over 7 years.

## Zone B - Tax Deduction of 30%

- Projects located in the rest of the country.
- 30% of the investment cost of the project shall be granted for the following activities:  
Labor-intensive projects.
  - SMEs
  - Renewable energy projects.
  - Tourism projects as specified by the SIC.
  - Vehicle and related feeders industry projects.
  - Wood, furniture, printing, packaging and chemical industries.
  - Antibiotic, cancer treatment and cosmetics.
  - Food and agricultural products as well as agricultural waste projects.

# Streamlining Investment Procedures



## Investor Service Center

- Special 'Investor State Center' in GAFI to function as a one-stop-shop.
- Establish/liquidate companies.
- Ratify BOD, OGM and EGM
- Issue all kind of licenses Capital increase/reduction.
- Representatives from relevant authorities will exist in this center, and will have powers to issue approvals.
- The Law provides for the automation of such services ASAP.



## Accreditation Offices

- Private sector service providers licensed by GAFI to assist investors to review and apply for project's licenses and permits.
- It will issue certificate that investor is financially and technically compliant.
- GAFI will accept the certificate and issue required license within 60 days.
- Non-reply will be considered an implied approval.



## Golden License

- Strategic projects and PPP project in infrastructure, renewable energy, transportation or ports can be established and operated by virtue of a single license to be issued by the Cabinet.



## Facilitating Exit Procedures

- 120 days from receiving liquidation request.
- Concerned authorities are required to advise of any liabilities which are due.
- If no such notification has been received then the company is discharged of any liabilities

# Investment Regimes

# Investment Landscape

The new Law grants the establishment of investment zones, private free zones, as well as technology and specialized economic zones by Cabinet decree.



## Free Zones

- No taxes and customs
- No import / export regulations.
- All equipment, machinery and essential means of transport necessary for business operations are exempted from all customs, import duties and sales taxes.



## Investment Zones

- Investment clusters in different fields and sectors, where investors are granted services to serve the local market , where GAFI shall be responsible to obtain all licenses , permits and approvals on behalf of the investors.



## Technology Zones

- Technological zones can be created for specialized activities in the fields of industry, logistics, and information and communications.
- Free customs.



## Special Economic Zones

- The Suez Canal Economic Zone (SE Zone) is a world-class free zone and trade hub.
- It is considered as zone A in the investment law which enjoys 50% tax deduction .
- Free Customs.



# Key Sectors



**Agribusiness**



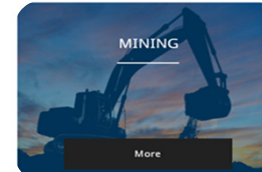
**Engineering  
and  
Electronics**



**Health Care**



**Logistics**



**Mining**



**ICT**



**Petrochemicals**



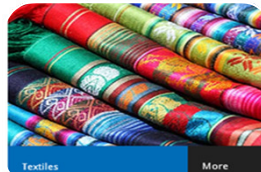
**Pharmaceuticals**



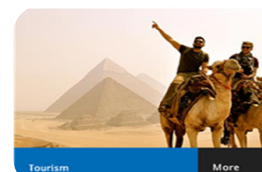
**Real Estate &  
Construction**



**Retail**



**Textile**



**Tourism**



**Renewable  
Energy**



**Automotive**

# Investment Map



<http://www.investinegypt.gov.eg/English/Pages/explore.aspx?map=true>

- 360-degree view on the investment climate and investment opportunities in Egypt
- Present public and private investment opportunities in Egypt
- Present overall investment climate in Egypt
- Present existing investments and highlight success stories
- The Ministry of Investment and International Cooperation launched the second edition of Egypt's investment map.

# Mega Projects

# Egypt Mega Projects



## New Administrative Capital

The new administrative capital will strengthen and diversify the country's economic potential by creating new places to live, work and visit for **7** million people.

## 1.5 Million Acres

To restore Egypt's status as a major agricultural state, this project will expand agricultural land by **20%** in an effort to achieve full self-sufficiency of crops.

## The Golden Triangle

The Golden Triangle, a new economic zone located between Qena, Safage and Al Qusair, is considered one of the richest areas in mining sources accounting for **75%** of Egypt's mining minerals.



# Egypt Mega Projects



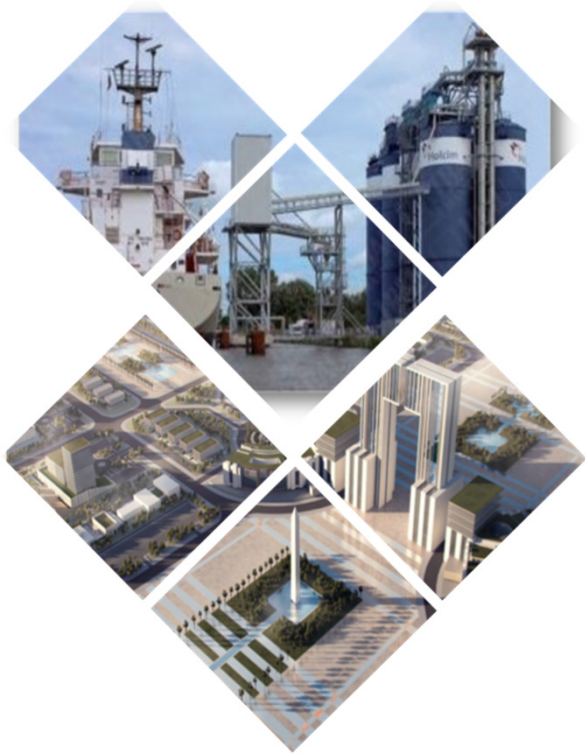
## New Alamein City

The Al-Alamein region is now being developed to become a second Alexandria and will offer investment opportunities in tourism, healthcare, logistics, agriculture, industry, education and energy.

## Damietta Furniture City

Damietta Furniture Complex is set to boost the furniture industry in Egypt, which is currently one of the fastest growing sectors.

# Egypt Mega Projects



## El Galala City

The development of Al Galala City is one of the largest Egyptian development projects. The city is located on the highest mountain plateau between Ain Sokhna and Zafrana and overlooks the Red Sea Coast .

## Suez Canal Region

The Suez Canal Economic Zone is aimed at becoming a global trade hub and is projected to generate **US\$ 12 billion** annually.

# Thank you

