



Time to Invest in Egypt

# Egypt for a Brighter Future

13th November, Torino





I

## Egypt: An attractive country for investors

- ✓ Economic Indicators
- ✓ Reforms of Legal Framework
- ✓ Investment sectors with an edge

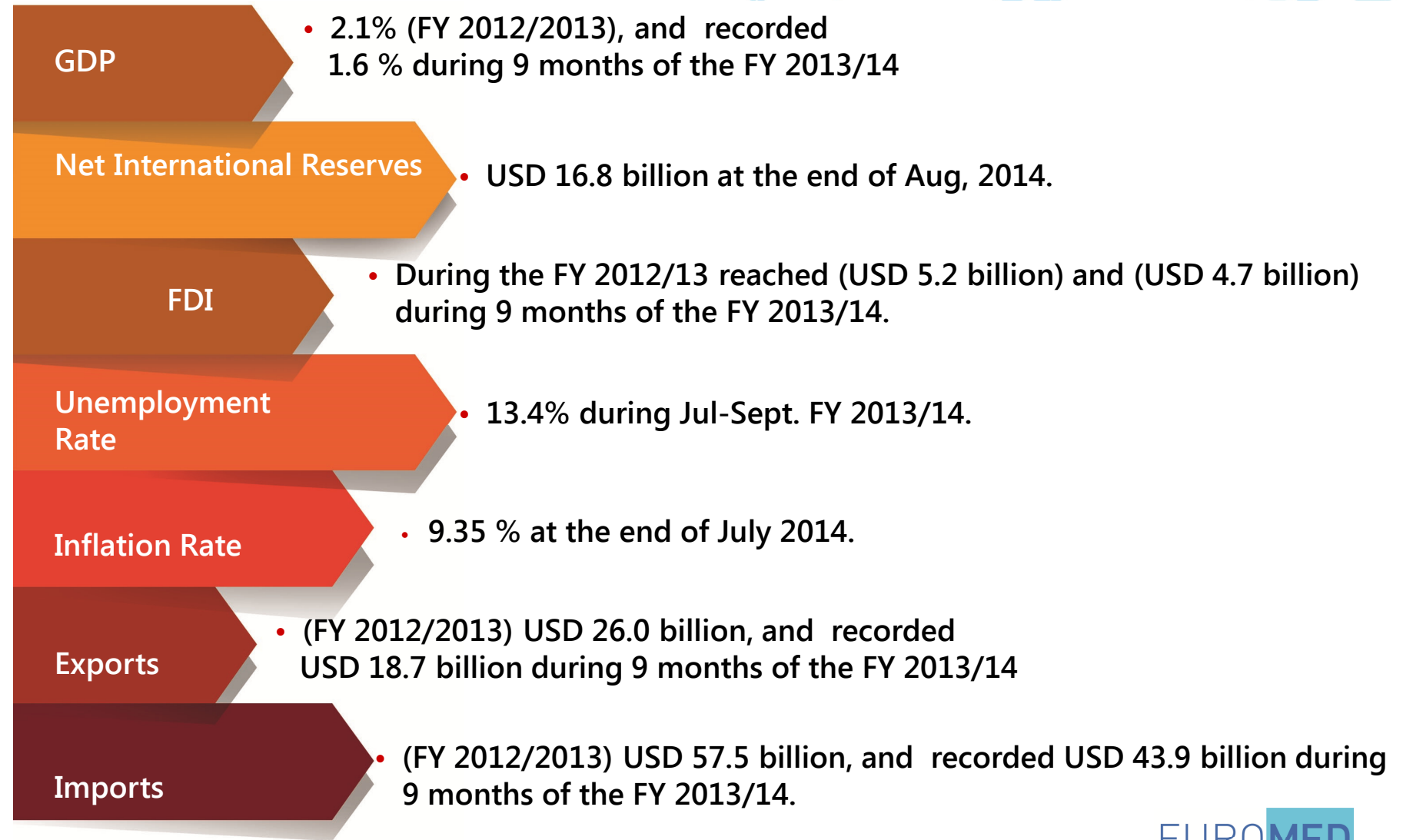
II

An attractive value proposition

III

Strategic Target projects

# Macroeconomic Indicators





## Reforms on the legislative level

- Considering the challenges the government faces in restoring the pace of growth, an imperative legal and policies reforms were highly required.
- The legislative amendments include trade & industry law, labour law and investment law to allow for protecting investors, facilitating the process of licenses issuing.
- Alongside with legislative amendments, new legislation are being introduced such as the new energy code to attract FDI in the Renewable Energy Sector, as it identifies the feed-in Tariff and pricing system, and most important it ends the problematic of the sovereign guarantees demanded by the investor from a very long time.
- Inline with these efforts, reforms to the tax regime is in the pipeline aiming at removing the distortion in the current code.
- On the other hand the government is still committed with its approach regarding protection of the foreign investment and to extend more preferential incentives for investments operating in Egypt especially to those in the remote areas.

## Ambitious Target Sectors



### Textile

- 30% of industrial output.
- 14.2% of Non- Petroleum exports in first three quarters of 2011/2012.
- 30% of local employment in 2010.
- Egypt is home to the only fully vertically integrated textiles industry in the Middle East.



### ICT

- One of the highest-growth potential IT markets in the Middle East.
- Has an annual sustained growth rate of 11.53% during Q1 of the FY 2013/14
- Contributes 2.7% to real GDP.



## Ambitious Target Sectors

### Renewable Energy

- 20% of total power generation by 2020
- 12% of which will be generated by wind energy
- To boost USD 110 billion of investment into the power sector by 2027
- The leader producer: as Egypt produces almost 57% of the region's total wind energy



### Finance

- One of the oldest and most-established in the Middle East
- The nation's banks, brokerages, investment banks and private equity houses are among the most vibrant in the region.
- Smart village the premiere technology park in the middle east.



## Ambitious Target Sectors



### Logistics

- Unique geographic location combined with an expanding infrastructure base
- 8% of the world's maritime shipping passing through the Suez Canal.
- Accounting for 6.2% of GDP during Q1 of the FY 2013/14.
- The government is planning investments of EGP 37.8 billion. in the transportation sector during the FY 2013/14.



### Tourism

- Accounting for 2.2% of total GDP during Q1 of the FY 2013/14.
- Achieved growth rate of 10.2 during (Jul-Mar) FY 2012/2013.





## Ambitious Target Sectors



### Retail

- Egypt is the largest market in the Arab world with a population of 87.2 mn.
- Booming retail sub-sectors include autos as sales forecast to increase by 126% between 2012 and 2016, over-the-counter (OTC) pharmaceuticals, with sales expected to grow by 96.6% from by 2016, and consumer electronics sales are forecast to increase by 50.8% in 2016.
- Wages in the wholesale and retail sector average USD 32.20 weekly.



### Real Estate

- Total investments directed to the real estate sector in the FY 2011/12 reached 17% of the total implemented investments.
- Housing needs expected to climb to 8 million in 2022.
- 27 new urban cities are planned of which 5 under construction.





I

Egypt: An attractive country for investors

II

An attractive value proposition

- ✓ A strategically ideal geographical location
- ✓ A competitive destination
- ✓ A young and qualified workforce

III

Egypt: Priority to investors



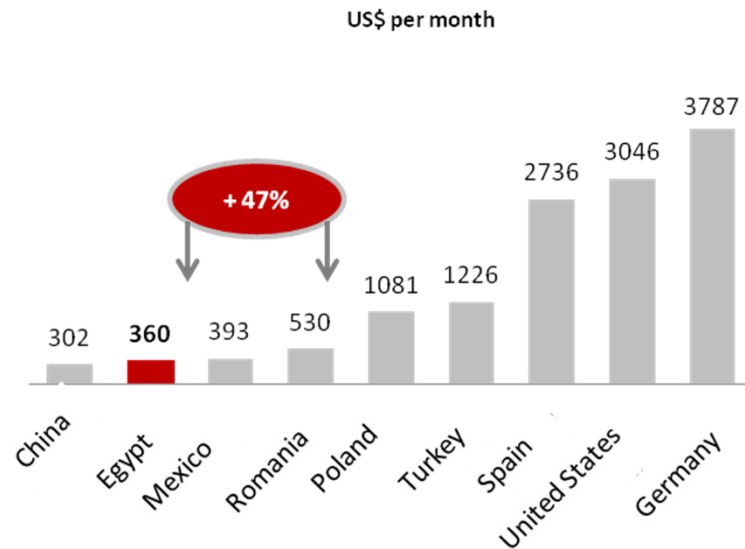
## Unique Geographical Location



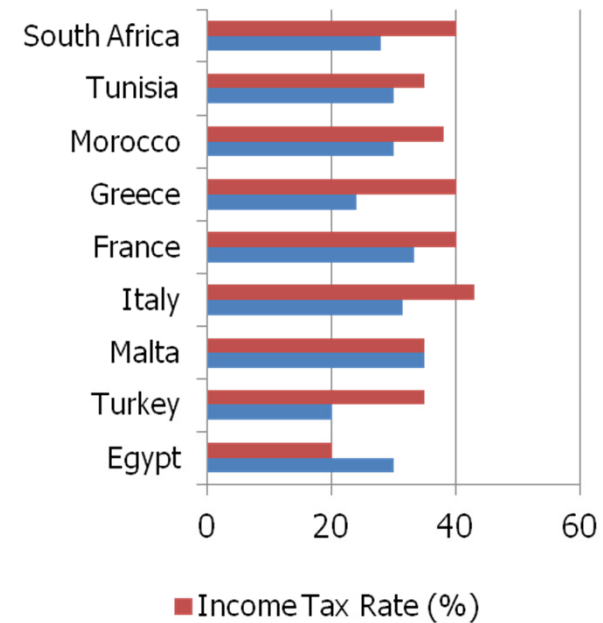


# Competitive Advantages

## Competitive salaries (average)

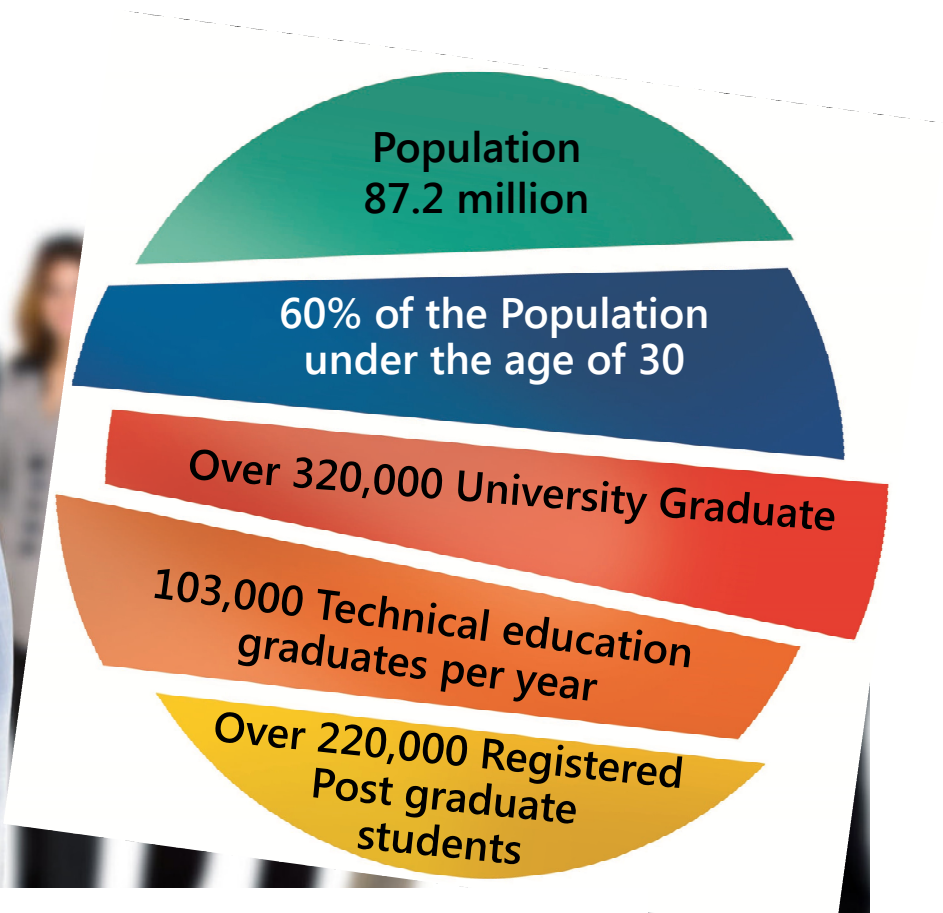


## Corporate & Income Tax Rate in Egypt and other countries (%)





## Workforce



→ Steady growth of English, French, and German learning.



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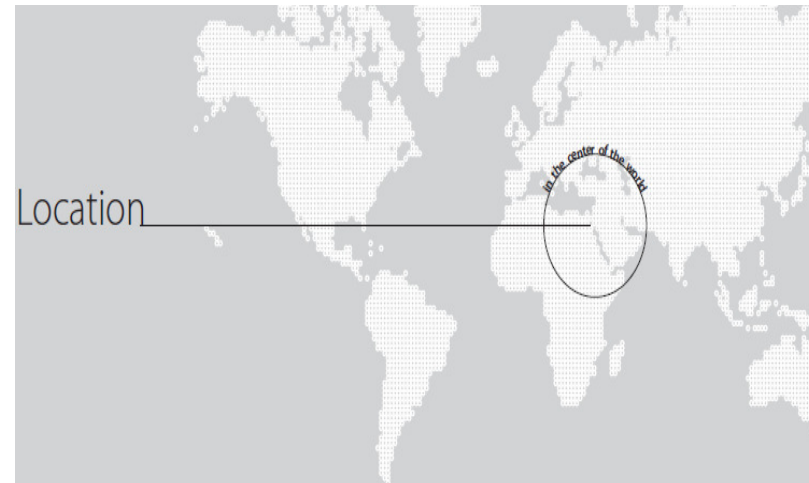
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III Target Projects

- ✓ **The development of the entire Suez Canal Corridor**
- ✓ **developing the northwest coast and its desert hinterland**

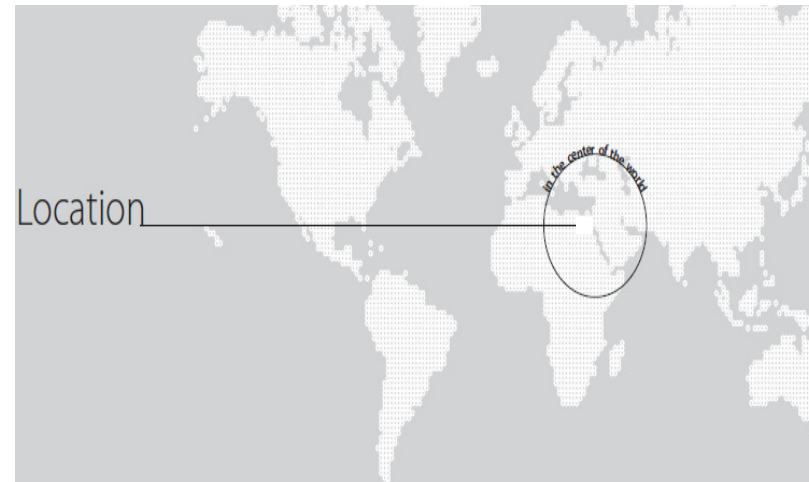
## Suez Qanal Corridor

- An integrated development project aiming at making from the area from Suez till port Said (almost 150 KM) the major logistics hub for the entire region, expected to attract almost 120 billion US\$ within the project time.
- East port Said City is one of its basic components as it's planned to be a Major city with more than 2 million people, with a housing area, industrial hinter zone, in addition to tourism & hotels projects and fishery areas.



## Development of Northwest Coast

- A Strategic project for developing the northwest coast and its desert hinterland and the establishment of a new green City “El – alamein”. The area will be linked with the east of the Cairo Alexandria desert highway and also be connected to upper Egypt through a new horizontal network.
- It worth mentioning that the area had the main pillars of economic activities, in addition to the availability of supportive infrastructure, such as the road network, airports and railways, adding that the city can accommodate more than four million people representing untapped business opportunities.





# EUROMED INVEST



Project financed by the European Union, the MedAlliance and the local authorities of Marseille - PACA



Project implemented by the MedAlliance consortium under ANIMA coordination





**Thank you for your attention**

**General Authority for  
Investment & Free Zones**

**Promotion Sector**

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