



# Snapshot of **Egypt**

*Fifth Edition*



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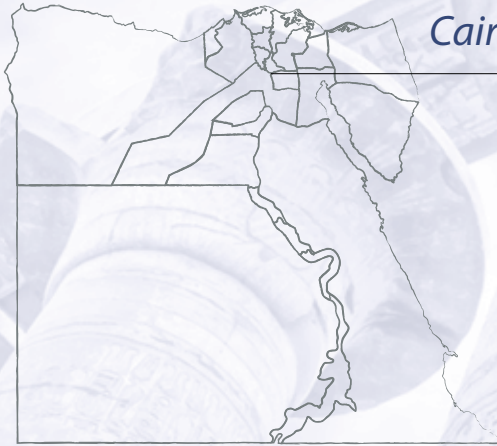


[www.investinegypt.gov.eg](http://www.investinegypt.gov.eg)





# Arab Republic of EGYPT



Cairo



language: Arabic



GMT +2 hrs



Population:  
**105.9** million  
(Jan. 2024)



Surface area:  
**1.002** million km<sup>2</sup>

The distinguished strategic location positions Egypt as an investment-trade hub in the global map. Egypt is deemed the best option to access global markets in Europe, the Middle East, Africa, and Asia. Moreover, Egypt has a world-class infrastructure and an international logistics network along with the Suez Canal, which is the most important maritime waterway that connects the East with the West of the world.



**27**

International & National airports



**18**

Commercial ports



**165.5**  
thousand Km  
Total road network  
(Year 2023)



**705** Stations

**9570** km  
Railway network length (Year 2022)



**EGP 10.2** trillion  
GDP at current prices  
(FY2022/23)



**3.8%**  
Economic growth rate  
(FY2022/23)



**EGP 499.2** billion  
Private investments  
(FY2022/23)



**3** Metro lines  
**94** Metro stations



**2** Monorail lines  
**35** Stations



**19** Light electric railway stations



**22** High speed electric railway stations



**USD 10** billion  
Net Foreign Direct Investment  
(FY2022/23)



**24.8%**  
Inflation rate  
(FY2022/23)



**7.2%**  
Unemployment rate  
(FY2022/23)



**216.3**  
(Billion K.W/h)  
Generated and purchased energy  
(FY2022/23)



**28**  
Million tons  
Production of crude oil and condensate  
(Year 2023)



**45**  
Million tons  
Natural oil production  
(Year 2023)



**1**  
Million tons  
Butane gas production  
(Year 2023)



*New Administrative Capital*

**Egypt provides a conducive business environment in order to attract more of domestic & foreign investments.**

*Mega  
Projects*

*Developed  
Infrastructure*

*A Large Trained  
Labor Force*

*Encouraging  
Legislative Environment*

*Stabilizing  
macroeconomic  
Indicators &  
Sustainable Growth*

*Competitive  
Tax Rates*

*Political  
Stability*

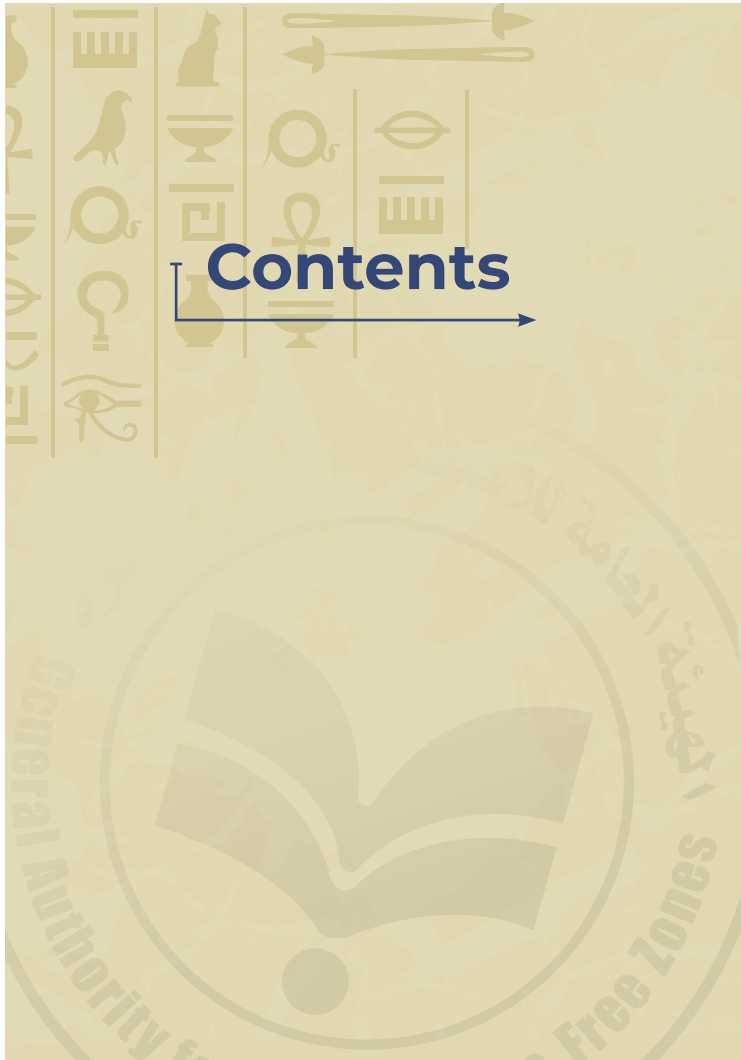
*Proximity to  
Global Markets*

*large Consumer  
Market*

*Reformist  
Climate*

*Diversified Economy*





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**36**  
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## » Introduction



The Egyptian government through adopting a two-phases economic reform program seeks to create an appropriate and attractive climate for investment. The first phase of economic reform aimed to inspire economic growth, rebuild international reserves, reduce the budget deficit, and enhance the role of the private sector.



Through a successful implementation of the first phase of the program, Egypt managed to overcome the negative repercussion of overlapping global crises and geopolitical challenges.







Thanks to the positive results achieved in the first phase, the government started the second phase of the economic reform program, which is based on a set of structural reforms to support solid and sustainable economic growth by focusing on a number of priority sectors namely; agriculture, industry and ICT. Furthermore, this phase aims to improve the business environment, develop the role of the private sector, boost efficiency of the labor market, diversify the productive structure of the Egyptian economy and develop the human capital, thus leading finally to encourage and attract more local and foreign investments to different economic sectors, particularly the sectors which are supported and promoted by the government.

In this context, the State enhances the role of the private sector in order to lead economy during the coming stage and take contribution of the private investments in the implemented investments up to 65% during the next few years. This comes through providing an integrated system to support the investment climate in cooperation and coordination among all parties concerned in order to enable local and foreign investors to do business, establish new companies or expand existing projects at the lowest time and cost.

After finalization of the basic legislative amendments, the State is currently sustaining adoption of the steps needed to simplify and facilitate procedures before all investors, particularly on the level of granting special incentives stipulated by the investment law, granting the Golden License in accordance with the law and resolutions

applicable in this regard, simplifying allocation of land and properties, shortening the period of time and issuing the licenses necessary to establish the investment projects and start the activity. In addition to providing the basic utilities of electricity, water and natural gas in different governorates and geographical areas, especially where the Egyptian State is paying due attention to support and develop the infrastructure projects, which contributed significantly in enhancing efforts of preparing the investment and business climate. An integrated network of new roads and axes can easily connect the production zones to the areas of commercial and industrial activities, the ports and airports in order to facilitate the trade exchange and enhance efforts to attract foreign direct investments.

This report shows the key indicators of the Egyptian economy as compared to the regional and emerging countries. It also deals with all basic axes related to investors including utilities, infrastructure, services, lands and properties, as well as the fees of services to investors against establishment of new projects or expansion of existing ones with the aim of highlighting competitiveness of the Egyptian economy, the investment and business climate in Egypt. This, however, contributes in attracting more local and foreign investments thus benefiting from the promising investment opportunities available in the Egyptian market, which is currently classified as one of the fastest growing economies in the world.



## First Pillar:

### *The Egyptian Economy*

The Egyptian Government seeks to boost flexibility and diversification of the economy, increase its productivity, and achieve comprehensive and sustainable growth. In this context, Egypt began in November 2016 to implement a comprehensive national program for economic and social reform. The first phase of which was aimed at achieving economic reform, followed by a program of structural reforms as a second phase to ensure building on the positive results of the first phase.

## National Economic Reform Program

In April 2021, Egypt launched the second phase of the "Economic Reform Program". This phase focuses on structural reforms, and targets the real sector for the first time with structural reforms. The reforms will contribute to boost resilience of the Egyptian economy, raising its ability to absorb external and internal shocks, and transforming the course of the Egyptian economy into a productive economy with competitive advantages, which would support its ability to achieve balanced and sustainable growth. Also it aims at bolstering the role of the private sector and raise the efficiency of labor market.

- The main pillar of the second phase is to increase the relative weight of the manufacturing, agriculture, telecommunications and information technology sector in addition to tourism sector. These sectors were selected according to several criteria, foremost of which are the ability for rapid growth; the relative weight of the sector; labor endowment; sectoral interrelations; international competitiveness, and the ability to generate added value.

### First Phase

Encouraging private sector-led growth, rebuilding international reserves, and reducing public deficit. Its objectives include:

- *Achieving macroeconomic stability*
- *Implementing structural reforms to the business environment*
- *Adopting social programs to protect the vulnerable and low-income population*

### Second Phase

Keeping the gains of the fiscal and monetary policy reforms that began in 2016 till present, strengthening social protection, reforming the subsidy system, and focusing on the economic reforms carried out in the first phase. Its objectives include:

- *Furthering the Egyptian economy's resilience by resorting sectoral diversity*
- *Raising its ability to absorb external and internal shocks*
- *Transforming towards to a productive economy with competitive advantages*

Reform program encompasses a package of policies that affect productivity levels. The main seven policies are to:



*Reform the structure of the economy*



*Restructure the labor market*



*Trade Liberalization*



*Localize products and deepen local industrialization*



*Reform the vocational training system*



*Develop the education sector*



*Develop capital markets*



The National Structural Reform Program aims to enhance flexibility and competitiveness of the Egyptian economy, as follows:

- Targeting the real sector through comprehensive and purpose-driven structural reforms.
- Increased relative weight of the main sectors of the economy, namely industry, agriculture, communications and information technology, and tourism.
- Augmenting private sector engagement and addressing recent global economic shifts.
- Transformative impact of structural reforms in aligning with sustainable development goals nationwide.
- Facilitating the transition to a greener, more competitive Egyptian economy.
- Fortifying economic resilience to withstand external and internal shocks.
- Increase exports by 20% annually until reaching USD140 billion in 2030.



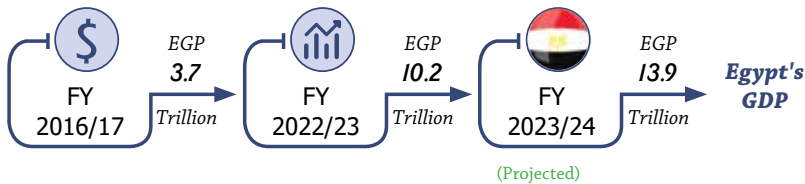
## Economic Growth Rate:

The State continues its path towards adopting many structural reforms in support of growth and employment, foremost of which is the further encouragement of the private sector, which culminated in the launch of the State Ownership Policy Document with the aim of increasing the participation of the private sector in output, employment, investments and exports. This enabled the Egyptian economy to withstand the crises witnessed by the global economy, and contributed in enhancing the performance of the Egyptian economy. Over the past four years, it has shown great ability in facing these crises, to be ranked among the few economies in the world that have witnessed a significant increase in GDP levels in this atmosphere, and recorded growth rates of 4.3% on average during the period (2020-2023).



The Egyptian state has worked to set its priorities and strategic directions during the period (2024-2030), through which it aims to achieve strong, comprehensive, sustainable and balanced economic growth, amid a greater focus on the quality of economic growth, by enhancing the contribution of both investments and exports to the structure of GDP to about 50%, and focusing on the pace of economic growth that supports employment, to provide between 7-8 million job opportunities during that period.

Egypt's GDP has grown from EGP 3.7 trillion in FY2016/17, to reach about EGP 10.2 trillion during FY2022/23. And it projected to reach about EGP 13.9 trillion during FY2023/24, and it targeted to reach about EGP 17.3 trillion during FY2024/25.



Source: Ministry of Planning

- The second phase of the reform program aims to enhance the efficiency of several economic domains that bolster the resilience of the Egyptian economy, predominately the fields of agriculture, industry, communications, and information technology. The ultimate goal is to elevate their GDP contribution to 50% by 2030 from the current levels of 30 to 35%.
- Structural reforms also focused on enhancing the role of the private sector and its contribution to the economic growth process, as it is targeted to increase the proportion of private sector investments in the total investments implemented to about 65% by 2030.



VIP Desk in ISC at GAFI

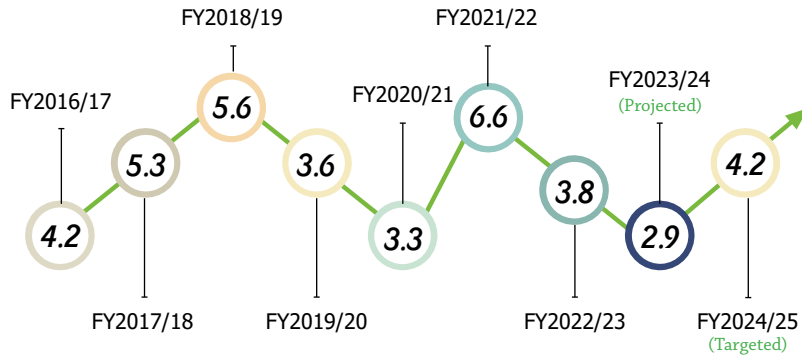
### The second phase of the Economic Reform Program

"Raise Egypt's ranking in the Global Food Security Index (GFSI) from 60<sup>th</sup> in 2020 to 50<sup>th</sup> by 2024"

"Increase the value added of the manufactured products in such a way that increase integration into the international and regional value chains and would enable such products to compete in international markets"

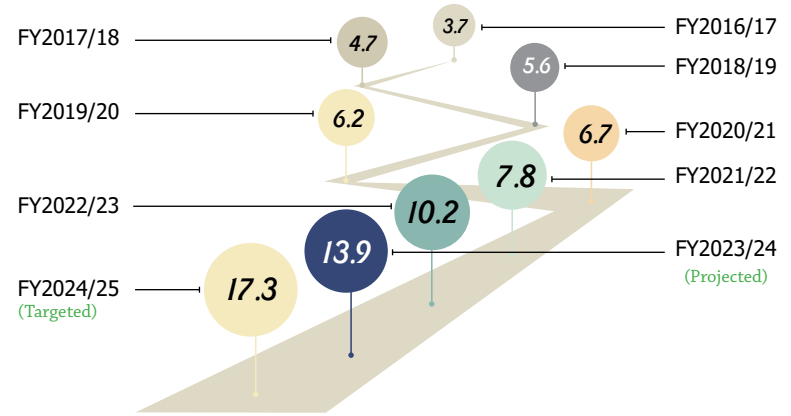
"Raise Egypt's ranking from 55<sup>th</sup> in 2020 to 45<sup>th</sup> in 2024 according to the Technological Complexity Index (TCI) issued by "Oxford Insights" "

» GDP Growth Rate (%)



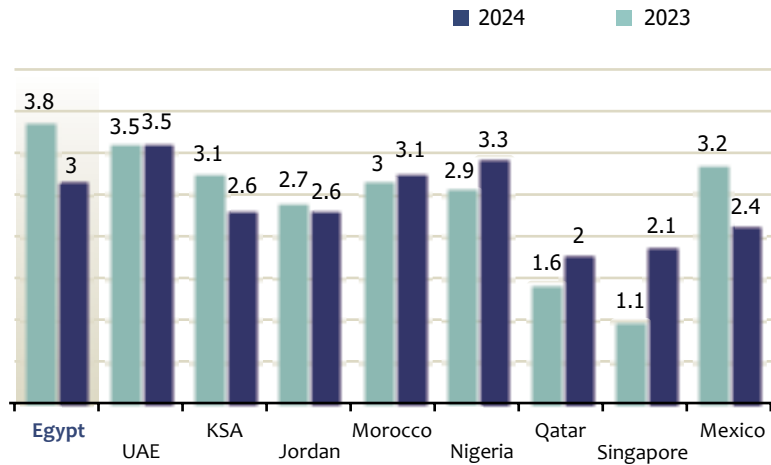
Source: Ministry of Planning

» GDP (EGP Trillion - at current prices)



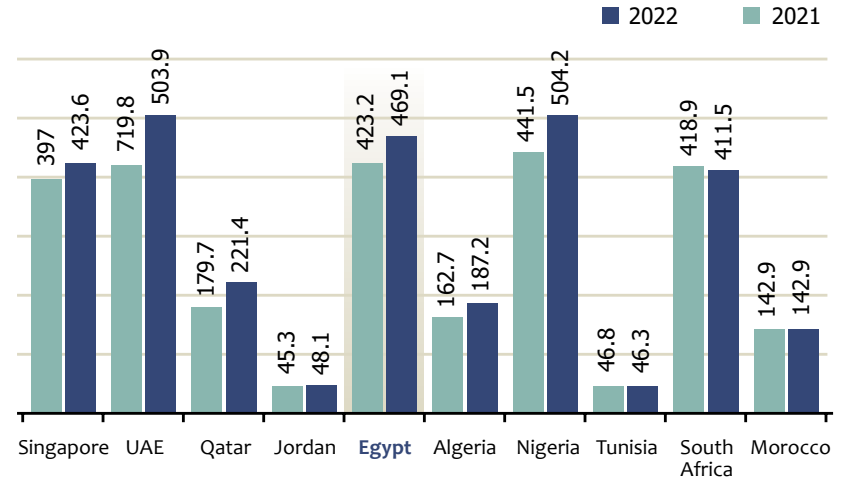
Source: Ministry of Planning

» Comparison of GDP Growth Rate in Egypt vs. some of Regional and Emerging Countries (%)



Source: Global Finance

» Comparison of GDP in Egypt vs. some of Regional and Emerging Countries (in USD billion)



Source: IMF



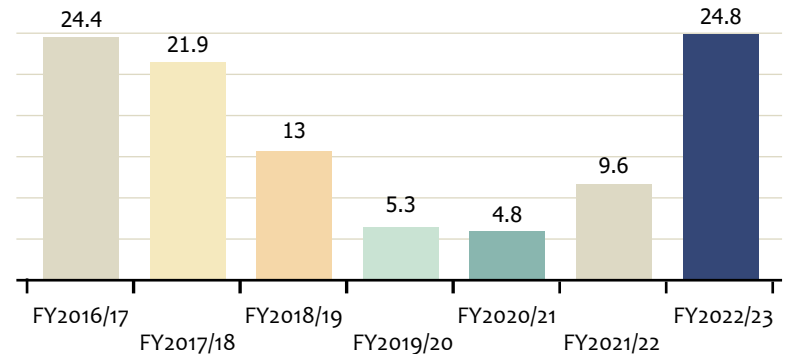


## Inflation Rate:

Reducing the inflation rate was one of the main objectives of the monetary policy adopted by the State due to the part it plays in attracting domestic and foreign investments. The first phase of the economic reform program succeeded in controlling inflationary pressures and reducing the inflation rate from 24.4% in FY2016/17 to about 5.3% and 4.8% in FY2019/20 and FY2020/21, respectively, but the inflation rate rose again since FY2021/22 as a result of the negative repercussions of multiple global shocks and geopolitical challenges, reaching about 9.6% and 24.8% in FY2021/22 and FY2022/23, respectively.

- The relative increase in the inflation rate in Egypt during 2022 came as a result of supply shocks resulting from the rise in international prices of food commodities, especially those imported by Egypt such as wheat and edible oils, and the rise in global prices of energy and raw materials. The government has worked to take many procedures and initiatives to anchor inflation expectations, which the CBE hiked key policy rates in March 2024. In tandem, the government announced social mitigation packages, including scaling-up cash transfers, hiking the minimum wage, among the other measures to partially shield the most marginalised people .

### >> Inflation Rate in Egypt (%)



Source: Central Agency for Public Mobilization and Statistics (CAPMAS)



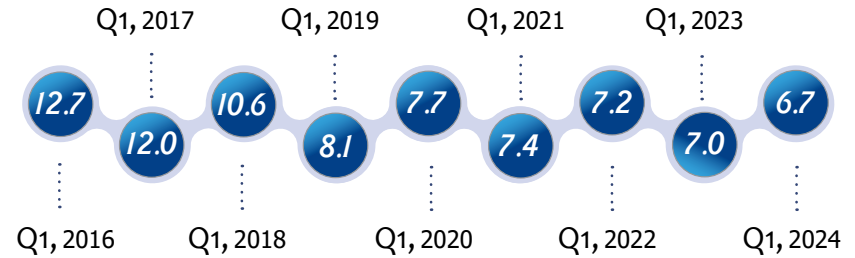
## Unemployment Rate:

- A prominent result of the first phase of the Economic Reform Program was the success in significantly reducing unemployment rates down to about 7% in 2023 compared to about 12.6% in 2016 as a result to the steady growth of the Egyptian economy and the surge in investments.
- The unemployment rate dropped to about 6.7% in the first quarter of 2024, compared to about 12.7% in the same quarter of 2016.
- Comparing the unemployment rate in Egypt to some of regional and emerging countries in 2023, we find that Egypt has achieved a lower unemployment rate compared to those of other countries like Jordan, Tunisia, Morocco, Algeria, Turkey, South Africa, and Nigeria according to indicators issued by the International Labor Organization.

"The 2030 Sustainable Development Strategy (SDS) has set a goal to annually reduce unemployment rates in Egypt by no less than 1% or 1.5%, a goal the state already successfully accomplished".

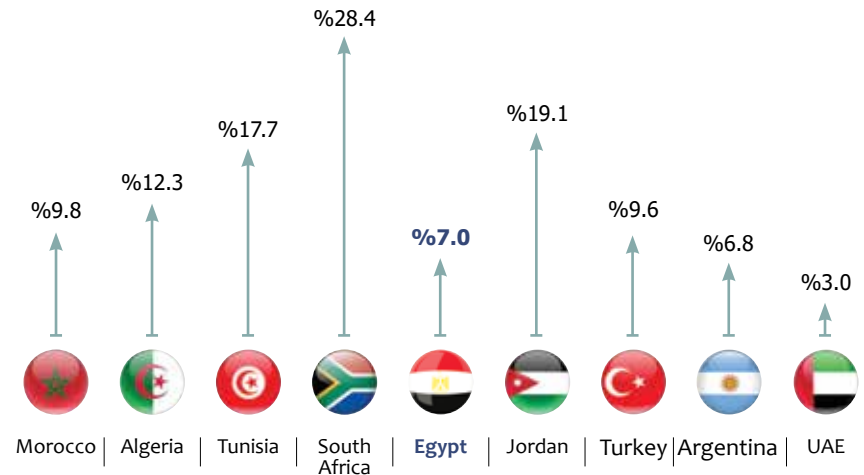
"The major national projects implemented by the State across various economic sectors have played part in decreasing unemployment rates in Egypt during the past few years by providing direct and indirect job opportunities".

### >> Unemployment Rate in Egypt (Q1 2016 - Q1 2024) (%)



Source: Central Agency for Public mobilization and statistics (CAPMAS)

### >> Comparison of the Unemployment Rate in Egypt vs. Regional and Emerging Countries in 2023



Source: WORLD BANK (ILO estimate) - CAPMAS



## Net International Reserves:

- The first phase of economic reform was aimed to rebuild international reserves, at which Egypt has already succeeded. Egypt was able to raise net international reserves from USD 17.52 billion in end of May 2016 to USD 46.13 billion in end of May 2024, despite the negative impacts of the multiple global shocks and geopolitical challenges. The net international reserves covering merchandise imports reached an average of 6.9 months in March 2024.
- Egypt received a total remittances of Egyptian working abroad USD 22.1 billion FY2022/23 compared to USD 21.8 billion in FY2016/17.

### Remittances of Egyptians Working Abroad

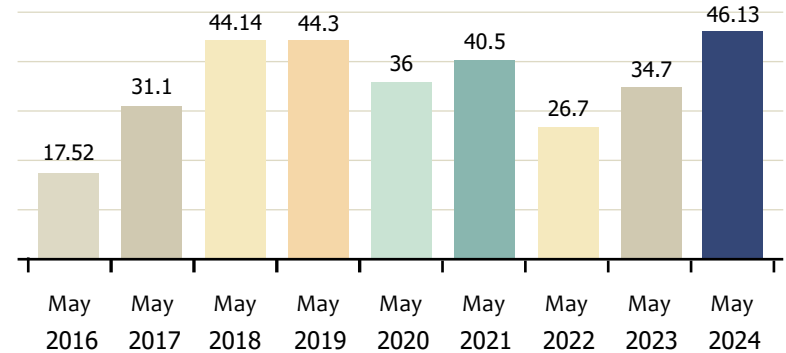


### Suez Canal Dues



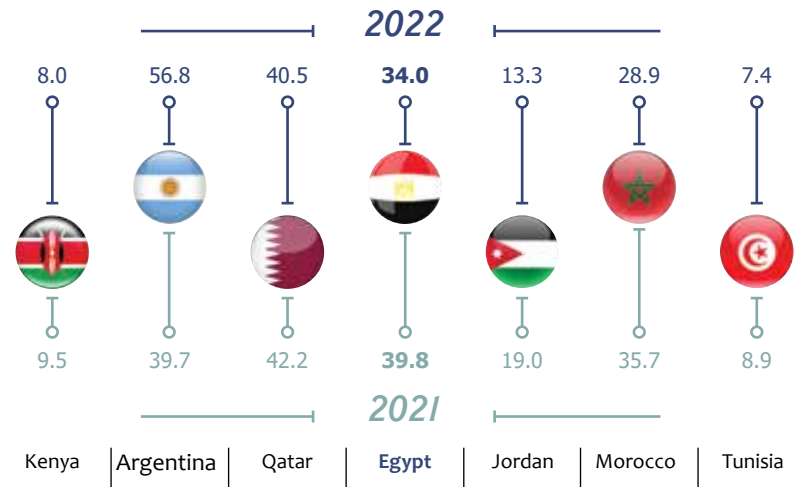
Source: Central Bank of Egypt (CBE)

### >> Net International Reserves (USD billion)



Source: Central Bank of Egypt (CBE)

### >> Comparison of International Reserves in Egypt vs. some of Regional and Emerging Countries (USD billion)



Source: The World Bank - CEIC



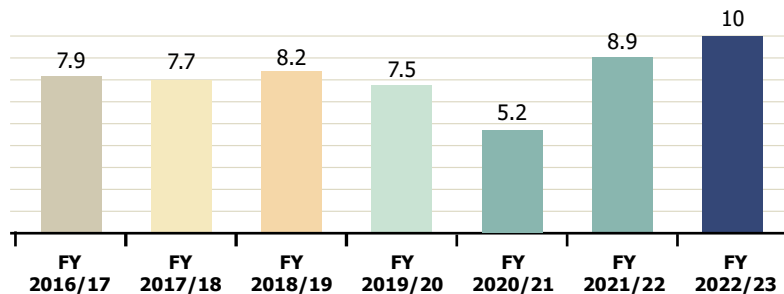


## Foreign Direct Investment (FDI):

Egypt exerts tangible efforts to create a favorable climate for investment through implementing legislative and procedural reforms, and promoting FDI in various economic sectors including: industry, construction and building, agriculture, communications, technology, financial services, education, and health, within the framework of implementing the strategy of GAFI to promote targeted investments.

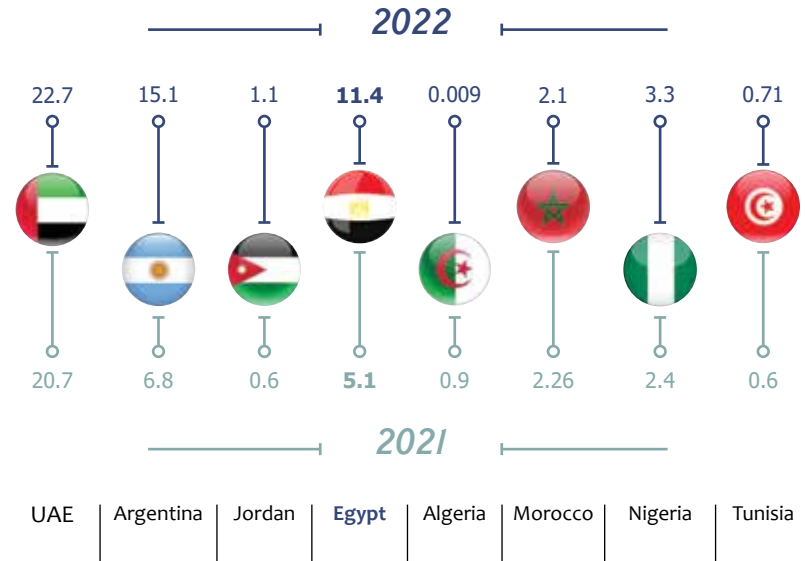
- Net FDI Inflows in Egypt amounted to about USD 10 billion during FY2022/23. Concerning the sectoral distribution of net FDI flows during FY2021/22 to FY2022/23, an increase of net flows of newly established companies and significant increase of existing companies' capital were observed compared to previous fiscal years.
- Net greenfield investments or capital increases of existing companies increased by 20.6% to amounted USD 4.1 billion during FY2022/23 compared to USD 3.4 billion during FY2021/22.

### » Net FDI (USD billion)



Source: Central Bank of Egypt (CBE)

### » Net FDI Flows in Egypt vs. some of Regional and Emerging Countries (USD billion)



Source: UNCTAD - World Investment Report 2023

- Despite the negative repercussions of the crisis of COVID-19 and Russian-Ukrainian war according to World Investment Report 2023 issued by United Nations Conference on Trade and Development (UNCTAD), Egypt has been the first recipient of FDI for 2022. With net flows that reached about USD 5.1 billion.



*Steel Factory*



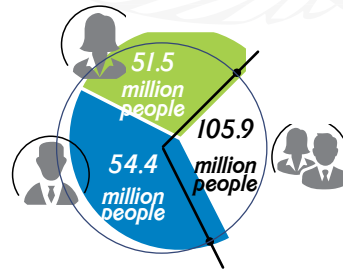


## **Second Pillar:**

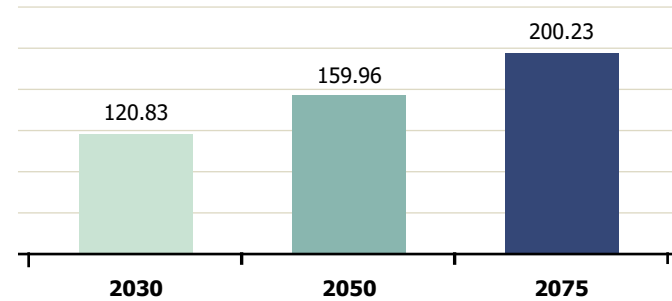
### ***Population***

Egypt is the most populous country in the Arab world and the third densely populated country in Africa after Nigeria and Ethiopia. Companies operating in Egypt benefit from the advantage of the high proportion of the labor force lying in the target age group compared to other segments in the availability of work force in various economic sectors, and this feature support market attractiveness regarding labor-intensive projects on the long term. The steady population growth in Egypt is the main driver of sustainable economic growth, as it represents a large and growing consumer base and provides high resilience for economic activity in crisis times.

- Total population in Egypt reached about 105.9 million in 2024. The number of males reached about 54.4 million and the total number of females reached about 51.5 million. The proportion of urban population reached about 42.9% of the total population, while the proportion of rural population reached about 57.1%.
- Regarding the geographical distribution of the population, Cairo governorate comes at the first place in terms of population that reached about 10 million, followed by Giza governorate with a population of 9.5 million, then Sharkia governorate with 7.9 million people, Dakahlia with 7 million people, and Beheira with 6.9 million people.
- The age groups (15-39 years) and (40-64 years) represent the largest segments of the total population in Egypt with rates of 39.8% and 22.7%, respectively, which reflects the high percentage of young people who are able to work, and gives Egypt a competitive advantage to provide human resources and manpower in the various economic sectors.
- The World Population Prospects report issued by United Nations in 2019 indicate that the population will rise to about 120.8 million, 159.9 million, and 200.2 million people during 2030, 2050 and 2075, respectively. The report also expected an increase in the average age of the population during 2030, 2050 and 2075 to about 25.6 years, 29.7 years and 34.8 years, respectively, which clarifies the state's interest in population health care programs.
- The previous report also indicates that the population increase rate amounted to about 2% between 2015 and 2020 and this rate is expected to decline to about 1.6% between 2025 and 2030 and about 1.2% between 2045 and 2050.
- Within framework of the Egyptian state's endeavor to achieve a balance between economic and population growth rates, the state is currently implementing the "National Project to Develop the Egyptian Family" and improve the quality of people life and not only achieve population control while addressing the basic social issues of the Egyptian family. The project also includes many pillars, including economic, service, cultural, legislative, media, and awareness, in addition to the digital transformation file. The project's geographical scope includes the whole Republic, to be implemented over the next three years.

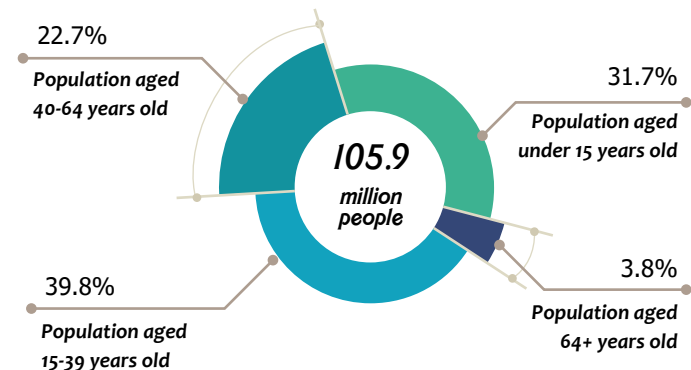


### >> Population Growth Prospects Age in Egypt (million people)



Source: United Nations – World Population Prospects 2019

### >> Distribution of Population Age Groups



Source: CAPMAS



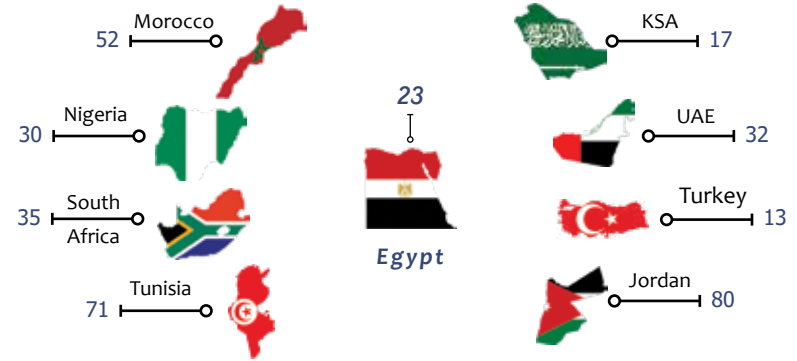
- Excellence in the field of manpower, the increase of population, which exceeded 100 million people, and the doubling of income per capita are among the most important factors that contributed to make Egypt a huge consumer market that increases annually to keep Egypt at the forefront of consuming countries in the Middle East. Hence Egypt witnessed a remarkable rise in retail market sales and new international investments in Egypt.
- Egypt's rank has raised in the Market Size Index in Global Competitiveness Report 2019, where it ranked 23<sup>th</sup> globally and third rank on Africa.
- Egypt's rank in the GDP sub-index (valued by purchasing power parity) comes in the 21<sup>th</sup> place globally, which encourages major foreign companies to take their decision to invest in Egypt, as they consider Egypt as a great market for their products, in addition to the high local demand for all kinds of products.
- Egypt's ranking in Market Size Index in Global Competitiveness Report 2019 is an advanced rank compared to a group of other emerging and regional economies such as UAE, Jordan, Tunisia, Morocco, Algeria, South Africa and Nigeria.

"GDP per capita FY2022/23 reached about EGP 96 thousand"

"The percentage of household consumption at current prices to GDP in FY2022/23 has reached 82.6%"

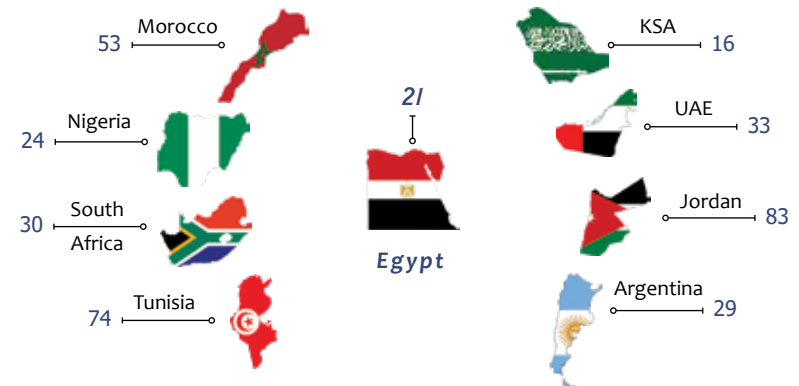
"Egypt comes at the 23<sup>th</sup> rank globally and the 3<sup>rd</sup> place in Africa regarding the Market Size Index in Global Competitiveness Report 2019"

» **Egypt's rank in Market Size Index in Global Competitiveness Report 2019 vs. some of Emerging and Regional Economies**



Source: Global Competitiveness Report 2019 – World Economic Forum

» **Egypt's Rank in GDP Sub-index vs. some of Emerging and Regional Economies (Valued by Purchasing Power Parity - PPP)**



Source: Global Competitiveness Report 2019 – World Economic Forum



*Shopping Mall*



## Third Pillar:

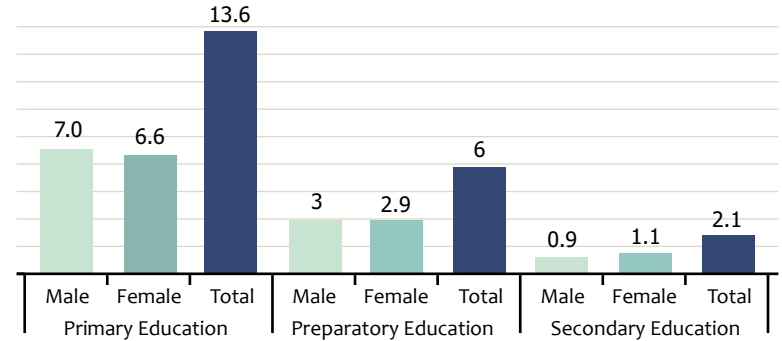
### *Education and Technical Skills*

Egypt has an educational system that outperforms all the others in North Africa in terms of the ability to enroll in all levels of education powered with technical and financial support from the state. The Egyptian government is carrying out reforms to improve the education system in Egypt, especially in rural areas, by strengthening decentralization, raising the capacities of local institutions, and implementing skills development programs for experts working in general and technical education



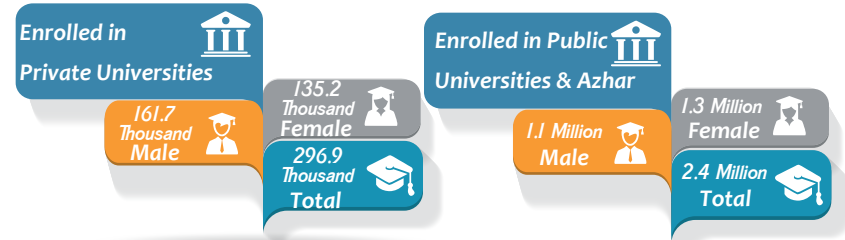
- President Abdel Fattah El-Sisi's initiative "Investment in Human Capital" is considered a paradigm shift in Egypt. The initiative encompasses the development of youth skills and the provision, in coordination with the private sector, of trainings based on the needs of the labor market, as well as the development of education, health care and community-based protection networks.
- The total number of students enrolled in primary education in the academic year 2022/23 reached about 13.6 million students, while the total number of students enrolled in preparatory and secondary education reached about 6 and 2.1 million students, respectively, whereas the total number of students enrolled in public universities and Al-Azhar, reached about 2.4 million students, and the total number of students enrolled in private universities reached about 296.9 thousand.
- The total number of public universities graduates during 2022 reached 495.6 thousand, while the total number of private universities graduates reached about 48 thousand.

» **The Total Number of Students Enrolled in Educational Stages in 2022/23 (million student)**

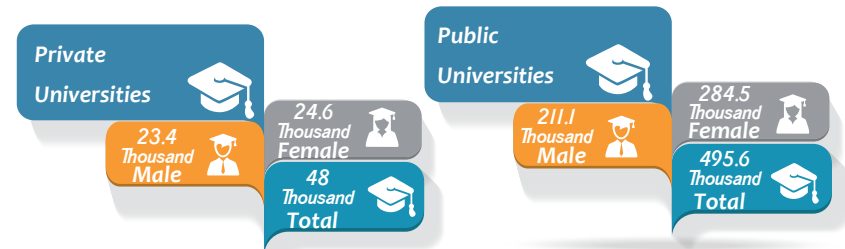


Source: CAPMAS

» **Enrolled in Universities during 2022/23**



» **Universities Graduates during 2022**



Source: CAPMAS

"About 28 Egyptian universities advanced in the "Times World" Classification of Emerging Universities for year 2024, out of 1,171 universities in the world."

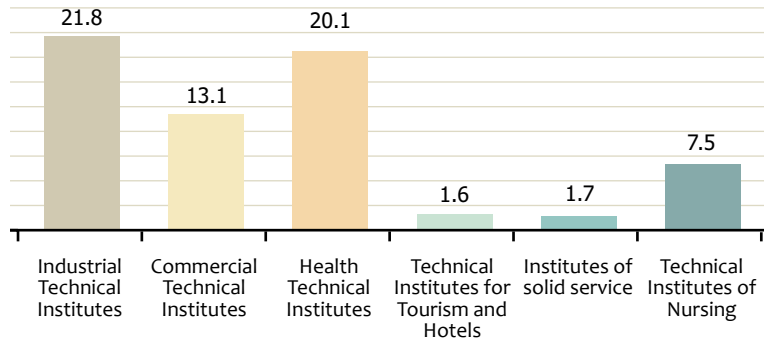
"Egypt advanced 5 places in the Global Knowledge Index, coming in 90<sup>th</sup> place globally in 2023 compared to 95<sup>th</sup> place in 2022."





The number of graduates in 2022 from technical institutes reached 61.7 thousand.

» **Total Number of Graduates in Technical Institutes (Thousand) (2022)**



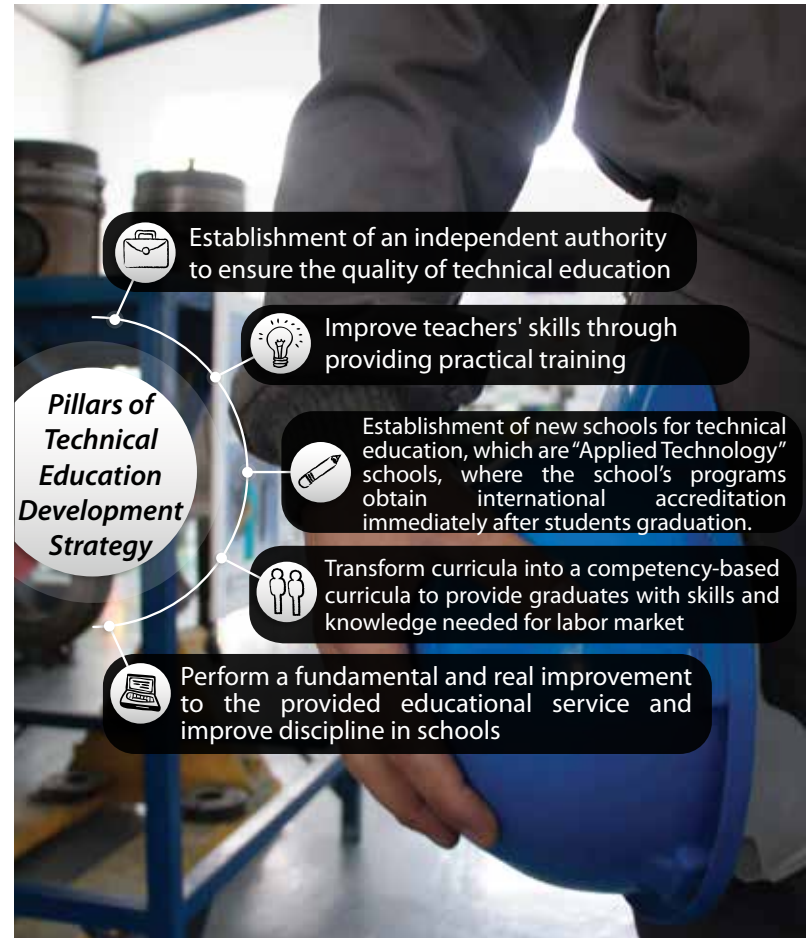
Source: CAPMAS

"The year 2023 witnessed the expansion of technological and applied schools affiliated with the technical education sector, 52 schools of applied technology and about 10 universities of technological universities."

"The technical education plan until 2030 aims to increase the enrollment rate to 20% and raising the percentage of graduates working in their specializations to 80%."

"Egypt advanced in the "Technical Education" index issued by the United Nations Development Program, ranking 46th globally in 2023, compared to 81st in 2022."

Since 2018, the government has started to adopt a clear strategy to reform and develop technical education based on 5 main pillars:





*Galala University*





## Fourth Pillar:

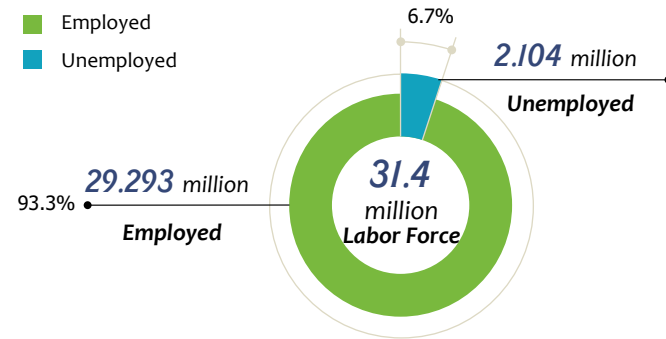
### *Labor Force Competitiveness*

Increasing number of population in Egypt and the high proportion of labor force age group are factors that positively affect the size of the labor force. The labor market is characterized by flexibility and efficiency, which ensures the allocation of labor in the most effective sectors in the economy. Egypt's competitiveness in human resources is proven by skilled and trained labor force in various fields. Moreover, competitiveness of wages is higher than their counterparts worldwide.

- The labor force in Egypt, estimated at 31.4 million in Q1 of 2024, has been among the most skilled workers in the Middle East for several decades. Egypt is the main regional source of skilled workers in several sectors, such as communications and information technology sector, financial services, and tourism.
- The efforts and measures taken by the state and the national projects that are being implemented have succeeded to provide more job opportunities and increase employment rates, despite the negative effects of the crisis of the spread of COVID-19 and Russian-Ukrainian war crises.
- The state takes many measures to achieve labor market efficiency with skilled and trained cadres experts of keeping pace with technological developments in all sectors and economic fields, which encourages major companies to set up their projects in Egypt and benefit from these trained technical cadres.

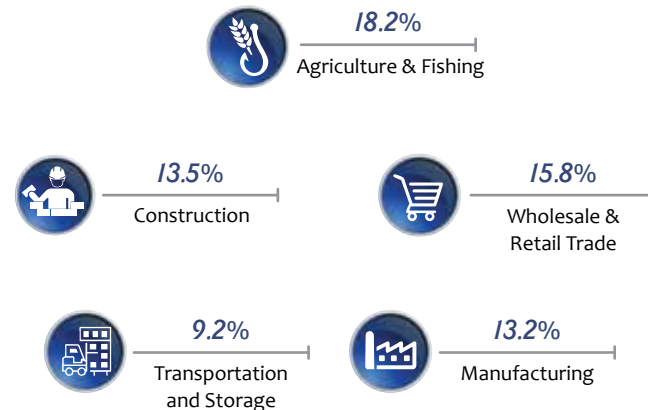


» **labor Force, Employed and Unemployed Force in Egypt**



Source: CAPMAS - Q1 2024

**Relative Distribution of Workers According in some of the Economic Activities**



Source: CAPMAS – Q1 2024

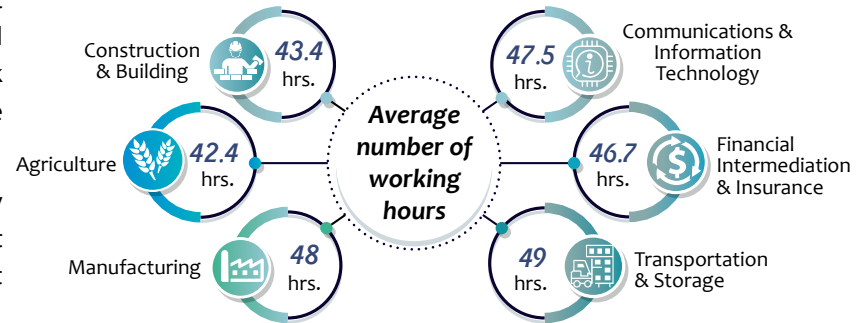


- Egyptian Labor Law regulates the rights of workers and determines working and rest hours and vacations in order to provide a safe environment for employees and preserve their rights. Subject to the law regulating the employment of workers at industrial establishments, the worker shall not be employed in actual work for more than 8 hours a day, or 48 hours a week, not including the appropriated meal and rest hours.
- Subject to the law regulating the weekly rest, the work in the facility shall be regulated so that each worker shall get a weekly rest of not less than twenty-four full hours after six consecutive workdays at most, and in all cases the weekly rest shall be paid.



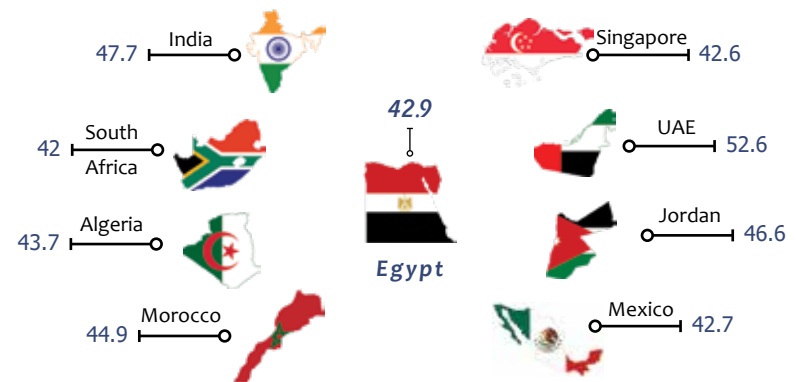
- The average weekly working hours in Egypt is competitive compared to many other emerging and regional economies.

» **Average Number of Weekly Working Hours Distributed by Sector (hours)**



Source: CAPMAS - Q3 2023

» **Average Weekly Working Hours in Egypt vs. some of Emerging and Regional Economies (hours)**



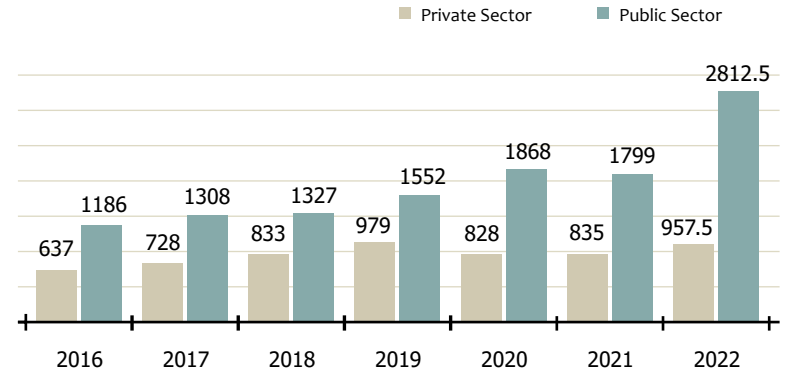
Source: ILO - April 2023

- The minimum wage for workers in the private sector was raised to 6,000 EGP in May 2024, within the framework of the state's keenness to preserve workers' gains, provide them with a decent life, and achieve the highest productivity to serve the development process.



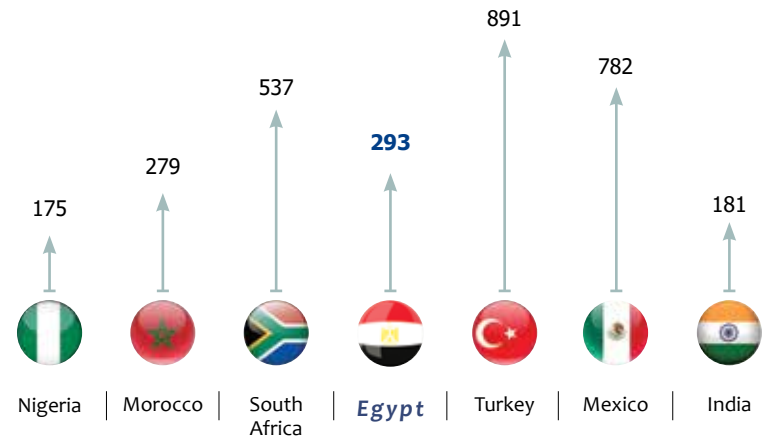
- Egypt is also distinguished by the competitiveness of wages compared to many countries. The average weekly cash wage in the Public Sector, during 2022 amounted to about 2,812.5 EGP/week, and about 957.5 EGP/week in private sector.
- According to the indicators of the International Labor Organization, the average monthly cash wage in Egypt, which is about 293 USD/month during 2021, is low, compared to other emerging countries such as Turkey, South Africa, and Mexico.
- The State is also keen to provide the appropriate conditions to achieve maximum benefit from the competitive advantages it has in manpower, through achieving stability for the workforce and providing various benefits such as social and medical insurance, which induces more work and production in various economic sectors.

» **Average Weekly Cash Wage in Public Sector and Private Sector (EGP/week)**



Source: CAPMAS

» **Average Cash Wage in Egypt vs. some of Emerging Countries (USD/month)**



Source: World Bank - 2021

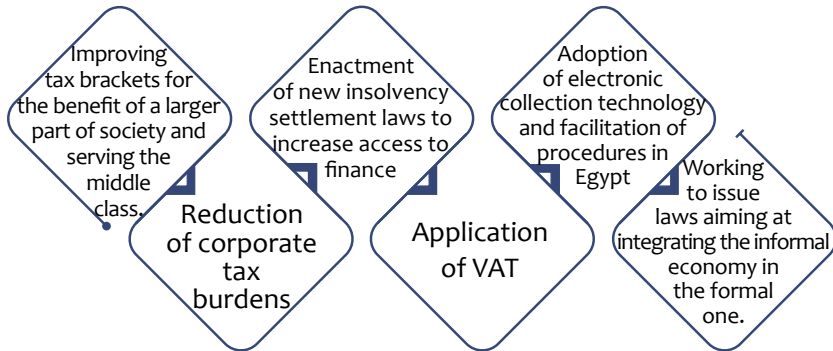


## **Fifth Pillar:**

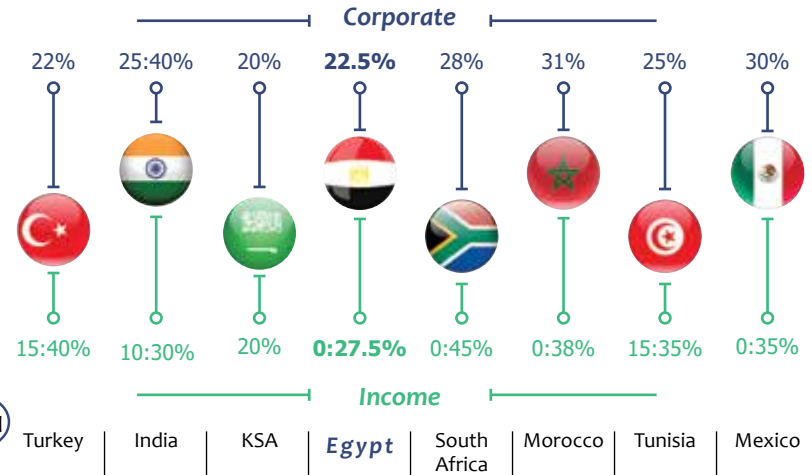
### ***Tax Rates***

Tax framework in Egypt has witnessed a remarkable development in the past few years, with the aim of keeping pace with global developments in tax procedures and raising the efficiency of tax administration, through simplifying procedures for financiers and providing the latest advanced digital technology in tax business.

- Companies operating in Egypt are subject to a tax on their profits at a rate of 22.5%, which is a low rate compared to other emerging countries such as India, Mexico, Morocco, South Africa and Tunisia.
- Individuals working in Egypt are subject to income tax ranging from 0:27.5%, which are low rates compared to other emerging countries such as India, Mexico, Morocco, South Africa, Tunisia, and Turkey.



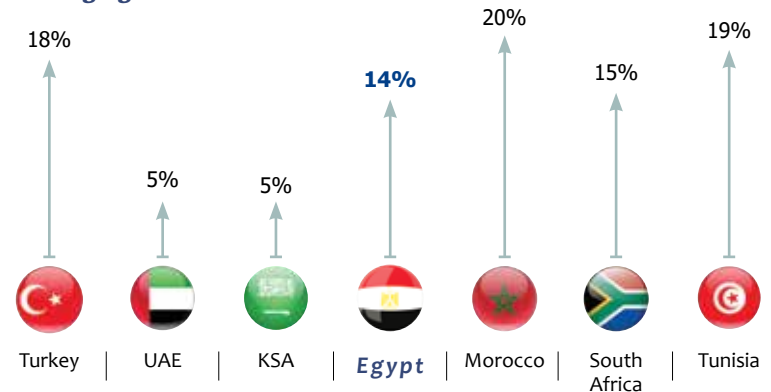
» Tax rates on Corporate Profits & Income in 2024



Source: Worldwide-tax - Ministry of Finance

- In Egypt, a value-added tax (VAT) of 14% is applied, which is a low rate compared to other emerging countries such as India, Mexico, Morocco, South Africa, Tunisia, and Turkey.
- Egypt is also keen to implement international tax obligations through agreements concluded with different countries, which achieves the national interest and ensures the maximum possible benefit. In such context, 130 countries, including Egypt, recently reached a historic agreement related to international taxes; on how to distribute taxes related to multinational companies. Such countries also agreed to set new tax rules; through applying a minimum tax rate of no less than 15%, to prevent multinational companies from avoiding paying their fair share of taxes in the various countries of the world in which they operate.

» Comparison of VAT Rate in Egypt vs. some of Regional & Emerging Countries in 2024



Source: Worldwide-tax





## Sixth Pillar:

### *Infrastructure and Utilities Prices*

The Egyptian State has adopted Vision 2030 with the aim of placing Egypt among the developed countries world wide through the implementation of a set of major national projects such as transportation and main road projects, new cities, agricultural reclamation, giant electric power plants, seawater desalination plants and sewage and agricultural wastewater treatment.





## Electricity and Energy

- The political leadership in Egypt gives great importance to the file of diversifying electrical energy sources to meet all development and service needs. Within the framework of a new strategy, that guarantees supply and sustainability, many reform measures and policies have been taken in the Energy Sector. Thus, the available electrical power generation capabilities became sufficient to meet the requirements of investors all over Egypt.
- According to the report of the International Energy Agency, Egypt has been able to provide electricity to about 100% of the population. Egypt also aims to diversify the sources of electrical energy production (thermal - hydro - wind - solar - biomass - nuclear) to reduce dependence on conventional thermal sources.
- The Integrated Sustainable Energy Strategy (ISES) 2035 aims to diversify sources and ensure energy security. ISES exhibits Egypt's ambition to become a hub on the global energy map, linking Europe, Asia and Africa together by strengthening the interconnectedness of the electricity grid in the Arab region and beyond. The Strategy also aims to contribute by 42% of new and renewable energy to the total energy capacity by 2035 through the implementation of joint ventures with local and international organizations.

### >> Electricity Prices in Egypt (Piasters/ k.w.h)

Households Consumption (k.w.h/month)	0:50	51:100	0:200	201:350	351:650	From 0 to less than 1000	From 0 to more than 1000
Price * (Piaster/K.W.h)	58	68	83	125	140	150	165

Commercial Use Consumption (k.w.h/month)	0:100	0:250	0:600	601:1000	From 0 to more than 1000
Price * (Piaster/K.W.h)	65	136	150	165	180

Industrial Uses	High Voltage	Medium Voltage	Low Voltage
Average Price * (Piaster/K.W.h)	132.3	138.9	150

\* From 1/1/2024 to 30/6/2024

Source: Egyptian Electricity Utility and Consumer Protection

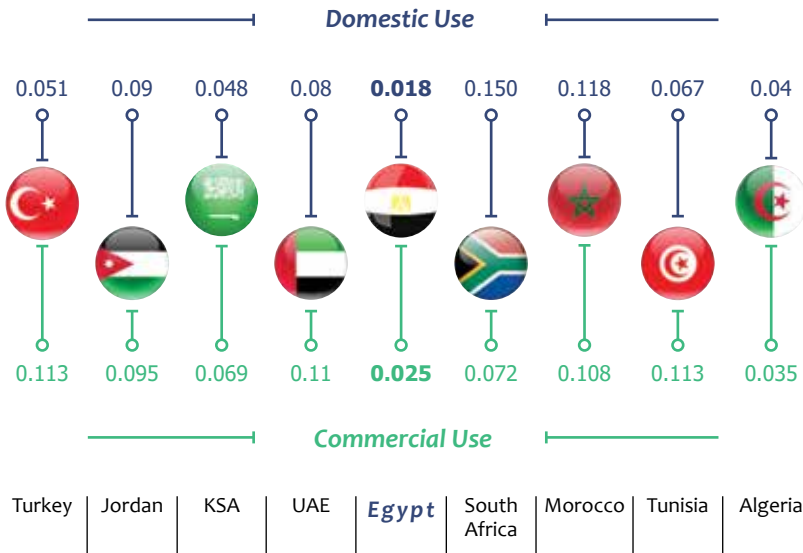
"The total generated and purchased energy during FY2022/23 increased to about 216.3 billion KWh compared to 213 billion KWh during FY2021/22."

"Egypt will become the largest producer of wind energy on the African continent by 2030, followed by Morocco and Algeria."

"Launching the national strategy for green hydrogen production, enabling Egypt to become a regional center for green hydrogen by 2026, and a global center for green hydrogen production by 2030."

- On the level of international cooperation, Egypt actively participates in all regional electrical interconnection projects, since Egypt is electrically connected with neighboring countries to the east (with Jordan), to the west (with Libya), and to the south (with Sudan). A study is currently being conducted to raise the capacity of the electrical interconnection with the eastern and western countries, and a preliminary feasibility study for the electrical interconnection between Egypt, Cyprus and Greece has been completed, in which Egypt will be an energy bridge between Africa and Europe.

» **Electricity Prices in Egypt vs. some of Emerging Countries (USD/ kWh) - (September 2023)**



Source: Global Petrol Prices.com



## Oil and Natural Gas

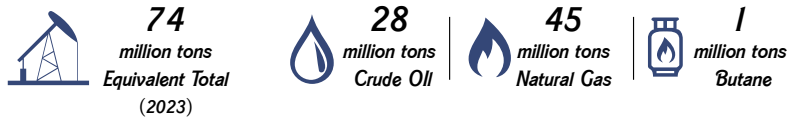
In 2016, the Petroleum Sector began implementing an ambitious development and modernization program with the aim of increasing the Sector's contribution to achieving the comprehensive development of Egypt, through working more efficiently to attract more investments and improve human cadres. The last few years this sector witnessed achievements, the most important of which are:



- » Completion and launching of "Egypt Upstream Gateway", which is a unified platform to promote zones in Egypt regions globally.

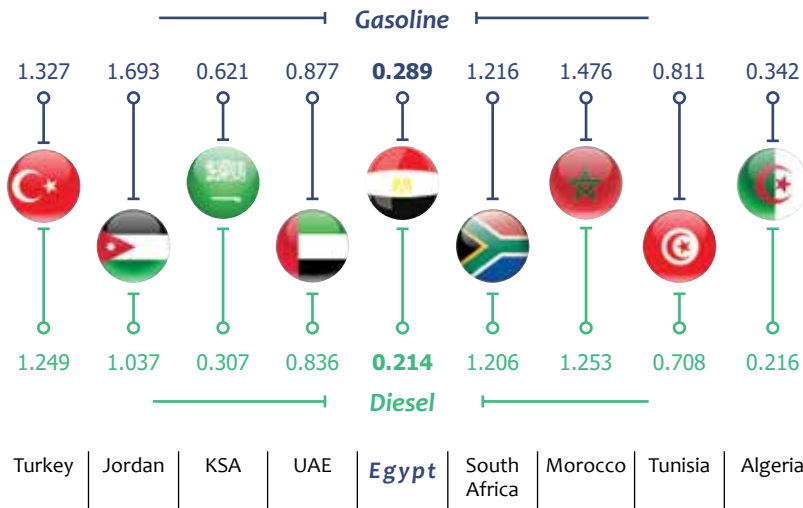


» Achievement of total stability of the local market for the during 2021, as all the needs of citizens and the various sectors of the State for petroleum products and natural gas were satisfied.



» The total production of petroleum during 2023 reached about 74 million tons, with about 28 million tons of crude oil and condensates and about 45 million tons of natural gas.

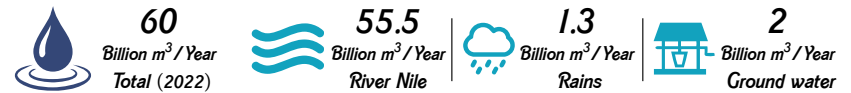
» **Gasoline and Diesel Prices in Egypt vs. some of Regional and Emerging Countries (USD/liter) (May 2024)**



Source: www.GlobalPetrolPrices.com

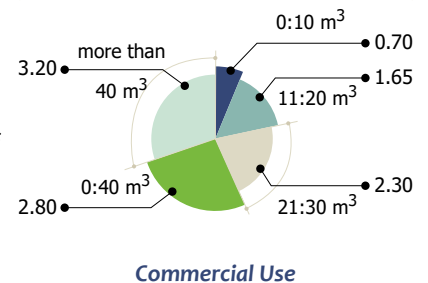
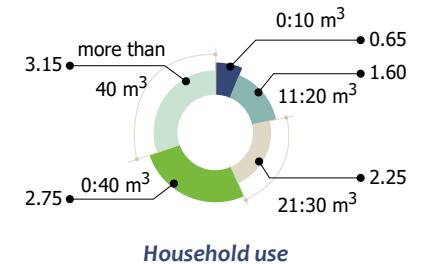
 **Water**

• The volume of available water resources is about 60 billion m<sup>3</sup>/year, the most of it from the River Nile, in addition to few quantities from rains and ground water.



• A strategy for water resources 2050 has been prepared, and the National Water Resources Plan (NWRP) 2037 has been drawn up based on four objectives: enhance management of water use, improve water quality, enhance availability of freshwater resources and improve the enabling environment of IWRM, planning and implementation.

» **Water Prices in Egypt as per Consumption in 2023 (EGP/m<sup>3</sup>)**



• In the context of benefiting from renewable energy in the field of water desalination, a strategic plan for water desalination (2020-2050) was prepared in cooperation with the ministries of (Housing - Water Resources - Electricity).

Source: Holding Company for Water & Wastewater (HCWW)

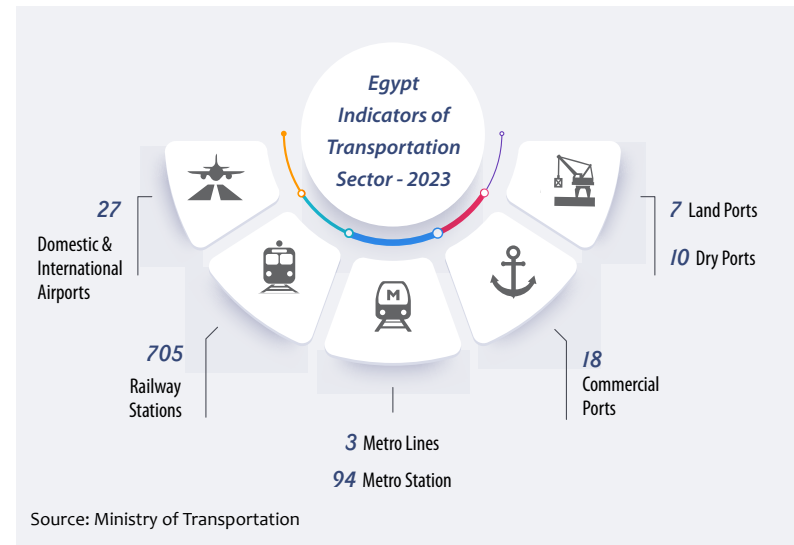


## Seventh Pillar:

### *Transportation Sector*

Transportation Sector is one of the most vital service sectors in Egypt, which is directly linked to all other economic and social sectors. Transportation networks are the main core on which development programs are based. The sustainable development plan in Egypt pays great attention to transportation sector, where economic sectors and growth rates are greatly affected by the efficiency of the means of transportation network.

- The Sustainable Development Strategy (Egypt Vision 2030) aims to provide a transportation system that is fundamentally linked with the requirements of future national economic needs including all sub-sectors (roads and bridges, railways, subways, maritime transport, river transport, dry ports and logistics, and air transport). Such strategy is compatible with Egypt Vision 2030, and achieves interdependence and integration, with the development of specific proper and accurate mechanisms to follow up on implementation.
- The new transportation system is achieved through the expansion of means of transportation to connect Egypt with its regional and international surroundings through the development of maritime ports, land connection roads with neighboring African and Arab countries, and the introduction of modern transportation systems.
- Flexible and advanced policies are being pursued to develop the transport sector, including the expansion of transportation means to link Egypt with its regional and international surroundings through the development of sea ports and land and rail links with neighboring Arab and African countries. In addition to provide the highest rates of safety and security on transport networks and means, and reach sustainable and environmentally friendly solutions, which reflects positively on improving the quality of services provided and developing elements of the transport system by introducing modern transport systems to keep pace with the global development in the fields of container transport, multimodal transport, services of logistic centers and dry ports, and the introduction of transport systems Smart services in the various fields of transport, as well as the development of the institutional and legislative situation to keep pace with modern developments to manage the transport system and develop its services in accordance with the country's economic and social goals.



- Within the framework of the global trend towards implementing projects that achieve green, sustainable mass transit, environmentally friendly, the COP27 Presidency and the Ministry of Transport announced the “Low Carbon Transportation for Urban Sustainability” initiative - “LOTUS”, an initiative aimed at supporting the development of healthy, green and flexible transport systems at all levels globally and in developing countries. Egypt has invested all its efforts to face the challenges to reach the consolidation of integrated green mass transport systems planned in a sustainable manner, ending congestion, adopting the right path to decarbonize transport means and increasing the percentage of green projects in its public budget.



## Public Transportation Development



**High Speed Railway (HSR):** It represents an integrated network of lines that would connect all parts of Egypt together: represented in the ports and their industrial zones, and the new developed areas and the Administrative Capital. LRT's speed is 250 km/h, and the first line would connect El Ain El-Soukhna, the New Administrative Capital, Cairo, Giza, October, Alexandria, and New Alamein, while the other line would connect the main ports on the Red Sea with the Mediterranean ports, passing through passenger stations and goods loading stations.



**Metro:** An integrated plan has been drawn up to develop the metro (first and second lines), which is the backbone of land transport in Cairo. The metro transports more than 3.6 million passengers daily, being the fastest and most affordable means in Egypt. This is in addition to the third metro line, which would become the longest metro line in the Middle East (41.2 km) and would connect all areas of Cairo to each other in order to facilitate the citizens' transportation.



**Railways:** Egypt National Railways Restructuring Project aims to improve the efficiency of railway services and ensure their safety through updating signaling systems, renewing railways, developing stations and level crossings, and promoting management and operating practices.



**Light Rail Train (LRT):** The electric light rail project links the New Administrative Capital with the governorates of Cairo and Giza and the downtown area to facilitate transporting passengers using a safe and non-polluting means of transport, as the line will transport about 500 thousand passengers per day. It also provides an exchange service with Cairo Metro Line 3 (Adly Mansour/Cairo University) at Adly Mansour Station, allowing the exchange of service between 5 different means of transportation.



**Monorail:** The project includes 35 stations and represents a leap and a transformation in the means of transportation in Egypt. It would contribute to saving fuel consumption and environmental pollution rates. The Project encompasses the New Administrative Capital monorail project, which is being implemented with a length of 56.5 km and 22 stations; and 6th of October City monorail project, which is being implemented with a length of 42 km and 19 stations.



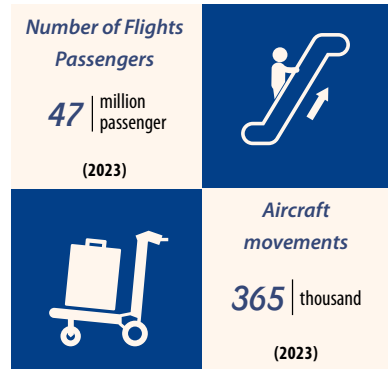


## Air Transportation

• The civil aviation sector in Egypt is globally distinguished. It is considered as a role model in achieving sustainable development with improving performance, quality and safety of air transportation services in a way that guarantees securing aircrafts and passengers in accordance with the international agreements and legislation. Moreover, Egypt aims to develop the civil aviation sector to reach international standards, coping with the internal and external environmental changes, and in line with the sustainable development plan by developing and increasing the capacity of airports in proportion to the steady increase of passengers, aircrafts, and future expectations for this movement.

• Egypt has a strong air transportation system, as it allows for around 68 international and national airlines to operate scheduled and non-scheduled international flights through Egyptian airports. The 19 national airlines are taking over the operation of international flights in Egypt by 67%, where more than 150 planes from the Egyptian Air Fleet are used on international flights. In addition, Egyptian airlines have agreements with 26 foreign companies working in the field of air transport, in order to provide services for passengers using the “share Code” system.

• The Egyptian air transportation sector is distinguished by providing cargo transportation services to all the main regions of the world, through the national airlines, led by Egyptair, which controls 64% of the volume of goods traded through air transport in Egypt. This is in addition to the fact that the air transport sector has concluded international agreements with more than 30 foreign airlines, which helped to maximize the volume of cargo traded through Egyptian airports, and helped increase the number of international destinations associated with Egypt by air transport.







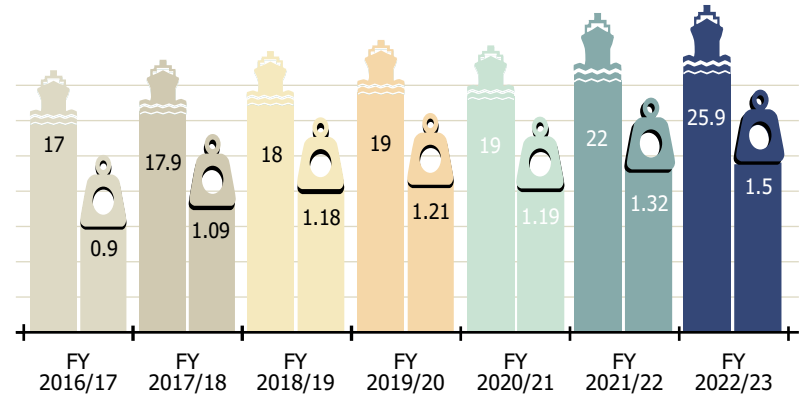
## Maritime Transportation

- Egypt comprises strategic and commercial importance to the marine sector worldwide, Egypt has succeeded in fulfilling all its obligations related to marine safety, enhancing maritime security, and preserving lives. Egypt has an integrated system spread along the Egyptian coast to assist in search and rescue operations and is managed by the Egyptian Search and Rescue Center, which is one of the first centers established in the Middle East and Africa.
- Transform Egypt into a center for global trade and logistics by establishing transport and logistics hubs linking sea ports, dry ports and logistics centers. The development plan depends on achieving integration between Egyptian ports, and establishing and developing the infrastructure and superstructure of seaports in accordance with market economics and international standards.
- Working to develop and support the Egyptian maritime commercial fleet, enabling it to transport 25% of the volume of Egypt's foreign trade, in addition to supporting the development of maritime tourism.
- In 2023, Egypt had 18 ports with an annual capacity of (270 million tons of cargo, 25 million containers, and 4.5 million transit containers, 2 million passengers, and 20,000 giant ships).
- Within the framework of the Egypt vision 2030, the sector plans to reach an annual capacity of (400 million tons of cargo - 40 million containers - 10 million transit containers - 4 million passengers - 30 thousand giant ships).
- The Suez Canal is considered one of the most important corridors world wide. Linking east and west of the world, therefore, there is no



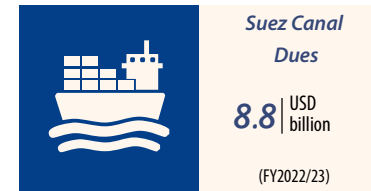
sea passage can compete with the canal in saving time and shortening distances for merchant ships, especially those operating on the world's most important shipping lines linking Asia on the one hand, and Europe and America on the other.

### >> Number (thousand) & Net Tonnage Traffic in Suez Canal (Billion Tons)



Source: Suez Canal Authority

- Suez Canal contributes significantly to the Egyptian economy, as it plays an important role in increasing the national income through fees collected from ships transiting through the canal, as more than 8% of the world's shipping vessels cross it every year. Suez Canal saves a lot of distance, time and shipping costs for ships that pass through it from east to west or vice versa, especially after the implementation of the new Suez Canal project.





## **Eighth Pillar:**

### ***Communications and Information Technology***

The sector plays a key role in accelerating the pace of economic growth by providing modern means of knowledge economy and green solutions that stimulate investment and support economic and social aspects.

- During the year 2023, the Ministry of Communications and Information Technology made great strides in implementing Egypt's digital strategy, which aims to adopt the latest global technologies and support innovative thought to create an integrated digital society through which the Egyptian person is built, the state's sectors are developed, and Egypt's position is strengthened on the telecom industry map. And information technology, and this was evident in the rise in the indicators of the communications and information technology sector to maintain its position as the highest growing sector of the state, as follows:



National Telecommunication Regulatory Authority (NTRA)

*USD 6.2 billion Digital exports in FY2022/23, marking a 26% growth from USD 4.9 billion in FY2021/22.*

*4,527 Post Offices in 2023*

*EGP 315 billion The ICT sector garnered revenues in FY2022/23, exhibiting a growth rate of about 75%.*



- Digital Egypt Strategy for Offshoring Industry 2022-2026 was launched to double the volume of Egypt's exports of offshore IT products and services; the strategy offers a new incentive package to attract and expand investments, enable local companies, encourage the creation of new businesses and promote Egypt's competitiveness in the fields of R&D and value-added services to contribute to accelerating the growth of knowledge economy.
- Establishing 9 new creative innovation hubs. Reaching a total of 20 centers to support technological innovation, entrepreneurship, and developing digital skills.





- Launching the government services card to facilitate obtaining government entitlements, including cash support and governance of the payment system for digital services.
- The Ministry of Communications and Information Technology (MCIT) has furthered growth in Egypt's outsourcing industry. Since November 2022, they've signed agreements with 74 local and international companies to establish and expand 85 outsourcing centers.
- Egypt was placed at the forefront of African countries in the median fixed broadband speed, with an average speed of 64.5 Mbps in November 2023, according to Ookla®, the global leader in network intelligence and connectivity insights.
- Egypt's position in the Government Readiness Index for Artificial Intelligence, of the Oxford Group, also improved, advancing 3 places to reach 62<sup>nd</sup> place compared to 65<sup>th</sup> place in 2022.
- Egypt has secured the third spot, on the Offshore BPO Confidence Index 2023, as assessed by Ryan Strategic Advisory, reflecting the growth and maturity level of this industry and reinforcing Egypt's position as the world's top destination for the outsourcing industry.
- Egypt moved up 16 scores in the Mobile Connectivity Index (MCI) issued by the Global System for Mobile Communications Association (GSMA) tracking mobile Internet adoption and measuring connectivity worldwide to become in the Advanced performance category, reaching 79<sup>th</sup> compared to 95<sup>th</sup> in the previous year.
- Egypt's regulatory performance index ranking improved significantly, rising 28 places to 53<sup>rd</sup> place in 2023 from 81<sup>st</sup> place in 2021 out of 192 countries.



[www.scct.com.eg](http://www.scct.com.eg)

*East Port Said Port*





## Ninth Pillar:

### *Land Allocation in Egypt*

Egypt is competitive worldwide in terms of land prices and real estate investment, which contributes to attracting more foreign investments, especially in light of the facilities and incentives provided by the country.












## **Land and Properties Allocation and Industrial, and Administrative Rents:**

Lands needed for establishing investment projects are allocated in accordance with Investment Law No. 72 of 2017 and its Executive Regulations, as follows:

### **1- Land and Properties Allocation:**

#### **A. Inland Investment Regime:**

-  An Investor has the right to obtain the land required for starting up or expanding his activity, whatever percentage of partnership or shares in capital such investor holds, subject to the investment-related laws and regulations of the geographic areas where the land is located.
-  The administrative authority provides the General Authority for Investment and Free Zones within ninety days with detailed and specific maps of all the real estate under its jurisdiction and available for investment, in addition to the location, square, heights, and estimated price, and the obligation to update data every 6 months or whenever the Authority requests.
-  Disposition of real estate, falling within the private-domain property of the State or of other public juridical persons, to Investors have to be for the purpose of Investment in accordance with the provisions, controls and procedures stipulated in the Investment Law and its Executive Regulations. Investors have to comply with the submitted schedule in respect of the implementation of the investment project approved by the concerned entity, so long as entities have fulfilled its obligations toward investors. Moreover, investors should not do any sort of modification to their investment projects at the beginning of setting up their business, unless they are done with their written approval of the concerned entities for such a start.
-  Real Estate required for carrying on or expanding the investment projects can be allocated by selling, renting, rent-to-own, usufruct licensing.
-  In case of competing Investors' applications for acquiring the real estate required to set up the investment projects - whether by sale, lease, lease-to-own or usufruct licensing - the order of preference among those who satisfy the technical and financial conditions required for Investment will be upon a system of points based on foundations agreed upon with the bodies of competent jurisdiction over the properties.

- ✦ Jurisdiction entity has to assess the applications of land allocation submitted by investors and provide GAFI with its technical opinion on such applications, substantiated by the reasons of rejection or acceptance. Such opinion must be made within one week from the date of receiving the application or from the time limit specified in the announcement.
- ✦ The relevant administrative bodies can rescind the contract concluded with the Investor only after obtaining the approval of the Board of Directors of GAFI.
- ✦ Committee has been formed with the task of allocating lands immediately, and the Industrial Development Authority issues one license within a maximum of 20 working days so that the investor obtains the license from the authority, provided that the authority obtains approvals from the rest of the other concerned authorities.
- ✦ The industrial lands should always have utilities, and the principle in pricing lands is the price of utilities, and two mechanisms were identified, with the aim of encouraging the existing industrial sector that wants to expand access to lands directly.
- ✦ Upon Investment Project becoming operational, payment, whether in whole or in part, by the State for the expense incurred by Investor in course of providing utilities to the premises of Investment Project.
- ✦ Allocation of lands free of charge to some strategic activities in accordance with the legally prescribed rules in this respect.
- ✦ Refund at fifty percent (50%) of the value of the land allocated for the industrial projects, should production start within two (2) years from the date on which the land was handed over.
- ✦ Exemption from usufruct fees imposed against the lands allocated to set up Investment Project for a period up to ten (10) years as of operations start date.
- ✦ By a decree of Council of Ministers the projects referred to in Article (11) and Article (11 bis.) of Investment Law, be exempted from contributing to the cost of constructing the infrastructure and providing the utilities, provided such exemption may not exceed fifty percent (50%) of the total cost of such infrastructure and utilities.
- ✦ The Public Treasury may pay up to 50% of the value of the utilities consumption bills for a period not exceeding ten (10) years, subject to the rules to be decreed by the SCI in this regard.
- ✦ The investment project shall stick to the purpose based on which the real state property was disposed of, and such purpose may not be changed expect upon the written consent of the administrative authority with the jurisdiction and the application for changing of the purpose shall not be accepted before the lapse of one year from the date of production or activity start up.



**Allocating lands and real estate required for setting up investment projects is made as per the Investment Law as amended (including Law 160/2023) and its Executive Regulations. Disposing of lands either by way of transferring title deeds in sale agreements or leasing them in return for usufruct fees is subject to the following rules:**

**A. Ownership:**

The pricing of industrial lands is determined by the square meter cost of utilities associated with each plot of land. The price of the plot is paid as per one of the following payment plans:

**Plan (1):** Upon signing the sale agreement, the investor will make an initial payment of 25% of the total land price. Subsequently, the investor will settle the remaining amount in three annual installments, each subject to a 10% annual interest rate. Concurrent with these payments, the investor must adhere to the project schedule and obtain the license-to-operate within three years from the land handover date.

**Plan (2):** Upon signing the sale agreement, the investor will make an initial payment of 10% of the total land price. As of the initial payment date, the investor will have a two-year grace period during which the investor must establish the factory and obtain the license-to operate. The investor must also pay the remainder of the land price in four equal installments per year for a period of four years plus a 10% annual interest rate applicable to each installment.

**B. Usufruct:**

- The usufruct right will be granted on a year-by-year basis. The usufruct fee will be 5% of the declared square meter price in the sale agreement.
- As for the initial four years of the lease agreement, the usufruct fee will remain unchanged. However, in the fifth year, the usufruct fee will be subject to a cumulative increase of 7%. From the sixth year onwards until the termination of the lease agreement, the usufruct fee will experience a cumulative increase of 10% per year.
- The annual usufruct period will be determined by the relevant governmental authority, provided that it be for a maximum of 50 years that may be renewed.

**Pricing industrial lands under ownership or usufruct system, in line with prices specified in law No.1670 of 2024.**



## B. Free Zones:



President El-Sisi Inspects Nasr City Public Free Zone

- Allocation of real property required for setting up the investment projects within the Public Free Zone System is made by usufruct licensing in accordance with the rules and provisions set out by the Executive Regulations of the Investment Law. Investor has to communicate with the Public Free Zone management, within (30) days from the date on which Investor has been notified of the approval on setting up the investment project, in order to receive the land allocated for implementing the investment project, as well as signing the usufruct contract and paying the prescribed fees.

- The investor has to demonstrate seriousness in implementing the project within (90) days from the date on which Investor has been served a notice to receive the land in accordance with the terms and conditions agreed upon in the usufruct contract. Such period may be extended for another in light of the justifications provided by Investor.
- The investor shall hand over the land allocated for him to the zone management upon the termination of the project or nullification of the approval issued for the project and the land shall be cleaned of any occupancies.

### >> **Usufruct Prices in Public Free Zones - Annually**

**Cairo – Giza – Alexandria – Menofia – Suez – Portsaid – Ismailia – Damietta**



**Qeft in Qena Governrate**





## 2- Administrative offices, retail stores & the industrial rents:

### Administrative Office Rents:

According to the real state in Egypt Report issued by Fitch Solutions, the monthly average rental rates for administrative offices in 2023 in Cairo reached 23.60 USD/ m<sup>2</sup>, and 13.84 USD/m<sup>2</sup> in Giza, and 13.51 USD/m<sup>2</sup> in Alexandria. It is expected to reach about 21.78 USD/ m<sup>2</sup>, 12.67 USD/ m<sup>2</sup>, and 12.78 USD/ m<sup>2</sup> in Cairo, Giza, and Alexandria respectively in 2024.



### Retail Stores Rents:

According to Fitch Solution Report Cairo ranked among the highest governates in terms of rent monthly in 2023, where the monthly average of retail store rent amounted about 43.14 USD/ m<sup>2</sup>, and it is expected to reach about 41.11 USD/m<sup>2</sup> in 2024, Then Alexandria by about 31.74 USD/m<sup>2</sup> in 2023 and it is expected to reach about 29.44 in 2024.



### Industrial Units Rents:

According to Fitch Solutions, the monthly average for industrial rents in Cairo reached 2.26 USD/m<sup>2</sup>, and 2.56 USD/m<sup>2</sup> in Giza, and 2.64 USD/m<sup>2</sup> in Alexandria. It is expected to reach about 2.06 USD/m<sup>2</sup>, 2.26 USD/m<sup>2</sup>, and 2.39 USD/m<sup>2</sup> in Cairo, Giza and Alexandria respectively in 2024.



## Tenth Pillar:

### ***Conducive Reformist Business Environment***

The Egyptian government has carried out some legislative reforms to improve the investment climate and simplify procedures for investors. In this context, GAFI has provided online services through automation and integration with the concerned governmental entities and implementing work systems supported electronically within the framework of digital transformation.

The investment climate in Egypt, especially in the past few years, has witnessed many legislative and institutional reforms aimed at facilitating and streamlining procedures for investors. This has contributed to achieving positive outcomes related to the required time, cost, and number of procedures to incorporate a company and start a business, as follows:

1. The Supreme Investment Council approved during its meeting headed by President Abdel Fattah El-Sisi, 22 decrees aimed at achieving a quantum leap in reducing the cost of establishing companies, and the time period for obtaining the necessary approvals to start the activity, expanding procedures of the Golden License issuance, facilitating the import of production requirements, in addition to providing an integrated competitive package of incentives and facilities in the sectors of agriculture, industry, and energy with regard to green hydrogen production.



*Incentive Decrees Issued by the Supreme Investment Council for Investment:*

Allowing licensing for industries projects based on natural gas as one of the production inputs to operate under the free zones system (manufacture - liquefaction - transportation). As well as oil refining projects - fertilizer industry - iron and steel). (A law passed by the Egyptian parliament).

First time, to allow service companies to operate as private offshore.

Lifting restrictions on the foreign ownership of real-estate.

Allowing the foreign investor to register in the Importers Register for a period of 10 years.

Launching a unified electronic platform for the establishment, operation and liquidation of projects in cooperation with all concerned parties.

Speedy resolution of commercial disputes pending before the courts

Establishing a permanent unit in the Council of Ministers for emerging companies.

Company incorporation in one day. And granting investors residency immediately after the establishment of the project.

Shrinking the timeline for security clearance to 10 days.

Simplifying the requirements and controls for the establishment of private free zones by canceling the capital requirement, investment costs, and the location of the project activity.

Resilient legal framework JSC – LLC – sole proprietorships – Offshore.

Widening the scope of issuing the golden license to include more projects' spectrum.

Reducing the financial or procedural burdens related to the project's establishment or operation.

Cancellation of exemptions granted to state entities in investment and economic activities



- The President of the Republic issued a Republican Decree issuing Law No. 160 of 2023 regarding amending of some provisions of the Investment Law No. 72 of 2017. These amendments aim to enjoy all the Investment Projects governed by the provisions of this Law whether they have been incorporated before or after this Law has come into force and irrespective of the legal framework governing same, enjoy the general incentives stipulated in this law exception being made for Investment Projects set up under the Free Zone Framework, and expanding the granting of special incentives and the golden license.
- General Authority for Investment and Free zones has expanded the e-services it provides through GAFI'S digital platform, which include the main following services.



- Forming the Golden License Unit, which grants companies incorporated to launch strategic or national projects contributing to development a comprehensive approval (Golden License) encompassing all permits and licenses required for setting up, operating, and managing the company's project.

- Granting foreign investors, a five-year residence visa that may be renewed so as to facilitate their residence in Egypt, and streamlining investor-related-security- clearance procedures.
- Launching an updated version of Investment Map website, the website has been redesigned to give an easier access to investment opportunities. A new integrated system encompassing offerings/tenders has been launched to give investors an opportunity to submit and follow up on their proposals electronically, and adopts the concept of promoting private sector opportunities through its promotional platforms.
- Activating the Incentives accorded by the Investment Law 72/2017 and its Executive Regulations many general, special and additional guarantees and incentives. many decrees have been passed with the purpose of adding new sectors and business activities to, and implementing, the incentive system stipulated in the Investment Law. Among the incentives accorded under the Law comes the Golden License that has already been granted to a large number of companies incorporated to set up strategic or national projects aimed at development.







## Main Guarantees and Investment Incentives

### Investment Guarantees

The state permits all cash transfers in Foreign currencies	The state will grant non- Egyptian investors residence in Egypt	The project have the right to export its products without the need to be register in the in the register of exports	<b>10- 20%</b> Foreign Workers of total workers in the project
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### General Incentives

Exemption from the stamp tax and documentation fees for contracts of registration of lands.	<b>2%</b> Unified Customs Duty of the imported Machinery, Equipments, and devices required for formation of companies, or establishments	<b>5</b> Years Exemptions From the stamp tax, and documentation fees for contracts of establishments, and credit facility and pledge contracts pertaining to the business
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### Special Incentives

<b>50%</b> Of the investment costs to be deducted from the tax base net profit (for sector A) (Maximum 7 years - maximum 80% of paid-in capital)	<b>30%</b> Of the investment costs to be deducted from the tax base net profit (for sector B) (Maximum 7 years - maximum 80% of paid-in capital)	<b>35 : 55%</b> Cash investment incentive out of the paid tax to be granted to investment projects or their expansions in specific industries
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### Additional Incentives

<b>50%</b> Of basic utility consumption cost can be covered by public treasury up to 10 years	Of land cost is refunded if production starts within 2 years	Exemption from infrastructure cost	<b>10</b> Years Exemption from land usufruct charges
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- Establishing an emerging entrepreneurship unit at the General Authority for Investment and Free Zones, and a special electronic platform for the unit that specializes in communicating with leading entrepreneurs regarding the challenges and proposing their ideas to develop the entrepreneurship environment in Egypt.
- Forming at the Council of Ministers an ad-hoc unit dedicated to solving investors' problems, its main task is to coordinate solving and to address expediently any obstacle or complaint related to investment.



### Time and Cost Needed to Startup Business in Egypt\*



#### One working day\*

Time Required to Establish a Company



#### Minimum Capital

**Joint Stock Companies, Partnerships Limited by Shares:** Issued Capital EGP 250 Thousand, of which 10% is deposited upon corporation  
**Single-Member Companies: \*\*\*** Minimum Capital EGP 1000 upon incorporation.  
**limited liability companies:** There is No Minimum Capital



#### 20 Business day\*\*

Time Required to Issue Project's Permits

\* According to Investment Law No.72 of 2017.

\*\* According to Prime Minister Decree No.982 of 2022

\*\*\* According to Prime Minister Decree No.2928 of 2022



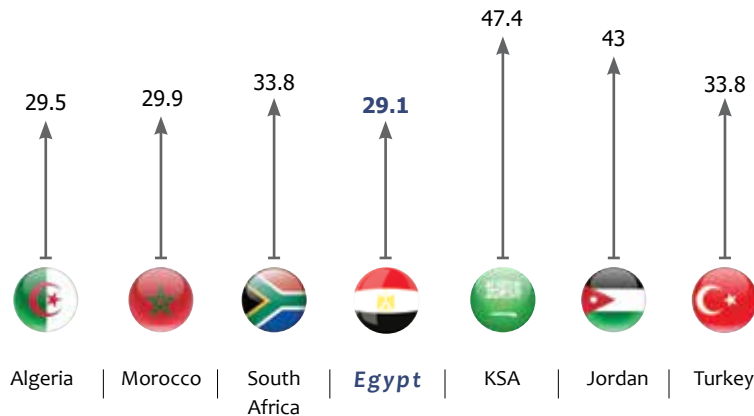
## **Eleventh Pillar:**

### ***Welfare and Cost of Living in Egypt***

Egypt has made progress in (Best Countries) ranking 2023, issued by (U.S. News & World Report's), where it ranked 34 among 87 in 2023 compared to 40 in 2019. The ranking countries based on 10 sub-indicators, each with relative weight, as the readiness trade, travel and investment and to directly affect the national economies.

- Egypt advanced 7 positions in the soft power index issued by Brand Finance, which is based on basic pillars, foremost of which are heritage, culture, education, science, governance and trade, to come in 31<sup>st</sup> place in 2022, compared to 38<sup>th</sup> in 2020.
- According to Numbeo, which specializes in monitoring the details of living in the countries of the world, Egypt was among the lowest Arab countries in the cost of living during 2024, where it got 29.1 points. It is worth mentioning that the index compares the cost of living to New York city at 100 points.

› **The Cost of Living Index in Egypt vs. some of Emerging and Regional Countries during 2024**

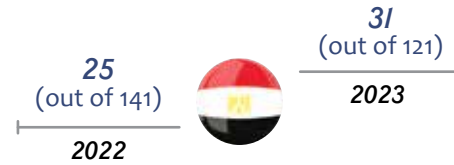


Source: Numbeo - 2024

- The Lloyd's Register Safety Perceptions Index (SPI) provides a comprehensive assessment of concerns and experiences with risk. The index was produced by the Institute for Economics and Peace (IEP) based on data from the World Risk Poll, a global survey designed

by Lloyd's Register and administered by Gallup Polls. Opinion, Egypt ranked 31<sup>st</sup> out of 121 countries in 2023, while it ranked 25<sup>th</sup> out of 141 countries in 2022.

› **Egypt's Rank in "Safety Perceptions Index" 2023**



Source: Loyd's Register Foundation - 2023

- Egypt advanced 20 positions in the Security and Safety Index for Expats issued by InterNations, which measures personal safety and security as part of the quality of life. Egypt ranked 42<sup>nd</sup> in 2022, compared to 62<sup>nd</sup> in 2016.







## Twelfth Pillar:

### *Egypt in International Reports*

Testimonials from international institutions reflect the ability of the Egyptian economy to face global challenges and crises in light of the adoption of the economic reform program in its first and second phases, which resulted in high economic growth rates for Egypt to become among the highest rates among many Arab countries, in addition to the increase in net foreign direct investment flows, and lower unemployment rates.



Economic measures have recently taken by the government contributed to meeting internal challenges and mitigate the repercussions of the surrounding regional and global crises, the state has been pursuing financial policies that would enhance the economic plans, while striving seriously to improve the investment climate to provide foreign exchange and support vital sectors. This contributed to supporting the response of the Egyptian economy and pushing towards stimulating economic growth. It also played a role in improving the expectations of international financial institutions for the Egyptian economy in the coming period.

**OECD expected that the recovery of the Egyptian economy is set to be gradual:**

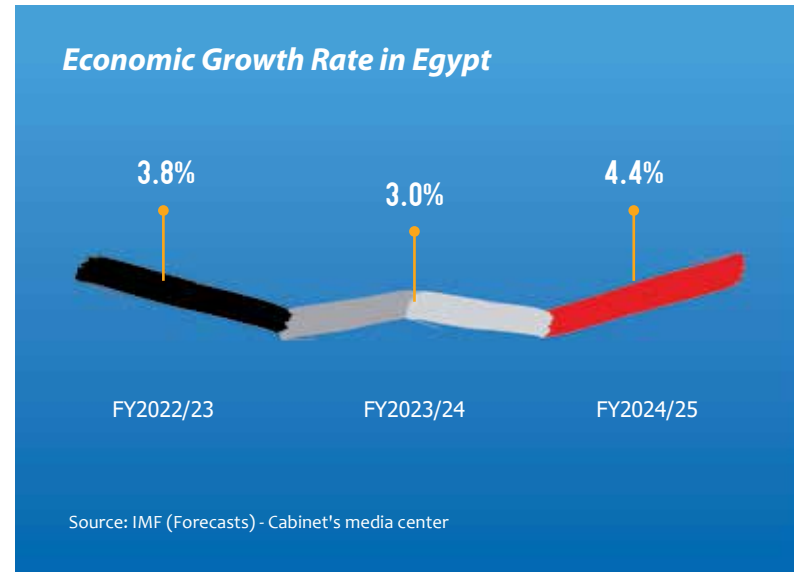


The Organization for Economic Co-Operation and Development (OECD) expected that the economic growth rate in Egypt is expected to pick up to 3.9% and 5.6% in FY2024/25 and FY2025/26, respectively. Inflation will be held back due to fiscal measures which have taken by government. The organization also expected that the Private investment will increase especially foreign direct investment due to the fiscal reforms which have been recently implemented.

**IMF: The Economic Growth Rate in Egypt will increase to 5.6% in FY2028/29:**



The International Monetary Fund (IMF) stated in a recent economic review report on Egypt's economic program that the Egyptian economy is expected to achieve a growth rate of 5.6% during FY2028/29, up from the expected 4.4% in FY2024/25. It noted that the Egyptian economy achieved a growth rate in gross domestic product (GDP) of 3.8% during FY2022/23.

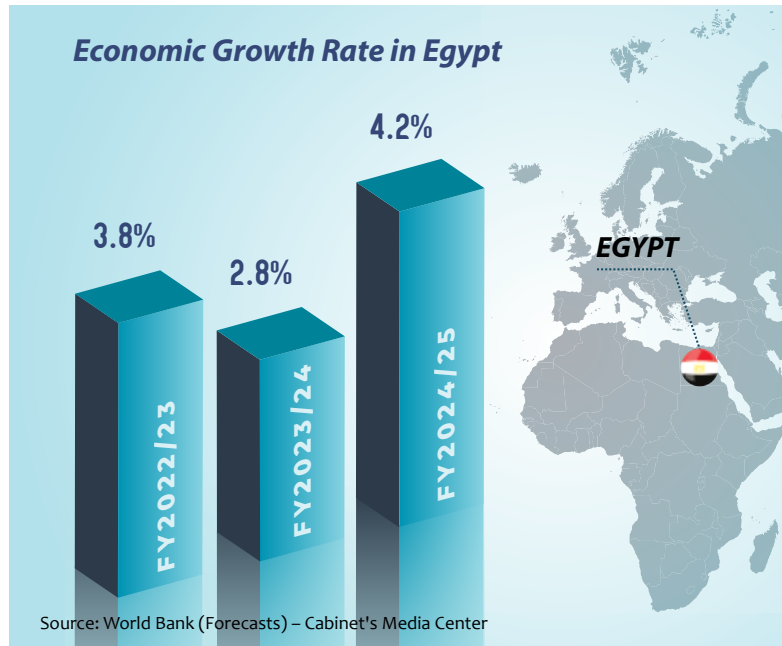


**The World Bank raises its forecasts for the growth of the Egyptian economy in FY2024/25:**



The World Bank has revised its projections for Egypt's economic growth, anticipating a 4.2% in FY2024/25, up from the previous estimate of 3.9%. The bank also expected the inflation rate (Urban Areas) to decline to about 24.9% in

FY2024/25, compared to about 33.4% in FY2023/24.

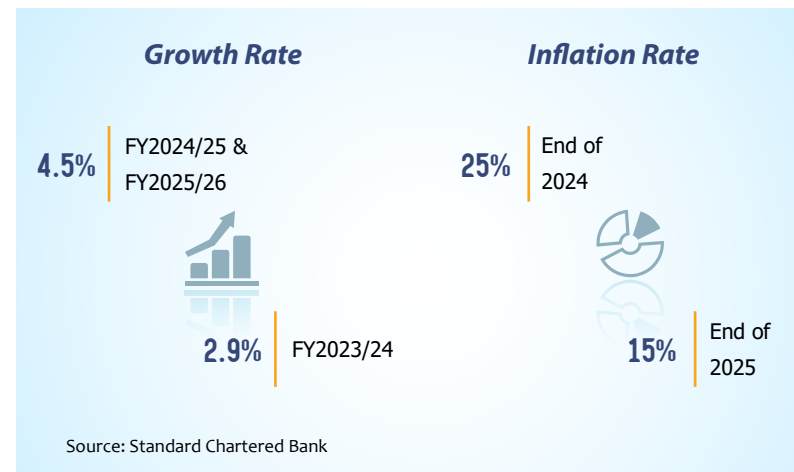


**Standard Chartered Bank expects the Egyptian economy to recover over the next two years:**



The bank's experts confirmed that the economic growth rate in Egypt is expected to rise to about 4.5% during the next two years, up from 2.9% during FY2023/24. The bank's

experts also expected that the inflation rate to decline to less than 30% by the end of June 2024, and declining to 25% by the end of December 2024, than declining to 15% by the end of 2025. The bank confirmed that Egypt is the third largest economy in the region, and enjoys a variety of sectors including gas, trade, tourism, industry, and mining, in addition to large investments planned in the energy sector.



**IMF expects Egypt's foreign exchange cash flows to rise during FY2023/24 to reach about USD 107.3 billion:**



The International Monetary Fund expects Egypt's receipts from the five most important main sources of foreign exchange flows during FY2023/24 rise to USD 107.3 billion compared to about USD 93.6

billion in FY2022/23. The five sources of foreign exchange include proceeds from merchandise exports, tourism revenues, and Suez Canal revenues, in addition to private transfers (including from Egyptians working abroad), and net foreign direct investment.

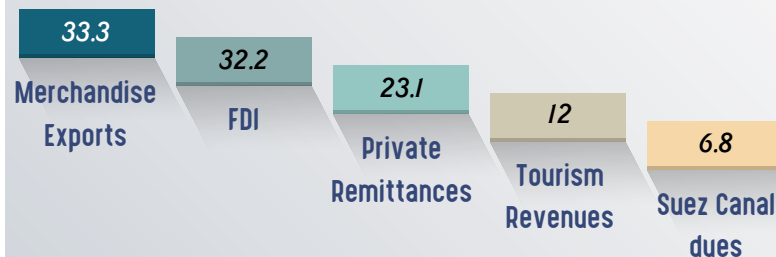
**The American investment bank (Goldman Sachs) expects GDP Growth Rate in Egypt to accelerate over the next two years:**



The US investment bank Goldman Sachs expects Egypt's real GDP growth to accelerate from estimates of 3.5% in FY2023/24 to 4.9% in the FY2024/25, and to average between 6% and 6.5% from the FY2025/26;

Reflecting the importance of the comprehensive Egyptian economic reform program, which is based on consistent and integrated economic policies that strongly support the empowerment of the local and foreign private sector, which drives the engine of economic growth and employment by focusing on productive sectors such as agriculture, industry, communications, information technology, and tourism as well to stimulate domestic production and export.

**> IMF Forecasts for the Five Main Sources of Foreign Exchange Flows in Egypt in FY2023/24 (USD billion)**



Source: International Monetary Fund (IMF)





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*Snapshot of*  
**Egypt**

*Fifth Edition*



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