

*Unleash
the Potential
of*

Egypt



2023





Arab Republic of EGYPT



Cairo



language: Arabic



GMT +2 hrs



Population:
103.6 million



Surface area:
1.002 million km²



EGP **5.5** trillion
Average GDP
In current prices



4.8%
Average economic
growth rate



EGP **301** billion
Average private
investments



USD **7.58** billion
Average net foreign
direct investment



8.5%
Average
inflation rate



9.1%
Average
unemployment rate

The average for the period from FY2016/17 to FY2021/22.



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



15
Commercial
ports



30000 km
The developing
road network
(Expected)



705 Stations
8695 km
Railway network
length (2020)



3 Metro lines
94 Metro
stations



2 Monorail lines
34 Stations



19 Light electric
railway stations



22 High speed
electric railway
stations



204.1
Billion KW/h
Generated and
purchased energy
(2020/2021)



28.3
Million tons
Production of crude
oil and condensate
(2021)



53.1
Million tons
Natural oil
production
(2021)



1
Million tons
Butane gas
production
(2021)



The infographic features a central circular frame with a blue border, containing a map of Egypt and its flag. Surrounding this central frame are ten labels, each with an orange arrow pointing towards the center. The labels are arranged in a circular pattern around the globe background. The central text is bold and black, stating the main purpose of the factors listed around it.

**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



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.

In April 2021, Egypt launched the second phase of the "Economic Reform Program". This phase focuses on structural reforms which extends for a period of three years starting from the completion the first phase, which aimed to address the imbalances of monetary and fiscal policies. The second phase 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.

- The main pillar of the second phase is to increase the relative weight of the manufacturing, agriculture, telecommunications and information technology sectors. 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.
- The importance of the second phase of the "Economic Reform Program" stems from the fact that the monetary and fiscal policy reform that took place in the first phase, if not followed by structural reform, would only continue for a year or two and then would regress as a result of failure to effect structural changes, as is the case in many countries that have undergone such monetary reform.

National Economic Reform Program

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



Liberalize trade



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 improve macroeconomic indicators by FY2023/2024, as follows:



Increasing the annual economic growth rate of FY2019/20 from 3.6% to a rate ranging from 6% to 7% by FY2023/24;



Increasing contribution of the manufacturing sector in GDP to be 15%;



Increasing contribution of the agricultural sector in GDP to be 12%;



Increasing contribution of the ICT sector in GDP to be 5%;



Increasing contribution of high technological components in total industrial exports to be 7%;



Lowering the budget deficit to 5% of GDP;



Economic Growth Rate:

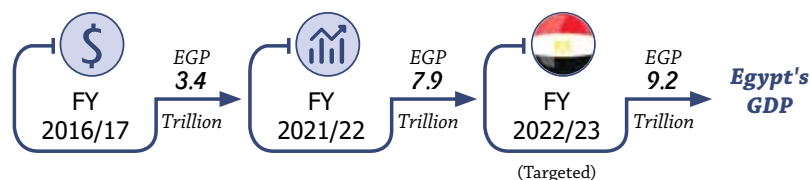
Throughout the years of its first phase, yields of the Economic Reform Program have helped withstand the negative repercussions of COVID-19 crisis, as Egypt achieved positive economic growth.



By comparing Egypt's economic growth rates to those of regional and emerging countries in 2021 and 2022, it is obvious that Egypt achieved high positive growth rates during 2021 and 2022 amounting to 3.3%, and 6.6%, respectively, compared to regional and emerging countries that recorded either negative or lower rates due to Covid-19 repercussions, according to data issued by IMF.

Egypt's GDP has grown from EGP 3.4 trillion in FY2016/17, to reach about EGP 7.9 trillion during FY2021/22. Furthermore, by the implementation of the second pillar of National Structural Reform Program.

It is expected that GDP will rise significantly in the coming years to reach about EGP 9.2 trillion in FY2022/23.



Source: Ministry of Planning

The second pillar of the program aims to increase the share of contribution of specific sectors in GDP over the period (FY2019/20 - FY2023/24), as follows:



Industrial Sector: from 11.7% in FY2019/20 to 15% in FY2023/24.

ICT Sector: from 2.8% in FY2019/20 to 5% in FY2023/24, maintaining high growth rates for the sector of approximately 16%.



Agricultural Sector: from 11.3% in FY2019/20 to 12% in FY2023/24



VIP Desk in ISC at GAFI

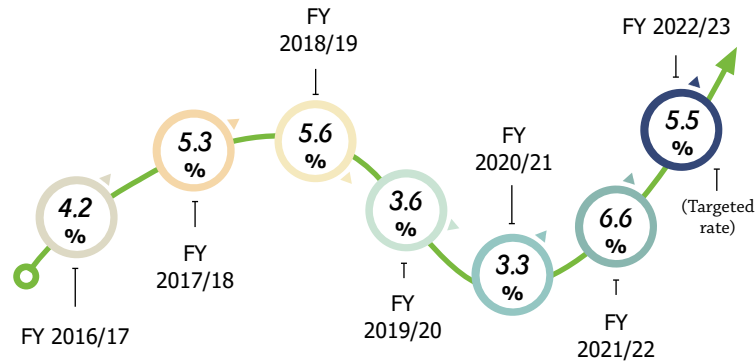
The second phase of the Economic Reform Program

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

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

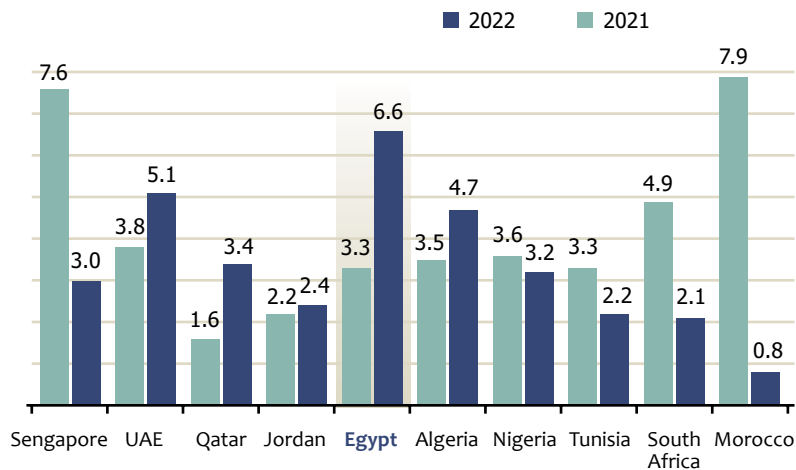
"Raise Egypt's ranking from 55th in 2020 to 45th in 2024 according to the Technological Complexity Index (TCI) issued by "Oxford Insights" "

>> GDP Growth Rate (%)



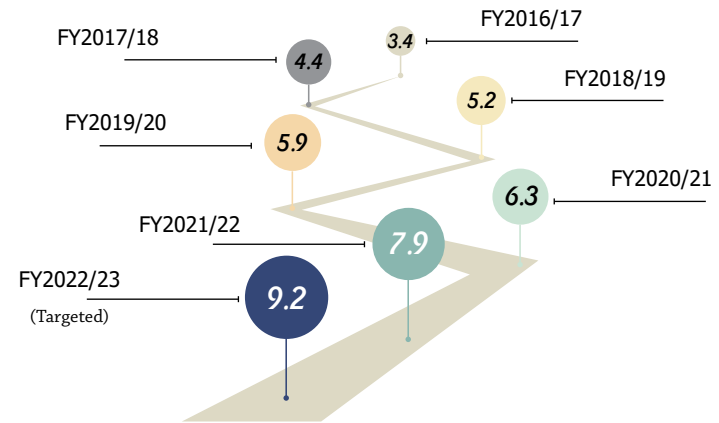
Source: Ministry of Planning

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



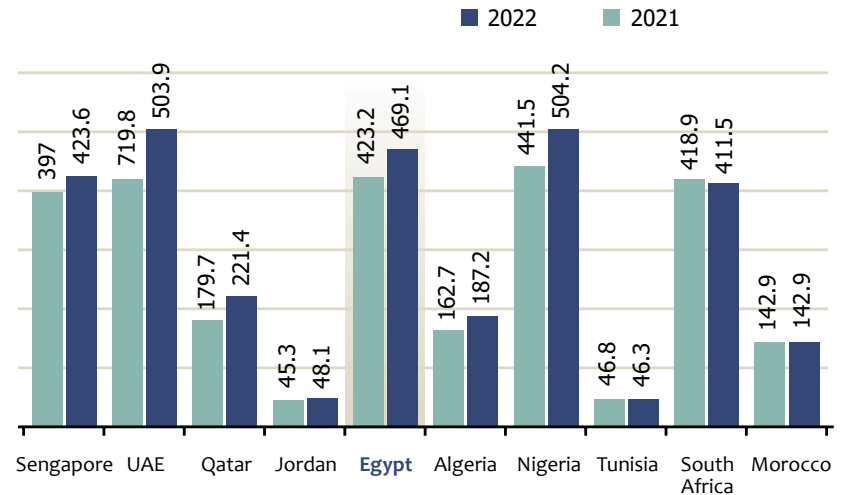
Source: IMF

>> GDP (EGP Trillion - at current prices)



Source: Ministry of Planning

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



Source: IMF

Most Important Procedures of Facilitating Procedures to Investors



Implementing the geographical spread plan for Investor Services Centers (ISCs).



Activating GAFI's digitalization plan.



Coordinating to list and propose investment opportunities to investors.



Facilitating obtaining procedures of security approvals for foreign investors.



Establishing a system to measure customer satisfaction with the services provided at ISCs.



Expanding the establishment of integrated and licensed investment zones.



Developing Free Zones' infrastructure to spur existing projects and attract more investments.

Golden License (Comprehensive Approval)

- According to Article (20) of Investment Law enacted by Law No.72 of 2017 and Articles (42) and (43) of its Executive Regulations, the golden license is a comprehensive approval on the set up, operation and management of a project, including building licenses of such project and the allocation of the real property required therefor. It may be granted to companies upon a decree of the Council of Ministers.
- This approval may include the application of one or more of the incentives mentioned in the present law to the project.
- This approval must be valid on its own without the need to take any other action.

Incentives that may be granted to companies within the Golden License





All detailed information is on the USB