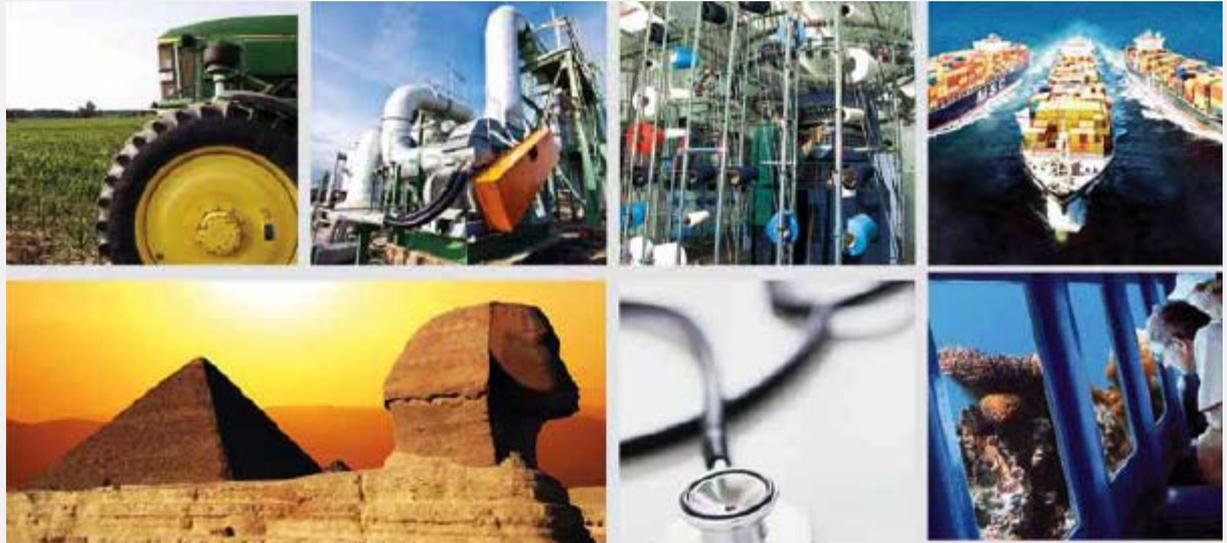


Egypt

for a Brighter Future





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EMDC partners in Egypt

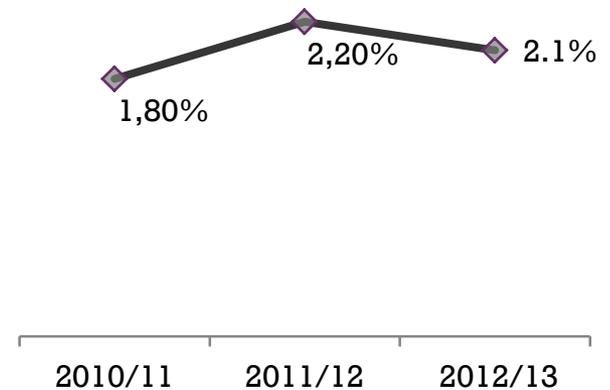
- **Social Fund for Development SFD** provides a wide range of financial, non-financial programs, services, and initiatives geared to supporting the MSEs sector in Egypt. www.sfdegypt.org
- **The Federation of Egyptian Industries The FEI** was established in 1922 and today it overlooks the operations and tackles the barriers facing the entire Industrial Sector. This is achieved through 16 dynamic, highly active Chambers. <http://www.fei.org.eg/>
- **The Industrial Modernization Centre IMC** mission is to support industrial targeted enterprises individually and sectorally according to the business development plans through comprehensive programs aiming at sustainable growth. www.imc-egypt.org
- **The General Authority for Investment (GAFI)** is the principal governmental authority concerned with regulating, facilitating and promoting investments, as well improving and enhancing the Business Climate. <http://www.gafi.gov.eg/en/default.aspx>



Main Indicators

- **Annual CPI Inflation Rate** 10.8 %
- **Net foreign currency Reserves** as of Oct. 18.59 (USD billion)
- **Net Foreign Direct Investments** the FY 2012/13: (3 USD billion)
- **Unemployment Rate** 13% during 2013
- **Total exports (FY2012/2013)** 26 USD billion
- **Total imports (FY 2012/2013)** 57.5 USD billion

GDP Growth Rates



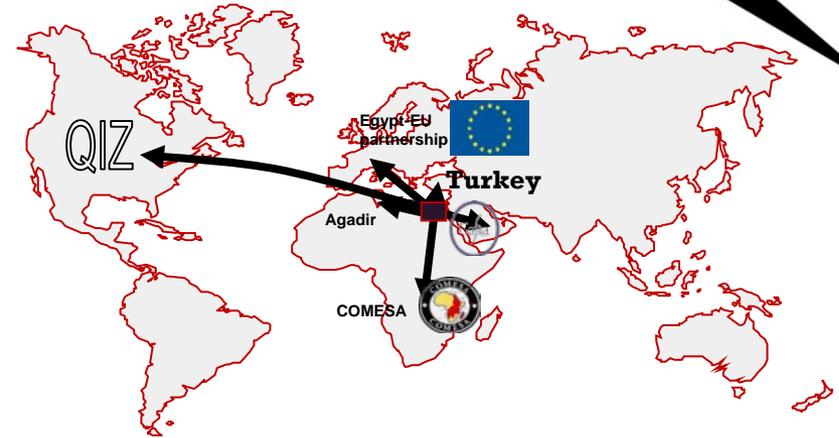


EMDC Centre

Why Egypt?



Global Markets; Proximity & Access



- ❑ Close proximity to Key global markets in Europe, the Middle East, Africa and the Indian Subcontinent are all readily accessible from Egypt.
- ❑ Closer to the European and North American markets than other major exporters
- ❑ Suez Canal;
 - ❑ the shortest link between the east and the west,
 - ❑ Approximately 8% of the world's maritime shipping passes through the Suez Canal each year.
 - ❑ Significant savings in distance, time and operating costs.

- ❑ **Access to Europe, Middle East and Africa**
Accessing 1.5+ billion Customers through multilateral and bilateral trade agreements

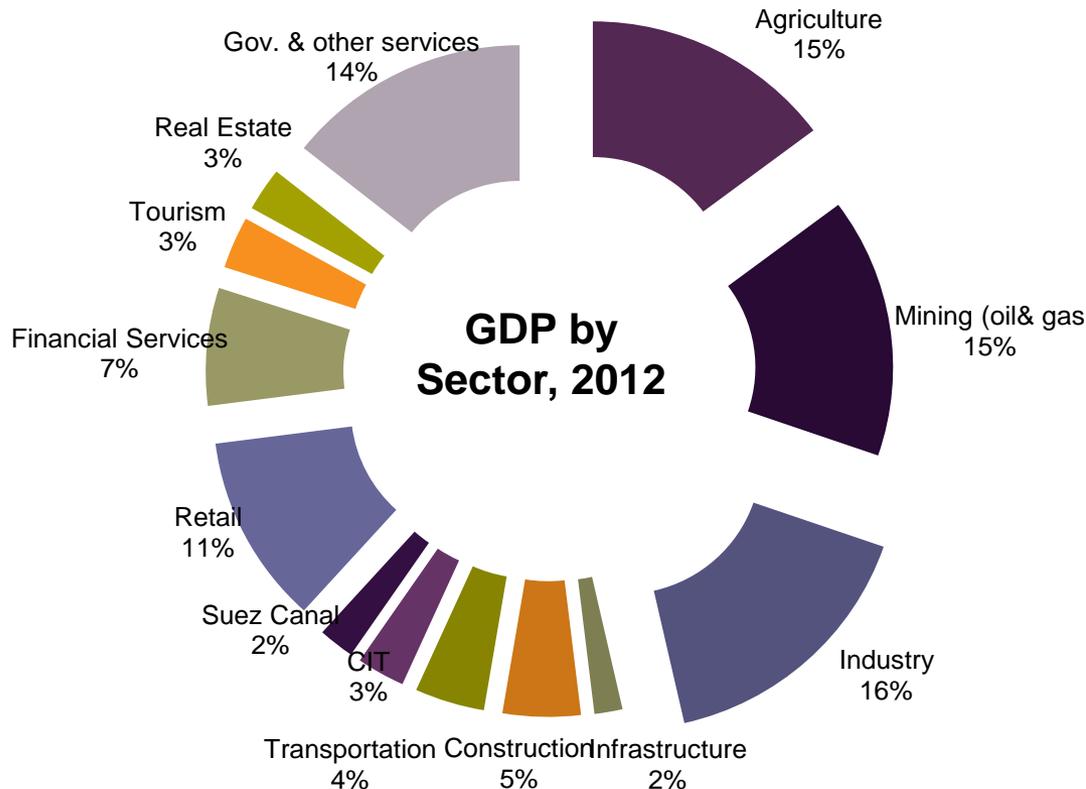
59 agreements on double taxation and 71 bilateral investment treaties in effect



Diversified Economy

“An important ingredient of Egypt’s success lies in its highly diverse economy. A number of sectors provide the backbone of economic activity in the country, with energy, agriculture and industry being among the most significant. Having such a diverse base obviously allows for greater stability, particularly in times of economic hardship.”

The Banker, 2010



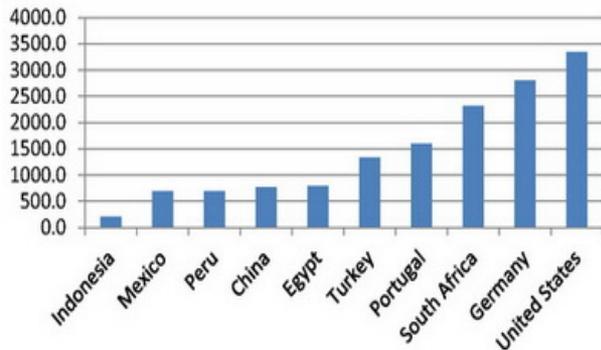
Source; CBE



Low cost of doing business

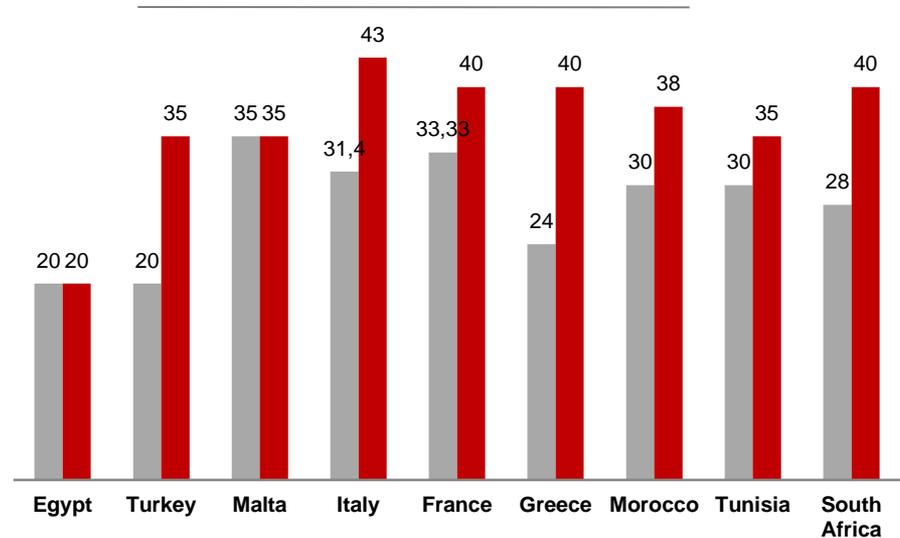
Income and Corporate Tax

Table 1: Average nominal monthly wages, in PPP international dollars, 2010



Source: ILO Global Wage Database and IMF

■ Corporate Tax (%) ■ Income Tax (%)





Developed infrastructure

- ❑ Three independent mobile (cellular) phone networks cover nearly 100% of the country's inhabited land.
- ❑ Wire line broadband is readily available in urban centers.
- ❑ The country's 15 commercial ports serve the nation's exporters and importers alike, while an expanding, upgrading airport network caters to both passengers and cargo traffic, Egypt's Air Cargo Airport, currently has three cargo terminals, dealing with textiles, vegetables and many industrial products. Also the country has a well-established network of railways and roads.
- ❑ Competitively prices of Utilities.





EMDC selected Sectors' Snapshot

- **Plastics** The plastics industry in Egypt is growing and modernizing steadily. Egypt consumed approximately 1.2 million tons of plastic materials and resins worth U\$1.65 billion, and this demand is expected to grow at 10% annually for the next 5 years at least. Scope of production includes raw materials, home appliances, plastic bags, packages, pipes, fiberglass products, bottles, automotive accessories, and others..



EMDC selected Sectors' Snapshot

Leather

- The Leather Industry represents about 5% of the total industrial sector of the Country. It employs (together with the textiles sector) about 30% of the Egyptian workforce. Now in Egypt, the leather products manufacture in the country is clearly classified into three main subsectors: footwear, leather goods and leather garments.
- Footwear represents 85 percent of the Egyptian industrial activities among the leather based industries with a total output estimated at 97 million pairs per annum applying both leather and man-made material.
- Egypt has an advantage here with relatively low wage rates which are competitive on the world stage
- The industry is suffering from cheap imports from the Far East, particularly China. There is an opportunity for Egyptian manufacturers to market themselves as sub-contractors for international (European) brands rather than trying to become original product marketers.



EMDC selected Sectors' Snapshot

Agro-Food

- The Agro food sector represents a multi assets sector for the Egyptian economy since it contributes 14.8 % of the GDP, 20% of the exports and employs almost 30% of the labor force.
- The largest agro-food subsector is **food processing**. In 2012, this sector counted for 6130 companies, reaching a total issued capital of € 6,3bn. These companies include manufacturing of agriculture crops, pasta and sweets manufacturing, processed fish and meat and mills, dairy products oils and fats. The agro-industry has boomed with an annual growth rate over 34% in recent years. Deficiencies in neighboring nations' food industries have created strong business opportunities for both national and foreign companies operating in Egypt.



EMDC selected Sectors' Snapshot

Furniture

- The Egyptian furniture and wood industrial sector is witnessing a true dynamic growth derived largely by a surge in its export coupled with a growing demand for the sector's products from the Middle East and North African (MENA) countries.
- Compared to its competitors, the Egyptian furniture sector provides its partners with greater flexibility in terms of order quantity, customizable specifications and turn-around time due to Egypt's unique geographic location, which also helps reduce the cost of both importing inputs and exporting finished products, which all give the sector the capacity to expand and grow dramatically in the coming years.