



Snapshot of Egypt

Fourth Edition



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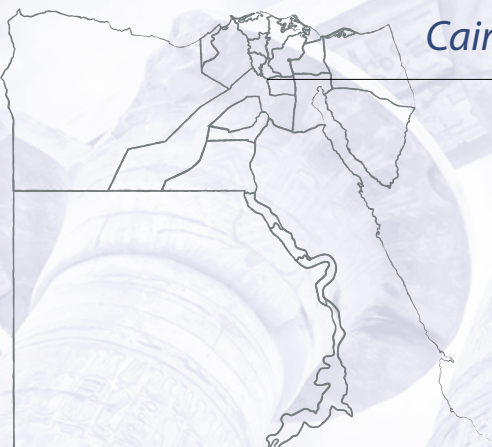
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www.investinegypt.gov.eg



Arab Republic of EGYPT



Cairo



language: Arabic



GMT +2 hrs



Population:
105.4 million
(July 2023)



Surface area:
1.002 million km²



EGP **6.4** trillion
Average GDP
In current prices



4.7%
Average economic
growth rate



EGP **301** billion
Average private
investments



USD **7.6** billion *
Average net foreign
direct investment



14.6%
Average
inflation rate



8.8%
Average
unemployment rate

* The average for the period from FY2016/17 to FY2022/23.



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



30000 km
The developing
road network
(Expected)



705 Stations
9570 km
Railway network
length (2022)



3 Metro lines
94 Metro
stations



2 Monorail lines
35 Stations



19 Light electric
railway stations



22 High speed
electric railway
stations



213182
G.W/h
Generated and
purchased energy
(2021/2022)



27.8
Million tons
Production of crude
oil and condensate
(2022)



50.6
Million tons
Natural oil
production
(2022)



1.1
Million tons
Butane gas
production
(2022)



New Administrative Capital



The infographic features a central circular graphic with a blue border, containing a map of Egypt and the Egyptian flag. Surrounding this central circle 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 infographic.

**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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The Government of Egypt seeks to enhance resilience of the Egyptian economy and increase productivity.

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Egypt is the most populous country in the Arab world.

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Third Pillar

Education and Technical Skills

Egypt has an educational system that outperforms all other systems in North Africa.

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Fourth Pillar

Labor Force Competitiveness

Egypt is densely populated which is an advantage when it comes to providing workforce and skilled labor.

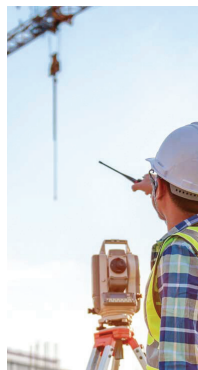




30
Fifth
Pillar

Income and Corporate Tax Rates

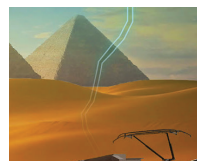
The tax framework in Egypt has witnessed a remarkable development in the past few years.



32
Sixth
Pillar

Infrastructure and Utilities Prices

Aligning with Vision 2030, Egypt aims to become a well developed state worldwide.



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Seventh
Pillar

Transportation Sector

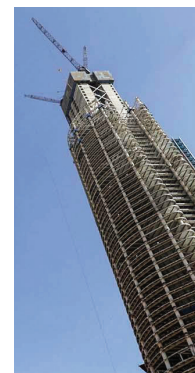
Transportation is one of the most vital service sectors in Egypt.



42
Eighth
Pillar

Communications and Information Technology

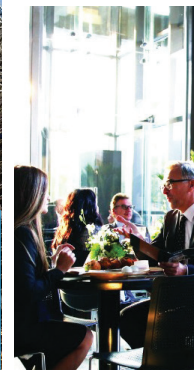
The ICT sector plays a key role in accelerating economic & social growth.



46
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Egypt is one of the best countries in terms of land prices and real estate investment.



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Egypt's ranking attained by International Reports and Indices.

» 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.



Investor
Service Center
ISC
Ministry of Investment

Through a successful implementation of the first phase of the program, Egypt managed to overcome the negative effects of COVID-19 pandemic where the program strengthened Egypt's ability to face its economic repercussions in addition to the negative impacts of the Russian-Ukrainian crisis that posed high challenges to the entire world.

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 three 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, in addition to stimulating and encouraging investment by simplifying the tax law, and achieve stability to the tax prices without affecting the tax exemptions and incentives granted to investors.

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.

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 of 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.

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:

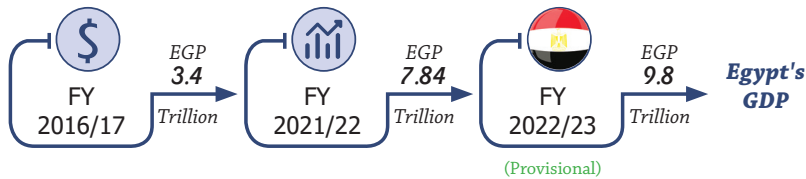
Throughout the years of its first phase, yields of the Economic Reform Program have helped withstand the negative repercussions of COVID-19 crisis, as Egypt achieved positive economic growth.



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 FY2022/2023 and FY2021/2022 amounting to 4.2%, and 6.6%, respectively, compared to regional and emerging countries that recorded either negative or lower rates.

Egypt's GDP has grown from EGP 3.4 trillion in FY2016/17, to reach about EGP 7.84 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 9.8 trillion in FY2022/23.



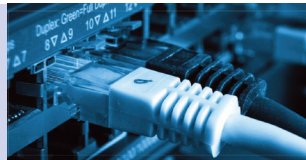
Source: Ministry of Planning

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

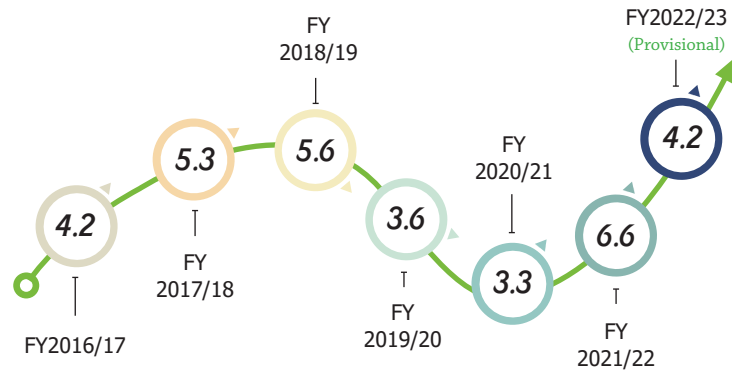
The second phase of the Economic Reform Program

"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 that increase integration into the international and regional value chains and would enable such products to compete in international markets"

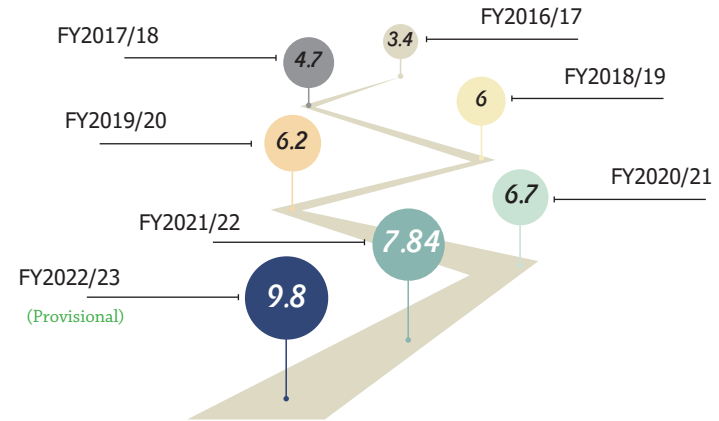
"Raise Egypt's ranking from 55th in 2020 to 45th in 2024 according to the Technological Complexity Index (TCI) issued by "Oxford Insights" "

>> GDP Growth Rate (%)



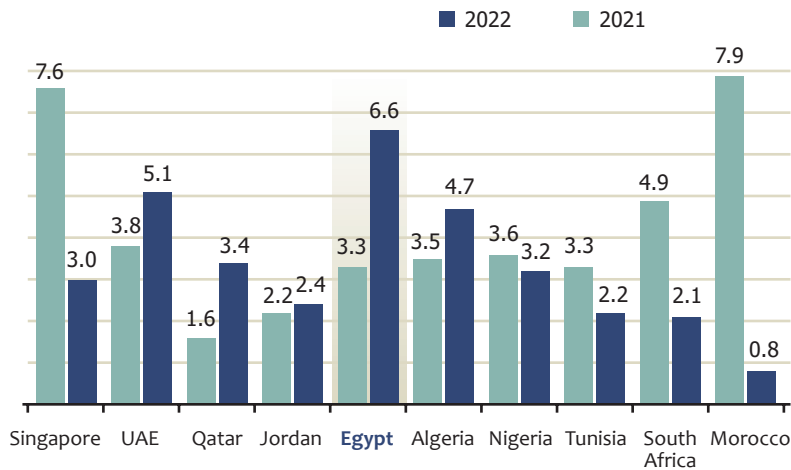
Source: Ministry of Planning

>> GDP (EGP Trillion - at current prices)



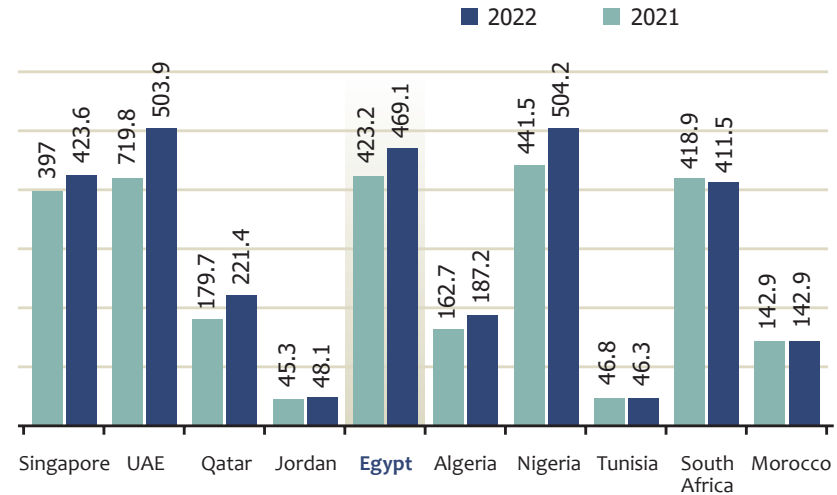
Source: Ministry of Planning

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



Source: IMF

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



Source: IMF

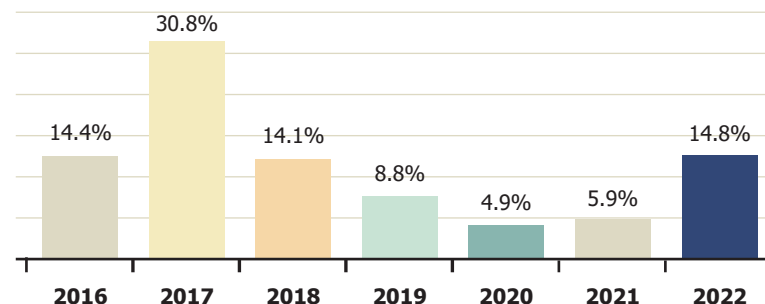


Inflation Rate:

The first phase of the Economic Reform Program succeeded in controlling inflationary constraints despite the hit of the COVID-19 pandemic, as the inflation rate in Egypt decreased from 30.8% in 2017 to 14.8% in 2022. 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, and the direct impact it has on the economic growth rate and the citizen's standard of living.

- 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, in addition to the repercussions of the rise in the value of the USD exchange rate since March 2022.

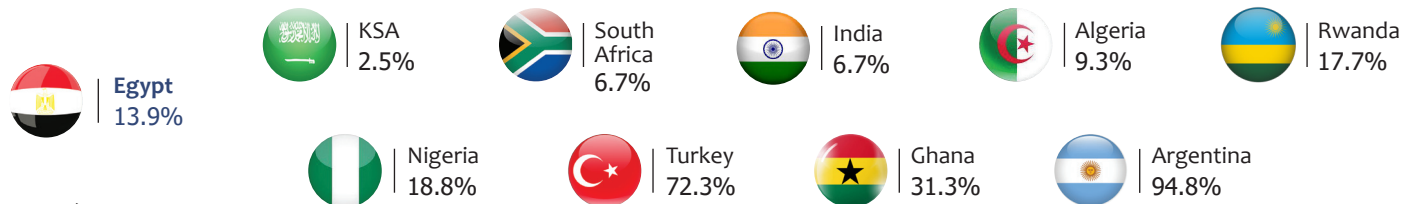
>> Inflation Rate in Egypt



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

- By comparing the inflation rate in Egypt in 2022 with that of a group of regional and emerging countries, we find that Egypt achieved an average low inflation rate as opposed to those countries.

>> Inflation Rate of Egypt vs. some of Regional and Emerging Countries in 2022



(Urban areas)

Source: World data.info



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 7.3% in 2022 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 7% in the second quarter of 2023, compared to about 12.5% in the same quarter of 2016.
- Comparing the unemployment rate in Egypt to some of regional and emerging countries in 2022, 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".

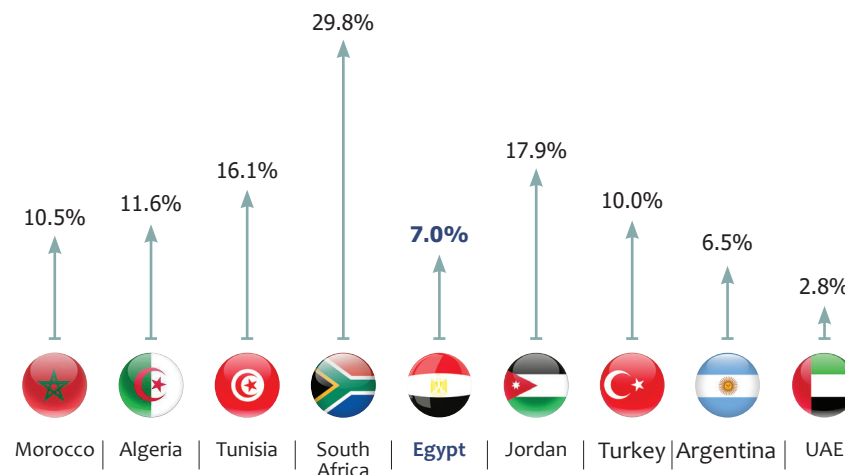
"The major national projects implemented by the State across various economic sectors have played part in decreasing unemployment rates in Egypt during the past few years by providing direct and indirect job opportunities".

>> Unemployment Rate in Egypt (Q2 2016 - Q2 2023) (%)



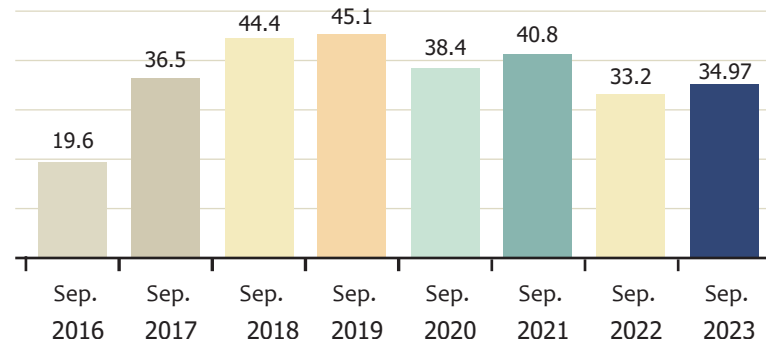
Source: Central Agency for Public mobilization and statistics (CAPMAS)

>> Comparison of the Unemployment Rate in Egypt vs. Regional and Emerging Countries in 2022



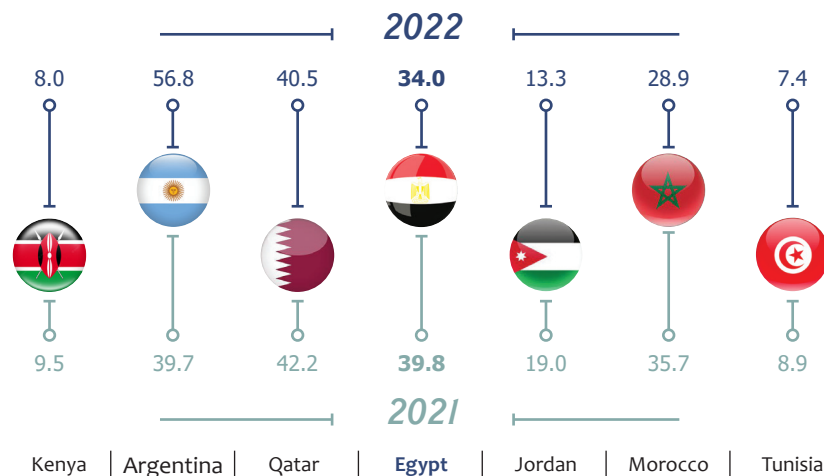
Source: Konema

>> 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

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 19.6 billion in September 2016 to USD 34.97 billion in September 2023, despite the negative impacts of COVID-19 and Russian-Ukrainian war. The net international reserves covering merchandise imports reached an average of 5.7 months in September 2023.
- Egypt received a total of USD 22.1 billion FY2022/23 compared to USD 21.8 billion in FY2016/17.

Remittance of Egyptians Working Abroad



Suez Canal Dues



Source: Central Bank of Egypt (CBE)

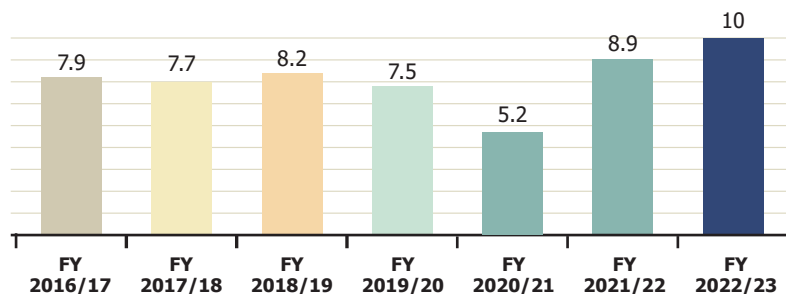


Foreign Direct Investment (FDI):

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.

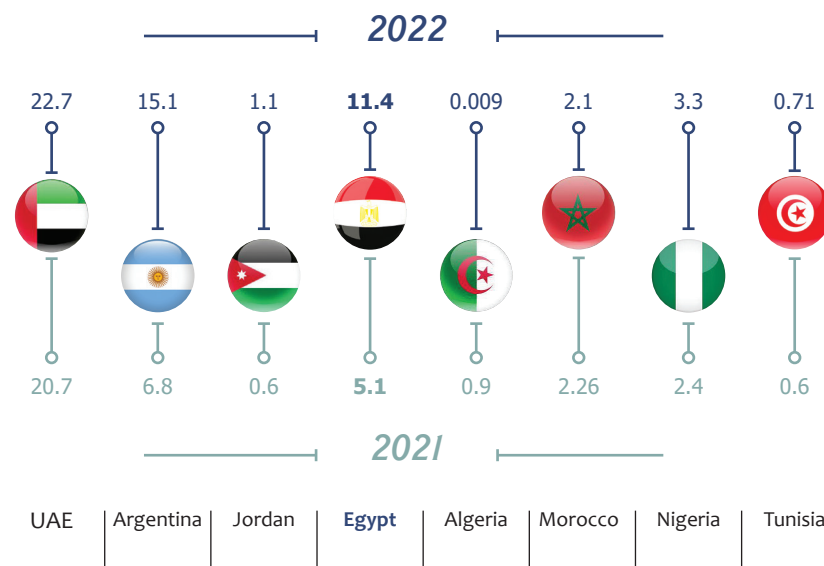
- Net FDI Inflows in Egypt amounted to about USD 10 billion during FY2022/23. Concerning the sectoral distribution of net FDI flows during FY2021/22 to FY2022/23, an increase of net flows of newly established companies and significant increase of existing companies' capital were observed compared to 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)

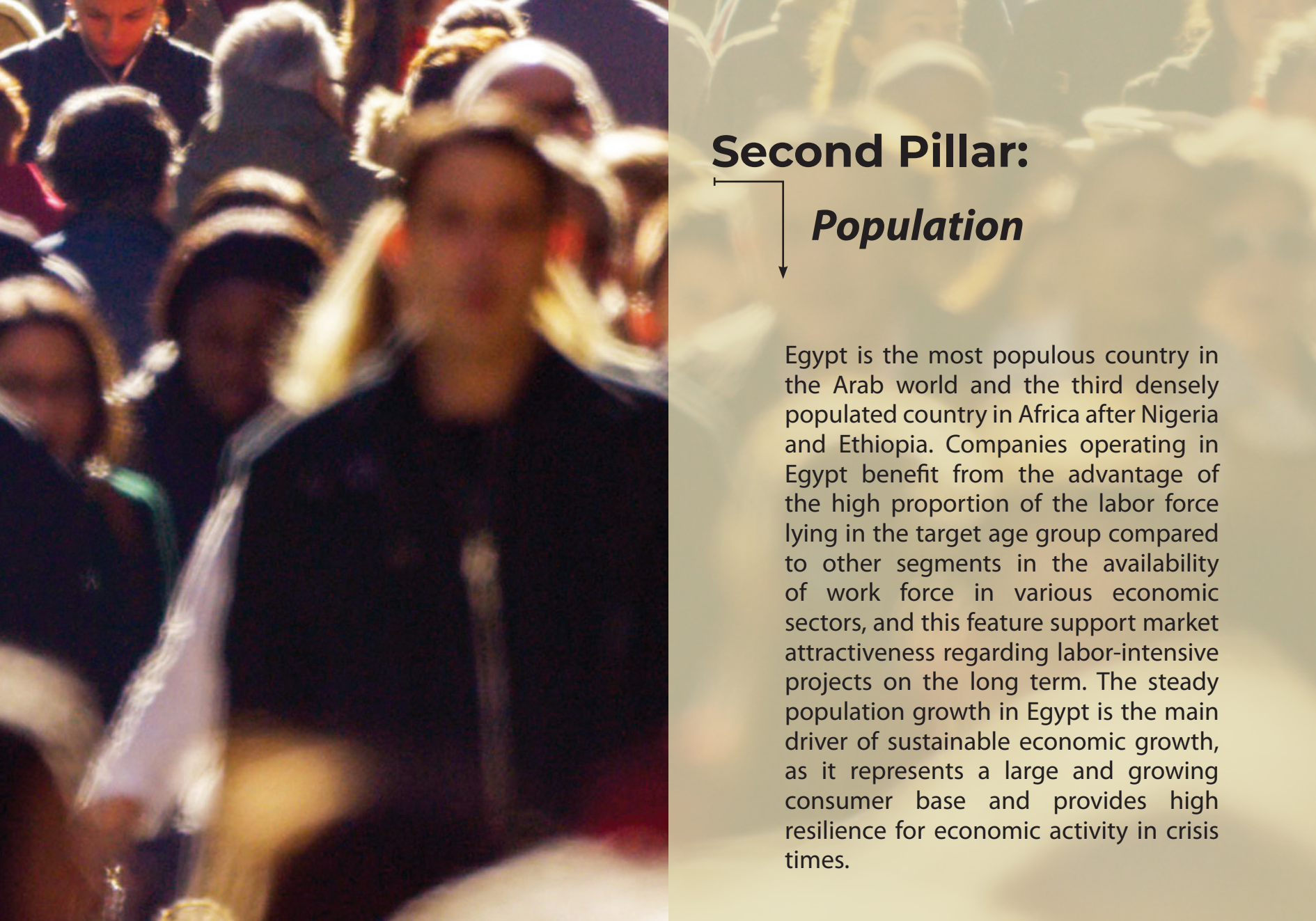


Source: UNCTAD - World Investment Report 2023

- 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

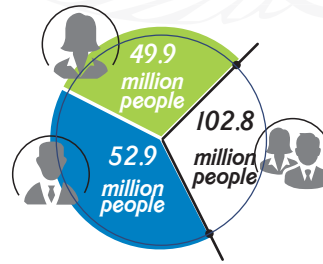


Second Pillar:

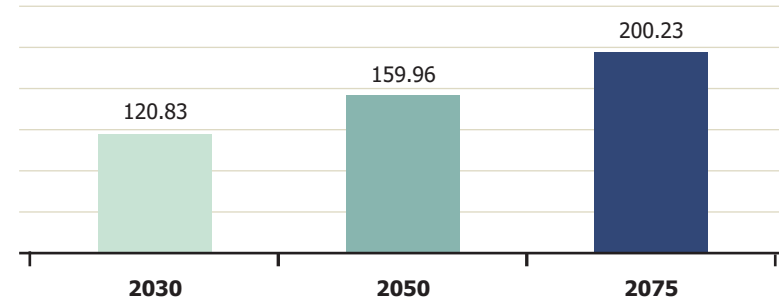
Population

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 102.8 million in 2022. The number of males reached about 52.9 million and the total number of females reached about 49.9 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 9.2 million, then Sharkia governorate with 7.7 million people, Dakahlia with 6.9 million people, and Beheira with 6.6 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 41.4% and 20.4%, 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.

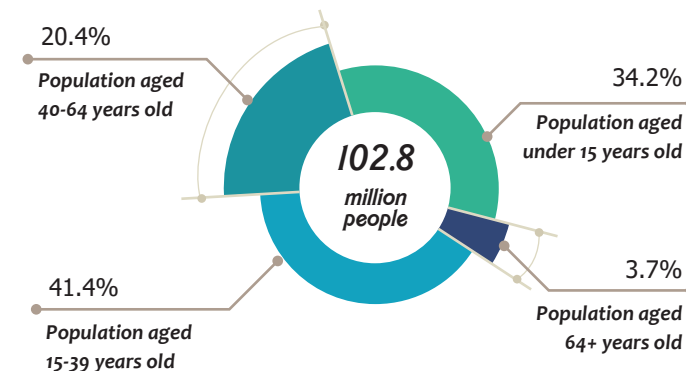


» Population Growth Prospects Age in Egypt (million people)



Source: United Nations – World Population Prospects 2019

» Distribution of Population Age Groups



Source: CAPMAS - Egypt in Figures, March 2023

- 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 23th globally and third rank on Africa.
- Egypt's rank in the GDP sub-index (valued by purchasing power parity) comes in the 21th 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.

"The average per capital GDP in FY2021/22 reached about EGP 67.3 thousand"

"The percentage of household consumption at current prices to GDP in FY2021/22 has reached 87.8%"

"Egypt comes at the 23th rank globally and the 3rd 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



BOOK
YOUR
HOTEL
ROOM



DOWNLOAD
CITYSTARS
APPLICATION

THE GARDEN CAFE

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

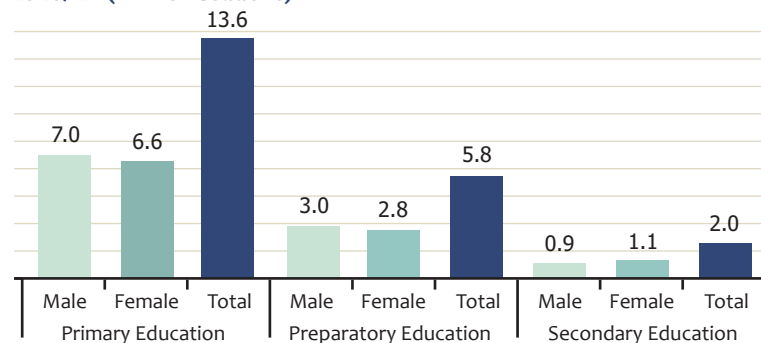
- President Abdel Fattah El-Sisi's initiative "Investment in Human Capital" is considered a paradigm shift in Egypt. The initiative encompasses the development of youth skills and the provision, in coordination with the private sector, of trainings based on the needs of the labor market, as well as the development of education, health care and community-based protection networks.
- The total number of students enrolled in primary education in the academic year 2020/21 reached about 13.6 million students, while the total number of students enrolled in preparatory and secondary education reached about 5.8 and 2 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 220.7 thousand.
- The total number of public universities graduates in the academic year 2019/20 reached 450.5 thousand, while the total number of private universities graduates reached about 30.4 thousand during the academic year 2019/20.

"Egypt advanced 14 places in the education quality index issued by US News, which ranks the best educational systems, as Egypt ranked 37th in 2022, compared to 51st place in 2019."

"Times Higher Education" confirmed that Egypt is the most represented African country in the Times Higher Education rankings, and is working for major reforms in the higher education system."

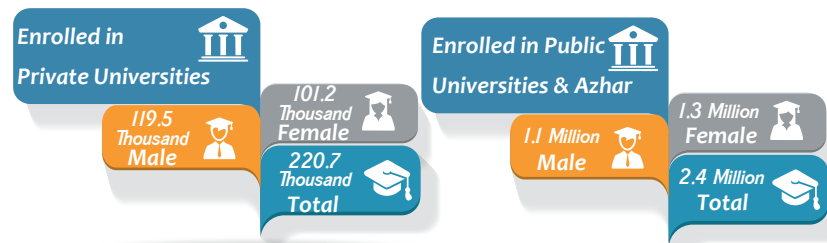
"Egypt advanced five places in the Global Innovation Index (GII) for 2022, Egypt ranked 89th globally out of 132 countries, if compared to 94th place in 2021."

>> The Total Number of Students Enrolled in Educational Stages in 2020/21 (million student)

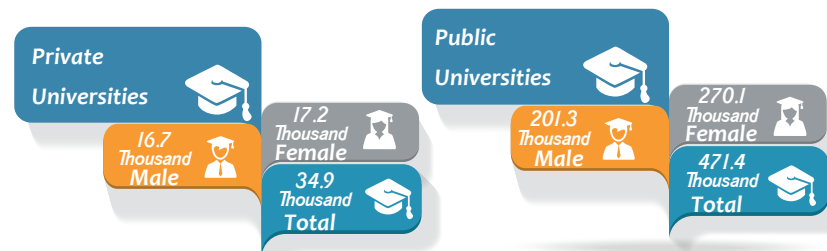


Source: CAPMAS - Egypt in Figures 2023

>> Enrolled in Universities during 2021/22



>> Universities Graduates during 2021

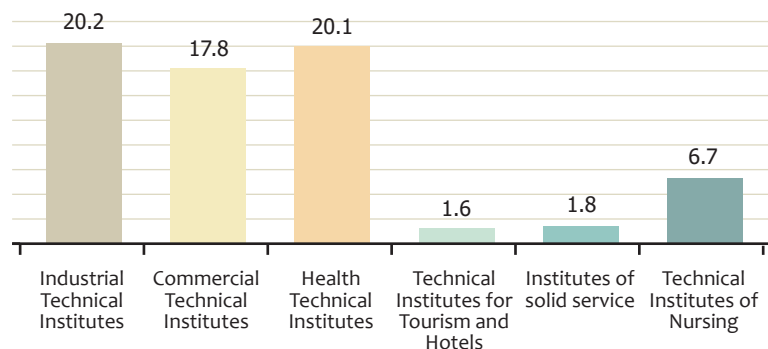


Source: CAPMAS - Egypt in Figures March 2023



The number of graduates in 2021 from technical institutes (above intermediate) reached 68.2 thousand, while the total number of graduates from higher technical institutes reached 93.8 thousand.

>> Total Number of Graduates in Technical Institutes (above intermediate) (2021)



Source: CAPMAS - Egypt in Figures March 2023

"The year 2022 witnessed the expansion of applied technology schools affiliated with the technical education sector, and the establishment of a number of new schools."

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

"Egypt advanced 12 places in the technical education and vocational training index within the Global Knowledge Index, to rank 68 in the 2021 report compared to 80 in the 2020 report."

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





Galala University



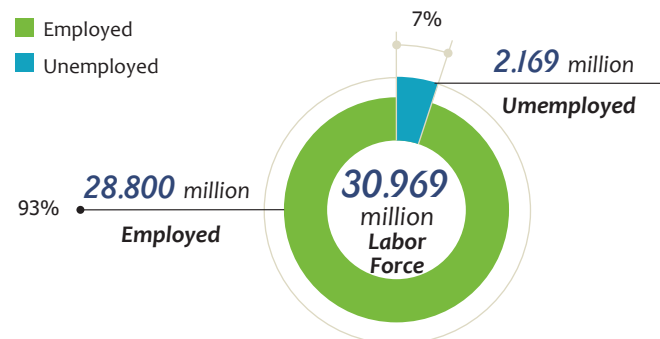
Fourth Pillar:

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.

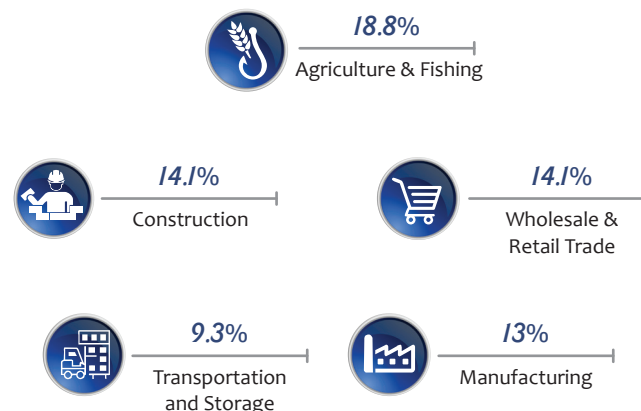
- The labor force in Egypt, estimated at 30.969 million in Q2 of 2023, has been among the most skilled workers in the Middle East for several decades. Egypt is the main regional source of skilled workers in several sectors, such as communications and information technology sector, financial services, 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 - Q2 2023

Relative Distribution of Workers According in some of the Economic Activities



Source: CAPMAS - Q2 2023

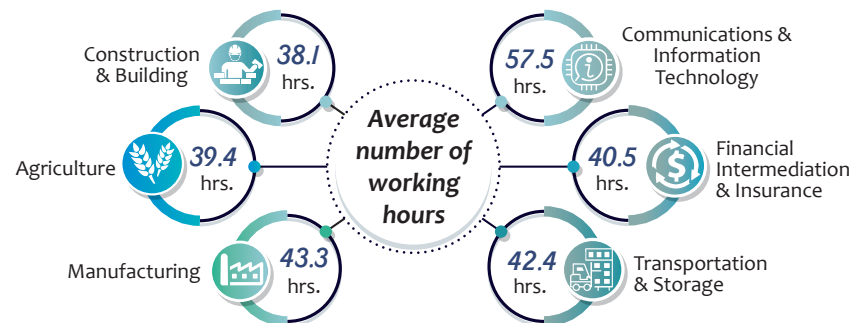


- Egyptian Labor Law regulates the rights of workers and determines working and rest hours and vacations in order to provide a safe environment for employees and preserve their rights. Subject to the law regulating the employment of workers at industrial establishments, the worker shall not be employed 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 - Q2 2023

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



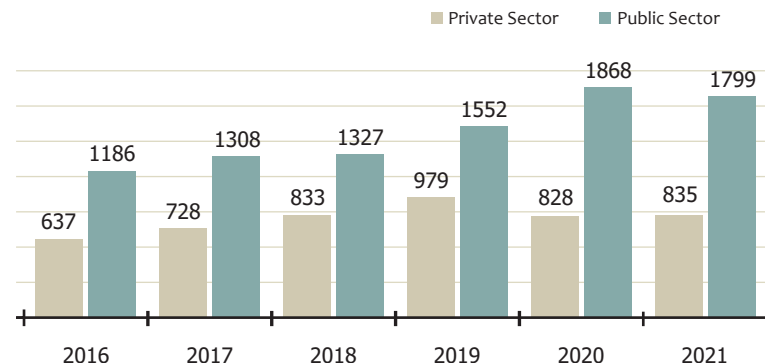
Source: ILO - April 2023

- Egypt is also distinguished by the competitiveness of wages compared to many countries. The average weekly cash wage in the Public Sector, during 2021 amounted to about 1799 EGP/week, and about 835 EGP/week in private sector.



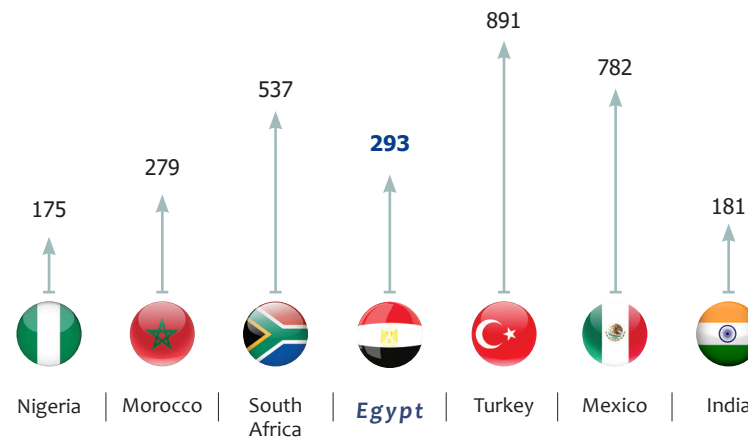
- According to the indicators of the International Labor Organization, the average monthly cash wage in Egypt, which is about 293 USD/month during 2021, is low, compared to other emerging countries such as Turkey, South Africa, and Mexico.
- The State is also keen to provide the appropriate conditions 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

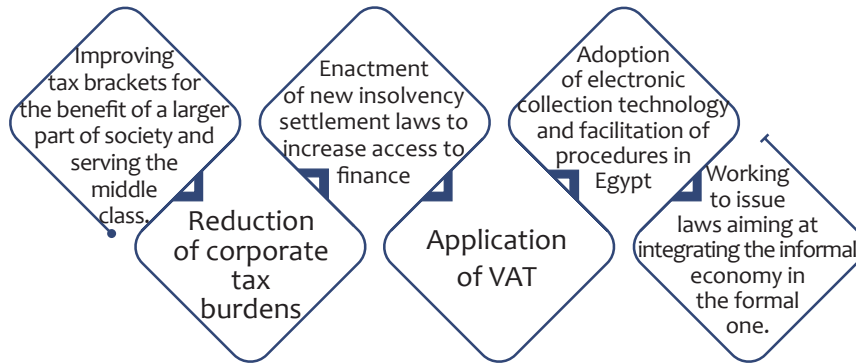
A man in a dark blue suit and tie is seated at a desk. He is holding a black pen with gold accents in his right hand, poised to write on a document. The desk is cluttered with various items: a large black calculator, a clipboard with a pen, and several sheets of paper featuring colorful charts and graphs. The background is slightly blurred, showing more of the office environment.

Fifth Pillar:

Tax Rates

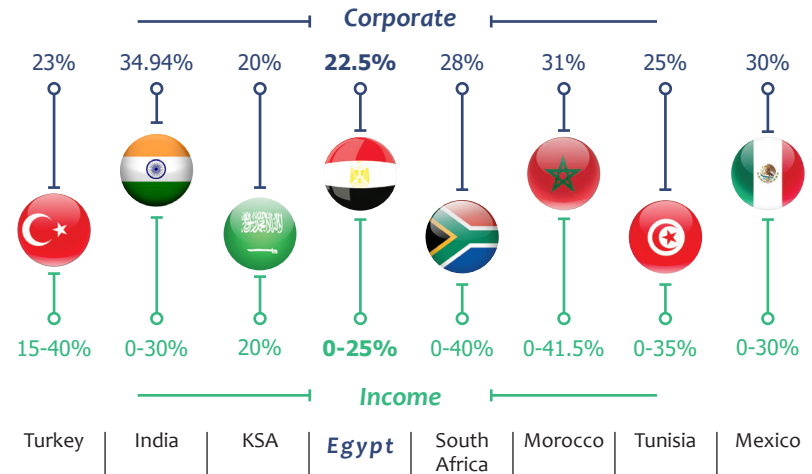
Tax framework in Egypt has witnessed a remarkable development in the past few years, with the aim of keeping pace with global developments in tax procedures and raising the efficiency of tax administration, through simplifying procedures for financiers and providing the latest advanced digital technology 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 0-25%, which are low rates compared to other emerging countries such as India, Mexico, Morocco, South Africa, Tunisia, and Turkey.



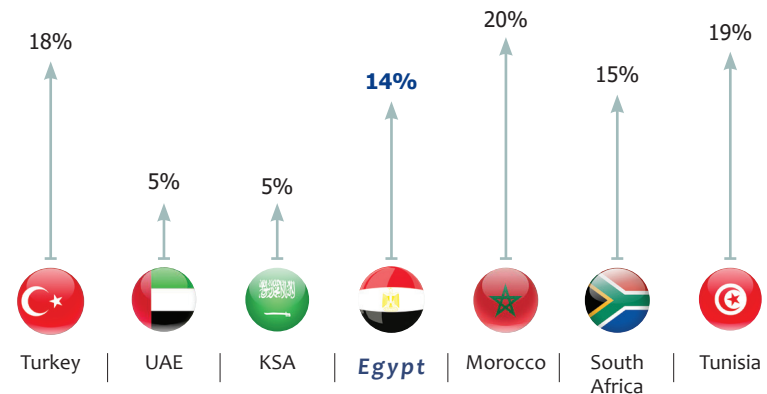
- In Egypt, a value-added tax (VAT) of 14% is applied, which is a low rate compared to other emerging countries such as India, Mexico, Morocco, South Africa, Tunisia, and Turkey.
- Egypt is also keen to implement international tax obligations through agreements concluded with different countries, which 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.

» Tax rates on Corporate Profits & Income in 2022



Source: Worldwide-tax - Deloitte - KPMG

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



Source: Worldwide-tax - 2022



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/ kWh)

Commercial Use				Households			
	2022/23	2023/24	2024/25		2022/23	2023/24	2024/25
0:100	65	65	65	0:50	58	71	68
0:250	123	123	123	50:100	68	71	168
0:600	140	140	140	0:200	83	97	90
601:1000	155	155	155	201:350	111	123	119
0:1000 & More	160	160	160	351:650	131	136	135
				0:1000 & Less	136	136	136
				0:1000 & More	145	145	145

Source: Egyptian Electricity Holding Company (EEHC) -
The Ministry of Electricity and Renewable Energy

" The total generated and purchased energy during the FY2021/22 increased to about 213182 (GWh) compared to about 204071 during the FY2020/21. The total production of new and renewable energy in Egypt during the FY2021/22 increased to about 10.4 (GWh) compared to about 10.2 (GWh) during the FY2020/21."

" 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, and starting the actual production of green ammonia in the Sokhna industrial zone."

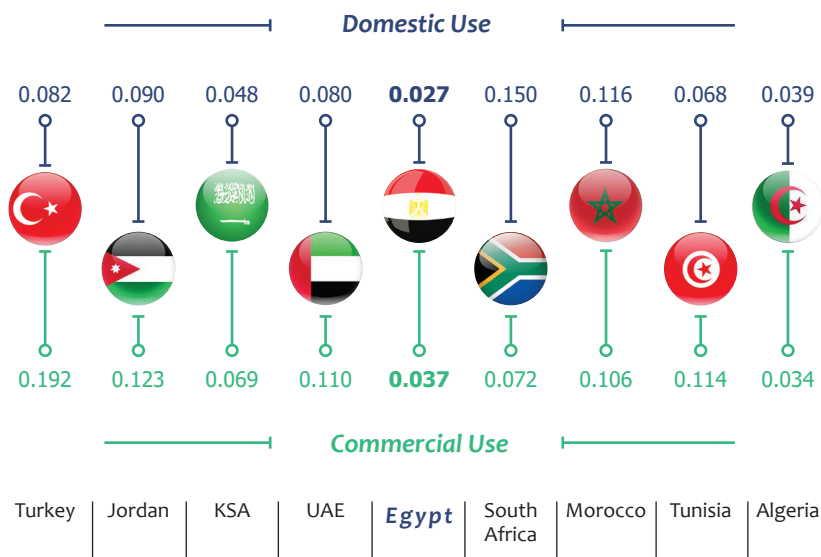
- On the level of international cooperation, Egypt actively participates in all regional electrical interconnection projects, since Egypt is electrically connected with neighboring countries to the east (with Jordan), to the west (with Libya), and to the south (with Sudan). A study is currently being 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.



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:

>> Electricity Prices in Egypt vs. some of Emerging Countries (USD/ kWh) - (December 2022)

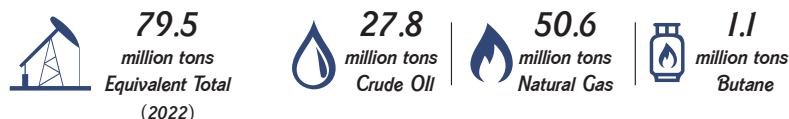


Source: Global Petrol Prices.com



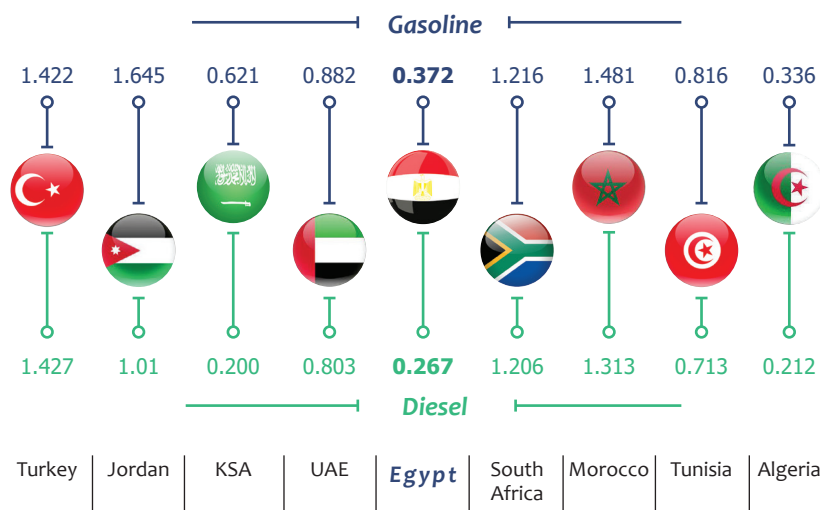
- >> Completion and launching of "Egypt Upstream Gateway", which is a unified platform to promote zones in Egypt regions globally.

- » 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 2022 reached about 79.5 million tons, with about 27.8 million tons of crude oil and condensates and about 50.6 million tons of natural gas.

» Gasoline and Diesel Prices in Egypt vs. some of Regional and Emerging Countries (USD/liter) (August 2023)



Source: www.GlobalPetrolPrices.com



Water

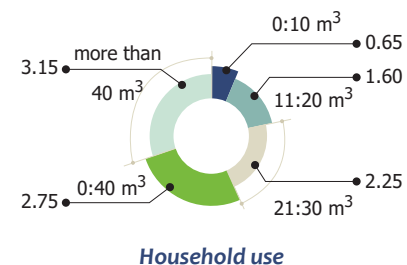
- The volume of available water resources is about 60 billion m³/year, the most of it from the River Nile, in addition to few quantities from rains and ground water.



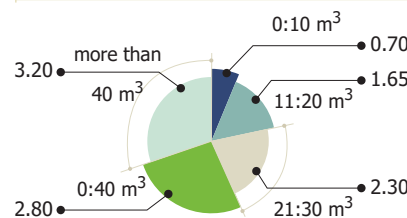
- A strategy for water resources 2050 has been prepared, and the National Water Resources Plan (NWRP) 2037 has been drawn up based on four objectives: enhance management of water use, improve water quality, enhance availability of freshwater resources and improve the enabling environment of IWRM, planning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

- 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).

» Water Prices in Egypt as per Consumption in 2022 (EGP/m³)



Household use



Commercial Use

Source: Holding Company for Water & Wastewater (HCWW)

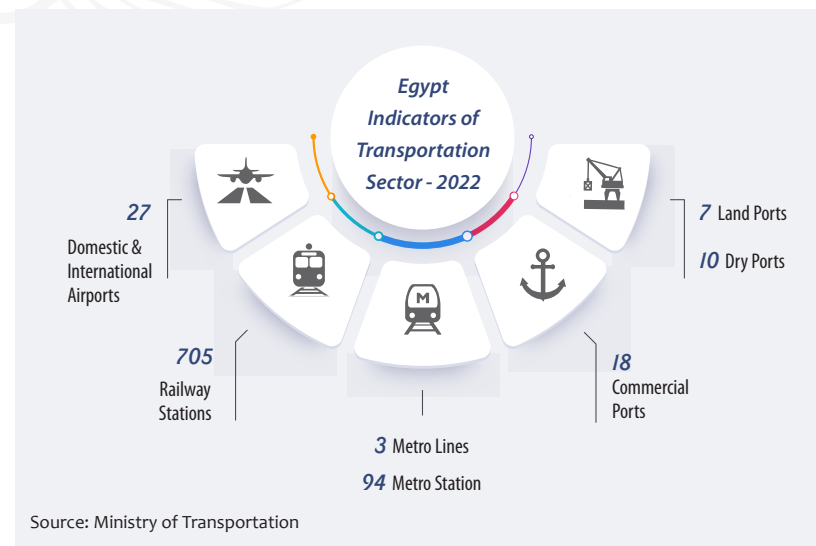


Seventh Pillar:

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 from 15% currently to about 50%.

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.

Number of Flights Passengers

14 | million
passenger

(FY2021/2022)



Transported Cargo by air

151.7 | thousand
ton

(FY2021/2022)





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.

- The Suez Canal is considered one of the most important corridors world wide. Linking east and west of the world, the canal connects the northern Indian Ocean with the North Atlantic Ocean through the Mediterranean and the Red Seas, without the need to pass through the vast southern axes of the two oceans. 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.

- 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

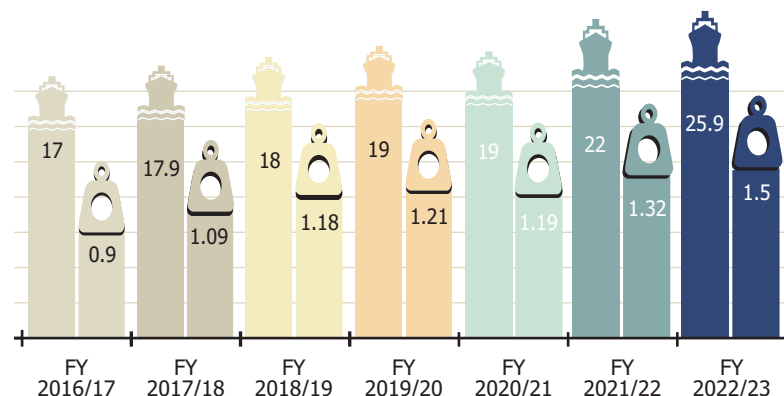


Suez Canal
Dues

8.8 | USD
billion

(FY2022/23)

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



Source: Suez Canal Authority

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 2021, 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, and the most prominent indicators of the sector in 2021 and 2022 were as follows:

➤ ICT Sector Indicators (2021 - 2022)

Indicator	2021	2022	Growth Rate %
GDP of the Communications and Information Technology Sector (EGP billion)*	175.8	209.5	19.2%
Percentage of ICT sector's contribution to GDP (%) Indicator*	2.8%	2.8%	-----
The exports volume of information technology services (USD billion)*	4.5	4.9	8.9%
Filed landline subscriptions (million subscribers)	11.07	11.59	5.3%
High-Speed internet subscribes (million subscribers)	10.07	11.04	9.6%
ICT Sector growth*	17.2%	19.2%	2.0%
Electronic signature transaction (million transaction)	153	375	145%
Number of post offices	4194	4345	3.6%

* FY2020/2021 and FY2021/2022 at factor cost and current prices.

Source: Ministry of communication and Information Technology - Central Bank of Egypt



National Telecommunication Regulatory Authority (NTRA)

- The sector's growth rate increased to 19.2% during FY2021/22, compared to 17.2% during FY2020/21.
- The sector's contribution to the GDP reach 2.8% during FY2021/22.
- The value of digital exports grew from USD 4.5 billion during FY2020/21 to USD 4.9 billion during FY2021/22.
- 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.
- ITIDA achieved further growth in offshoring industry in Egypt by promoting the investment incentives offered by the strategy; ITIDA signed agreements with 48 companies in 2022 to establish offshoring centers or expand existing centers, with a total number of 56 centers.
- The volume of transactions conducted using e-signature rose from 4 million by the end of 2020 to more than 153 million by the end of 2021, then to 375 million transactions by the end of 2022 with a growth rate of 145%.
- Egypt recorded the fastest fixed Internet speed in Africa, with a median fixed broadband speed of 45 Mbps in October 2022, up from 4th in Africa in January 2019, at 6.51 Mbps, according to Speedtest by Ookla.
- Egypt moved up on the World Bank's GovTech Maturity Index (GTMI) 2022, becoming among the countries of Group A, which is the highest category in the Index, up from Group B in 2020 and C in 2018.
- Egypt ranked second, up from tenth in 2021, among Arab and African countries, in the Universal Postal Union (UPU) Integrated Index for Postal Development (2IPD).
- Egypt moved up five spots on the Global Innovation Index (GII), compared to its ranking last year, according to the report by the World Intellectual Property Organization (WIPO) in partnership with Portland Institute. Egypt ranked 89th globally, compared to 94th in 2021.





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East Portsaid 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.
- 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.
- 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.
- Allocation of lands free of charge to some strategic activities in accordance with the legally prescribed rules in this respect.
- At the Appropriate Minister's recommendation, 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.
- 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.

- ✦ 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. Such foundations include the following: technical specifications of the project, the project's ability to provide foreign currency, expected investment costs, and the value of the submitted financial offer as well as the way of payment it.
- ✦ 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 be attached, 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.

>> Prices for Industrial lands in some Governorates*

Governorate	Industrial Zone	Ownership Price	Rental Price
QENA	HIW	320	20
	QIFT	335	20
Asyut	DASHLUT	300	15
Luxor	El-Boghdady	160	10
Giza	New October	1000	50
Dakahlia	Gamasa	1700	85
Sharqia	10th of Ramadan City	1200	60
Gharbia	El-Mahalla El-Kubra	-----	120
Fayoum	Kom Aushim	1430	75
Menoufia	El Sadat	1100	55
Minya	Al Matahrah	415	25
New Valley	Mut	100	5
Port Said	AL RASWA	1190	60
	Al Haywah	150	8
Sohag	El Kawtar	300	15
	West Tahta	300	15
North Sinai	Bir al-Abd	Free usufruct	

*Prices announced in accordance with the last bid released in August 2023

Source: Industrial Development Authority (IDA)

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.

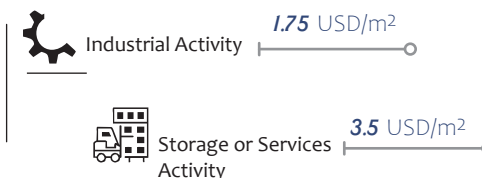
- The investor has to demonstrate seriousness in implementing the project within (90) days from the date on which Investor has been served a notice to receive the land in accordance with the terms and conditions agreed upon in the usufruct contract. Such period may be extended for another in light of 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



Source: GAFI - Sep. 2023

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

Administrative Office Rents:

❖ The average rental rates for administrative offices monthly in Cairo, according to the Real Estate in Egypt Report issued by Fitch Solutions, reached 25.21 USD/m² in 2022 it expected to reach 15.8 USD/m² in 2023, while it reached 13.6 USD/m² in Giza it expected to reach 10.29 USD/m² in 2023 and 12.79 USD/m² in Alexandria it expected to reach 8.55 USD/m² in 2023.



Retail Stores Rents:

❖ According to Fitch Solutions report, Cairo ranked among the highest governorates in terms of retail store rent monthly in 2022, where the average rates of retail store rent amounted about 28.16 USD/m² in 2022 it expected to reach 17.96 USD/m² in 2023, followed by Giza by about 23.67 USD/m² in 2022 it expected to reach 14.35 USD/m² in 2023, then Alexandria by about 27.09 USD/m² it expected to reach 16.24 USD/m² in 2023.



Industrial Units Rents:

❖ The average industrial rents monthly in Alexandria reached 2.97 USD/m² in 2022 it expected to reach 1.90 USD/m² in 2023, while it reached 2.92 USD/m² in Giza in 2022 it expected to reach 1.77 USD/m² in 2023 and 2.49 USD/m² in Cairo in 2022 it expected to reach 1.75 USD/m² in 2023.





The Grand Egyptian Museum



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.

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.

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.

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

2. 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.



The most important amendments in Law No. 160 of 2023:

Special Incentives: A percentage ranges from (35% - 55%) for investment projects engaged in any industrial activity to be determined in accordance with Article (11) as follows: In accordance with Article (11 bis.), Investment Projects engaged in any industrial activity to be determined in accordance with this Article shall be granted a cash incentive ranging from 35% up to 55% of the value of the tax paid in the tax declaration on the income generated from carrying on business in Investment Project or the expansions thereof.

Free Zones: Projects operating in the field of oil processing; fertilizer industries; iron and steel; natural gas processing, liquidation and transportation; or energy-intensive industries may, upon the approval of the Supreme Council of Energy, be licensed to be set up.

General Incentives: All investment projects subject to the provisions of the Investment Law, whether established before or after the implementation of its provisions, enjoy with general incentives, with the exception of projects established under the free zone system.

Golden license: Companies of whatever legal structure existing or incorporated to launch new investment projects; strategic or national projects contributing to achieving development in such fields and as per such standards that are to be determined under a decree of Council of Minister; and partnership projects between the private sector and the State, the public sector, or the public business sector in the fields of public utilities and infrastructure; new or renewable energy; roads and transportation; and ports may by a decree of Council of Ministers be granted a comprehensive approval whereby such projects could be set up, operated and managed, this approval may include the application of one or more of the incentives mentioned in the present law to the project, and this approval must be valid on its own without the need to take any other action.

3. The General Authority of Investment and Free Zones launched First e-incorporated Company via GAFI E-portal to facilitate investors and create an attractive climate for investment.
4. The General Authority of Investment and Free Zones reduces the number of documents required from companies for the purpose of facilitation for investors.
5. The General Authority of Investment and Free Zones adopts the concept of promoting private sector opportunities through its promotional platforms.
6. Putting GAFI's digitalization plan into action.
7. 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.
8. Permitting build-to-own and usufruct options when it comes to allocating industrial lands, while basing the pricing of such land on the value of the utilities.
9. 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.
10. Launching an updated version of Investment Map website, the website has been redesigned to give an easier access to investment opportunities and to include the main trade conventions between Egypt and other states worldwide. A new integrated system encompassing offerings/

tenders has been launched to give investors an opportunity to submit and follow up on their proposals electronically.

11. Issuing incentives decisions for the distribution of sub-sectors for investment activities according to the nature of each activity to receive additional incentives into subsectors and granted additional incentives appropriate to the nature of each project, and forming the Special Incentives Unit, thereby putting the special incentives package accorded by the Investment Law No. 72 of 2017 into practice.
12. 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

Source: GAFI - 2023



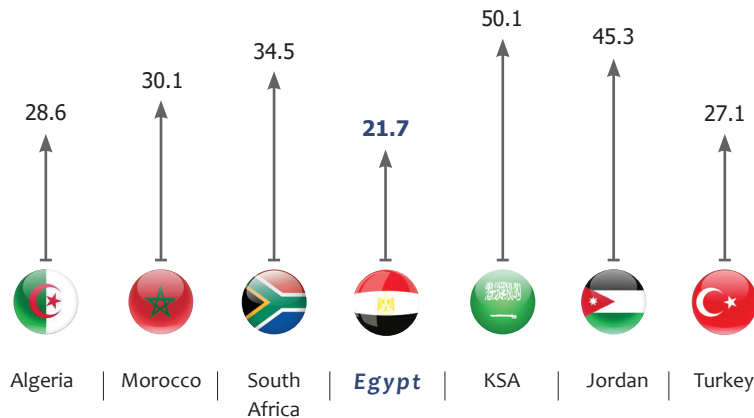
Eleventh Pillar:

Welfare and Cost of Living in Egypt

Egypt has made progress in (Best Countries) ranking 2022, issued by (U.S. News & World Report's), where it ranked 35 among 85 in 2022 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.

- 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 2023, where it got 21.7 points, Morocco got 30.1 points, Jordan got 45.3 points, and Saudi Arabia got 50.1 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 H1 2023**



Source: Numbeo H1 2023

- 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 31st out of 121 countries in 2023, while it ranked 25th out of 141 countries in 2022.

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



Source: Lloyd's Register Foundation - 2023





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.

IMF praises the ability of the Egyptian economy to overcome the crisis and achieve high growth rates:



The International Monetary Fund confirmed that the Egyptian state was able to implement a strong economic reform program, implement balanced fiscal and monetary policies, deal and adapt to global challenges and crises, and develop appropriate solutions to contain their negative repercussions and reduce their effects on the Egyptian economy. The International Monetary Fund expected that the Egyptian economy would be one of the highest growing Arab economies during the FY2022/23, to record 3.7%, according to the Fund's forecasts issued in July 2023.

In July 2023, IMF expected that the growth rate of the Egyptian economy would rise to 4.1% during FY2023/24. While the fund expected a decline in the "Inflation Rate" to record about 21.6% during FY2022/23, about 18% during FY2023/24.

>> IMF Forecasts for Growth Rates in some of Emerging and Regional Countries



Egypt
3.7%



KSA
1.9%



Argentina
2.5%



Mexico
2.6%



Turkey
2.8%



Morocco
3.0%



Nigeria
3.2%



China
5.2%

Source: IMF - July 2023

Fitch Solutions: Egypt secures its external financing needs during 2023:

According to Fitch Solutions, Egypt can secure its external financing needs with a total of USD 22 billion during 2023. The agency expected Egypt to achieve:

- An increase in Egyptian exports of goods during FY2022/23 by 3%.
- An increase in net services exports to USD 11.4 billion, by 1.7%, driven by the increase in revenues from the Suez Canal.
- An increase in tourism revenues during Q1 of FY2022/23 by 121% on an annual basis, and 60% on a quarterly basis.
- A decrease in the current account deficit of GDP during FY2022/23 by 3.6%, compared to 4.1% during FY2021/22.
- A decrease in the trade balance deficit for goods during FY2022/23 to reach USD 36 billion, compared to about USD 43.4 billion during FY2021/22.

>> External Financing needs during 2023

7.4
USD
billion

Decrease in the trade balance deficit for goods during FY2022/23 to reach USD 36 billion, compared to about USD 43.4 billion during FY2021/22.

3.0%

Increase in Egyptian exports of goods during FY2022/23 by 3%.

3.6%

Decrease in the current account deficit of GDP during FY2022/23 by 3.6%, compared to 4.1% during FY2021/22.

1.7%

Increase in net services exports to USD 11.4 billion driven by the increase in revenues from the Suez Canal.

4.1
USD
billion

Increase in tourism revenues during Q1 of FY2022/23 by 121% on an annual basis, and 60% on a quarterly basis.

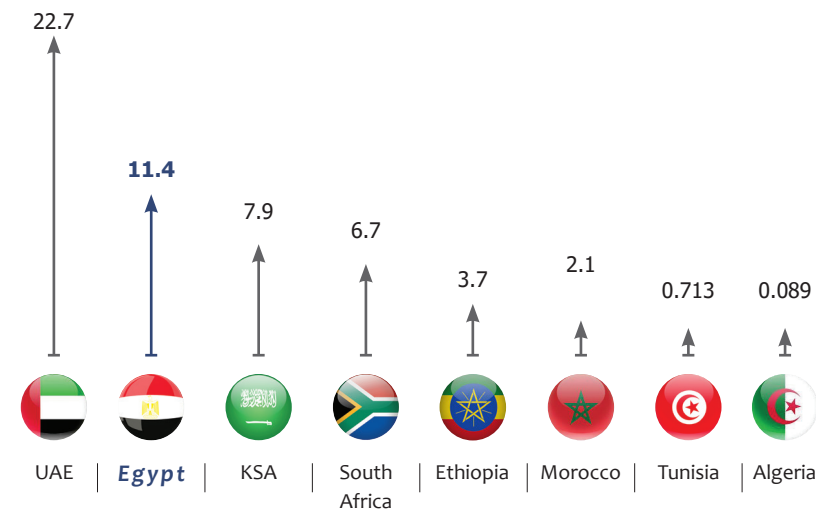
22
USD
billion

Egypt can secure its external financing needs with a total of USD 22 billion during 2023.

Source: Fitch Solutions, 2023

UNCTAD: Ranks Egypt as the largest recipient of FDI in Africa, and the second among Arab countries in 2022:

» Net Foreign Direct Investment Inflows (USD Billion)



Source: UNCTAD - World Investment Report June 2023



According to the report of the UN Conference on Trade and Development (UNCTAD) on FDI, issued in June 2023, Egypt has been the largest recipient of FDI in Africa followed to South Africa, despite a 4.4% fall in inflows in 2022, according to the report of UNCTAD on foreign direct investment inflows issued in June 2023.

IMF: Expected that foreign direct investment in Egypt will grow in the coming years:

» IMF Projections for FDI Growth in Egypt (USD Billion)



Source: IMF



A report issued by the IMF stated that FDI in Egypt is expected to record continuous annual growth during the coming years, to reach USD 9.7 billion during FY2022/23, about USD 12.1 billion during FY2023/24, and about USD 13.5 billion during FY2024/25, about USD 14.7 billion during FY2025/26, and about USD 16.3 billion during FY2026/27.



Snapshot of
Egypt

Fourth Edition



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