

Basic Data

- The leading Arab nation according to population with 80.4 million inhabitants in 2010, 33% of whom are less than 14 years of age (average age: 24)
- GDP per capita in 2011: \$ US 2 922
- Main cities: Caira, Alexandria, Port Said, Suez, Assiut
- Languages: Arabic, English, French understood by the educated classes
- Climate: very hot and arid in the South, milder and Mediterranean towards the North
- Currency: Egyptian pounds (1 EGP = EUR 0.13 EUR)

Egypt in 2011 means:

- The economic locomotive of the Mashreq region with more than \$US 61.4 billion of foreign direct investment (FDI) received since 2003 according to the ANIMA-MIPO observatory
- An exceptional business climate (the country was distinguished as being the best reformer in the world in 2008 by the World Bank), booming economic activity and a abundant and low cost labour pool
- The positioning of the regional mediator provides the country with the political and financial backing of the large Western powers
- The first Arab and African country to sign the OECD Investment Declaration in July 2007
- The numerous fiscal and tariff reforms have enabled the country to open itself to international competition and to multiply its foreign trade
- The democratic revolution of February 2011 should contribute to improving the business climate with renewed demands for transparency and the combat against corruption
- More than 111 economic and commercial agreements signed with more than 40 countries. The government has constantly affirmed its determination to respect all cooperation agreement signed prior to 2011

Sources: MAE, Coface, UbiFrance, Fond Monétaire International, CIA World Fact Book, ANIMA-MIPO

Useful Links

- Egyptian government www.egypt.gov.eg
- Egypt Portal www.idsc.gov.eg
- GAFI Investment Promotion Agency www.gafi.gov.eg
- Ministry of ICT www.mcit.gov.eg
- Ministry of Trade and Industry www.mfti.gov.eg
- Industrial Development Authority www.ida.gov.eg/
- Ministry of Investment www.investment.gov.eg
- Ministry of Tourism www.egypttourism.org
- Invest in Med www.invest-in-med.eu
- ANIMA, Invest in the Mediterranean www.anima.coop

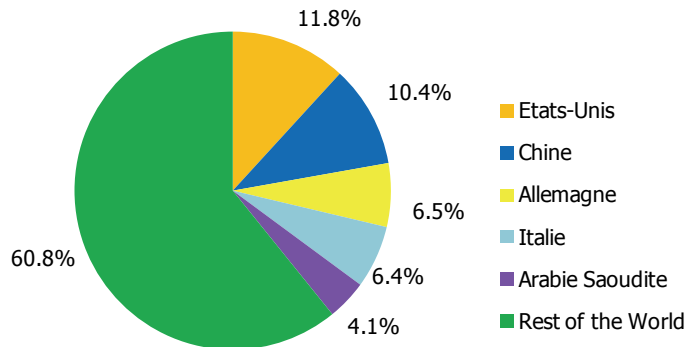




Egypt

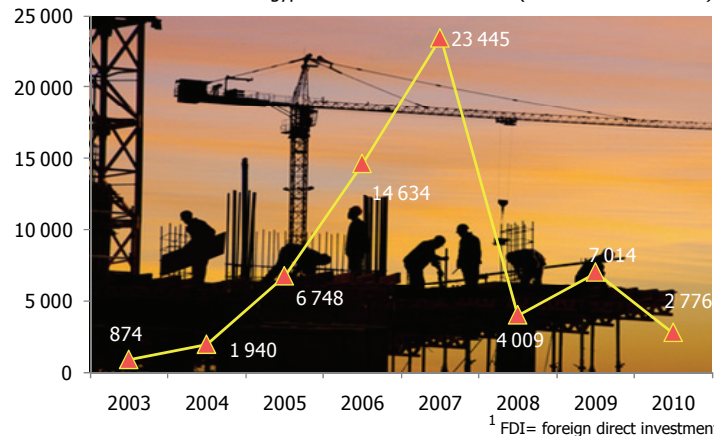
The main suppliers to Egypt

Imports 2010: \$US 51.5 billion
(Source: CIA World Fact Book)



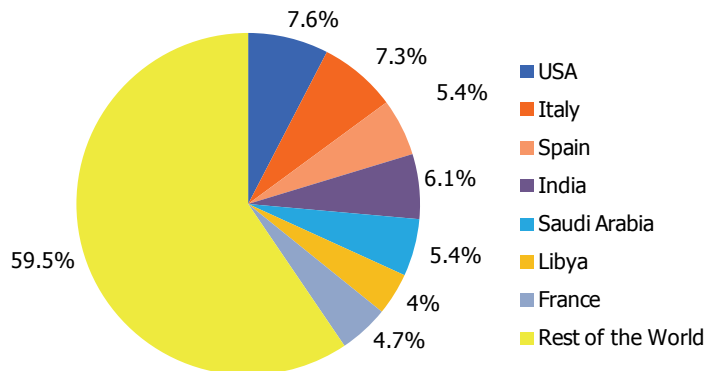
FDI¹: a significant slowdown after the peak of 2007

Flow of FDI into Egypt between 2003 and 2010 (Source: ANIMA- MIPO)



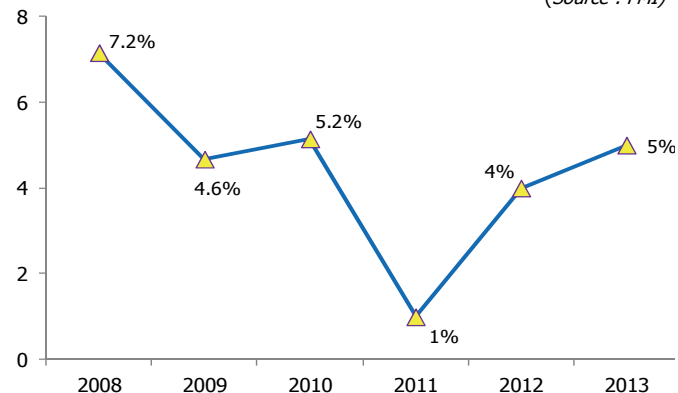
"Made in Egypt" products are popular abroad

Exports 2010: \$US 25 billion
(Source: CIA World Fact Book)



Growth to reboot from 2012 according to the IMF

(Source : FMI)



Business climate: a country increasingly open to business

Source *Doing Business 2012, World Bank Mondiale*

Doing Business Classification 2011 : 100th

		Egypt	Region	OECD
Starting a Business	Procedures (numbers)	6	8	5
	Time (days)	7	20	13
Dealing with Construction Permits	Procedures (numbers)	22	16	14
	Time (days)	218	141	152
Registering Property	Procedures (numbers)	7	6	5
	Time (days)	72	34	31
	Cost (% of property value)	0.8%	5,8%	4,4%
Trading Across Borders	Documents to export (number)	8	6	4
	Time to export (days)	12	20	11
	Cost to export (US\$ per container)	613	1 057	1 032
	Cost to import (US\$ per container)	755	1 238	1 085
Enforcing Contracts	Procedures (numbers)	41	44	31
	Time (days)	1 010	658	518

ICT: an emerging destination on the investors' map

In Egypt, the ICT market grew by 12% in 2010, thanks to the development of new mobile services (20%) and with the explosion of Internet. Another booming sector, credit cards, particularly among the 15-30 year olds according to the consulting firm Synogate. Finally, as regards with the mobile telephony sector, the number of subscribers increased by nearly 30% between 2010 and 2011, to reach the record figure of 70 million users, that is 90% of the total Egyptian population!

After the revolution, several concrete measures to reassure and attract investors!

In April 2011, several initiatives intended to encourage the location of foreign businesses on Egyptian soil were decided by the government. Hence, the time required to register the subsidiaries of foreign companies will now take but three days against an average of four to six months previously. Elsewhere, registration fees for newly created companies may be paid by electronic transfer, while the prior authorisation of the for all new industrial projects has been abandoned.

Energy: going for green growth

Egypt is concentrating more than one half of its total energy production on wind turbine energy in North Africa. In 2008, Egypt signed an energy cooperation agreement with the European Union, covering to a large extent the development of renewable energies. Cairo would moreover like to raise the share of renewable energies to 20% of total electricity production by 2020, 12% by wind turbine energy alone.

Several significant projects are in progress:

- A 200MW windfarm near Suez is to be financed by the UAE-based company Masdar for an investment in the region of 290 million dollars
- Siemens is supplying the turbines for a windfarm situated in the Gulf of Suez, a project co-financed by the Japanese International Cooperation Agency
- The Egyptian government has announced the development of a 100MW solar energy electricity plant between 2012 and 2017

Construction, infrastructure: answering an increasing demand

Nearly 14.7 billion Euro have been invested in real estate and public works while projects for new towns and business parks are multiplying...

- In 2010, the Kuwaiti firm MENA Holding launched the real estate project Al-Ayyat in the governorship of 6 October
- In 2009, the Quatari promoter Barwa Real Estate launched a real estate project in the city of New Cairo, which will take 10 to be completed and cost 6.5 billion Euro
- ADIA, the Abu Dhabi sovereign fund, announced in 2009 its plan to invest in fifty or so projects, mainly in the infrastructure and construction of new accommodation as well as in agriculture
- The Chinese group TEDA in 2010 launched the construction of the Suez special economic area
- In 2010, the firm Morgan Stanley formed a 50-50 JV with the Egyptian Orascom Construction Industries to invest in infrastructure





Egypt

The main sources of FDI detected in 2010-2011, all sectors included

(Source: ANIMA-MIPO)

- The Russian telecoms group Vimpelcom bought 51% of the Egyptian Orascom Telecom for €4.8 billion
- British oil company BP Group is continuing its investments so as to install a pipeline and dig new wells by the end of 2011 on its West Delta concession
- The Emirati Majid Al Futtaim has launched a new €583 million project for a 160,000 square metre shopping centre in Cairo, the 'Mall of Egypt'
- The port operator Dubai World which controls 90% of the company running the port of Sokhna is investing to bring its annual capacity to 1.1 million containers
- The Swedish company Electrolux has purchased 52% of its historic Egyptian partner Olympic Group for €82 million, which controls 30 % of the local market
- The German group Marquard & Bahls has won the €150 million BOT concession contract to build a bulk liquid terminal at Port Said East with the local partner Amiral Holdings

Zoom on Smart Village Cairo: the paradise for Start-ups at the gates of Cairo

- Launched in 2001, Smart Village Cairo today employs more than 28,000 people and hosts 125 specialist ICT and cutting edge companies.
- The village comprises 43 buildings in activity today. 36 sites to accommodate businesses and shared services are currently in the construction phase.
- Nearly 100,000 ICT professionals should work on the site by 2014
- Several important names from the computer and telephony world have chosen to go with the Smart Village Cairo to target the MENA and African markets: Microsoft, Oracle, Alcatel-Lucent, Vodafone, Huawei. IBM plans to invest in the area shortly.

Focus on tourism: a vital sector for the stability of the economy

- Tourism represents the second source of foreign currency after the hydrocarbons, accounting for 11.5% of the country's GDP (generating \$US 13 billion of income in 2010, with more than 14.2 million visitors).
- After the democratic revolution of February 2011, the international heavyweights from the sector remain confident in the touristic potential of the country: for the CEO of the German giant of the sector TUI, Volker Boettcher, "bookings for the summer 2011 season should reach the same levels as those recorded in 2010". As for the hotel chain Accor Hotel, in March 2011, it reaffirmed its confidence in the tourist potential of the country.
- The Italian Tour Operators Association (ASTOI) considers that the transition towards more democracy will favour investment opportunities in the tourism sector and calls upon the Italian professionals to put their money on the "new Egypt".



Egypt crowned "best Outsourcing destination" in 2010

Egypt carried off the trophy of the "Outsourcing Destination 2010", at the "European Outsourcing Awards 2010" organised in Brussels on 28 June 2010, passing in front of several emerging countries such as the Philippines, Colombia and Sri Lanka.

This trophy, awarded by the European Outsourcing Association, rewards each year the country which shows the best assets in outsourcing terms in the eyes of the European operators (business climate, legislative and financial incentives, infrastructure, linguistic capacities). Thus, according to the Chair of the EOA, for European businesses Egypt is a gateway to the emerging African and Middle Eastern markets.

