Doing business with EGYPT
Business environment in Egypt

• Egypt, the cradle of the human civilization has a strategic location in the center of the Middle East, the northern gate to Africa and has the manmade Suez Canal connecting the Mediterranean Sea, the Red Sea and the Indian Ocean, thus an important gateway on the trade route between Europe, the Near East and the Far East.
• A coastline of 2450 KM along the Mediterranean Sea and the Red Sea.
• The Nile river, the longest river in the world: the fabled waterway bisects Egypt and creates a rich, wide delta on the northern coast of the country, and along its banks the population exploits the fertile land of the Nile Valley.
• A mild warm and dry climate throughout the year with winter sunny days.
• The currency is the Egyptian Pound (the actual rate to the U.S.$ is 5.68

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• The official language is Arabic, in the big cities people understand English.
• Through the country’s strong cultural influence on the region, the colloquial Egyptian Arabic “Aamiya” has become familiar throughout most Arabic countries.
• Nearly 71% of Egyptians know how to read and write, the Capital Cairo “Le Carrefour de l’Orient” has many French, English, German, Italian, Spanish and Greek schools.
• All Foreign Embassies are located in Cairo and the nearby Giza.
• The prevailing religion is Islam and between 10 to 15% are Copts (Christian Orthodox)
• A population nearing the 82 million with a high rate growth of 1.8% is by itself a considerable market.
Business environment in Egypt

The existing economy is divided between the Public sector and the Private sector and the Government is encouraging the Private sector to expand and take a bigger share in the economy. The new PPP (Public Private Partnership) program has started to be implemented to encourage the private sector.

With GDP growth remaining strong the government is pushing ahead with the reform program it began 2004. Reducing the budget deficit remains a key goal, although heavy government spending designed to counteract the effects of the global recession has resulted in targets being pushed back.

Meanwhile the introduction of a value-added tax should help combat a shortfall in revenues.
Business environment in Egypt

A strong Banking sector:

- There are local banks, Joint Venture Banks and Foreign Banks in Egypt.
- Many International banks operate in Egypt such as HSBC, Citibank, Barclays bank and Credit Agricole. Several European and Swiss banks have representation offices.
- Well established local banks such as the National Bank of Egypt, Banque Misr and the Commercial International Bank proved relatively resistant to the global downturn.
- Micro finance management: Services are increasing for small business and low-income individuals.
- To avert the global crunch the banks encouraged lending in tight times.
Business environment in Egypt

An established insurance sector:

- Tailoring offerings to a growing middle class that is growing more receptive to insurance products will ensure continued take-up of products provided they address specific market needs, such as the Bancassurance.
- Regulators merge to create the Egyptian Financial Service Authority.
- Many insurance companies operate in the market such as: Misr Insurance, National Insurance Company, Suez Canal Insurance, Mohandes, Delta, AIG, Export Guarantee, Allianz Non-life, BUPA Egypt, Saudi Egyptian Insurance House.
- Minimum capital requirement to establish a new insurance company is: LE 60 Million, but the adequate level of capitalization is still a subject of debate.
Business environment in Egypt

- **A solid platform of industries:**
  - Oil and gas
  - Petrochemicals
  - Tourism
  - Agriculture
  - Transport
  - Textile and garments industry
  - Engineering industry
  - Metallurgical industry
  - Chemical industry
  - Construction materials industry
  - Food industry
  - Construction and real estate

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A reliable infrastructure:
Three cellular telephone networks operate in Egypt: Mobinil, Vodaphone and Etisalat. They cover most of the country.
A big network of railways 5,063km cover and connect all cities of Egypt, except the Sinai peninsula: it carries passengers and goods.
Most big cities have airports and Cairo has several daily flights to most of European, North American, the Middle east, African and Asian big cities through it’s renewed airport. Alexandria has an international Airport, also Luxor, Sharm El Sheikh and Hurghada.
Several sea ports are handling the exported and imported goods, as an example Alexandria, Damietta and Port Said on the Mediterranean sea (5), Suez, Safaga and Quoseir on the Red Sea (3).
A big network of highways and roads 64,000km being actually upgraded is covering all of Egypt and connecting all the country’s regions.
Investment zones: 5
Industrial zones in new cities: 15
Total industrial zones: 47
Business Environment in Egypt

A big market access through memberships in international regional economic bodies:

- Attractive economic relations with the Middle Eastern countries: Egypt is a main member in the Arab League and its economic union with privileged custom treatments with member countries. GAFTA
- Attractive economic relations with the African countries: Egypt is a main member in the C.O.M.E.S.A. with privileged custom treatments with member countries.
  - Egypt-EU Association Agreement
  - European Free Association (Switzerland-Norway-Liechtenstein)
  - Egypt-Turkey Free Trade Agreement
  - QIZ
  - Agadir Agreement
Business environment in Egypt

Useful addresses and links:
• The Egyptian Government portal: www.egypt.gov.eg/english/
• The General Authority for Investment: investorcare@gafinet.org
• The Egyptian Cabinet Information and Decision Support Center (IDSC): www.idsc.gov.eg
• The Central bank of Egypt: www.cbe.org.eg
• The Egyptian Businessmen Association: www.eba.org.eg
• The British Egyptian Business Association (BEBA): www.beba.org.eg
• Le Club d’Affaires Franco Egyptien: www.cafe.org.eg
• 10th of Ramadan Investors Association: www.tacc3.egnet.net\tria
• 6th October Investment Association: www.tacc3.egnet.net\tria
• Total Collection Management: www.tcmegypt.com
GAMAL EL AGUIZY
The Representative of the Investment and Development Agency of Latvia in Egypt
Telephone: +20227380514 – Cell-phone: +2 012 2111031
Fax: +2 02 27365269
Email: gelaguizy@gmail.com - ruaguizy@rusys.eg.net
Mailing address: 22 Dr. Taha Hussein street Zamalek Cairo Egypt.