Egypt for a Brighter Future

Time to Invest in Egypt

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Political Situation

A well-established political scene by 1Q15 advocates social stability – the core of a conducive investment climate.

**Road-map timeline**

- January 2014: Constitution approved
- March 2014: Elections law approved
- May 2014: Presidential Elections
  - 23 million votes for the current President (more than 95% of the votes)
- 4Q2014: Parliamentary Elections

**Long-term political risk ratings**

Source: Business Monitor
Economic Situation
## Dynamic Economy

<table>
<thead>
<tr>
<th></th>
<th>2013/2014</th>
<th>2012/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (Jan-March)</td>
<td>2.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Net International Reserves (June)</td>
<td>$16.7 bn</td>
<td>$14.9 bn</td>
</tr>
<tr>
<td>FDI</td>
<td>$ 4.1 bn</td>
<td>$ 3.8 bn</td>
</tr>
<tr>
<td>Inflation</td>
<td>10.7 %</td>
<td>11.5%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>13.3 %</td>
<td>13.4 %</td>
</tr>
</tbody>
</table>
Foreign Direct Investment

FDI Breakdown 2013/2014

- Total FDI
- Brownfield & Greenfield Investments 54%
- Oil & Gas 40%
- Realestate 3%
- M&A 3%

Value in $ bn

- 2010/2011: 2.23
- 2011/2012: 4
- 2012/2013: 3.8
- 2013/2014: 4.1

Source: CBE
Company Establishments

Establishment by Regional Distribution

- Arab Countries: 49%
- Europe: 32%
- Americas: 16%
- Asia: 3%

Source: GAFI
Key FDIs (2011-14)
## Doing Business in Egypt - 2014

### Economy Overview

**Region:** Middle East & North Africa  
**Income Category:** Lower middle income

<table>
<thead>
<tr>
<th>Population</th>
<th>GNI per Capita (US$)</th>
<th>City Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>80,721,874</td>
<td>3,000</td>
<td>Cairo</td>
</tr>
</tbody>
</table>

### Doing Business

<table>
<thead>
<tr>
<th>Topic</th>
<th>2014 Rank</th>
<th>2013 Rank</th>
<th>Change in Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a Business</td>
<td>50</td>
<td>44</td>
<td>+6</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>149</td>
<td>144</td>
<td>+5</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>105</td>
<td>104</td>
<td>+1</td>
</tr>
<tr>
<td>Registering Property</td>
<td>106</td>
<td>106</td>
<td>+1</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>86</td>
<td>82</td>
<td>+4</td>
</tr>
<tr>
<td>Protecting Investors</td>
<td>147</td>
<td>147</td>
<td>No change</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>X</td>
<td>148</td>
<td>+1</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>83</td>
<td>81</td>
<td>+2</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>156</td>
<td>155</td>
<td>+2</td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>146</td>
<td>141</td>
<td>+5</td>
</tr>
</tbody>
</table>

**Source:** World Bank
The Way Forward

• Legislative Agenda
  • Unified Investment Law
  • New Labor Law
  • Bankruptcy Law
  • Mining Law
  • Unified Industry Law
  • Unified Company Law
  • Continued Tax Reform
    • Value Added Tax
    • Property Tax
• Incentive Package; linked to priorities of Egypt’s economic development plan (geographical and sectoral)
• Special attention to Power Sector
  • Feed-in-tariff
  • Power purchase agreement
  • Sovereign guarantee
Bilateral Investment Treaties as a protection umbrella to foreign investors

- Egypt had signed 111 BIT, which 73 are enforced.
Investment Opportunities
Mega Projects (1)

*Suez Canal Corridor Development project*

- West Port-said Port
- East Port-Said Port & Industrial Zone
- El-Areesh Port
- Technology Valley East of Ismailia
- North West of Suez – Bay Industrial Zone
- Al-Adabeyya Port
- Al-Sokhna Port

Source: Ministry of Investment
Mega Projects (1)

Objectives:
1. Developing and boosting the national economy of Egypt by making use of the unique location of the Suez Canal
2. Creating new industrial and logistics centers
3. Generating job opportunities
4. Increase Suez Canal ship traffic

Potential industries within the frame of the project:
- Automotive Car Components
- Food processing
- Electronics
- Textile
- Ship building and ship maintenance
- Distribution and logistics centers
- Mining Industries
- Pharmaceutical Industries

DAR AL-HANDASA (SHAIR & PARTNERS) is the winner consortium for the project master plan

Source: Ministry of Investment
Golden Triangle Development Project

Source: Ministry of Investment
Golden Triangle Development Project

Mega Projects (2)

• Investment Potential; Infrastructure Projects
  • Roads
    1. The Red Sea Coastal Road from Suez in the north to Shalateen in the south
    2. Safaga - Qena Road linking the eastern coast to the new Upper Egypt Desert Road
    3. Al Kosair - Keft Road
  • Ports
    1. Hurghada Port, which is proposed to be used as an international commercial port
    2. Safaga Port, which is an international commercial port
  • Airports
    1. Hurghada Airport: located 5 km to the southern west of the heart of Hurghada.
    2. Marsa Alam: located 60 km from Marsa City to the northern direction in the Red Sea governorate.
    3. Luxor Airport: located 6 km to the east of Luxor.

Source: Ministry of Investment
1. North Coast Development Project

2. A 3200 km New Road Network with total investment of LE 18 billion

3. 8000 MW of Renewable Energy (Solar and Wind) with total investment of LE 14.5 billion during the next year (2014/2015)

Source: Ministry of Investment
## Other Investment opportunities

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Projects</th>
<th>Investment Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>3</td>
<td>$ 9 bn</td>
</tr>
<tr>
<td>Tourism</td>
<td>6</td>
<td>EGP 2.8 bn</td>
</tr>
<tr>
<td>Transport</td>
<td>18</td>
<td>$ 5 bn</td>
</tr>
<tr>
<td>Housing</td>
<td>2</td>
<td>EGP 950 mn</td>
</tr>
<tr>
<td>Public Enterprises</td>
<td>22</td>
<td>$ 2 bn</td>
</tr>
<tr>
<td>Electricity &amp; Energy</td>
<td>3</td>
<td>$ 3.9 bn</td>
</tr>
</tbody>
</table>

Source: Ministry of Investment
Egypt economic Forum

Date: Feb 2015

Venue: Sharm el-Sheikh

Purpose
Reinstate stability and restore investor’s community confidence in the Egyptian economy by promoting business opportunities, mega projects and highlight recent reforms – a key foundation for a competitive business climate.

Participants
- strong allies of Egypt
- Presidents & international leaders
- International Financial Institutions
- Major global companies
- worldwide investors
Now;
It’s time to invest in Egypt