

## **Egypt... An Attractive Investment Hub**

### **Potentials...Privileges... Opportunities**

Egypt is rendered such an attractive investment hub due to its enormous privileges and potentials on top of which comes the strategic geographical location, the available of highly efficient workforce, relatively cheap labour in comparison to other countries, an integrated infrastructure that include a modern and high-tech network of roads, means of transportation, bridges and tunnels, a strong telecommunication sector, an advanced electricity network and a diversified industrial base.

This is supported by a series of legislations including laws, regulations and resolutions, on top of which comes the new investment law that provides companies' e-registration, creates an investors service centre that will act as a one-stop shop for issuing all licences, thus easing the burden, the investors previously faced in dealing with a range of state agencies. In addition, the new investment law provides a raft of incentives, namely tax cuts and allocation of land plots for free. Egypt's investment opportunities are not enhanced only by the new investment law, but also by a number of new laws and regulations, namely the executive regulation for licencing industrial establishments that allows for the licencing process to be finished within seven days instead of 600, as it was before, in addition to the new law regulating gas market in Egypt that aims at curbing the role of the government and turning it to be only a regulator of the market.

All these legislations help provide a suitable environment ripe for investment, thus paving the way for more businessmen and companies to launch a wave of new investments or extending the already-established ones all over Egypt.

In view of all these privileges and potentials, Egypt enjoys, it is teeming with investment opportunities in all of its 27 governorates in various fields and sectors including industry, agriculture, trade, education, health, transportation, tourism, housing, construction, sport, electricity, energy, water and telecommunications. Investment opportunities in Egypt are enhanced by a series of mega projects on top of which, the Suez Canal Corridor Development Project, that groups a number of mega industrial, technological and logistics zones, the 1.5 million feddans reclamation project, the establishment of a new cities all over Egypt, the new administrative and economic capital project, on-going arrangements for building the new nuclear power plant with the aim of boosting electricity generation, the Golden Triangle Project, the National Project for Developing Sinai and Upper Egypt, El-Galala Mountain Project, fish farming project, the logistic center for grain handling and storage in Damietta, the national project for technological incubators, in addition to many other mega projects.

### **Egypt's Strategic Location:**

Egypt's strategic location; being close to the world markets in Europe and the Middle East, gives it a special privilege. It is no secret that the Suez Canal is the shortest link between the East and West. Moreover, the harbors on the Red Sea (Ras Shuqair, El-Adabia, El-Ain El-Shokhna, Safaga), and on the Mediterranean (Alexandria, Port Said), contributes, in a way or another, to link the European Union countries with those of the Arab Gulf, thus providing a practical and economic means for transporting not only the Egyptian oil, put also that of the Arab Gulf. This is further enhanced with presence of factories related to such a strategic industry, including those for liquefying and exporting natural gas in Damietta and Edco.

## **Miscellaneous Economic Resources and Renewable Investment Opportunities**

It is well known that Egypt, in general, has a miscellaneous economy. It is rich in mineral and oil and has a diversified industrial base (iron and steel, cement, textiles, aluminum, sugar ...etc.) in addition to vast agricultural lands (around 8.5 million feddans constituting only 3.6% of Egypt's area that reaches 238 million feddans, which means that the area of the arable lands in Egypt can be increased through desert reclamation and the 1.5 million feddan project.

The Nile River extends along 1532 km inside Egypt. Its basin includes hundreds of isles of around 40,000 feddans, all constituting promising tourist sites and providing vast investment opportunities along the Egyptian coasts that extend along 995 km on the Mediterranean Sea and 1941 km on the Red Sea.

Egypt has 11 big lakes, salient of which are Al-Manzala, Al-Borolos, Edco, Mariot, Bardaweel, Qarun, Ar-Rayyan Valley and Nasser Lakes. Such lakes produce around 75% of Egypt's fish wealth, estimated at around 1,680,000 tons. Such a production can be further increased through establishing several other fishing farm projects. Furthermore, such lakes can be turned to tourist sites.

### **Free Zones Upgraded for Attracting Investments**

Since the general and private free zones constitute a main pillar for attracting investments, they are permanently upgraded to meet the requirements of investments in this area.

Within this framework, nine general free zones, equipped with the essential utilities and infrastructure had been established in eight governorates: Cairo, Alexandria, Port Said, Suez, Ismailia, Damietta, Menoufia, Qena, and the 6<sup>th</sup> of

October City. Several other general free zones are currently under construction in Badr City, on Cairo/Suez highway.

As regards the private free zones, they have been retained in the new investment law due to their important role not only in exporting commodities, but also in providing and creating new job opportunities.

### **Huge Consumer Market and Skilled Labor:**

In addition to all these privileges and fundamentals, Egypt has a huge consumer market (93 million people) as well as a well-educated and trained labor with a total capacity of about 28 million persons under working age, of which 16 million hold intermediate technical certificates, while 12 million hold graduate and postgraduate certificates. Not to mention the integrated and advanced infrastructure, on top of which is the massive modern roads network that connects all the governorates of the Republic.

This is reinforced by the fact that the political and security conditions are now more stable than before; especially after the political construction has taken root and the road map, declared on the 3<sup>rd</sup> of July 2013 has been completed by passing the constitution in January 2014 followed by the presidential elections in June 2014, then the new parliament held its first session in June 2016.

### **Serious Steps Towards Economic Reform:**

It is well known that Egypt has taken serious steps towards the economic reform and took many crucial and important decisions, on top of which is liberation of the exchange rate, which had a positive impact on the economic growth regarding the increase in exports and the attraction of more investments.

## **Egypt Has an Environment that Supports Investment ... International Testimonies**

No doubt, concluding a loan agreement with the International Monetary Fund provides a credible testimony to the strong Egyptian economy. In addition, the support and funding provided by a number of other international institutions such as the World Bank, the European Bank and development funds in many countries for several projects, particularly the most needy provinces, is another trustworthy testimony that enhances and confirms Egypt's strong economy and proves that Egypt is an environment that supports investment.