



Sourcing Opportunities in Egypt

Achieved by AECE 2022



Investment Climate Reforms: New Investment Law

General Incentives



- Exemption from stamp duty tax and notary public fees for 5 years.
- Exemption from land registration Fees.
- Unified flat customs duty rate of 2% on all machinery and equipment.

Special Incentives



- 7 Years tax incentive in the form of :
 - 50% of investment cost of setting up projects in areas that are in most need of development.
 - 30% of investment cost of projects set up in other areas.

Additional incentives



- 50% refund of land cost if production starts within 2 years.
- Free land for specific strategic projects.
- Government to share cost of utilities and vocational training.

New Industrial Licenses Law

For Low Risk Projects

Time Required to issue *Industrial Licenses* are shortened From **634** days To **7** days.

For High Risk Projects

Time Required to issue *Industrial Licenses* are shortened to **30** days.

Internal Procedural Processes Reduced

From **154** to **19** procedures.

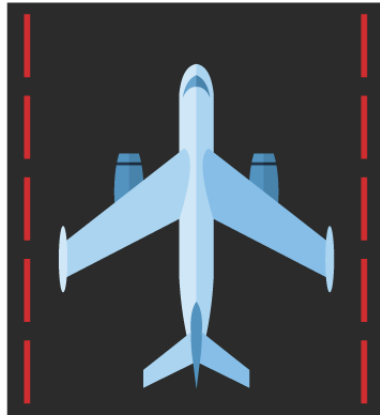
One Stop Shop IDA Industrial Development Agency

From **11** parties to **1 body**.



Revamped Infrastructure Base and Abundance in Natural Resources

*Egypt offers well-developed infrastructure and continues to invest in upgrades, including investments of more than **US\$ 15 Billion** in roads, electricity networks and irrigation projects.*



Airports 21



Marine Ports 15



Natural Resources Oil
& Gas

Revamped Infrastructure Base: Marine Ports

Suez Port

Area (Km2)

162.4

Max. Capacity (M/Tons)

6.6

Sokhna Port

Area (Km2)

87.8

Max. Capacity (M/Tons)

8.5

Damietta Port

Area (Km2)

11.8

Max. Capacity (M/Tons)

19.75

Port said Port

Area (Km2)

75

Max. Capacity (M/Tons)

26



SUEZ CANAL

AUTHORITY

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Egypt Mega Projects



➤ Suez Canal Investment Development Project

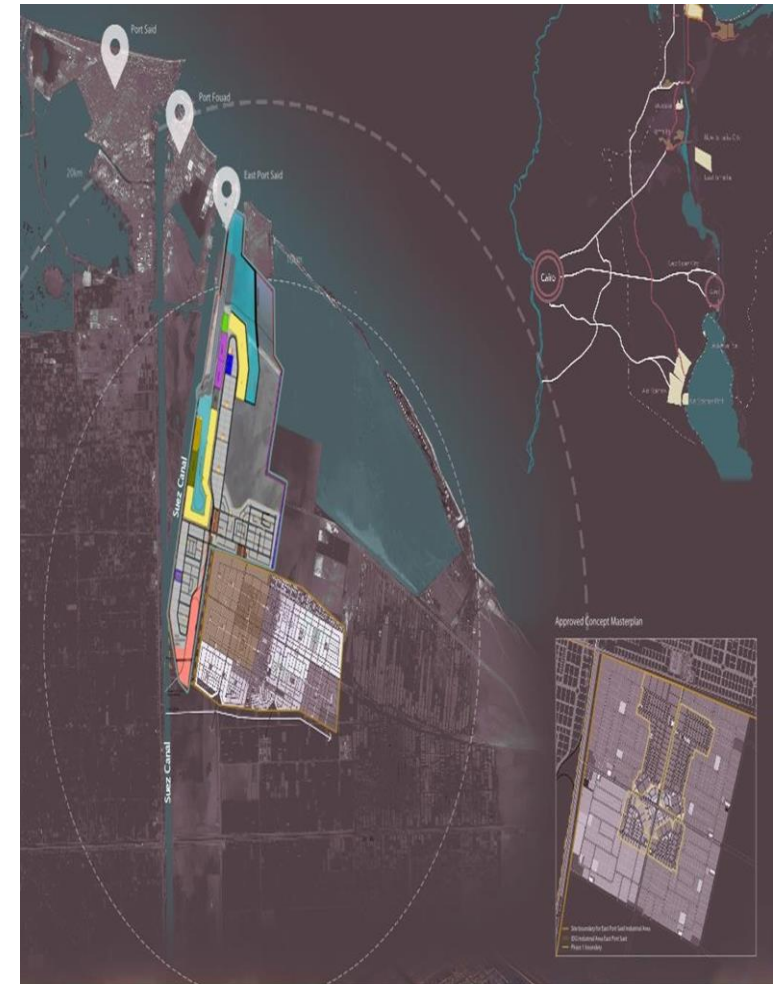
- The main objective is to leverage the key assets of the region to promote and stimulate economic development in the region through the creation of an international economic and logistics hub. *Total job creation is estimated at 1 million over 15 years.*
- The Project Area covers **5 governorates** including Port Said, Ismailia, Suez, North Sinai and South Sinai and **six ports** that are global centers for maritime transport and services in the world. *In total the Project covered a 2014 population of 2.9 million.*
- **Ismailia** is intended to become the administrative center of the zone, and it is expected to host specialized clusters for R&D activities.

➤ Golden Triangle project in upper Egypt

- The triangle is situated in **Upper Egypt** between the city of Qena in the hinterland, Suhag along the Nile, the two harbors of Safaga and Hamrawein on the Red Sea, and the city of El-Quseir on the coast.
- The development project will involve **various sectors**, including agriculture, tourism, commerce and industry, especially the mining industry.
- The project aims to create new industrial and mining projects on **6,000 square kilometers** extending from the Red Sea cities of Safaga and Al Qusayr to Eastern Qena in Upper Egypt. The Egyptian government is targeting *total investments worth \$16.5 billion within 30 years after implementation.*

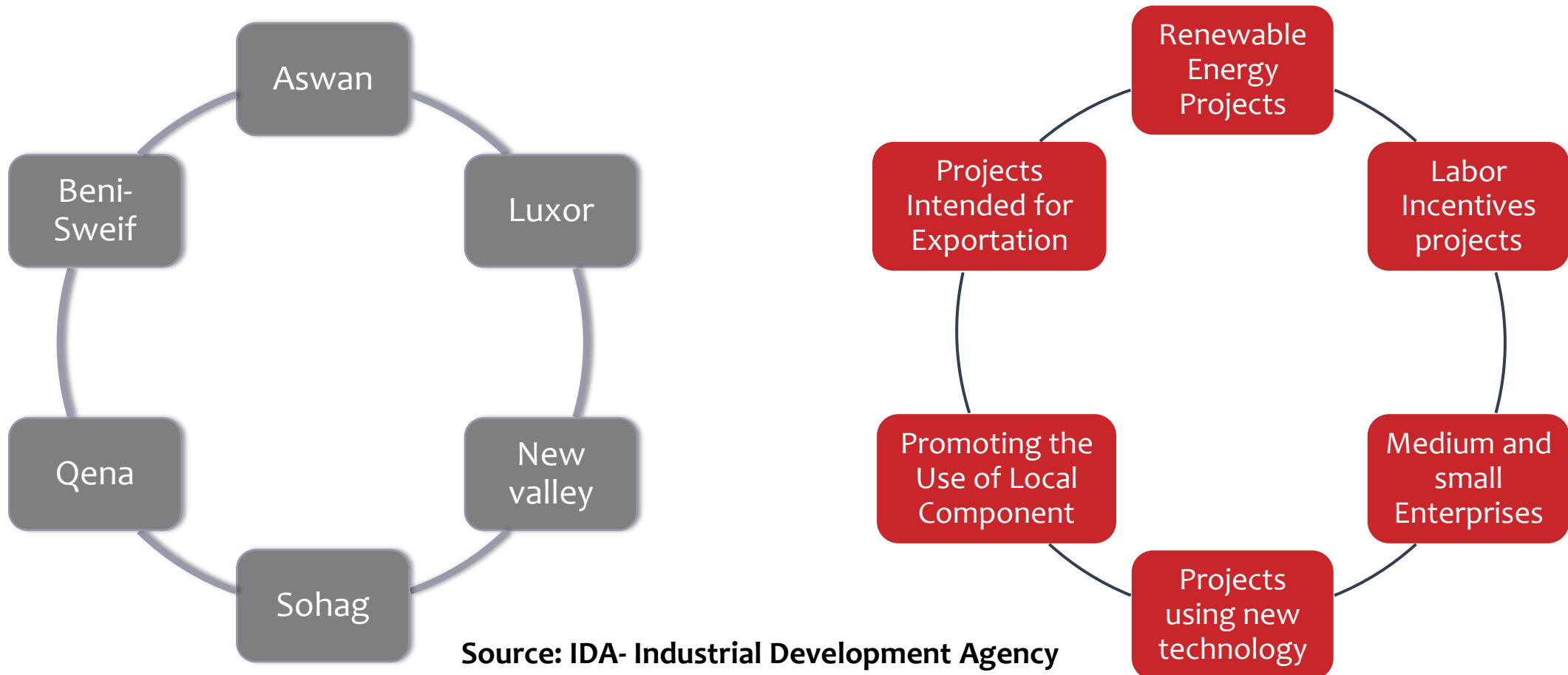
Investors Incentives in the East Port said Industrial Zone

- 100% ownership by foreign Investors.
- 0% tax and duties on all machines, equipment, tools, and raw materials as long as they are produced for export uses.
- Competitive income tax rate on the net profit, newly established companies can benefit up to 7 years of exempted income tax.
- Competitive tax rate on wages, salaries, bonuses, incentives.
- Right fit to investors planning to enter the markets in Africa and MENA region or to expand their businesses in those markets.
- The Project is covering an area over 1,600 Ha where more than 1,000 factories are expected to be built in the coming 10 years.
- The industrial zone in East Port Said is considered as a regional exporting hub to the African.
- The project offers prebuilt manufacturing facilities for rent; you could easily consider it “PLUG &PLAY”.
- The One-stop Investor Services Centre that the project offers takes care of all the permits/licenses needed to establish the a and construct the manufacturing facility.



Upper Egypt Incentives Scheme

- ✓ Free land allocation for some industrial zones in **Upper Egypt**.
- ✓ 50% off the total value of investment capital will be deducted from the net value of the companies' profit from **the due income taxes**.



Source: IDA- Industrial Development Agency

Investment opportunities in the Upstream and Downstream



Public Sector Reforms In Egypt

Ministry of Public Business Sector has adopted a development plan that includes merging 32 spinning and weaving companies into nine companies and upgrading the machinery and equipment, aiming to support Egypt Private Sector upstream manufacturers' competitiveness in the world markets.

It also includes around 780,000 new spindles and 1250 new looms, dyeing, printing and finishing machinery and state-of-the-art cutting and sewing equipment.

1. Egypt to inaugurate world's largest textile factory by 2021-end 2022

- Egypt is set to inaugurate several Cotton spinning and weaving factories after being upgraded and supplied with the *latest technologies* by 2022.
- The first factory, set to be the **world's largest textile factory**, is scheduled for completion by the end of 2021 as 65 buildings are being upgraded to accommodate the new machinery.

2. “Gosoor initiative” to boost intra-trade with African countries

The project aims, in its first phase, to provide an integrated logistics and transportation services chain for external trade and industry with East African countries through companies under the public business sector ministry, in addition to providing a goods insurance service.

3. Developing an electronic catalogue

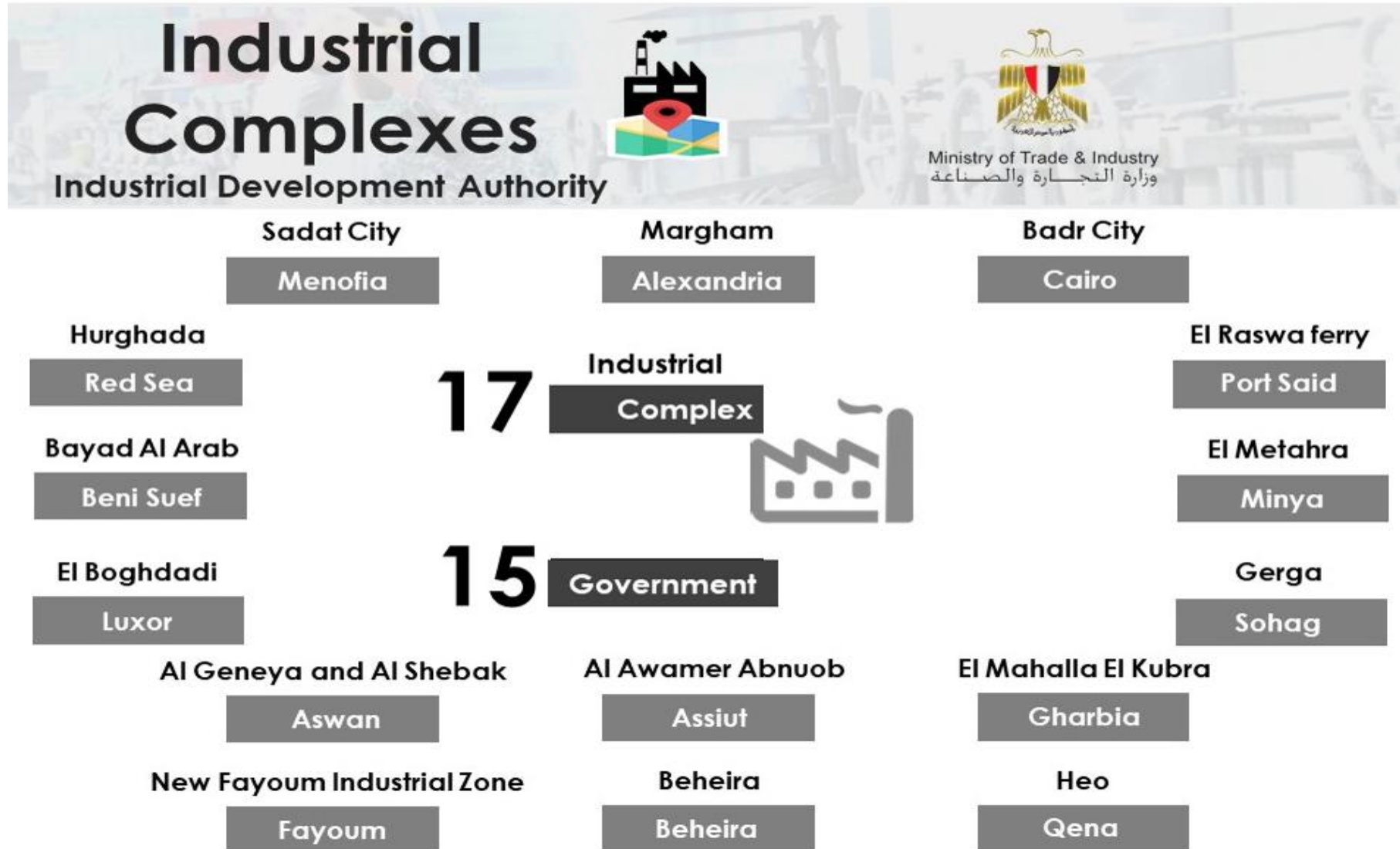
The ministry is also developing an electronic catalogue including all Egyptian products, to enable access to new foreign markets, and encourage small- and medium-sized enterprises (SMEs) to export their products abroad.

Specialized Industrial Parks For Small And Medium Industries To Deepen Local Manufacturing

- The Industrial Development Authority (IDA), which falls under the Ministry of Trade and Industry, established **17 industrial parks** in **15 governorates** in which **9 parks** located in **Upper Egypt**.
- These industrial parks is housing **4,500** production facilities of Small and Medium Enterprises, contributing to **50,000** job opportunities.
- It is creating **a new generation** of young and small business entrepreneurs, to participate effectively in the economic system and create industrial integration between large factories on one hand and small factories on the other hand.
- First Textile industrial park is in Sadat City on **3 million** square meter.



Industrial Complexes





Thank You

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