



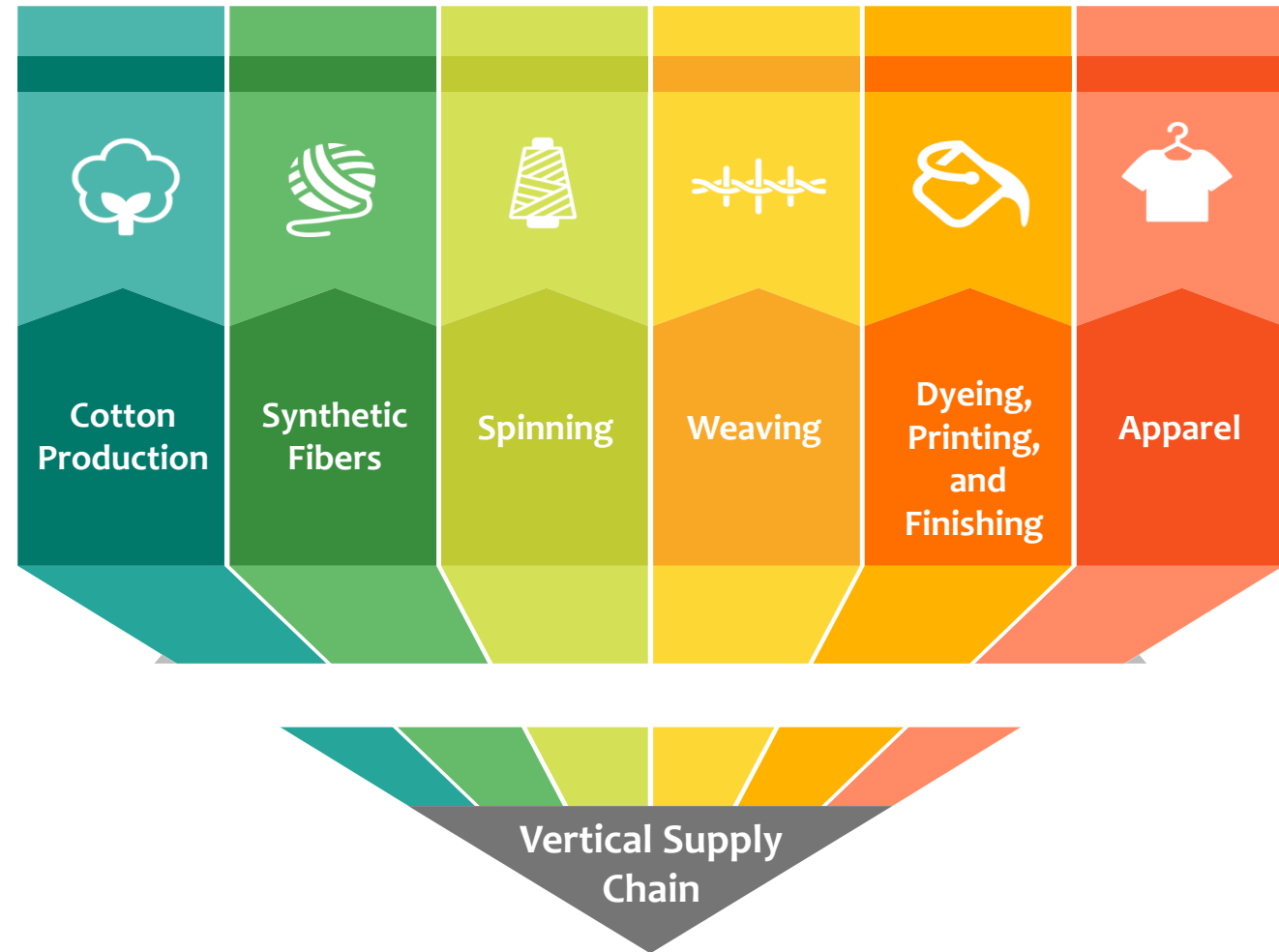
# Sourcing Opportunities in Egypt

Achieved by AECE 2022



# Egyptian Textile Industry has a complete vertically integrated functioning model

- Egypt aims to be a hub for the Textile industries in Africa and the Middle East region, due to its **competitive advantages** of having a vertically integrated textile supply chain that offers a complete production process from cotton cultivation to spinning, fabrics and garments.

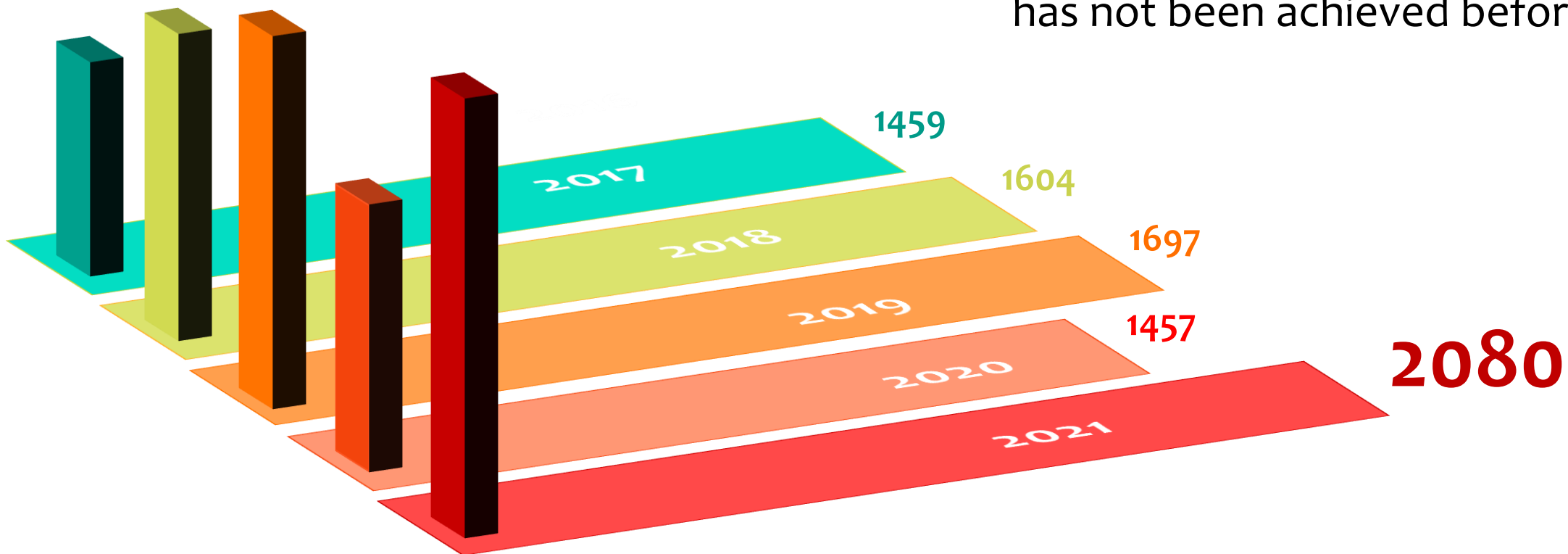


**Egypt is ranked among the Top Ten apparel sourcing countries to watch in 2022, according to Global data's Apparel intelligence center of Just style.**



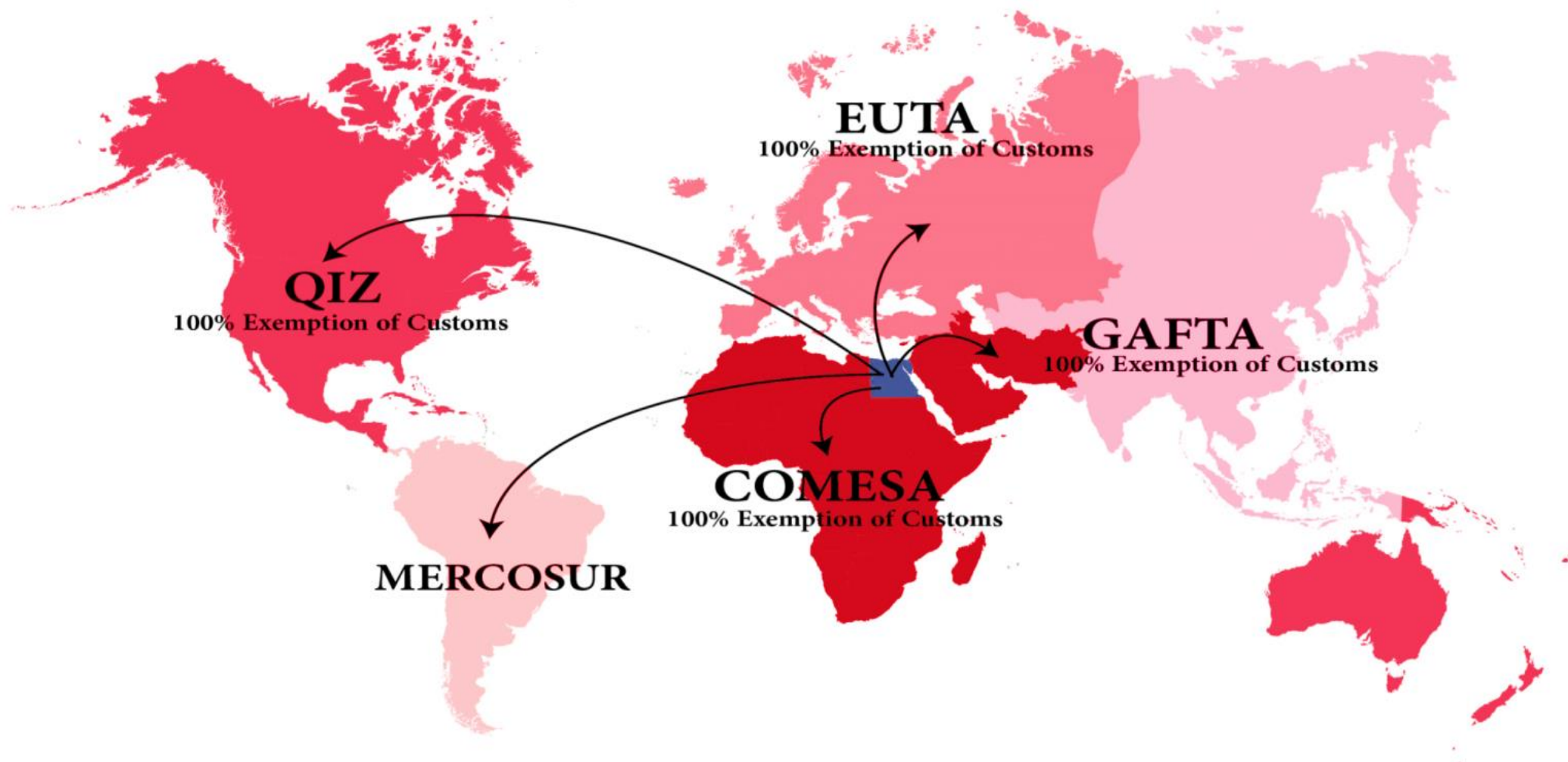
## Growing Industry

M/USD



Apparel exports witnessed a remarkable rise of **43%** recorded **\$2billion** which is considered a historical increase that has not been achieved before

# Egypt Trade Agreements





# QIZ Protocol: Key Facts

**Duty Free**



**US \$1225 M Exports  
in 2021**



**No Expiration**



**+700 Certified  
QIZ Factories**



**No Fabric  
Restriction**



**14 Zones  
Designated**



**10.5% Israeli  
Components**



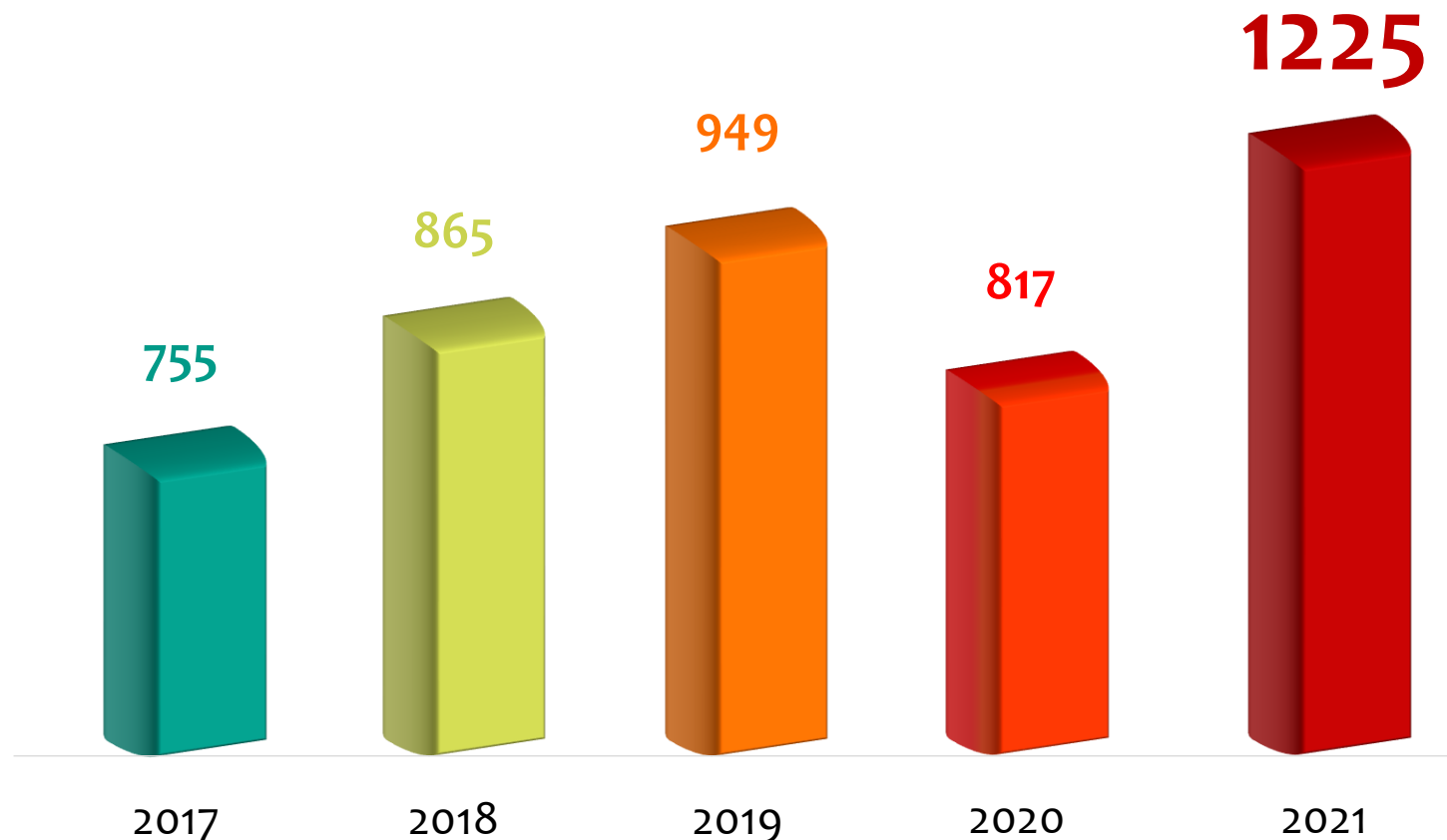
**New Zones  
being added**



# Apparel Egyptian Exports To United States

Egyptian Apparel Exports To US achieved a Rise of **50%**  
in 2021 compared to 2020

In M/USD

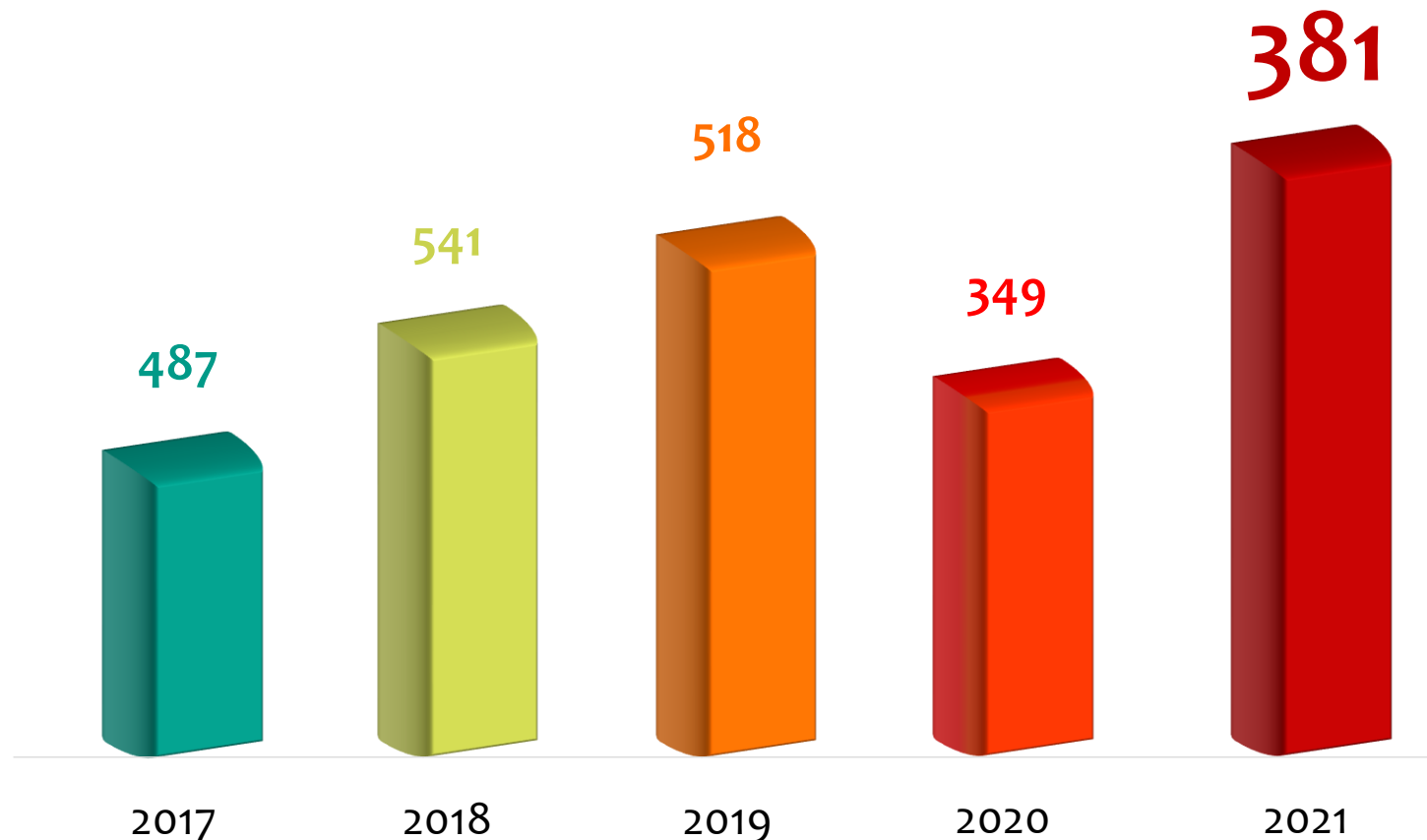


# Apparel Egyptian Exports To Europe

Egyptian Apparel Exports To EU achieved a Rise of  
in 2021 compared to 2020

9%

In M/USD

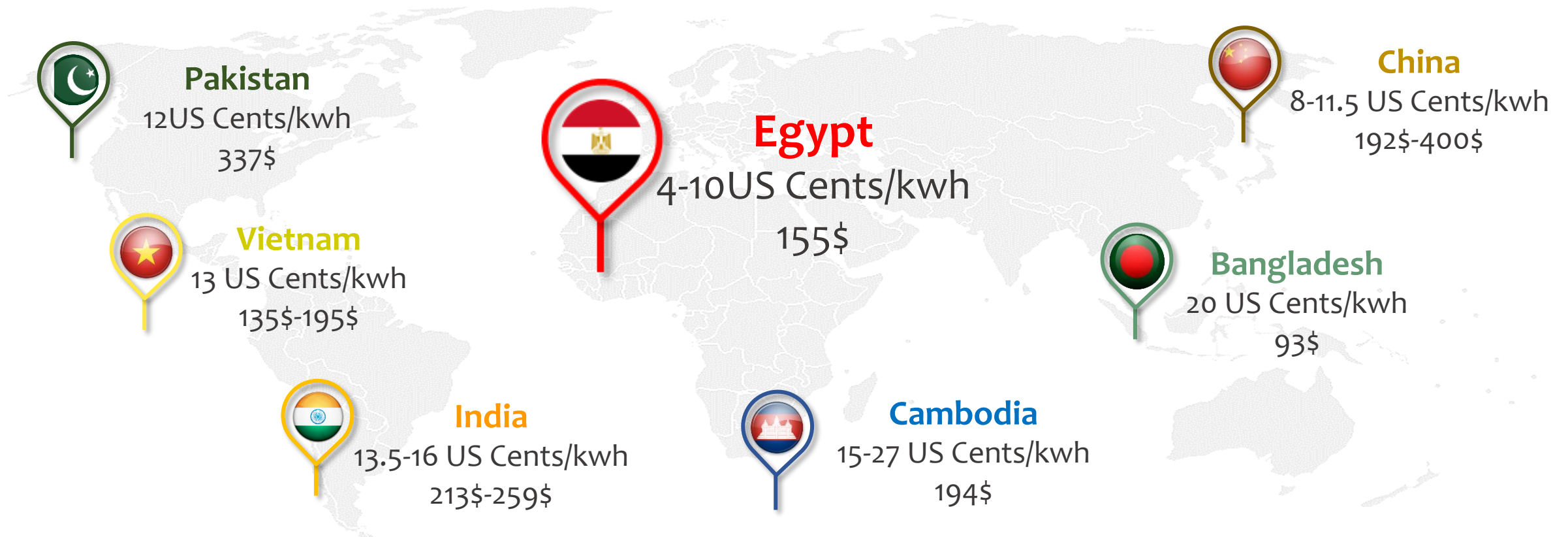




# Competitive Production Cost: Competitive Wages and Electricity cost

## Factor cost in Major Apparel Exporting Countries

- Egypt has the lowest production cost
- Labor Force Over 29 Million and 60% under 30
- Competitive Monthly Wage rate at (155\$)
- Electricity ( 4-10 US cent /kwh)

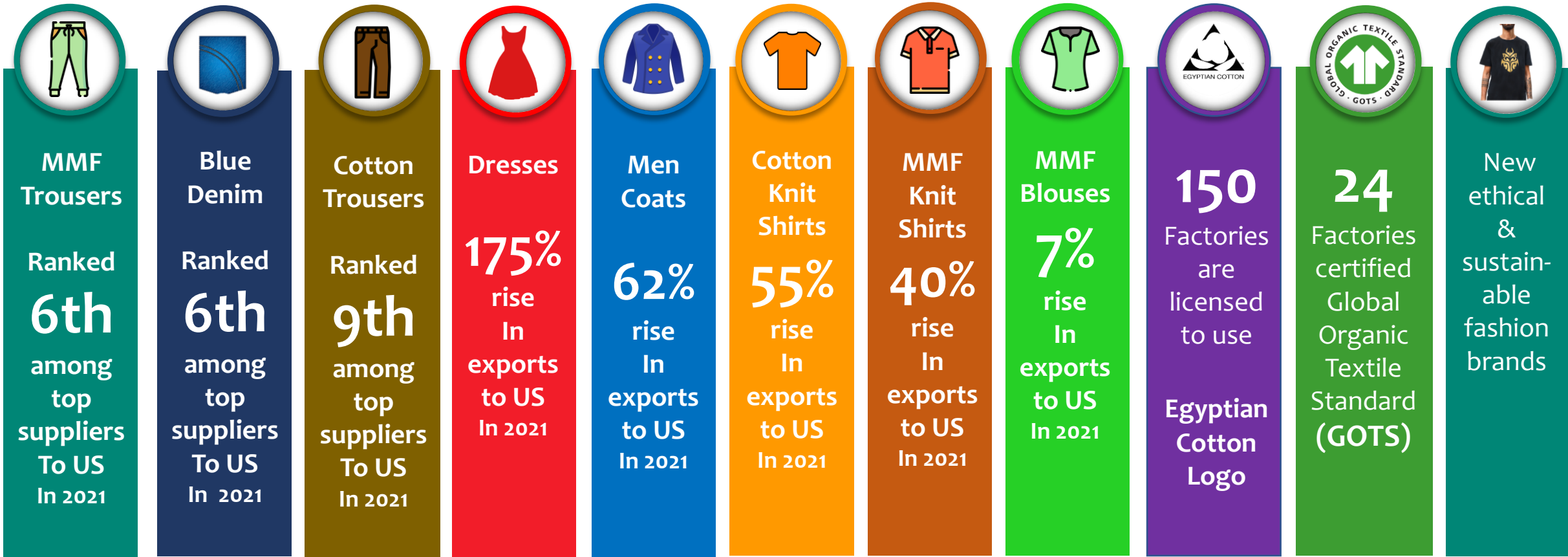


# Compliance & Accreditation

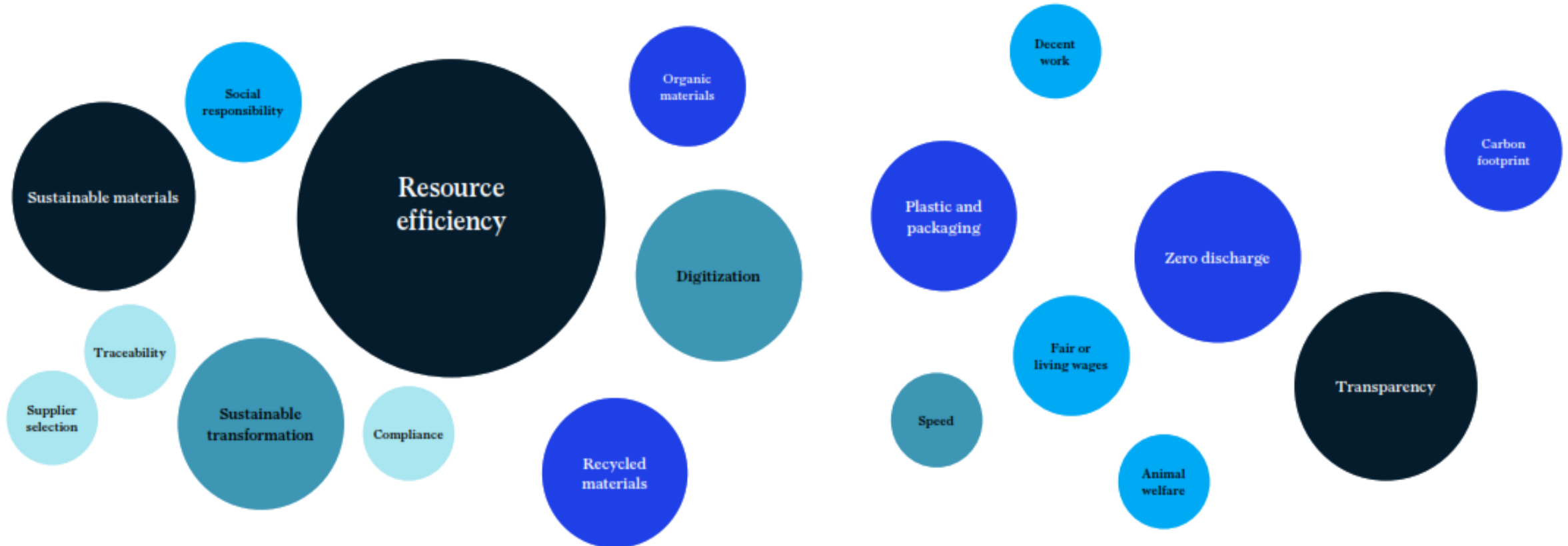
Egyptian Apparel Factories are complied with Global Quality, Health, Safety and Environmental Standards.



# Egypt is your sourcing destination ...



**Apparel Manufacturers are committed to sustainability through the entire manufacturing process, including working towards 100% sustainably sourced cotton and recycled materials**



# Egyptian Apparel manufacturers are joining the global movement toward environmentally responsible clothing

## Waste

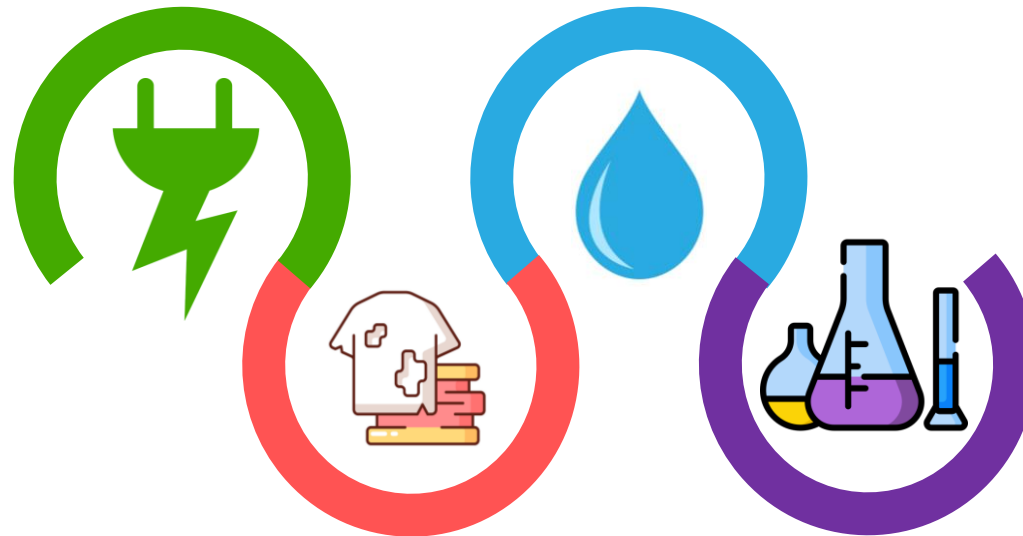
Adopt the EPA-developed four-tier waste management hierarchy to recycle 90% of their generated waste.

## Chemical

Detailed communications to suppliers on restricted substance lists (RSLs), conflict minerals and other regulatory matters.

## Energy

Solar thermal is one of the best ways to lower a building's carbon footprint and using solar hot water systems also reduce greenhouse gas emissions.



## Water

adopt LS&CO approaches to reduce the amount of water used in the finishing process.

# Apparel Factories are leading the way in sustainability

## The Egyptian Cotton Project

enhance the sustainability & value addition of the cotton value chain.

## The Better Cotton Initiative (BCI)

promoting a more sustainable way of growing cotton.



## Recycling pilot Project for Denim scraps

recycling denim textile waste and scraps into yarns for the production of new garment products.

## The Switch Med initiative

achieving a circular economy by changing the way goods and services are produced and consumed.

## GTEX- MENATEX Project

building institutional capacities for TSIs at the national level to ensure sustainability and increasing the international competitiveness of selected enterprises, enabling them to export improved products to diversified markets.



# USA & EU Buyers



# Egyptian Brands



**CONCRETE**  
EST. 1989



**COTTONIL®**  
القطن بيتكلم مصري



**Embrator®**



**DICE**  
UNDERWEAR



SHIRTS

**NAGA HOMME**



**DALYDRESS**



**MOBACO**  
COTTONS



**El Sayaad**  
الهيبار



**SCARABAEUS**  
SACER

# Restructuring plan for the public sector enterprises includes :

- ➔ Merging 30 spinning and weaving companies into 9 companies, along with merging cotton trading and ginning companies into one company .
- ➔ The development of the first gin in Fayoum Governorate to replace the 25 old gins with new gins.
- ➔ Inauguration of the largest spinning and weaving factory in the world in Al-Mahalla Al-Kubra which accommodate more than 182 thousand spinning mills, with an average production capacity of 30 tons of yarn / day.
- ➔ 550 Mn. US\$ are being spent on up to date machinery from spinning, weaving, dyeing and finishing to confection.
- ➔ Utilizing 100% Egyptian Cotton Giza 95,86,94,92 and 96 for all yarn counts ranging from 10 Ne compact to 180 Ne compact.
- ➔ Establishment of **“Egyptian Cotton hub company”** responsible for the marketing of different products of the Holding Company for Cotton, Spinning, Weaving and Clothing under one brand.

**Before**



**After**





# Establishment of New Rubiky Industrial City for Spinning, Weaving

- **The new industrial complex in Badr City** includes **six factories**, including one for thin yarn, another for thick yarn, three for preparing raw materials for weaving, and another for dyeing and printing.
- Built on an area of **430 acres** with **total production capacity** with **1557 Tons** of yarns ,fabrics and dyeing which include **4500 tons of fine yarn per day**, a **thick spinning factory**, and a knitting factory. This factory provides 1350 new direct jobs.



# The Cotton Museum of Cairo

The Cotton Museum, traces the history of cotton in Egypt and the world. On display are manuscripts and legislative decrees on cotton, antique embroidered fabrics, illustrations, information and samples of all botanical varieties in the world, from the extinct to the most recent.





# Investments Projects in Egypt

## ■ Golden Triangle Project:

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.



## ■ Suez Canal Investment Development Project (Port Said, Ismailia, Suez, North Sinai and South Sinai)

Offers existing ecosystem and access to markets supported with accessibility to 6 PORTS & 2 AIRPORTS, Strong cost competitiveness for manufacturing , attractive financial incentives, robust regulatory support for investors and Provides infrastructure within the entire region as well. Total job creation is estimated at 1 million over 15 years.

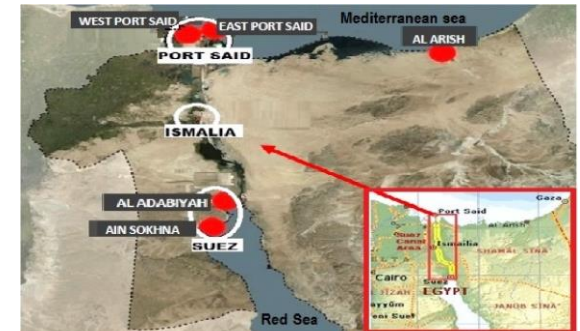
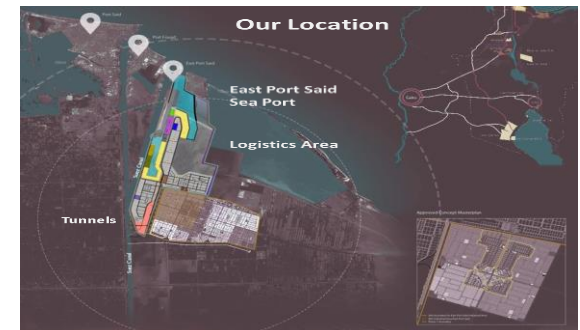


Figure 1: The Suez Canal Zone. Source: The Technical Secretariat for the Suez Canal Corridor Development – SCC

## ■ Investors Incentives in the 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.







# Thank You

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