

# Country (Region) Guides for Outward Investment Co- operation

## Egypt

(2022 edition)

Ministry of Commerce, Institute of  
International Trade and Economic Co-  
operation Economic and Commercial  
Section of the Embassy of China in  
Egypt Foreign Investment and  
Economic Co-operation Division,



forew  
ord

The report of the twentieth CPC National Congress points out that it is important to promote a high level of opening up to the outside world, to enhance the quality and level of trade and investment cooperation, to accelerate the building of a strong trading nation, to promote the high-quality development of the "One Belt, One Road", to participate deeply in the division of labour and cooperation in the global industry, and to safeguard a diversified and stable international economic pattern and economic and trade relations.

Guided by Xi Jinping's thought of socialism with Chinese characteristics in the new era, the Ministry of Commerce comprehensively implements the spirit of the 20th CPC National Congress, and in accordance with the principle of "government-guided, enterprise-led, and market-orientated operation", it encourages and supports strong, reputable and internationally competitive enterprises to go out to carry out outward investment and cooperation in a steady and orderly manner, and actively participate in the construction of the "Belt and Road". It will also actively participate in the co-construction of the "One Belt, One Road", guide and serve China's enterprises to actively integrate into the global industrial chain supply chain, and continuously improve the quality and level of outward investment and co-operation. In 2021, China's outward foreign direct investment flow will reach US\$178.82 billion, an increase of 16.3 per cent over the previous year, ranking second in the world; Seventy-nine Chinese enterprises have been listed in the Engineering News Record (ENR) 2022 "Top 250 International Contractors" list, and continue to top the list. Chinese-funded enterprises are making rational and effective use of resources in overseas markets, actively engaging in international cooperation and competition, contributing to the economic and social development of host countries, and injecting vitality into the global economic recovery.

In order to better help enterprises understand and familiarise themselves with the local business environment and effectively prevent and resolve various risks, the Institute of International Trade and Economic Cooperation (IITEC) of the Ministry of

Commerce (MOFCOM) and the business agencies of embassies and consulates in foreign countries have compiled the 2022 edition of the "Country (Place) of Outward Investment Co-operation".

The Guide covers 129 countries and regions. The Guide covers 129 countries and regions, reflecting comprehensively and objectively the macroeconomic situation, laws and regulations, economic and trade policies, business environment and other matters of concern to enterprises going abroad in the countries (regions) where OFDI cooperation takes place, as well as paying further attention to relevant policies and regulations, current development status and international cooperation on digital economy and green development in the relevant countries (regions), and adjustments in economic and trade policies since the epidemic.

We hope that the 2022 edition of the Guide will be helpful to enterprises that intend to go global and carry out outbound investment and cooperation, and we welcome criticisms and valuable opinions from all walks of life. At the same time, we will seriously absorb the useful suggestions and continuously improve our work, so as to make the Guide better and better, and to play a greater role in enhancing the ability and level of enterprises' international operation, coping with all kinds of risks and challenges, and promoting the high-quality development of outward investment and cooperation.

We will be based on the new stage of development, complete, accurate and comprehensive implementation of the new development concept, serve to accelerate the construction of a new development pattern, focus on promoting high-quality development, and innovate in the preparation of the Guide, so as to more accurately and efficiently provide high-quality information services for enterprises going abroad, and to help them go abroad steadily and make progress.

Office for the Preparation of Country (Regional)  
Guides for Outward Investment Co-operation  
March 2023

## Message from the Counsellor

Egypt is one of the most important ancient civilisations in the world, located at the junction of Asia, Europe and Africa, holding the strategic key of the "Great Continental Century Maritime Silk Road", and the Suez Canal Corridor is the hub connecting the South China Sea, Indian Ocean to the Red Sea and the Mediterranean Sea, Egypt has a natural geographical advantage in docking the "Belt and Road" initiative. Egypt has a natural geographical advantage to connect with the "Belt and Road" initiative.

Since President Sisi came to power in 2014, he has gradually removed the factors of instability triggered by the 2011 "revolution", stabilised the domestic political situation, fought against terrorist activities, and implemented a full range of economic reforms such as floating the exchange rate, cutting subsidies, opening up the market, and attracting foreign investment, and has achieved notable results in political and economic sectors. 2022 The Russian-Ukrainian conflict, coupled with the new coronavirus epidemic, has led to significant shocks in the global industrial chain and supply chain, a steep rise in global energy, food and commodity prices, and the return of a large amount of US dollars as a result of the Federal Reserve's repeated interest rate hikes, which has led to mounting downward pressure on the global economy. Against this backdrop, Egypt has actively pursued structural reforms, taken various measures to respond to the global economic crisis and endeavoured to maintain political and economic stability. On the one hand, Egypt's macroeconomic performance has shown strong resilience, with the economy growing by 3.3 per cent in the fiscal year 2020/21 and inflation falling to 4.5 per cent. The investment climate continues to improve, ranking 114th out of 190 countries and territories in the world, according to the World Bank's Doing Business 2020 report. According to the Africa Investment Guide 2021 published by the Rand Merchant Bank of South Africa, Egypt has been ranked as the best investment destination in Africa for four consecutive years. On the other hand, Egypt's fiscal position is basically stable, with a fiscal deficit of 7.4 per cent in FY2020/21, and steady progress in reform measures and market-based mechanisms for the pricing of public goods. International rating agencies, such as S&P and Fitch, are positive about

Egypt's economic outlook. However, the structure of the economy, which is overly dependent on consumption, has revealed the obvious problem of insufficient endogenous dynamics, and the path of economic transformation will not be smooth, especially as the rapid growth of the population has offset the hard-won gains in economic development, and the still-high indebtedness has imposed constraints on public investment, while the rapid rise in the prices of various factors of production, such as land, manpower, water, electricity, and oil, have pushed up the cost of doing business. In addition, the impact of the Russian-Ukrainian conflict on the global economy has also had an impact on economic development, with annual inflation rising to 15.3 per cent in May 2022, foreign exchange reserves falling to \$35.49 billion, the dollar-Egyptian pound exchange rate remaining around 18.7 (June 2022) after a sharp depreciation of the Egyptian pound by around 18 per cent, and the prices of essential commodities generally rising, as the Egyptian economy faces a number of challenges.

However, on the whole, the political situation in Egypt is stable and the economy has maintained its growth. With the general support of international organisations such as the International Monetary Fund and the World Bank, and major global economies such as the United States, the European Union and China, the prospects for Egypt's economic development remain promising. The World Bank's Global Economic Prospects, released in June 2022, forecasts that Egypt's GDP growth will reach 6.1 per cent in fiscal year 2021/22, the highest level since 2014, and 4.8 per cent in fiscal year 2022/23

China and Egypt regard each other as reliable friends and sincere partners. Egypt was the first Arab and African country to establish diplomatic relations with China. In 2014, President Xi Jinping and Egyptian President Sisi decided to upgrade China-Egypt relations to a comprehensive strategic partnership, creating a new pattern of cooperation between the two countries. In January 2016, President Xi Jinping visited Egypt, and China-Egypt economic and trade pragmatic cooperation sailed

Into the fast lane.<sup>2021</sup> On 22 February, President Xi Jinping said in a phone call with President Sisi: "China and Egypt should strengthen the docking of development strategies and join hands to build the 'Belt and Road'. China supports more Chinese enterprises to invest in Egypt, and is willing to expand cooperation with the Egyptian side in infrastructure construction, production capacity, science and technology, and other fields, so as to push the China-Egypt comprehensive strategic partnership to a new level."<sup>22</sup> In February 2022, President Xi Jinping met with President Sisi, who attended the opening ceremony of the Beijing Winter Olympics, and reached an important consensus with him that the two sides should deepen mutually beneficial cooperation, continue to promote the joint construction of the "One Belt, One Road" initiative to dovetail with the Egyptian Vision 2033, and promote the development of the Suez Canal corridor and other areas of the Suez Canal, as well as the development of the Suez Canal corridor. The two sides should deepen mutually beneficial cooperation, continue to promote the interface between the "Belt and Road" initiative and Egypt's "Vision 2033", push forward the development of the Suez Canal Corridor and other cooperation projects, and cooperate in implementing global development initiatives. At present, China has been Egypt's largest trading partner for many consecutive years, and bilateral trade in goods will reach a record high of \$19.97 billion in 2021; the two countries have carried out all-round co-operation in the fields of industry, energy, telecommunication, and infrastructure construction, etc. By the end of 2020, China's cumulative exports to Egypt will have reached \$4.5 billion. By the end of 2020, China's cumulative direct investment stock in Egypt stood at 1.19 billion U.S. dollars, creating more than 40,000 local jobs; the Suez (TEDA) Economic and Trade Co-operation Zone, jointly built by the two sides, has attracted more than 120 enterprises, and has become an important platform for promoting investment and technological co-operation between the two countries. Chinese enterprises have successively won bids for the implementation of the Central Business District of the new administrative capital, the light railway in the city of Ramadan, and other major national projects, painting a colourful "Chinese red" on the road of rejuvenation in ancient Egypt.

In 2022, the epidemic of new coronary pneumonia is still raging, and its long-term, complexity and uncertainty have become more and more prominent. Facing the test of

the epidemic of the century, the governments and people of China and Egypt have always been in the same boat through thick and thin, overcoming difficulties together, and walking hand in hand in building a health community, writing a moving chapter in the history of Sino-Egyptian friendly relations. China and Egypt have proved with practical actions that solidarity and cooperation is the most powerful weapon to overcome all difficulties and challenges, and have made important contributions to bridging the "anti-epidemic divide" in the Middle East and Africa. China-Egypt relations have become a model for China-Africa and China-Africa solidarity and cooperation for mutual benefit and win-win results, as well as a model for South-South cooperation.

Looking ahead, China and Egypt will continue to adhere to the principle of "common business, common construction and sharing", and will be guided by the promotion of the high-quality development of **the Belt and Road** and the implementation of the framework of the Forum on China-Africa Cooperation (FOCAC), so as to deepen and broaden the connotation of bilateral co-operation, and to intensify the co-operation in the fields of trade, investment, finance and so on. We will deepen and expand the content of bilateral cooperation, intensify cooperation in trade, investment, finance and other fields, and promote complementarity of advantages and industrial convergence in many fields such as industry, energy and power, railway and transport, port logistics, and aerospace science and technology. Chinese enterprises can make full use of Egypt's unique location advantages, convenient international trade conditions and relatively low production factor costs to build Egypt into an important base for optimising the allocation of global resources and exploring international markets. At the same time, the Chinese side should strengthen accurate research, scientific decision-making, strengthen the awareness of risk prevention and control, proactively assume social responsibility, and share the fruits of development with the Egyptian side.

We firmly believe that after the epidemic, China-Egypt economic and trade cooperation will usher in a brighter future. The Economic and Commercial Section of the Chinese Embassy in Egypt warmly welcomes Chinese enterprises to invest and prosper in Egypt and will, as always, provide assistance and services to the best of its ability.

Zhou Zhencheng, Minister Counsellor,  
Economic and Commercial Affairs Department,  
Chinese Embassy in Egypt

June 2022



table of  
contents  
table of  
contents

**INTRODUCTION ..... What will this guide tell you?**

**1**

**1. Country profile ..... 2**

1.1 Brief history of development ..... 2

1.2 Natural environment ..... 3

1.2.1 Geographic location ..... 3

1.2.2 Natural resources ..... 4

1.2.3 Climatic conditions ..... 4

1.3 Population and administrative divisions ..... 4

1.3.1 Population distribution ..... 4

1.3.2 Administrative divisions ..... 5

1.4 Political environment ..... 7

1.4.1 Political system ..... 7

1.4.2 Main parties ..... 7

1.4.3 Government agencies ..... 8

1.5 Socio-cultural ..... 8

1.5.1 Nation ..... 8

1.5.2 Language ..... 8

1.5.3 Religion and customs ..... 9

1.5.4 Science, education and medicine ..... 10

1.5.5 Trade unions and other non-governmental organisations ..... 11

1.5.6 Major Media ..... 11

1.5.7 Social Security ..... 13

1.5.8 Holiday ..... 13

**2. Economic Overview ..... 17**

2.1 Macroeconomics ..... 17

2.2 Focus/Speciality Industries ..... 19

2.3 Infrastructure ..... 24

2.3.1 Highway ..... 24

2.3.2 Railway ..... 24

2.3.3 Air transport ..... 25

2.3.4 Water transport ..... 25

2.3.5 Electricity ..... 26

2.3.6 Digital Infrastructure ..... 28

2.4 Price level ..... 29

2.5 Development Planning ..... 30

<b>3. Trade and Economic Cooperation</b> .....	<b>36</b>
3.1 Economic and trade agreements .....	36
3.2 Foreign trade .....	36

3.3 Two-way Investment .....	41
3.4 Foreign aid .....	52
3.5 China-Egypt trade and economic cooperation .....	55
3.5.1 Bilateral agreements .....	55
3.5.2 Bilateral trade .....	56
3.5.3 Chinese investment in Egypt .....	58
3.5.4 Contractual engineering and labour cooperation .....	59
3.5.5 Offshore Parks .....	60
<b>4. Investment Environment .....</b>	<b>62</b>
4.1 Investment Attractiveness .....	62
4.2 Financial environment .....	64
4.2.1 Local currency .....	64
4.2.2 Foreign exchange management .....	65
4.2.3 Banks and insurance companies .....	66
4.2.4 Financing Channels .....	68
4.2.5 Credit Card Usage .....	69
4.3 Securities Market .....	69
4.4 Factor costs .....	69
4.4.1 Water, electricity, gas and oil prices .....	69
4.4.2 Labour wages and supply and demand .....	72
4.4.3 Land and house prices .....	72
4.4.4 Construction Costs .....	72
<b>5. Regulations &amp; Policies .....</b>	<b>74</b>
5.1 Trade Laws and Policies .....	74
5.1.1 Trade authorities .....	74
5.1.2 Trade Laws and Regulations .....	74
5.1.3 Relevant provisions on trade regulation .....	75
5.1.4 Import and Export Commodity Inspection and Quarantine Regulations .....	80
5.1.5 Customs administration rules and regulations .....	80
5.2 Foreign Investment Regulations .....	82
5.2.1 Investment authorities .....	82
5.2.2 Foreign Investment Laws and Regulations .....	84
5.2.3 Foreign Investment Incentives .....	84
5.2.4 Provisions for the investment industry .....	85
5.2.5 Provisions on investment patterns .....	87
5.2.6 Provisions for Security Clearance .....	90
5.2.7 Provisions for infrastructure PPP models .....	91
5.3 Policies and regulations related to the digital economy .....	93
5.4 Policies and regulations related to the green economy .....	93
5.5 Corporate Taxation .....	94
5.5.1 Tax systems and regimes .....	94
5.5.2 Major taxes and rates .....	94
5.6 Special economic zone provisions .....	99

5.6.1 Special Economic Zone Regulations .....	99
5.6.2 Introduction to Special Economic Zones .....	102
5.7 Labour and employment legislation .....	104
5.7.1 Core elements of labour law .....	104
5.7.2 Provisions for foreigners working locally .....	105
5.8 Regulations on the Acquisition of Land by Foreign Enterprises in Egypt .....	106
5.8.1 Main elements of the land law .....	106
5.8.2 Provisions for the acquisition of land by foreign-owned enterprises .....	107
5.9 Provisions for foreign companies to participate in local securities trading .....	108
5.10 Environmental Protection Regulations .....	108
5.10.1 Environmental Management .....	108
5.10.2 Major environmental laws and regulations .....	109
5.10.3 Basic points of environmental laws and regulations .....	109
5.10.4 Environmental Impact Assessment Regulations .....	109
5.11 Anti-Commercial Bribery Provisions .....	111
5.12 Provisions for Foreign Enterprises Contracting Local Works .....	112
5.12.1 Licensing .....	112
5.12.2 Prohibited areas .....	112
5.12.3 Bidding method .....	112
5.13 Provisions for the protection of intellectual property rights .....	113
5.13.1 Laws and Regulations on Intellectual Property Protection .....	113
5.13.2 Penalty Provisions Related to Intellectual Property Infringement .....	113
5.14 Principal means of resolving business disputes and applicable law .....	114
<b>6. Procedures for Investment Co-operation in Egypt .....</b>	<b>116</b>
6.1 Procedures required for investing in a registered business .....	116
6.1.1 Forms of establishment of a business .....	116
6.1.2 Receiving organisations for registered businesses .....	116
6.1.3 Main procedures for registering a business .....	116
6.2 Procedures for Undertaking Engineering Projects .....	116
6.2.1 Access to information .....	116
6.2.2 Tenders and Bids .....	117
6.2.3 Government procurement .....	117
6.2.4 Licence Procedures .....	117
6.3 Patent and Registered Trademark Applications .....	118
6.3.1 Patent Application .....	118
6.3.2 Registered Trademarks .....	119
6.4 Procedures related to corporate tax returns .....	120
6.4.1 Tax filing time .....	120
6.4.2 Tax Channels .....	120
6.4.3 Procedures and information for filing tax returns .....	121
6.5 Work Permit Processing .....	121
6.5.1 Competent authorities .....	121
6.5.2 Work permit system .....	121

6.5.3 Application Procedures.....	123
6.5.4 Provision of information .....	124
6.6 Organisations capable of advising Chinese companies on investment co-operation.....	124
6.6.1 Economic and Commercial Section of the Chinese Embassy in Egypt .....	124
6.6.2 Egypt China Chamber of Commerce.....	125
6.6.3 Embassy of Egypt in China .....	125
6.6.4 Egyptian Investment Services.....	125
<b>7. Issues to be noted for Chinese enterprises to carry out investment and cooperation in Egypt.....</b>	<b>127</b>
7.1 Offshore Investment.....	127
7.2 Foreign contracted projects .....	130
7.3 Foreign labour cooperation .....	132
7.4 Protecting against investment co-operation risks.....	133
<b>8. How Chinese companies can build harmonious relationships in Egypt .....</b>	<b>135</b>
8.1 Managing the relationship with government and parliament.....	135
8.2 Proper management of relations with trade unions .....	135
8.3 Closer relations with the local population.....	135
8.4 Respect for local customs.....	136
8.5 Protecting the ecological environment in accordance with the law .....	136
8.6 Taking on the necessary social responsibility .....	137
8.7 Knowing how to deal with the media.....	137
8.8 Learning to Deal with Law Enforcement.....	138
8.9 Spreading Chinese Traditional Culture .....	138
8.10 Other.....	139
<b>9. How Chinese companies/people can seek help in Egypt .....</b>	<b>140</b>
9.1 Seeking legal protection .....	140
9.2 Seeking help from local authorities .....	140
9.3 Obtaining protection from the Chinese Embassy (Consulate) in the region .....	140
9.4 Establishment and activation of emergency plans .....	141
9.5 Other response measures .....	141
<b>10. Policy Measures for the Prevention and Control of the New Crown Pneumonia Epidemic and Economic Recovery in Egypt .....</b>	<b>142</b>
10.1 Current Status of the New Crown Pneumonia Epidemic .....	142
10.1.1 Status of the New Crown Pneumonia Outbreak in Egypt.....	142
10.1.2 Impact of the New Crown Pneumonia Outbreak on Local Industry.....	143
10.1.3 Resumption of production by local Chinese enterprises and projects .....	143
10.2 Epidemic Prevention and Control Measures .....	144
10.3 Economic Policy in the Post-Epidemic Period .....	145
10.4 Specialised anti-epidemic support policies for foreign-invested enterprises .....	146
10.5 Special Note to Chinese Enterprises .....	146
<b>Appendix 1 List of Government Departments and Related Agencies in Egypt.....</b>	<b>148</b>
<b>Appendix 2 List of Chinese Enterprises Chambers of Commerce, Chinese Associations and Major Chinese Enterprises .....</b>	<b>150</b>

Postscript.....	157
-----------------	-----

## INTRODUCTION    What will this guide tell you?

Do you know enough about the investment and co-operation environment in the Arab Republic of Egypt (hereinafter referred to as "**Egypt**") before you go there for investment and co-operation? What is the political, economic and socio-cultural environment? What industries are suitable for investment cooperation? Are the business costs of investment and co-operation in Egypt competitive? How should I go about the relevant vetting procedures? What are the local laws and regulations governing foreign investment cooperation? What should I pay special attention to when investing and cooperating in Egypt? What should I do if I encounter difficulties? How to deal with the local government, parliament, trade unions, residents, media and law enforcement? Egypt, part of the Country (Regional) Guides for Foreign Investment Co-operation series, will provide you with basic information and serve as a guide to Egypt.

## 1. Country profile

### 1.1 A Brief History of Development

[Brief history of development] Egypt is one of the world's four great ancient civilisations. In 3200 BC, Menis unified Egypt and established the first slave state. Since then, it has experienced the Early Kingdom, the Ancient Kingdom, the Middle Kingdom, the New Kingdom and the post-dynasty period, a total of 30 dynasties. The Ancient Kingdom began to build pyramids on a large scale. The Middle Kingdom witnessed economic development and renaissance. The New Kingdom, with its significant increase in productivity, began to expand externally and became a military empire. During the Post-Dynastic Period, there were frequent civil strife and external disasters, and the power of the country was declining. In 525 BC, Egypt became a province of the Persian Empire. During the next thousand years, Egypt was conquered by Greece and Rome. In 641 A.D., the Arabs invaded and Egypt was gradually Arabised and became an important centre of Islam. 1517, it was conquered by the Turks and became a province of the Ottoman Empire, and after being occupied by the British in 1882, it became a British "protectorate".



Pyramids and Sphinx

On 28 February 1922, Britain declared Egypt an independent state, but retained the right to dispose of its defence, foreign affairs and minorities, etc. On 23 July 1952, the Free



Officers, headed by Nasser, overthrew the Farouk dynasty and established the Revolutionary Steering Committee, which took control of the country. 18 June 1953, the Republic of Egypt was proclaimed, which was then merged with Syria to form the United Arab Republic. In 1961, Syria withdrew from the League of Arab States after a coup d'état, and was succeeded by President Nasser in 1970 and renamed the Arab Republic of Egypt on 1 September 1971; President Sadat was assassinated in October 1981, and was succeeded by Vice-President Mubarak, who was re-elected for four terms until his resignation in 2011. Massive demonstrations took place in Egypt, and on 11 February Mubarak announced his resignation from the presidency. 24 June 2012

On 3 July 2013, Morsi, chairman of the Freedom and Justice Party (FJP), won the presidential election with 51.73 per cent of the vote. Between the end of June and the beginning of July 2013, opponents and supporters of Morsi held separate large-scale demonstrations, which triggered bloody clashes and resulted in the deaths of hundreds of people. On 3 July 2013, Egypt's military announced a political transition that deposed President Morsi, with Mansour, the president of the Supreme Constitutional Court (SCJ), acting as Mansour dissolved the Shura Council on 5 July, after which large-scale clashes erupted, and on 9 July Mansour appointed Mohamed ElBaradei, who had served as director-general of the International Atomic Energy Agency, as vice-president, and Hazem el-Beblawi as prime minister for the transition period. On 24 February 2014, El-Beblawi's cabinet resigned, and the former Minister of Housing and Construction, Ibrahim El-Mahleib, was appointed as prime minister of a caretaker cabinet. On 14 April 2014, then Minister of Defence Abbas Abbas resigned, and then Minister of Defence Abbas Abbas was appointed as prime minister. 14, then Defence Minister Abdel Fattah El-Sisi announced his candidacy for the 26 May presidential election and was elected president with 96.91% of the vote, appointing Ibrahim Mahleb to remain prime minister. In September 2015, Egypt's Cabinet was reshuffled, with the former Minister of Petroleum, Sharif Ismail, taking over as prime minister. In March 2018 month, Egypt held a new round of presidential elections, and Sisi was re-elected as Egypt's president with 97.08 per cent of the vote. In June 2018, President Sisi appointed Minister of Housing and Public Facilities Mustafa Madbouli as the Prime Minister of the new Egyptian Cabinet.

[International status] Egypt pursues a policy of independence and non-alignment, advocates the establishment of a new international political and economic order based on mutual respect and non-interference in internal affairs, and strengthens North-South dialogue and South-South cooperation. Egypt has joined international and regional organisations, including the League of Arab States (with its secretariat in Cairo), the Arab Maghreb Union, the Organisation of Islamic Cooperation (OIC), the Group of Eight Muslim Developing Countries (G8), the African Union (AU), the Common Market for Eastern and Southern Africa (COMESA), etc. Egypt holds the rotating chairmanship of the African Union in 2019.

## 1.2 environment

### 1.2.1 geographic location

Egypt straddles the continents of Asia and Africa and is separated from Europe by the Mediterranean Sea. Most of Egypt is located in northeastern Africa, and only the Sinai Peninsula, east of the Suez Canal, is located in southwestern Asia. It has a land area of 1,014,450,000 square kilometres, ranking 30th in the world, and 94% of its land is desert. It is bordered by the Red Sea and Palestine and Israel to the east, Libya to the west, Sudan to the south and the Mediterranean Sea to the north. The coastline is about 2,900 kilometres long. The Nile River runs north-south and is 6,700 kilometres long, with 1,530 kilometres in Egypt.

According to the physical geography, Egypt can be divided into four parts: the Nile Valley and the delta area is flat, south of Cairo is commonly known as Upper Egypt, north of Lower Egypt, an area of about 33,000 square kilometres; the Libyan Desert in the west is the northeastern part of the Sahara Desert, for the plateau tilted from the south to the north, covering an area of about 671,000 square kilometres; the Arabian Desert in the east, the Nile Valley in the west, and the Red Sea in the east, rich in gold, coal and oil and gas resources; the Sinai Peninsula covers an area of about 60,000 square kilometres, most of which is a desert. , rich in coal and oil and gas resources, covers an area of about 225,000 square kilometres; the Sinai Peninsula covers an area of about 60,000 square kilometres, mostly desert, with mountains in the south containing Egypt's highest peak, Mount St. Catharines, which rises to an altitude of

2629 metres, with sand dunes along the Mediterranean coast.

Cairo, the capital of Egypt, is in the Eastern 2 time zone, six hours behind Beijing time.

### 1.2.2 natural resources

[Water resources] Ninety-seven per cent of Egypt's water comes from the Nile River. Egypt and the Sudan signed an agreement on the distribution of Nile water resources in 1929 and 1959 respectively, stipulating that of the Nile's annual volume of approximately 84 billion cubic metres of water, Egypt would use 55.5 billion cubic metres, the Sudan 18.5 billion cubic metres, and the remaining 10 billion cubic metres would be accounted for as evapotranspiration loss. Egypt's per capita water consumption is less than 600 cubic metres, which is lower than the United Nations standard for per capita water consumption (1,000 cubic metres), making it a "water-scarce country". In order to compensate for the lack of water supply, Egypt has increased the reuse of water for agriculture (13 billion cubic metres) and the use of groundwater in the Nile valley and delta region (6.5 billion cubic metres). Irrigation accounts for 90 per cent of Egypt's water use.

[Mineral Resources] According to the British Petroleum (BP) World Energy Statistics 2021, Egypt ranked sixth and third among African countries in terms of proven oil and natural gas reserves, respectively, by the end of 2020. Of these, proven oil reserves are 3.1 billion barrels (400 million tons) and proven natural gas reserves are 2.1 trillion cubic metres, accounting for 0.2 per cent and 1.1 per cent of the global total, with a reserves-to-exploitation ratio of 14.0 per cent and 36.6 per cent, respectively.

According to relevant media reports, Egypt has discovered several gas fields with large reserves in the Mediterranean Sea in recent years, such as the Zohr gas field with proven reserves of up to 850 billion cubic metres, as well as the Noor and Atoll gas fields with considerable reserves. In addition, there are proven phosphate reserves of about 7 billion tonnes, 60 million tonnes of iron ore, and resources of manganese, coal, gold, zinc, chromium, silver, molybdenum, copper and talc.

### 1.2.3 climatic conditions

The entire territory of Egypt is arid and has little rainfall, with a subtropical Mediterranean climate in the Nile Delta and the northern coastal areas and a tropical

desert climate in most of the rest of the country. The annual rainfall in the Cairo area is about 18 millimetres, and the average temperature in summer is 34.2 degrees centigrade at its highest and 20.8 degrees centigrade at its lowest, while the temperature in winter is 19.9 degrees centigrade at its highest and 9.7 degrees centigrade at its lowest. The Mediterranean coastal city of Alexandria receives an average annual rainfall of about 200 mm. In the southern region, the average summer temperature ranges from a high of 42°C to a low of 20.8°C, while the average winter temperature ranges from a high of 25.8°C to a low of 9.6°C, with a large temperature difference between morning and evening.

### 1.3 Population and administrative divisions

#### 1.3.1 Population distribution

According to Egypt's Central Agency for Public Mobilisation and Statistics (CAPMAS), at the end of May 2022, Egypt's population was around 103 million, concentrated in the Nile Delta and coastal areas, including 10.13 million in Cairo governorate and 9.37 million in Giza governorate.

million people, 7.79 million in the Eastern Governorate and 5.48 million in Alexandria.

As a result of the epidemic, the total number of Chinese expatriates in Egypt does not exceed 10,000 at present, and they are mainly concentrated in the areas of Cairo, Alexandria and Ain Sukhna.

### 1.3.2 administrative subdivision (e.g. of provinces incounties)

[Administrative divisions] Egypt is divided into 8 economic zones and 27 governorates, each of which includes one or more governorates.

**Table 1-1 List of Egypt's 8 economic zones and 27**

econo mic zone	pro vinc es	pro vinc ial capi tal
Cairo, capital of Egypt	Cairo governorate	Cairo, capital of Egypt
	Giza	Giza
	Qal'ubi Governorate	Benghazi
delta (geography)	Manufia Province	Spencer Coombe.
	Dumyat Province	Damietta (name)
	Dakahlia province of Afghanistan	Mansoura
	Western Province	Tanta
	Kafr Shiekh Governorate	Kafra Sheikh
Northern sector of Upper Egypt	Beni-Suef governorate	Beni Souf
	Fayoum governorate	Fayoum
	Minya governorate	Minya
Southern sector of Upper Egypt	Sohaj Province	Sohajer or Sohajer (name)
	Kina	Kina (city in Pakistan)
	Aswan province of south Egypt	Aswan (town in south Egypt)
	Red Sea province	Zoldab (name)
	Luxor province of Pakistan	Luxor, city in Egypt
Eisyut district (Islam)	Aysyut Province	asymmetry

	Ismailia Province	Ismailia
	Suez province of Iran	Suez (canal)
	Eastern Province	Zagazig
Matruh district of New Zealand	Matruh province of Malaysia	Matruh

Source: Egyptian Government website

【Capital】 Cairo, the capital of Egypt, is located 14 kilometres south of the apex of the Nile Delta and 200 kilometres north of the Mediterranean Sea, and is the political, economic, commercial and cultural centre of Egypt. Cairo governorate, Giza governorate, Ghalelyubi governorate together constitute the greater Cairo area, the population of more than 25 million, is the most populous city in Arab and African countries, is the world's sixteenth largest metropolitan area. The area is called Cairo by the Arabs.



Iconic Building - Four Seasons Hotel Cairo

[Other major cities and economic centres]

(1) Alexandria: Located west of the mouth of the Nile, about 200 kilometres from the capital Cairo, Alexandria is the second largest city in Egypt and the port city with the largest cargo throughput in Egypt and the Eastern Mediterranean. The city was founded in 332 BC by Alexander the Great, the Greek king of Macedonia, who occupied Egypt and named it after him. With its beautiful scenery and pleasant climate, Alexandria is the summer capital of Egypt and a summer resort, and is known as the "Bride of the

Mediterranean". Alexandria is an ancient and medieval city, the centre of political, economic, cultural and East-West trade on the Mediterranean coast, and one of Egypt's shipping and export-oriented industrial centres.

(2) Port Said: one of Egypt's major port cities, located at the crossroads of Africa and Asia, the Mediterranean Sea and the Red Sea, with a high level of integrated urban development. built in 1859 with the opening of the Suez Canal, it is known as "Port Said" to the Governor Said, who was stationed there at the time.



Named after De Pasha.

(3) Sharm el-Sheikh: Located at the southern tip of the Sinai Peninsula, historically uninhabited for long periods of time, Sharm el-Sheikh was occupied by Israel from 1967 to 1982, and returned to Egypt in 1982 under the Camp David Accords. Sharm el-Sheikh is a famous tropical seaside resort where thousands of tourists from all over the world visit every year.

#### 1.4 political climate

##### 1.4.1 political system

[Constitution] In December 2012, Egypt's referendum adopted a new constitution (hereinafter referred to as the 2012 constitution) with 63.8 per cent support. In April 2019, Egypt held a referendum on constitutional amendments, which was adopted with 88.83 per cent support (44.33 per cent turnout). The main elements of this constitutional amendment include the extension of the presidential term of office, the creation of a Senate and a Vice-President.

[President] On 14 April 2014, then Defence Minister Sisi announced his candidacy for the presidential election held on 26 May and won 96.91 per cent of the vote to be elected President of Egypt. On 24 April 2019, a constitutional amendment was passed by referendum, stipulating that the presidential term of office would be calculated on the basis of one term of six years, with the possibility of reelection once.

[Parliament] A constitutional amendment in April 2019 changed the parliament from a unicameral to a bicameral system. The House of Representatives has legislative, supervisory and financial powers, and the Government is accountable to and supervised by the House of Representatives; its term of office is five years and it has no fewer than 450 seats. The new Senate is a senior political body whose main function is to advise the House of Representatives and the President on major matters such as legislation, treaties and foreign policy; its term of office is five years and it has 300 seats. 2020 will see the holding of elections for the Senate and the House of Representatives in succession, with the current Speaker of the House of Representatives, Hanafi Jabali, and the President of the Senate, Abdelwahab Abdelrazieg, as the President of the House of Representatives.

[Government] In December 2019, the Cabinet was reshuffled, with Mustafa Madbouli

staying on as Prime Minister, and there are now 33 ministries. Key members are Foreign Minister Shoukry, Defence Minister Zazi, and Interior Minister Tawfik. The Ministry of Investment and International Co-operation was split into the Ministry of International Co-operation and the General Directorate of Investment and Free Zones, both of which report directly to the Cabinet. The former Ministries of Tourism and Antiquities were merged into the Ministry of Tourism and Antiquities. The Ministry of National Information, which was abolished in 2014, was re-established.

#### 1.4.2 Main parties

[Nation's Future Party (NFP)] Founded in 2014, formerly known as the Movement for the Future of the Nation (MFN), it is currently the largest party in both the House of Representatives and the Senate, with 316 seats in the House of Representatives and 149 seats in the Senate, and is chaired by Senate President Abdelwahab Abdelrazig.

The Republican People's Party (RPP) was founded in December 2012 and is currently the second largest party in the House of Representatives and the Senate, with 50 seats in the House of Representatives and 17 seats in the Senate, and is chaired by Hazim Aurore.

【New Wafd Party (New Wafd Party)】 Founded in February 1978, formerly known as the Wafd Party, it was the Mubarak

The main opposition party of the period. It is currently the third largest party in the House of Representatives and the Senate, with 26 seats in the House of Representatives and 10 seats in the Senate, and is chaired by Abdusanad Yemama.

#### 1.4.3 government organisation

According to the Constitution, the Cabinet is the highest executive and administrative body in Egypt and consists of the Prime Minister and ministers, the current Prime Minister being Mustafa Madbouly. The main ministries responsible for the economy are the Ministry of Finance, the Ministry of Trade and Industry, the Ministry of International Cooperation, the General Authority for Investment and Free Zones, the Ministry of Communications and Information Technology, the Ministry of Electricity and Renewable Energy, the Ministry of Petroleum and Minerals, the Ministry of Transport and the Ministry of Tourism and Antiquities. For a list of government agencies and their websites, see "Appendix 1 List of Egyptian Government Departments and Related Agencies".

#### 1.5 sociocultural

##### 1.5.1 nation

The main ethnic groups in Egypt are the Eastern Hams (Egyptian Arabs, Copts, Bedouins, Berbers), who make up 99 per cent of the total population, and Nubians, Greeks, Armenians, people of Italian descent and people of French descent, who make up 1 per cent.



### 1.5.2 multilingualism

The official language of Egypt is Arabic, which is also regarded as the mother tongue of the majority of the population; Coptic (which evolved from the ancient Egyptian language) is used only in Egyptian ceremonies in the Coptic Christian churches. In addition, English and French are spoken in major cities and tourist areas.

The original Egyptian language (hieroglyphics) was completely replaced by Coptic (Greek alphabet variant) in the 3rd-4th centuries AD.

After the Muslim Arab conquest of Egypt in the late 7th century AD, Arabic gradually became the lingua franca, while Coptic was still widely spoken. However, Coptic ceased to be used in everyday life in the 15th century, and all Coptic speakers switched to Arabic.

### 1.5.3 Religion and customs

Islam is the predominant faith, with Sunnis accounting for 84 per cent of the population. There are also several Christian denominations (about 16 per cent), including Coptic Christianity, Catholicism, Greek Christianity, Armenian Christianity and Protestantism. There are also about 6 million expatriates. Coptic Christianity is the traditional Christian denomination in Egypt, and is a separate denomination from Eastern Christianity, to which most Egyptian Copts belong.

[Religious practice] Every Friday is the "Lord's Day Gathering", and there is a large congregation of worshippers who observe the rules of worship five times a day, namely, the morning service, the morning service, the feeding service, the evening service, and the evening service.

[Hospitality etiquette] Egyptians are more enthusiastic when they meet, in general, when they see people they don't know very well, they will first greet them. (generally said "As-salam alaykom", meaning "May you be safe and peaceful", similar to the common Chinese "hello"), between women out of courtesy or to show intimacy. Women are more likely to use a gentle face-to-face gesture, usually with the right side of the body first and then the left side of the body later. Handshakes are common between people of the opposite sex, but only between relatives. Men and women can not shake hands, men must rise from their seats when shaking hands, women do not have to. Egyptians do not avoid home visits by foreigners, but it is forbidden for people of the opposite sex to visit each other.

[Dietary habits] Muslim believers strictly observe the rules of Islam, do not eat pork and do not drink alcohol. In Ramadan, they fast during the day; they do not talk to others during meals; they are forbidden to make noise when drinking hot soup and beverages; they are not allowed to take food out of their mouths; and they are forbidden to touch eating utensils and foodstuffs with their left hands. In Ramadan, we

eat stewed broad beans and desserts; in Eid al-Fitr, we eat dried fish and sweets sprinkled with sugar; in Warmonger's Day, we eat salted fish, spring onions and scallions; and in Eid al-Adha, we eat roasted mutton and oil-flavoured pastries.

[Taboo] Egyptians believe that "the right is better than the left", the right is auspicious, do things from the right hand and the right foot to start, shaking hands, eating, delivering things must use the right hand, wear clothes first right sleeve, wear shoes first right foot, into the home and the mosque first step right foot. Therefore, it is extremely impolite to use the left hand to shake hands with others or hand something. Egyptians refrain from talking during formal meals, as it is considered an act of blasphemy against God. Egyptian Muslims generally observe the rules of Islam, abstain from drinking alcohol and prefer black tea. They have the habit of washing their hands, drinking tea and chatting after meals. It is forbidden to eat pork or dog meat or to talk about pigs and dogs. Do not eat animal offal (except liver), eel, turtle and other strange and scale-less fish. Men should not take the initiative to talk to women; don't compliment people on their slimness; don't praise the Egyptian for what he has in his house, or you will think you are asking for it. People generally prefer the "right foot and" "the number of feet. It is believed that ". **The** number is considered to bring **good luck**", and "the number is considered to be a revered one".

Here's to complete numbers.

[Women's Taboos] According to Islam, a woman's "glamour" is not to be glimpsed by anyone other than her husband, so short, thin, see-through, revealing clothing is forbidden. Egyptians are more tolerant of foreigners, but it is strictly forbidden to wear tank tops, shorts and short skirts in mosques. Shoes must be removed to enter a mosque, and women are required to wear a headscarf.



Ali Mosque

#### 1.5.4 Science, education and medicine

[Education] The Egyptian education system is divided into the general education system and the Al-Azhar education system. In the general education system, basic and vocational education is administered by the Ministry of Education and Technical Education, while higher education is administered by the Ministry of Higher Education and Scientific Research. The Al-Azhar education system is administered by the Ministry of Religious Affairs and the Al-Azhar Council of Elders, and is based on a system of universal compulsory education from primary to lower secondary school.

According to the Egyptian Education Sector Statistics 2022, there were 51,691 basic education schools in Egypt in the 2020/2021 school year, of which 42,541 were public schools. Among the basic education schools, there are 12,667 kindergartens, 19,332 primary schools, 12,964 middle schools, and 6,728 high schools (including vocational high schools). Currently, there are 27 public universities and 38 private universities in Egypt,

with institutions of higher learning including Cairo University, Alexandria University, Ain Shams University, Al-Azhar University, the American University in Cairo and others.

[Science & Technology] In 2021, Egypt spent EGP 64.05bn on science and technology R&D, an increase of EGP 51m from 2020. Currently, the number of R&D per million people in Egypt is 687, and the number of technicians is 370 (2018 data). According to the Egyptian Ministry of Higher Education and Scientific Research (MOHESR), there are 125,000 scientific research positions in Egypt, mainly in governmental scientific research units and public universities. There are more than 20 major scientific research institutes under the Egyptian government, 11 of which are under the Egyptian Ministry of Higher Education and Scientific Research, including the National Research Centre, the National Institute for Marine and Fisheries Research, the Theodor Bilhazi Institute, the Eye Institute, and the Petroleum Institute,



Institute of Electronics, Central Institute of Metallurgy, National Agency for Remote Sensing and Space Science, City of Scientific Research and Technological Applications, National Institute of Astronomy and Geophysics, National Institute of Standardization, etc.

[Healthcare] Egypt's financial allocation to the health sector increased to EGP 310bn in the 2021/22 fiscal year. According to the World Data Atlas, Egypt's total national healthcare expenditure was 4.7 per cent of GDP in 2019. Per capita recurrent healthcare expenditure in terms of purchasing power parity (PPP) is \$582. Life expectancy in Egypt in 2020 will be 72.2 years, with an average life expectancy of 74.5 years for women and 69.9 years for men.

#### 1.5.5 Trade unions and other non-governmental organisations

Prior to 2011, there was only one trade union organisation in Egypt, the Egyptian Trade Union Federation (ETUF). In November 2017, the Egyptian parliament passed the Trade Union Law, which prohibits the formation of independent trade unions. The structure of trade union organisations in Egypt has trade union committees at the bottom and the Egyptian Trade Union Federation (ETUF) at the top. The organisation of trade unions is divided into three levels: factory trade union councils, national industrial trade unions, and the Egyptian Trade Union Federation (ETUF). In May 2018, the ETUF held its first elections in 12 years.

There are more than 50,000 non-governmental organisations (NGOs) in Egypt, and NGOs in Egypt receive EGP 1 billion in external funding annually, with around 400 NGOs receiving external funding. In April 2019, the NGO Law Revision Committee decided to develop a new draft law, and the Cabinet Council has approved the outline of the draft law, which stipulates that NGOs can be established upon notification to the authorities, and establishes a supervisory body to monitor the work of NGOs.

[Strike] A study published by El-Mahrousa Centre for Social and Economic Development (MCSD) in February 2017 showed that the reason for protests in government departments in 2016 was dissatisfaction with the newly revised 2016 Civil Service Law. The largest number of protests took place in Cairo governorate. Social protests occurred 633 times, mainly due to opposition to corruption. Economic protests

occurred 377 times due to the government's monetary and fiscal policies that have harmed workers' interests. Protests were mostly in the form of rallies and marches, totalling 1,200, followed by strikes or lockouts. Accidents occurred in 282 of these protests. The trade union movement in Egypt lost momentum in 2017, with a strike by thousands of textile workers in the city of Mahallah in Egypt's Western Governorate breaking out in August to demand better treatment for workers. So far, Chinese companies in Egypt have not been affected by the strikes.

#### 1.5.6 Main media

[Newspapers and periodicals] The Egyptian press has a wide variety of titles, divided into three main categories: state-run, political party and independent. Egypt's state-run presses include the Pyramid Press, the Liberation Press, the Today's News Press, the Crescent Publishing House, the Ruz Youssef Press, the Knowledge Publishing House and the Co-operative Publishing House, with a total of more than 500 titles, including more than 180 titles of newspapers and more than 300 titles of magazines. There are 17 daily newspapers and more than 70 periodicals. The main Arabic-language newspapers are Pyramids, Yediot Ahronot

La Repubblica, Le Soir, The Pyramid Economist (weekly), The Last O'Clock (weekly), Le Graphique (weekly), Ruz Youssef (weekly); the main English-language newspapers are The Daily News, The Egyptian Gazette.

The Pyramids Weekly; the main French-language newspapers are the Egyptian Advance and the Daily News Egypt. The main private newspapers are Seven Daily Newspapers, Egyptian Today, Sunrise and others. The main web portals are Pyramids Online, Seven Days, Echo of the Motherland and others.

[News Agency] The Middle East News Agency (MENA) is the national news agency of Egypt and the largest news agency in the Middle East and the Arab world. Established in 1956, MENA's main newsletter is to publicise government policies and sends out articles in three languages: Arabic, English and French.

[Radio stations] There are 269 radio stations in the country, broadcasting a combined average of 478 hours of programmes per day. Egyptian radio was launched on 31 May 1934, and on 1 April 1981 the network system was introduced. The network consists mainly of general programme stations, local stations, youth and sports stations, Koranic stations, Middle Eastern stations, cultural stations, Arab Voice stations and international and professional stations. The national radio station was established in 1928 and broadcasts daily to the country and abroad on 80 frequencies and in 38 languages. The Middle East Radio was established in 1964, mainly for commercial services, and Radio Alexandria was established in 1960, broadcasting in Arabic, and in 2000 Egypt began transmitting broadcasts via the Afristar and Nile satellites, among others, for worldwide coverage.

[Television stations] With a 98.8 per cent television penetration rate, television stations play a prominent role in the Egyptian media. Egyptian television (state-run) was founded in July 1960, and its more influential television stations include Nile TV. At present, Egyptian television channels are divided into central, local, satellite, thematic four categories of dozens of channels, programmes covering Asia, Africa, Europe, North America, etc. In June 2001, the private satellite television channels were allowed to start broadcasting, and the more influential ones are DMC TV, MBC TV, EXTRA NEWS TV, "Echo of the Motherland" TV and so on. Echoes of the Fatherland" TV, etc.

[Relevant agencies]

(1) The Ministry of State for Information, established in December 2019, develops media work programmes and proposes policies for national information projects on local and international socio-political events in Egypt.

(2) The Supreme Council for the Regulation of the Media, established in 1982, is an independent body with independent technical, financial and managerial powers, responsible for regulating the audio-visual, audio-visual and electronic media.

(3) The National Press Organisation (NPO), established in 2016, is an independent body that manages official media affairs. Its organisations include Pyramid Group, News Today Group, Middle East News Agency and others.

(4) National Media Organisation, established in 2016 as an independent body. It is responsible for official media affairs and mainly provides radio, television and electronic communication services for them. It has eight television stations, including Nile TV and others.

### 1.5.7 public security

[Anti-government organisations] Anti-government organisations in Egypt include branches of the **Sinai State**, which has pledged allegiance to the **Islamic State**, and the Muslim Brotherhood-affiliated **Determination**. These organisations have also been designated as terrorist organisations. These organisations, also designated as terrorist organisations, operate mainly in the Sinai Peninsula and the Western Desert region, targeting military forces, government departments and places of worship, as well as occasional terrorist activity in densely populated urban areas.

Egypt has declared a state of emergency since 9 April 2017, and in October 2021, the state of emergency was lifted. Under the strong control of the Egyptian government, the overall security situation is better, but the local area is still more sensitive. In the first half of 2022, the Sinai Peninsula area has frequent terrorist attacks, and the Egyptian police are still stepping up purges. Chinese citizens should not travel privately to the Sinai Peninsula, northern Matruh, the western desert and other remote areas, avoid going to the local large religious activities, military restricted areas and other sensitive areas, when travelling or activities to listen to the official advice, choose a safe route.

[Demonstrations] In April 2016, a relatively large scale event of thousands of people marching was triggered by the return of two islands from Egypt to Saudi Arabia. The marches were mainly in Cairo's Tahrir Square, the presidential palace, and the offices of the Mujahideen, and mostly occurred on Fridays. Although most demonstrations do not specifically target foreigners, violent clashes between marching crowds often reach pedestrians. Chinese citizens are advised to travel to avoid demonstrations, as well as other public events. no large-scale demonstrations have taken place so far in 2019.

[Crime] Since President Sisi came to power, the social security situation has improved significantly. Egyptian citizens are generally friendly to foreigners, and there have been no organised criminal activities targeting Chinese citizens and businesses. Occasional cases of burglary and robbery have occurred in areas with a high concentration of Chinese, such as Adi in Cairo and Rome.

### 1.5.8 holidays

The main festivals in Egypt are: Eid al-Fitr, Eid al-Adha, the Islamic New Year, the

Egyptian Army Day (6 October), the International Labour Day (1 May), the Egyptian National Day (23 July), the Coptic Christmas Day (7 January), the Sinai Liberation Day (25 April), as well as important religious and civil festivals such as the Festival of the Smelling of the Winds, the month of Ramadan, the Festival of the Nile's Rising Waters, and the Birthday of Muhammad (12 April A.H.).

Egypt has a five-day work week, with Fridays and Saturdays as public holidays.

[Religious holidays]

Eid al-Fitr, Eid al-Qur'an, and Eid al-Sunnah are the three major holidays for Muslims in Egypt.

(1) Eid ul-Fitr (Islam)

Date: 1 October AH.

Muslims fast throughout the month of Ramadan (9th month), during which, according to the teachings of Islam, all Muslims are prohibited from all activities such as eating, drinking, smoking and housework from sunrise to sunset every day. In addition, Muslims attend mosques to pray and study the Qur'an. The last day of Ramadan to look for the new moon, see the moon the next day of fasting, that is, Eid al-Fitr; if you do not see the new moon, then continue to fast, the festival is extended, generally no more than three days. On this day, Muslims put on their festive attire and go to the mosque to participate in the "congregational rituals" and celebrations, to congratulate each other on the triumphant completion of the "fasting", to wish each other a happy holiday, and to give gifts.

- (2) Eid al-Azha Festival of sacrifice on tenth of twelfth month of Muslim lunar calendar

Date: 10 December AH.

It is one of the important festivals of Islam. According to the Qur'an, the Prophet Ibrahim, after praying to Allah, was blessed with a son in his old age and carefully raised his young son. One night, more than ten years later, Ibrahim had a dream that Allah had ordered him to slaughter his beloved son as a sacrifice to test his sincerity. When the pious Ibrahim really wanted to raise his sword to slaughter his son, Allah let Ibrahim stay under the sword and sent the heavenly fairy Jibreel to bring a white sheep with a black head as a sacrifice instead of Ismaili. When the birth of Islam, Muslims recognise Ibrahim and honoured as a holy ancestor, every year on this day, the custom of slaughtering animals and sacrifices has been formed to this day, and has become one of the traditional festivals for all people who believe in Islam. On this day, people perform rituals and slaughter prepared cattle, sheep, camels, etc., and the meat of the slaughtered animal is usually divided into three parts, one for personal use, one as a gift to friends and relatives, and one for the poor.

- (3) The date of the feast of  
Sacred Discipline, i.e., the day  
of the birth of Muhammad: 12  
March AH.

Muhammad's Birthday, also known as Eid al-Fitr, is one of the three major

holidays of Islam. Nowadays, Muslims don't fast on the Eid al-Fitr festival, but prepare a lot of delicious food to celebrate, and tell stories about Muhammad's life and deeds.

(4) Islamic New Year

Date: 1 January AH.

It is recorded that Muhammad migrated to Medina to spread Islam there after opposition to his preaching in Mecca, which is why this day (2 July 622 A.D.) has been designated as the first day of the first year of the A.H. calendar.

[Coptic Christmas]

Date: 7 January

every year.

Copts are Christians (Orthodox) in Egypt, the largest Christian community in the Middle East, making up about 10 per cent of Egypt's population. Christmas is celebrated on 7 January each year.

[Windsong Festival]

Date: 9 April each year.



The Wind Festival is an Egyptian folk festival and one of the oldest traditional festivals in Egypt, in which people pray for peace and tranquillity on earth and the perpetuation of spring. Winking Wind Festival, also known as the Festival of the Green, Hui Feng Festival, Spring Festival, Egyptians will be in this day out of the family trekking, tasting coloured eggs, salted fish and other symbols of good luck of the food.

[Sinai Liberation Day]

Date: 25 April each year.

The Sinai Peninsula, bordered by the Gulf of Suez and the Suez Canal in the west, the Gulf of Aqaba and the Negev Desert in the east, the Mediterranean Sea in the north and the Red Sea in the south, has been a strategic fortress since ancient times. 1956, Israel occupied Sinai for the first time, and Egyptian civilians and soldiers resisted heroically with the support of the other Arab countries and the people of the world and Israel was forced to withdraw. 1967, 5 June, Israel once again waged a war of aggression to occupy Sinai. In 1973, Egypt launched the October War, destroying Israel's "Baref Line" and liberating part of the Sinai, thus shattering the myth of Israel's invincibility. 1979, Egypt concluded a peace treaty with Israel, and by January 1980, Egypt had recovered two-thirds of the Sinai Peninsula in accordance with the Egyptian-Israeli Peace Treaty of 1979; in 1982, Egypt's military and civilian personnel were forced to withdraw. By January 1980, Egypt had recovered two thirds of the Sinai Peninsula in accordance with the Egyptian-Israeli peace treaty signed in 1979, and in 1982, Egypt recovered another third of the Sinai Peninsula, and all of Sinai was returned to Egypt. Since then, the 25th of April has been celebrated as the day of liberation of the Sinai Peninsula. The whole country takes a day off to celebrate the day.

[National Day]

Date: 23 July each year.

In its long history, Egypt has been subjected to many foreign invasions, and was conquered successively by the Persians, the Greeks, the Romans, the Arabs and the Turks, and became a British "protectorate" after it was occupied by British forces in 1882. Forced by the pressure of the Egyptian national movement, Britain was forced to recognise Egypt as an independent state on 28 February 1922, but retained the right to dispose of Egypt's defence, foreign affairs and ethnic minorities, etc. On 23 July 1952, the Free Officers'

Organisation headed by Nasser staged a coup d'état in Cairo to overthrow the British-backed Farouk dynasty and set up the "Direction of the Revolution", which was the first to be established in Egypt. The 23rd of July was therefore designated as Egypt's national day.

[Nikko Festival]

Dates: 21 February and 21 October each year.

Every year, on 21 February and 21 October, at approximately 6.25 a.m., the sun's rays enter the entrance of the Abu Simbel Temple and travel for more than a hundred metres, illuminating the statues of the Sun God Amun, Ramses II and the Lower Egyptian god Hulahti, in that order (from left to right) This is because these two days are the birthdays and enthronement days of Ramses II, the third king of the 19th dynasty of ancient Egypt. Later, due to the construction of the Aswan Dam, the Temple of Abu Simbel was forced to relocate, and the occurrence of this unique astronomical phenomenon was postponed by one day to 22 February and 22 October each year, although it lasts for only 20 minutes, but each year, the Egyptian Ministry of Culture, Antiquities and Tourism and other ministries for the Daylight Festival

A large series of cultural exchange events are organised to attract thousands of visitors to see this spectacle.

## 2. Economic overview

### 2.1 macro-economic

In recent years, the level of infrastructure development in Egypt has increased rapidly, and the structural reform of the economy has begun to bear fruit. The International Monetary Fund, the World Bank, the European Union and countries in the Arab region have given positive evaluations of Egypt's economic reforms, and China, South Korea, Russia and Japan have given their full support to Egypt's development. However, the Egyptian economy still faces problems such as the need to improve the efficiency of the government and the quality of human resources, and insufficient investment in scientific and technological research and development.

**Table 2-1 Egypt's main economic indicators for the last five**

Main indicators	2016/17 financial year	2017/18 financial year	2018/19 financial year	2019/20 financial year	2020/21 financial year
GDP (\$ billion)	2343	2508	3032	3631	4042
Real GDP growth rate (%)	4.32	5.34	5.36	3.6	3.3
Inflation rate (per cent)	23.3	21.6	13.9	4.5	4.5
GDP per capita (US\$)	1951	2587	3065	3613	3982
Real GDP per capita growth rate (%)	1.9	4.2	3.5	1.9	2.3
Trade deficit as a share of GDP (%)	15.9	14.9	12.5	10.0	10.4
Unemployment rate (per cent)	12.0	8.9	7.5	9.6	7.3
Foreign exchange reserves (\$ billion)	313.1	442.6	444.8	382.0	405.8
Foreign direct investment (\$ billion)	79.3	77.2	82.4	74	52.1
Revenue from Tourism (\$ billion)	43.8	49.0	125.7	98.6	48.6
Suez Canal revenues (\$ billion)	49.5	57.1	57.3	58	59.1
External debt (\$ billion)	790	926	1087	1235	1368

Report of the Ministry of Finance of Egypt Note:  
The above data are for fiscal years ending in J

[Economic growth rate] Egypt's economic growth rate was 3.3 per cent in fiscal year 2020/21. The IMF's Global Economic Outlook, published in April 2022, forecasts that Egypt's economic growth rate will reach 5.9 per cent in fiscal year 2021/22.

[GDP industrial structure] In FY 2020/21, Egypt's primary, secondary and tertiary industries accounted for 12.5 per cent of GDP, respectively, 32.5 per cent and 55.1 per cent, continuing to show an economic structure in which the service sector dominates.

**Table 2-2. Composition of the three industries in Egypt, 2017-2021**

(Unit: per cent)

vint age s	2017	2018	2019	2020	2021
Agricultural value added as a share of GDP	11.7	11.5	11.4	12.1	12.5
Industrial value added as a share of GDP	34.3	35.8	36.7	33.5	32.5
Value added of services as a share of GDP	54.1	52.7	52.0	54.4	55.1

Source: Converted from Egyptian Ministry of Finance report.

[GDP Demand Structure] In FY 2020/21, investment, consumption and net exports will each account for 12.2 per cent of GDP, 97 per cent and -9.2 per cent.

**Table 2-3. Investment, consumption, and net exports as a share of GDP in Egypt, 2017-2021**

(Unit: per cent)

vintages	2017	2018	2019	2020	2021
capital formation	15.3	16.7	18.2	13.8	12.2
consumers	98.2	93.8	90.0	93.8	97.0
net export	-13.5	-10.5	-8.2	-7.6	-9.2

Source: Egyptian Ministry of Finance

[Budget and deficit] For the fiscal year 2020/21, the total size of government expenditures was EGP 15,788 billion, total revenues were EGP 1,108.6 billion, and the net financial assets gained EGP 2.2 billion, resulting in a deficit rate of 7.4 per cent.

[Debt size] By the end of June 2020, total government debt (domestic and external) increased to EGP 50,942 billion (87.5 per cent of GDP). In terms of external debt, Egypt's external

debt reached \$145.5 billion by the end of 2021, or 33.2 per cent of GDP. In terms of contractual maturity, short-term external debt is \$12.8 billion, accounting for 8.8 per cent of total external debt, while medium- and long-term external debt is \$132.7 billion, accounting for 91.2 per cent. In terms of the main borrowers, government debt was \$85.5 billion, accounting for 58.7 per cent of the external debt balance; central bank liabilities were \$27.8 billion; banking sector debt was \$17.1 billion; and other debt was about \$15.1 billion.

[Inflation rate] In FY 2020/21, Egypt's inflation rate is 4.5 per cent. From September 2019, CPI town data is based on weights derived from the 2017/2018 Income and Expenditure Survey with 2018/2019 as the base year. Prior to this, the basket and weights are based on the 2007/2008 income and expenditure survey with January 2010 as the base month.

[Unemployment rate] The national unemployment rate in Egypt is 7.3 per cent for the fiscal year 2019/20.

**Table 2-4. Unemployment and inflation rates in Egypt, 2017-2021**

(Unit: per cent)

norm	2017	2018	2019	2020	2021
unemployment rate	12.0	8.9	7.5	9.6	7.3
inflation rate	23.3	21.6	13.9	5.7	4.5

Source: Egyptian Ministry of Finance

[Exchange rate] As at 5 June 2021, the exchange rate of the United States dollar to the Egyptian pound was 1:18.5994/18.6783.

[Sovereign credit ratings] As of May 2022, the international rating agencies Moody's, S&P, and Fitch have rated Egypt's sovereign credit ratings at B2, B/B, and B+, respectively, with outlooks of negative, stable, and stable, in that order.

## 2.2 Focus/Speciality Industries

[Oil and Gas Industry] Egypt is an important oil and gas producer in the African region, and the oil and gas industry is one of the main pillars of the Egyptian economy, accounting for 13.6 per cent of the total GDP. According to BP's World Energy Statistics 2020, at the end of 2019, Egypt's oil reserves were 3.2 billion barrels (400 million tonnes), ranking sixth in Africa and accounting for 0.2% of the global total; and natural gas reserves were 2.1 trillion cubic metres, ranking third in Africa and accounting for 1.1% of the global total. The main natural gas reserves are distributed as follows: the Western Desert region accounts for about 40 per cent; the Mediterranean region accounts for about 25 per cent; the Nile Delta region accounts for about 15 per cent; and other producing areas include the Gulf of Suez, the Eastern Desert, the Sinai and Upper Egypt.

The Egyptian Hydrocarbon Management System (EHMS) is organised by the Egyptian National Petroleum Corporation (ENPC) under the unified leadership of the Egyptian Ministry of Petroleum and Minerals. (EGPC), the Egyptian National Gas Company (EGAS), the Egyptian Southern Petroleum Company (Ganope), and the Egyptian Refining Company (Echem), among others. Foreign companies invested \$35 billion in Egypt's oil and gas sector in 2016-2019, with the fuels and energy sector accounting for 27 per cent of Egypt's gross



domestic product.

At present, there are 21 Chinese-funded enterprises participating in the development of Egypt's petrochemical industry, covering the entire petroleum and petrochemical industry chain, involving exploration and development, petroleum engineering services, equipment manufacturing, material trade and refining engineering and other links.

Investment in Egypt's hydrocarbon and minerals sector accounts for 13 per cent of total societal investment, with plans to attract \$7 billion in FDI to the oil and gas sector in FY2022/23. Egypt's demand for petroleum products will be around 652,000 bpd in 2021, down from a peak of 800,000 bpd in 2015-2017, and with Egyptian oil production at 600,000 bpd, oil imports are still needed to make up the the shortfall.

Egypt's export revenues from the petroleum sector grew by 84.3 per cent in 2021, reaching \$12.9 billion.

[Textile industry] Egypt has the largest cotton and textile industry cluster in Africa, from cotton cultivation to spinning, weaving, up to garment manufacturing can be produced, the industrial chain is more complete. There is a strong capacity in garment manufacturing, weaving and dyeing.

The link is relatively weak and requires significant imports.

Egypt currently has about 7,000 textile enterprises, 90 per cent of which are small and medium-sized enterprises (SMEs), absorbing employment of about 1.5 million people, accounting for one third of the country's industrially employed population, with the textile industry accounting for about 3 per cent of GDP. In recent years, textile exports (including garment manufacturing) accounted for about 10.6 per cent of total exports, with the main export markets being Europe, the United States, Turkey and Italy. About 1,000 enterprises enjoy the qualification of qualified industrial zones and export duty-free products to the U.S. Famous brands such as GAP, Pierre Cardin, Marks & Spencer, etc. have set up factories in Egypt. The private textile industry in Egypt is very active, and the Egypt Oriental Weavers Carpet Company is the world's largest producer of woven carpets, with an annual production capacity of 110 million cubic metres.

In recent years, the attention and interest of Chinese textile enterprises in the Egyptian market has been rising, and some leading enterprises have tested the Egyptian market by setting up factories through joint ventures and plan to expand the scale of investment.

Automotive industry] Egypt has no local automotive production lines and relies on imports and local assembly for the supply of vehicles. France (Peugeot, Renault), Italy (Fiat), Germany (Mercedes-Benz, BMW), Japan (Toyota, Honda, Mitsubishi), South Korea (Daewoo, Hyundai, Kia) and other national products have a high market share. In recent years, the automobile assembly industry has developed rapidly, with 12 car assembly plants (14 production lines), 8 bus assembly plants (8 production lines), and 5 truck assembly plants (9 production lines). Among the local assembly producers, brands such as Hyundai, Nissan and Chevrolet have a high market share.

**Table 2-5 Egyptian Automotive Market Sales Table by Year**

(Unit: 10,000 units)

for m	2017	2018	2019	2020	2021
passenger vehicle	10.0	14.5	12.7	16.8	21.5

omnibus	3.6	4.8	5.5	2.6	2.6
lorries				3.7	5.0
add up the total	13.6	19.3	18.2	23.1	29.1

Source: Compiled by the Economic and Commercial Section of the Chinese Embassy in Egypt on the basis of publicly available information.

(1) Market overview: In 2021, Egyptian car sales increased by 25.8 per cent year-on-year. In the passenger car market, European brands sold 50,212 vehicles, a decrease of 10.4% year-on-year; Japanese and Korean brands sold 60,229 and 41,328 vehicles, an increase of 55.9% and 37.6% year-on-year, respectively; and U.S. brands sold 11,838 vehicles, a decrease of 8.3% year-on-year. Chinese brand car sales reached 50,679 units, an increase of 67.9%. In the passenger car market, sales of imported buses were 10,921 units, up 3.9 per cent year-on-year; sales of locally assembled cars were 14,896 units, down 6.4 per cent year-on-year. In the truck market, total sales increased by 35 per cent, with imported trucks

Sales of vehicles were 6,477 units, up 93.8 per cent year-on-year; sales of locally assembled trucks were 43,480 units, up 29.1 per cent year-on-year.

**Table 2-6. Top 5 Egyptian Automotive Segment Sales Statistics, 2021**

Passenger car brands	moder nity	MG MG Motor (car manufa cturer)	Nissan (autom obile manufa cturer)	Fengtai inner district of southw est Beijing	Kia (Mot ors)	Total market share
Sales (units)	24850	23600	22374	18594	16478	49.5 per cent
Bus Brands	Toyota or Toyota (name)	Chevrolet	Suzuki	Golden Dragon (mythology)	Golden Brigade (brand)	Total market share
(3) Automotive Industry Development Strategy: In March 2022, the Egyptian Cabinet issued a statement stating that the final version of the national automotive industry development strategy had been reviewed, pending further confirmation of its release. The strategy aims to promote the Egyptian Automotive Industry Development Program (AIDP), incentivise the localisation of the automotive sector, increase existing assembly and manufacturing capacity and encourage greater investment in the automotive sector. The AIDP will support equipment manufacturers to invest in Egypt						
Lorry Brands	Chevrolet	Nissan (automobile manufacturer)	Toyota or Toyota (name)	Suzuki	run quickly	Total market share
Sales (units)	5446	5373	4267	4258	3060	86.2 per cent
Sales (units)	37305	4277	2242	1929	1161	94.0 per cent

EGP 50,000 to consumers who purchase locally assembled electric cars.

(3) Chinese automobile brands: more than ten Chinese automobile brands have sales operations in the Egyptian market; Chery, Geely, BYD, Golden Dragon, and Foton brands have CKD assembly factories, while all other brands import whole vehicles.

Digital Economy] Egyptian President Sisi said that digitalisation should be strengthened at the national level and foreign investment should be attracted in order to turn Egypt into an international communication and information hub. 2020 the Egyptian government launched the "Digital Egypt" plan, with EGP 12.7 billion earmarked for the development of the digital industry in the 2020/21 fiscal year. 2021 the Ministry of Communications and Information Technology, in cooperation with other government departments, will prepare, guide and plan a series of e-government service measures. In

2021, the Ministry of Communications and Information Technology (MOCIT), in coordination with other government departments, prepared, led and planned a series of e-government service initiatives.

The e-commerce industry is growing rapidly, and the 2020 Global E-Commerce Index shows that Egypt ranks 13th in the Arab world and 109th globally out of 152 countries in the latest release of the United Nations Conference on Trade and Development.

Financial digitisation and informatisation needs to be improved. Egypt has the largest online consumer market in the Middle East and North Africa, with cash-on-delivery being the main method of online shopping. Egypt is the second most dependent country in the world on banknotes, with one of the world's top three proportions of unbanked citizens, and electronic payments account for only a very small portion of all transactions in the country. Cash is used for 60 per cent of online transactions, credit cards for 25 per cent, bank transfers for 8 per cent and e-wallets or other methods for 7 per cent. Egypt's population is growing at a rate of 2 per cent (about 2 million) per year, and the demand for all types of services, such as government services, is also growing, which has created a new opportunity for

The development of digital solutions brings more opportunities. The digitalisation of the financial sector and the e-government sector, which promotes government informatisation, are among the key work directions for the Egyptian ICT market in the future.

[Communication] Egypt's telecoms sector has been developing fast in recent years, with the ICT sector directly creating output value of EGP 125.15bn in FY2020/21, up 16.1% year-on-year and accounting for around 4.7% of total GDP, according to Egypt's Ministry of Communications and Information Technology (MCIT).

Fixed broadband internet speed of 45.67 Mbps (November 2021), ranking 4th in Africa in terms of internet speed. In the Global Cybersecurity Index 2020 published by the United Nations International Telecommunication Union (ITU), Egypt was ranked 23rd out of 193 countries participating in the ranking, and 4th out of 22 Arab countries.

At the end of 2021, Egypt had 10.07 million fixed broadband subscribers, 65.51 million mobile broadband subscribers and 103 million mobile phone subscribers. The major mobile operators and subscriber size are: Vodafone (40.02 million) Orange (30.6 million) Etisalat (23 million), TE Telecom Egypt (5.12 million). In the terminal field, China's exports of mobile phones, tablet PCs and other products to Egypt have maintained high growth, with China's total exports of mobile phones to Egypt in 2021 exceeding \$250 million.

[Agriculture] Egypt is a traditional agricultural country, with agricultural value added growing by 12 per cent year-on-year in fiscal year 2020/21, accounting for 12.5 per cent of GDP. The arable land area accounts for 3.5 per cent of the country's total land area, and the population employed in agriculture accounts for about 31 per cent of the country's employed population. The main crops are cotton, wheat, rice and maize. Owing to the severe shortage of arable land, Egypt is one of the world's largest food importers.

Currently, Egypt has 1.4 million hectares sown to wheat, with an annual production of about 9 million tonnes, and imports in 2021 of nearly 12 million tonnes of wheat. Maize is sown on 930,000 hectares with an annual production of 7.44 million tonnes, and 9.2 million tonnes of maize will be imported in 2021. Rice is sown on 500,000 hectares, with an annual output of 2.9 million tonnes (hulled), and imports of over 500,000 tonnes of rice in 2021. Egypt has a relatively well-developed cash crop farming industry, and fruits and vegetables are one of its major sources of export earnings. Egypt

produces 1.7 million tonnes of citrus and 800,000 tonnes of potatoes annually, and exports of agricultural products amount to about 5.6 million tonnes annually, valued at \$3 billion.

Cotton is the most important cash crop in Egypt, mainly for ultra-long-staple cotton, long-staple cotton and a small amount of medium and short-staple cotton three categories. The ultra-long-staple cotton accounted for 20 per cent of cotton production, mainly planted in the northern region. Long-staple cotton is the main representative of Egyptian cotton, accounting for 70% of its cotton production, the main producing areas in the Nile Delta. Short-staple cotton is mainly produced in the southern region of Upper Egypt, mainly sold to India, Pakistan, China, Bangladesh, the United States and other countries, the export varieties of long-staple cotton and ultra-long-staple cotton.

[Iron and steel industry] Egypt is Africa's largest producer and consumer of iron and steel. The iron and steel industry is a pillar industry in Egypt, and its products are widely used in construction, shipbuilding, industrial manufacturing and other fields. At present, Egypt's steel production overall surplus, but production technology is relatively backward, high production costs, high-grade steel and special steel still need to import a lot. The operating efficiency of private enterprises is still good.

State-owned enterprises are mostly losing money. Steel production has fallen back slightly in recent years.

**Table 2-7 Egyptian steel production in the last five years**

(in tonnes)

financial year	2016/17	2017/18	2018/19	2019/20	2020/21
Crude steel productio n	667	803	775	747	693

Source: Central Bank of Egypt Announcement of April 2021, compiled by the Economic and Commercial Section of the Chinese Embassy in Egypt.

[Services] Tourism and shipping are the mainstays of Egypt's services sector.

(1) Tourism. According to the International Travel and Tourism Association (ITTA), tourism accounts for up to 13 per cent of the Egyptian economy, directly or indirectly creating 12 per cent of the country's jobs. Tourism revenues exceeded \$13 billion in 2021, returning to preepidemic levels. Since 2018, Egypt's tourism industry has recovered strongly, with tourism revenues reaching \$11.4 billion and \$13 billion in 2018 and 2019, respectively, and welcoming more than 10 million tourists. The New Crown epidemic hit the tourism industry hard, with tourism revenues plummeting by 69 per cent in 2020 to a total of just \$4 billion.

(2) Shipping. The Suez Canal is one of the world's busiest shipping routes, with about 10 per cent of global shipping and 25 per cent of global container traffic. 2021 Suez Canal toll revenues amounted to \$6.3 billion, the highest level ever recorded.

**Table 2-8. Suez Canal Toll Revenues, 2017-2021**

(in billions of United States dollars)

vint age s	2017	2018	2019	2020	2021
inco me	53	57	58	56.1	63



[Large Enterprises] In June 2022, Forbes announced the Top 100 Listed Companies in the Middle East 2022, which ranked the 100 largest listed companies in the Middle East according to four indicators: revenues, profits, market capitalisation, and total assets, with three Egyptian finalists, as shown in the following table. Table 2-9.

**Table 2-9 Summary of large Egyptian enterprises**

serial number	nam e (of a thin g)	rankin gs	Market capitalisation (\$ billion)	Profit (\$ billion)
------------------	---------------------------------	--------------	--	---------------------

1	Commercial International Bank (CIB)	39	45	7.1
2	QNB Al-Ahli	63	20	4.1
3	Telecom Egypt	83	15	4.5

Source: Forbes Middle East

[Key M&A Projects] According to the Egyptian Cabinet's Information and Decision Support Centre (IDSC), Egypt has been active in M&A deals in 2021, with a total of 233 deals valued at \$9.9 billion.

## 2.3 infrastructure

Egypt is one of the countries in the Middle East and North Africa region that started the modernisation process earlier and has a relatively complete infrastructure of all kinds.

### 2.3.1 motorway

Egypt has a relatively well-developed road transport system, with a total road mileage of about 190,000 kilometres, of which motorways account for about 15.8 per cent. The two banks of the Nile and the Red Sea coast are the backbone of its road network, connecting major cities along the Nile from Aswan in the south to Alexandria in the north. The road network, centred on Cairo and radiating towards the Nile Delta region, is also relatively well developed and accessible. Road transport is the dominant mode of travel for the population, with about 94 per cent of goods transported by road. However, with the development of the economy and the rapid growth of the population, the problem of traffic congestion in Egypt's major cities, especially in the capital, Cairo, has become more and more serious, and there is an urgent need to further improve the transport infrastructure and enhance the efficiency of road transport.

Since 2014, Egypt has been implementing a national road construction programme, which has resulted in the completion of roads including Cairo-Essyut, Cairo -Highways such as Suez, the global road quality ranking has improved from 118th in 2014 to 28th in 2020, national highway mileage has grown from 24,000 kilometres in 2014 to 30,500 kilometres in 2020, and six road bridges across the Nile have been completed, with

10 more still under construction.

### 2.3.2 railways

By the end of 2020, Egypt had more than 10,200 kilometres of railways, with an annual passenger traffic of 260 million. Around 40 per cent of the mainline routes operated by the National Railways Authority are double lines, while about 60 per cent of the railways remain single lines with a mix of passengers and freight. Railways are mainly located along the Nile River and the Mediterranean Sea.

Egypt's entire railway system is in dire need of upgrading, with 85 per cent of the railway signalling system not yet automated. Due to outdated infrastructure, rail freight capacity is declining, with total freight traffic totalling about 3 million tonnes per year.

In terms of urban public transport, the construction of the metro is mainly concentrated in Cairo, where it started operating in October 1987, with lines 1, 2 and 3. Line 4 is under implementation, and lines 5 and 6 are planned. The Egyptian National Tunnelling Authority (NTA) proposes to build six new metro lines by 2032, connecting the Greater Cairo area with the surrounding suburbs.

### 2.3.3 airfreight

There are 28 airports in Egypt, 11 of which are international. Cairo International Airport accounts for 37.8 per cent of Egypt's total air traffic, Sharm el-Sheikh Airport for 6.5 per cent and Hurghada Airport for 11 per cent. The total number of passengers on international flights plummeted to 4.64 million in 2020 due to the impact of the epidemic. Cairo International Airport accounts for more than 90 per cent of Egypt's total international cargo traffic, with 439,000 tonnes of international traffic in 2020.



Cairo International Airport

Currently, EGAC has launched direct flights from Cairo to Beijing, Guangzhou, Shanghai and Hangzhou, and Sichuan Airlines has launched direct flights from Chengdu to Cairo. Due to the impact of the epidemic, please consult the above airlines for details.

### 2.3.4 waterborne transport

[River transport] The entire length of the Nile River in Egypt is navigable, and with the addition of irrigation canals, the total length of navigable waterways is about 3,500 kilometres, but it is underutilised. The more commonly used routes are the Cairo-Aswan route, which is 980 kilometres long; the Cairo-Alexandria route, which is 205 kilometres long; and the Cairo-Dumietta route, which is 241 kilometres long.

The Suez Canal, which connects the Mediterranean Sea and the Red Sea, is 190.25 kilometres long, 280-345 metres wide and 22.5 metres deep, and is one of the most important and busiest canals in the world, with 10 per cent of the world's seaborne trade needing to pass through the Suez Canal. In 2015, the new

The expansion of the Canal was successfully completed at a cost of approximately US\$8.2 billion, and the capacity and accessibility of the Canal was significantly improved. In March 2021, the cargo ship Chang Chi ran aground in the middle of the Canal, causing it to be cut off for more than a week.



Port Said

[Shipping] Egypt has a total coastline of 2,900 kilometres, with seven international shipping routes and 62 ports, including Alexandria, Port Said, Dumiat and Suez, with a total annual throughput of 8 million containers and a seaport trade volume of 101 million tonnes. The Suez Canal is a major international waterway connecting Asia, Africa and Europe. In recent years, the Canal has undergone a large-scale expansion, making the capacity of ships passing through the Canal up to 240,000 tonnes, which can accommodate the passage of fourth-generation container ships. Alexandria is Egypt's largest port. Port Said is becoming the largest container transshipment hub in Egypt.

In recent years, the construction of Egyptian ports has continued to develop, with throughput capacity increasing year by year, and Egypt intends to increase port construction to increase cargo throughput capacity from the current 230 million tonnes to 370 million tonnes (by 2030), with the focus on the ports of Port Said and Alexandria. The construction of the ports is accompanied by a large amount of corresponding infrastructure development. According to the WB report, the Egyptian government plans to build dry ports in the cities of 6 October, 10 Ramadan and Ismailia, as well as

a logistics centre in the Dumietta region.

#### 2.3.5 electrical power

Egypt's power generation capacity is the highest in Africa and the Middle East, mainly gas-fired power generation, hydropower, wind power and solar energy accounted for a smaller proportion, and there is no coal power and nuclear power installed. With the successive completion and commissioning of major power generation projects constructed with new investments in recent years, the total installed capacity has reached 59,530 MW, with per capita installed capacity reaching 0.58 KW. In FY2019/20, Egypt's peak load reaches 32,000 MW, and the overall installed capacity has significantly exceeded the actual demand.

Total installed capacity: from 32.118 million KW in fiscal year 2013/14 to 59.53 million KW in fiscal year 2019/20, with an average annual growth rate of 11 per cent, of which the installed capacity in fiscal year 2019/2020 will increase by 2 per cent compared with the previous fiscal year, with the main part of the increase being in new energy sources

(wind and solar) installations (with a growth rate of more than 30 per cent), while the installed capacity of other energy sources was essentially flat.

Total annual power generation: from 164,628GW in FY2013/14 to 197,357GW in FY2019/20, with an average annual growth rate of 3.1 per cent. Among them, generation in FY2019/20 decreased by 1.2 per cent compared to the previous fiscal year, with a 90 per cent increase in new energy generation and a 55 per cent decrease in generation from IPPs, with a per capita capacity of about 2,000 KW. 8,663 GW of electricity was generated by new energy projects, of which 4,233 GW came from wind power and 4,430 GW from photovoltaic power generation.

Peak load: increased from 26.14 million KW in FY 2013/14 to 32 million KW in FY 2019/20, with an average annual growth rate of 3.1 per cent. Of this, FY2019/20 is 2 per cent higher than the previous fiscal year.

Egypt now has a national power grid, which is operated, managed and maintained by the Egyptian Grid Company. Transmission voltage levels include 500&400kV, 220kV, 132&66kV and 33kV. 220kV, 132&66kV systems are used in Upper Egypt, and a 500kV grid is under construction; 500kV, 220kV and 66kV systems are used in Lower Egypt; and the two areas were originally connected by a 500kV main line connected in a north-south direction along the Nile River. The construction of a new 500kV transmission network is being accelerated with a view to forming a parallel network of new 500kV lines alongside the original 500kV lines to achieve a complete 500kV transmission network.

The construction capacity of Egyptian power projects is very competitive in Africa and the Arab region, and local enterprises can manufacture transmission and substation equipment ranging from 380V low-voltage to 500kV high-voltage. Among them, strong local enterprises include XD-EGEMAC, ELSEWEDY and ELMACO, etc. Most local enterprises have established deep cooperation with international leading enterprises.



Equipment manufacturing companies from Europe, South Korea, China and India are actively involved in the Egyptian market, including: GE Alstom, ABB, Siemens, South Korea's Hyundai, Samsung and Daewoo, and China's Xidian, TBEA, Pinggao Electric, Xin Dongbei, Shandong Electricity, Taikai, Siyuan Electric and Chint Electric.

The Egyptian government attaches great importance to the construction of cross-border power grids. The Egyptian power grid is the hub and an important part of the North African and Middle Eastern power grids, and Egypt plans to build a power export and trading hub covering North Africa, the Middle East and Southern Europe.

**Table 2-10 Status of cross-border grid projects in Egypt**

degree of progress (on project)	Name of the grid	Completion time
completed	Egypt-Libya power grid	May 1998
	Egypt-Jordan Power Grid	October 1998
	Syrian-Jordanian power grid	March 2000
	Syrian-Lebanese electricity grid	May 2009
under planning	Egypt-Saudi Arabia Grid	under implementation

	Egypt-Sudan power grid	
	Egypt-Sudan-Chad-Central Africa-Democratic Republic of the Congo grid	
	Egypt-Jordan-Iraq power grid	
	Egypt-Cyprus-Greece submarine transmission line	Memorandum of understanding signed

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

### 2.3.6 digital infrastructure

[Infrastructure network capacity] Thanks to its geographical advantage, Egypt has access to and operates 17 submarine cables, accounting for 17 per cent of the world's total.

17 per cent, the second highest number in the world after the United States. Telecom Egypt began deploying national broadband in 2014. 2014-

In 2018, network speeds were significantly improved through the implementation of the MSAN national broadband project covering the entire country, from 0.5M bandwidth per line in 2014 to 16M bandwidth per line. Egypt's mobile phone penetration rate reached 95.73 per cent, with a total of 96.58 million mobile subscribers; the total number of fixed-line telephone subscribers was 9.89 million, of which 7.48 million were in urban areas and 2.39 million were in rural areas; and mobile internet subscribers reached 41.79 million. Egypt's average internet speed increased to 15.5 Mbps, up from 5.7 Mbps in June 2018. In 2021, Egypt ranked 90th out of 176 countries in the world in terms of fixed network speed.

[Application infrastructure development] In 2020, the Egyptian Government launched the "Digital Government" public service e-platform, which covers a wide range of areas such as traffic information and judicial notarisation, and provided fibre-optic network connectivity for government office buildings in cooperation with Telecom Egypt. In July 2019, the Egyptian Ministry of State-Owned Enterprises announced that it had authorised SAP and Microsoft to implement digital transformation for 60 state-owned enterprises, including in the areas of finance, human resources, marketing, procurement, warehousing and production.

The Egyptian government attaches importance to the development of AI technology, with the introduction of a national AI strategy in 2019 to create skills, technology, ecology, infrastructure, governance mechanisms around the AI industry, etc. The National AI Committee was established in November 2019 to develop a tracking mechanism for the implementation of the AI strategy, provide policy advice, and guide the development of skills training, etc.

[Commercial Infrastructure Development] Egypt's e-tailing industry is relatively developed. 2021 Egypt's e-commerce enterprises exceed 20,000 companies. Amazon, Jumia, Noon, Ebay and other e-commerce giants are located in Egypt, brick-and-mortar supermarket chains Carrefour, Metro, Goumet, etc. have also been online Internet retail services. 2021 e-commerce turnover of more than 5 billion U.S. dollars.

Intelligent logistics needs to be upgraded. Although Egypt has a better transport system, but most of the road infrastructure is old, urban traffic congestion is serious, affecting the e-commerce logistics distribution. Egypt plans to build seven new logistics centres and dry bulk terminals, especially the construction of warehousing, distribution, distribution, foreign trade as one of the Greater Cairo Logistics Centre, but the current progress is slow.

Mobile payments are taking off. The new crown epidemic has triggered the mobile payments market, with the population's demand for mobile payments rising rapidly. In September 2019, Egypt's Ministry of Finance, in partnership with the Central Bank, launched Meeza, an e-wallet used to pay salaries to government employees and pay government fees, among other things. In May 2021, Saudi Arabian startup Geidea was granted an e-payment service provider licence from the Central Bank of Egypt to set up an e-payment point-of-service in Egypt, which will accept payments from all types of bank cards, and will also allow for QR codes for mobile payments.

## 2.4 price level

The monthly cost of living in Egypt for a family of four is approximately EGP 24,588.3 (excluding rent). Monthly cost of living for a single person is approximately EGP 6857.4 (excluding rent). The cost of living in Egypt is, on average, 62.2 per cent lower than in the United States, and rents are, on average, lower than in the United States. 88.3 per cent.

**Table 2-11 Prices of basic necessities (Cairo)**

(in Egyptian pounds)

Product Name	unit (of measure )	regular price	price range
Meals, Cheap restaurants	Meal for 1 person	80.00	45.00-150.00
Mid-range restaurant (three-course meal)	Meal for 2	400.00	200.00-800.00
McDonald's McMeal (or equivalent set menu)	Meal for 1 person	85.00	70.00-100.00
Cappuccino (regular)	1 cup	34.47	11.00-60.00
Coke/Pepsi (0.33 litre bottle)	1 bottle	5.92	5.00-15.00
Water (0.33 litre bottle)	1 bottle	3.61	3.00-7.00
Milk (regular, 1 litre)	1 box	16.62	12.00-20.00
Fresh white bread (500g)	1	11.13	5.00-25.00
Rice (white)	1 kg	12.67	9.00-18.00
Eggs (regular, 12)	1 box	25.42	18.00-36.00
local cheese	1 kg	64.71	28.00-140.00

potatoes	1 kg	7.79	4.00-12.00
onion ( <i>Allium cepa</i> )	1 kg	6.86	4.00-10.00
greens	1 head	5.67	2.00-10.00
Water (1.5 litre bottle)	1 bottle	5.14	4.00-7.00
Bottle of wine (mid-range)	1 bottle	150.00	80.00-300.00
Domestic beer (0.5 litre bottles)	1 bottle	28.55	18.00-40.00
Imported beer (0.33 litre bottles)	1 bottle	40.41	25.00-70.00
Cigarettes 20 (Marlboro)	1 pack	45.00	40.00-52.00
(Taiwan) rental car	starting price	10.00	7.00-15.00
(Taiwan) rental car	kilometre	4.00	2.50-10.00
Taxi waiting (normal fare)	1 hour	30.00	15.00-50.00
petrol	1 litre	7.79	0.50-9.50
Prepaid local mobile tariffs	1 minute.	0.19	0.14-0.25
Jeans (Levis 501 or similar)	1 Article	692.87	200.00-1,500.00
Nike running shoes (mid-range)	1 pair	1,880.45	1,000.00-3,000.00
Men's Leather Business Shoes	1 pair	918.48	400.00-2,100.00
Rental of city centre flats	1 bedroom	3,210.00	1,500.00-6,542.06
Rental of flats outside city centres	1 bedroom	1,926.07	1,000.00-4,000.00
Rental of city centre flats	3 bedrooms	7,480.66	4,500.00-15,000.00
Rental of flats outside city centres	3 bedrooms	4,469.05	2,500.00-9,875.00

Source: [www.numbeo.com/cost-of-living/country\\_result.jsp?country=Egypt](http://www.numbeo.com/cost-of-living/country_result.jsp?country=Egypt) (June 2022)

## 2.5 development project

[Content of the plan] Combined with the United Nations 2030 Agenda for

Sustainable Development and the AU Agenda 2063, the Egyptian government issued the Sustainable Development Strategy: Egypt Vision 2030 (hereinafter referred to as Egypt Vision 2030) in February 2016, in which the three core economic development policies include: maintaining the country's macroeconomic stability and reducing the fiscal deficit; improving the investment climate and attracting foreign investment; and implementing large-scale "national projects" in various fields, similar to the New Suez Canal project. The three main axes of the economic development policy include: maintaining macroeconomic stability and reducing the fiscal deficit; improving the investment climate and attracting foreign investment; and implementing large-scale "national projects" in various fields, similar to the New Suez Canal project.

[Development vision] In accordance with Egypt Vision 2030, the Government of Egypt will continue its commitment to developing a competitive, diversified market economy led by the private sector and based on a knowledge base. Egypt's stable macroeconomic development environment, sustained

The inclusive growth and maximisation of value added will create sufficient jobs. By 2030, Egypt will be among the world's top 30 economies, with national competitiveness and national well-being indices among the top 30 in the world. The Egyptian economy will play a dynamic role in the world economy, capable of adapting to the requirements of internationalisation and taking its place among the world's middle-income countries.

[Medium- and long-term development goals] By 2030, economic indicators will be achieved as follows:

- ( 1 ) The average annual GDP growth rate reached 7 per cent;
- ( 2 ) The contribution of investment to economic growth increased to 30 per cent;
- ( 3 ) Exports contributed 25 per cent to economic growth;
- ( 4 ) The share of services in GDP increased to 70 per cent;
- ( 5 ) Debt to GDP does not exceed 50 per cent;
- ( 6 ) Inflation was maintained at 3 to 5 per cent;
- ( 7 ) The fiscal deficit rate was reduced to below 5 per cent;
- ( 8 ) The unemployment rate fell below 5 per cent.

[Development Goals 2018-2022] In August 2018, Egypt published the Development Plan 2018-2022 within the framework of Egypt Vision 2030, setting the following goals:

- ( 1 ) Real GDP growth increased from 5.8 per cent to 6 per cent;
- ( 2 ) Real GDP per capita growth increased from 3 per cent to 6 per cent;
- ( 3 ) The number of new jobs has increased from 750,000 to 870,000 per year;
- ( 4 ) The natural population growth rate fell from 2.65 per cent to 2.1 per cent;
- ( 5 ) Inflation will be 8.5 per cent from 14.3 per cent.

[Priority development industries]

( 1 ) Power Sector. From 2018-2030, Egypt's power sector will add 51.738GW of capacity, including an increase of 6,950MW in installed solar power, 9,020MW in solar photovoltaic, 9,350MW in wind power, 68MW in hydropower, 100MW in single-cycle fueled power, 4,650MW in oil- and gas-fired power plant projects, coal-fired power plant by 16,800 MW, and an increase of 4,800 MW in nuclear power. The total investment required is about US\$135,258 million.

( 2 ) Oil and gas industry. In February 2017, Egypt released a plan to modernise its oil and gas industry, the core of which is a regional oil and gas distribution hub strategy,

based on the major gas discoveries in the eastern Mediterranean, increasing new pipeline storage and oil and gas terminals on the basis of the Suez Canal, the Mediterranean Gulf of Suez Crude Pipeline, the Arabian Natural Gas Pipeline, the natural gas pipeline between Egypt and Israel, and LNG export terminals. Strengthening Egypt's comparative advantage in infrastructure and joining forces with Israel,



Cyprus, supplying domestic, West Asian and North African and European markets, has grown from an oil hub to a regional oil and gas distribution centre covering oil, gas and oil and gas products.

(3) Manufacturing and small and medium-sized enterprises. The first is to increase the proportion of high value-added and high-tech products produced. The second is to increase the domestic content of industrial goods and enhance the position of domestic industries in the global value chain. The third is to achieve geographical balance in industrial development. Fourth, to improve development efficiency and increase the contribution of industry to improving people's livelihoods. It is planned to build 25 new industrial parks in 14 provinces to form industrial clusters for small and medium-sized enterprises. The main industrial sectors are: furniture, garments, home appliances, automobiles, catering, petrochemicals, building materials, household equipment, electronic industry, software, and spare parts for heavy transport vehicles.

(4) Agriculture. The first is to increase the area of agricultural land and support agro-industrialisation, with plans to reclaim 4 million feddans of land in Egypt. The second is to enhance the capacity of transport and storage of agricultural products to reduce losses in the relevant sectors, and to establish a network for the collection and storage of crops throughout the country. The third is to develop aquaculture and promote investment in the aquaculture sector to achieve greater self-sufficiency and reduce imports. Four, the establishment of the Centre for the Modernisation of Agriculture (CMA), which will be responsible for leading and managing the implementation of reform initiatives in the agricultural sector, in collaboration with the private sector. The fifth is the launch of a national programme for the development of livestock, poultry and fish resources to develop existing livestock and fisheries to increase supply, meet demand, improve quality and reduce costs.

(5) The transport sector. First, to promote the diversified and balanced development of transport, while continuing to expand the construction of the road network, to enhance the capacity of railway transport, and to develop ports and inland waterways, with a plan to make railway cargo volume account for 20 per cent of total cargo volume and inland waterways volume account for 5 per cent of total cargo volume. Secondly, the telecommunication infrastructure will be strengthened to enhance the digitalisation

of Egyptian society and government administration and to give full play to the advantages of the region. Thirdly, the infrastructure required for the delivery, transmission and storage of energy and electricity will be built and renovated, and the level of regional infrastructure connectivity will be strengthened.

(6) Tourism industry. The first is to increase publicity efforts to restore the Egyptian tourism market. The second is to improve the quality of tourism personnel through training. Thirdly, simplify the procedures for obtaining tourist visas on arrival. Fourth, support the development of small and medium-sized enterprises in the tourism industry to increase tourist spending. Fifth, increase international tourism routes.

#### [Priority development areas]

**Suez Canal Economic Zone.** The economic zone covers a total area of 461 square kilometres and is based on the "six ports and two zones" around the canal (i.e., Said West Port, Said East Port, Arish Port, Suez Port, Adabea Port and Sukhana Port, Ismailia Science and Technology Park, and Northwest Industrial Zone of the Gulf of Suez), and aims at developing a number of industries, such as manufacturing, logistics, maritime transport, high-tech electronics and electricity. It aims to become a world-class trade and logistics centre. Currently, 32 projects with a total investment of about US\$22.855 billion have been planned. It is planned that the Suez Canal Economic Zone will create 1 million new jobs and 2 million new residents in the next 15 years.

(2) **New Administrative Capital.** According to the plan, the first phase of the new capital project (including the Egyptian parliamentary hall, the presidential palace, government departments and foreign embassy complexes, etc.) will be completed in 2020-2022, with a total investment of about \$45 billion. Projects currently under construction

There are: a convention centre, a five-star hotel, 30,000 low- and mid-range residential units, the headquarters building of the National Intelligence Service (GIS), office buildings in the ministerial districts, and the first phase of supporting infrastructure works in the new capital, including roads and bridges.

[Transport] The Ministry of Transport of Egypt is in charge of transport infrastructure development. 2012 Egyptian Transport Construction Master Plan (2012-2027) are the main elements:

(1) Construction of the Greater Cairo Logistics Centre to create an international logistics belt connecting the Mediterranean Sea and the Red Sea, and to establish Egypt as a major Asian-European goods transport channel. Egypt should focus on building an international logistics belt from Alexandria Port in the north to Ain Sukhna Port in the south, and build it into an international logistics centre integrating warehousing, sub-assembling, distribution, foreign trade, etc., with Sixth of October City, a satellite city of Greater Cairo, as the centre.

(2) Construction of an Egyptian national transport network consisting of 11 corridors. Based on the construction of the international logistics belt, a national transport network consisting of 11 transport corridors, including the Mediterranean corridor and the Western Desert corridor, has been constructed with Greater Cairo as its centre. The four corridors, namely, the Mediterranean Corridor, the Upper Egypt Corridor, the Red Sea Corridor and the International Corridor, constitute the two longitudinal and two transversal main lines.

(3) In order to complete the 11 corridors, it is planned to split the construction plan into 103 projects to be implemented in phases, including 51 road projects, 24 railway projects and 2 high-speed railway projects, etc., with a total investment of EGP 320bn (approx. \$53.3bn). Of this, the Government will invest EGP 132.8 billion and attract private investment of EGP 187.2 billion.

The implementation of the plan is divided into three phases: short-term (2012-2017), medium-term (2018-2022) and long-term (2023-2027). The investments are EGP 69.8bn, EGP 79.5bn and EGP 170.7bn, respectively. The report concluded that the international logistics belt centred on Greater Cairo should be placed at the top of the list of construction priorities, and in this way drive the development of the entire Egyptian

logistics sector.

Since coming to power, the Sisi government has launched a series of transport projects:

(1) Railways. The Government proposes to build a high-speed railway linking the major cities of Alexandria, Cairo, Aswan, Asyut and Luxor. The duration of the project is expected to be 18 years, to be completed in three phases. For the general railway, the government plans to build a new railway between Luxor and Holguida. In addition, a light railway is to be built between Cairo and the city of the 10th of Ramadan.

(2) Highways. Local media reported that Egypt's road sector needs \$8bn in funding over the next five to ten years. The Egyptian Ministry of Transport has proposed three road construction plans: a new Safaga-El Quseir-Marsa Alam road, with an estimated funding requirement of \$85 million; a new Ras Sudr-Sharm Al Sheikh road, with an estimated funding requirement of \$71 million; and the expansion of the road from north-west Alexandria to Abu Simbel, with an estimated funding requirement of \$640 USD 640 million.

(3) Logistics centres. The Ministry of Transport said that seven new logistics centres and dry bulk terminals will be built to increase the efficiency of transporting imported and exported goods and to reduce the pressure on freight transport by road. Currently, 95 per cent of goods in Egypt are transported by road. Ministry of Transport

The announced plans also include the establishment of a logistics centre in the city of the 10th of Ramadan, which is expected to cost \$100 million. The project is linked to roads leading to the Ain Sukhna industrial zone, Alexandria and the Mediterranean port of Daquhleya.

(4) Urban transport. In order to improve the efficiency and safety of urban transport, the Ministry of Transport has put forward plans for new tunnels and the improvement of the intra-city transport network. Tram projects between cities and new metro projects are also on the agenda. The Ministry of Transport plans to extend the tram line from Heliopolis to the New Cairo area at an estimated cost of \$435 million.

There are two metro projects: line 5, which connects Nasr City, Heliopolis and Rod El Farag, and line 6, which connects El Khosous City and New Maadi. Of these, 17 stations will be built on metro line 5 and 24 stations on line 6.

(5) Port projects. The Ministry of Transport plans to dig three new tunnels connecting Port Said to the east bank of the Suez Canal to provide greater access to the Suez industrial zone. In addition, the Ministry of Transport has 17 maritime projects in urgent need of foreign investment totalling \$1.6 billion. Among them is the Dekhila Container Port (CT3) project, which will increase the current container throughput capacity of Dekhila port from 1 million TEUs to 2.5 million TEUs, with a total quay length of 1 kilometre and an investment of \$280 million.

[Electricity] The Egyptian Ministry of Electricity is in charge of electricity infrastructure construction. Since President Sisi came to power, he has given the highest priority to electricity construction and plans to double installed power generation capacity over the next 10 years, i.e., investing \$35-40 billion and adding 300,000 GW of installed capacity. 20 per cent of total power generation in 2020 will come from renewable energy sources; use of oil-to-coal technology in industries such as cement; conversion of existing single-cycle power stations to combined-cycle plants; and the adoption of a New Energy Law and an Electricity Law, Replacement of LED lights; construction of 2,000 MW pumped storage power plants.

(1) In terms of power generation, Egypt achieved power surplus by the end of 2016, and is not considering increasing installed capacity of thermoelectricity for the time being, and is mainly focusing on increasing the installed capacity of new and

renewable energy to 7,200MW by 2022; the share of new energy will be increased from the current 8 per cent to 20 per cent, with hydropower accounting for 6 per cent, wind power accounting for 12 per cent, and solar energy and others accounting for 2 per cent, and the new and renewable energy market will be The new and renewable energy market will be flooded with opportunities.

(2) On the transmission side, the Egyptian Transmission Company (ETC) has accelerated the construction of its 500kV transmission network in recent years, with three 500kV substations tendered in 2017 and seven 500kV substation projects tendered in 2018. So far, the high-speed construction of transmission projects in Egypt has come to an end, and in 2019, Egypt will only carry out tenders for one 500kV substation, four 220kV substations and several 66kV substations. In the future, transmission network construction will also maintain a regular pace of development for a longer period of time.

(3) In terms of power distribution, the original distribution network in Egypt is old and lacks effective maintenance, and upgrading is lagging behind due to lack of funds, which brings challenges to the stable operation of the power grid, and unplanned power outages caused by extreme weather often occur, affecting normal production and residents' lives. In the future, there are good market opportunities for upgrading the power distribution network in Egypt. In addition, Egypt's residential electricity billing system still uses a large number of mechanical meters, and prepaid meters have been gradually replaced, but into the

The development is slow. The demand for smart billing systems and smart meters is expected to increase significantly in the future.

(4) According to the Egyptian Electricity Holding Company's 2022-2027 power plant project plan, \$20 billion will be invested to add 13.34GW of new power generation capacity. The Egyptian government will introduce a new energy feed-in tariff (FIT) subsidy policy to attract private investment and promote the new energy installed capacity to 7,200MW by 2022, up from the current 687MW. Launching major projects such as the National Grid, Smart Meter Renovation and other major projects to enhance the operational efficiency of the power sector. With the completion of three gas-fired power plants with a total installed capacity of 14.4GW by Siemens and the signing of contracts for wind power projects, the Egyptian power market now has a total installed capacity of more than 54.4GW, with actual power generation exceeding the planned capacity and existing demand by more than 20%.

[Financing] In the past, Egypt has relied on low-interest aid loans from developed countries and multilateral financial institutions such as the World Bank to finance infrastructure projects. Egypt will establish a sovereign wealth fund for infrastructure investment. The fund will be government-owned and the Arab Investment Fund will contribute 50 per cent. The National Investment Bank of Egypt (NIB) has established the National Advisory Agency for Major Construction Projects.

[Access] Open up to foreign investors generally in the fields of transport, energy, infrastructure and communications construction.

[Mode of cooperation] Currently, fewer foreign contractors are working on projects in Egypt under the PPP modality. According to a report by Fitch Consulting, 39 infrastructure projects are currently being promoted under the PPP model. Of these, 17 are transport projects and 10 are renewable energy projects. There are also projects involving hospitals and sewage treatment. Chinese companies have yet to undertake projects in Egypt in the form of BOT/PPP.

### 3. Economic and trade cooperation

#### 3.1 trade agreement

Egypt joined GATT in 1970 and the World Trade Organisation (WTO) in 1995 and is one of the founding members of the WTO. Egypt's participation in multilateral and bilateral FTAs includes: the establishment of the Greater Arab Free Trade Area (GAFTA) with 17 Arab countries in 1997, joining the Common Market for Eastern and Southern Africa (COMESA), which comprises 20 African countries, in 1998, signing the Agadir Agreement with Jordan, Morocco and Tunisia in 2004, signing the Qualified Industrial Zones (QIZs) agreement with the United States and Israel in 2004, signing the Turkey Free Trade Agreement (FTA), with the European Free Trade Association (EFTA) in 2007, with the Common Market of the South (MERCOSUR) of the Regional Economic Co-operation Organisation of Latin America (RECAL) in 2010, and with the African Continental Free Trade Area (AfCFTA) in 2018. Of these, the third phase of the CFTA negotiations will focus on e-commerce, with the aim of concluding a "CFTA e-commerce protocol" and establishing e-commerce platforms at the national, subregional and other levels.

Egypt is a member of the United Nations Intergovernmental Panel on Climate Change and signed the United Nations Framework Convention on Climate Change in 1994, the Kyoto Protocol in 2005 and the Paris Agreement in 2017. The Egyptian Government launched the Integrated Sustainable Energy Strategy 2035 in 2020 and the National Climate Change Strategy 2050 in 2021.

#### 3.2 foreign trade

[Trade in goods] In 2021, Egypt's total exports and imports of goods amounted to \$114.48 billion, up 31.4 per cent year-on-year. Of this, exports were \$40.7 billion, up 51.7 per cent year-on-year, and imports were \$73.78 billion, up 22.4 per cent year-on-year. The trade deficit was \$33.08 billion, down 1.1 per cent year-on-year.

**Table 3-12 Egyptian Trade in Goods Statistics, 2017-2021**

(in billions of United States dollars)

vint age	2017	2018	2019	2020	2021
-------------	------	------	------	------	------



Source: Global Trade Flow (GTF).

[Trade partners] Egypt has trade relations with more than 190 countries (regions).  
2021, Egypt's top 5 trade partners

Accompanied by China, Saudi Arabia, the United States, Turkey and Italy.

**Table 3-2. Egyptian imports from major trading partners, 2021**

(in billions of United States dollars)

nations	sum of mo ney	Year-on-year (%)	Percentage (%)
sino	111.2	22.9	15.1
Saudi Arabia	65.9	72.4	8.9
United States of America	55.9	39.0	7.6
German	36.0	3.4	4.9

**Table 3-3. Egyptian exports to major trading partners, 2021**

nations	sum of mo ney	Year-on-year (%)	Percentage (%)
Istanbul	28.4	69.5	7.0
Italy	27.4	95.9	6.7
India	24.3	98.7	6.0
United States of America	23.0	56.2	5.7
Saudi Arabia	21.5	26.3	5.3

plastics and their products, electromechanical products, iron and steel, agricultural products, garments and textiles, etc.; its main imports are manufactured goods, consumer durables and foodstuffs, including hydrocarbons, machinery and equipment, electrical equipment, grain, vehicles and their accessories, plastics and their products, pharmaceuticals, iron and steel, and organic chemicals. products, pharmaceuticals, iron and steel, and organic chemicals.

**Table 3-4. Egypt's Imports by Product Category, Amount and Country of Origin, 2021**

(in billions of United States dollars)

serial numb er	cust oms cod e	Imported product types	sum of money	Main source countries
----------------------	-------------------------	---------------------------	-----------------	--------------------------

1	27	Fossil fuels, mineral oils and their products; bitumen, etc.	85.3	Saudi Arabia, Kuwait, United States
2	84	Boilers, mechanical appliances and parts	61.8	China, Italy, Germany
3	10	grain	49.4	Ukraine, Russia, Argentina
4	87	Vehicles and their spare parts	49.1	Germany, China, Czech Republic
5	85	Motors, electrical, audio-visual equipment and their spare parts	48.6	China, Viet Nam, India
6	39	Plastics and their products	40.8	Saudi Arabia, China, UAE
7	30	medicines	35.4	Switzerland, Germany, United States
8	72	steel	35.1	United Kingdom, Belgium, China
9	29	organic chemical	19.0	China, India, Saudi Arabia
10	44	Wood and wood products, charcoal	13.7	Russia, Finland, Sweden

Source: GTF

**Table 3-5. Egyptian Exports by Product Category, Value and Country of Origin, 2021**

(in billions of United States dollars)

serial number	customs code	Types of exported products	sum of money	Main source countries
1	27	Fossil fuels, mineral oils and their products; bitumen, etc.	117.1	India, Malta, Greece
2	39	Plastics and their products	26.4	Turkey, Belgium, Italy
3	85	Motors, electrical, audio-visual equipment and their spare parts	23.1	Slovakia, United Kingdom, United Arab Emirates
4	72	steel	17.2	Italy, Spain, United States
5	08	Edible fruits and nuts; peel of melon or citrus fruits	16.6	Russia, Saudi Arabia, Netherlands
6	31	fertiliser	14.7	Argentina, Turkey, Italy
7	62	Clothing and clothing accessories, not knitted or crocheted	12.6	United States, Spain, Germany

Source: GTF

**Table 3-6 Egypt's main trading partners, 2021**

(in billions of United States dollars)

serial number	nations	volume of trade (between countries)	Year-on-year per cent	Egyptian imports	Egyptian export products
1	Sino	124.8	29.2	Electrical and electronic equipment, mechanical appliances, vehicles and parts thereof, chemical fibre filaments, plastics and their manufacture. Pins.	Fossil fuels, edible fruits and nuts, residues and wastes from the food industry and feedstuffs, mechanical appliances, copper and its products.
2	Saudi Arabia	87.5	58.2	Fossil fuels, plastics and their production Products, organic chemicals, aluminium and its products, paper and cardboard.	Fossil fuels, edible fruits and nuts Fruit, iron and steel, copper and its products, electrical and electronic equipment and its parts.
3	United States of America	78.9	43.6	Fossil fuels, aircraft spacecraft and parts thereof, pharmaceuticals, mechanical appliances, iron and steel.	Clothing and clothing accessories, not knitted or crocheted; clothing and clothing accessories, knitted or crocheted; carpets and other floor coverings of textile materials; iron and steel; plastics and their manufacture Pins.
				Vehicles and parts	Fossil fuels, plastics

				Its products, fossil fuels, fish and crustaceans, mechanical appliances.	Wearing apparel, knitted or crocheted Clothing and clothing accessories, edible fruits and nuts, essential oils and balms.
9	Spanish	32.9	50.0	Copper and its products, vehicles and their parts, mechanical appliances, medicines, electrical and electronic equipment.	Fossil fuels, iron and steel, plastics and articles thereof, clothing and clothing accessories, not knitted or crocheted, aluminium and Its products.
10	Georgia	31.9	8.9	Cereals, wood and wood products, railway and tramway locomotives and rolling stock and parts thereof, iron and steel, animal, vegetable or microbial fats and oils and their decomposition products Pins.	Edible fruits and nuts, edible vegetables, roots and tubers, electrical and electronic equipment, oil seeds and fruits, plastics and their products.

Source: GTF

[Trade in services] The services sector plays a pivotal role in Egypt's national economy. In recent years, the share of services in GDP has been above 50 per cent, mainly from tourism and Suez Canal revenues. The surplus in trade in services has compensated to some extent for the large deficit in trade in goods, and the foreign exchange shortfall has been met through remittances, aid or debt.

**Table 3-7 Egyptian trade in services statistics**

(in billions of United States dollars)

Project / Fiscal Year	2016/17	2017/18	2018/19	2019/20	2020/21
Net trade surplus in services	56.1	111.2	130.4	89.7	51.2
incomes	154.0	214.9	244.2	212.9	160.0
Revenue from transport	79.1	87.1	86.0	78.8	75.3
Of which: Suez Canal tolls	49.5	58.1	57.3	58.1	59.1
tourism revenue	43.8	98.0	125.7	98.6	48.6
government revenue	7.8	6.4	7.2	7.6	5.1
Other income	23.3	23.4	25.3	27.9	30.9
expenditures	97.9	103.6	113.9	123.2	108.8
Transport expenditures	13.3	14.8	17.9	20.5	18.1
Tourism expenditure	27.4	24.5	29.0	32.1	27.1



government expenditure	11.2	14.9	6.9	9.8	12.5
Other expenditures	45.9	49.4	59.9	60.8	51.1

Source: Central Bank of Egypt

[Digital Trade] Egypt is encouraging enterprises to expand exports of information and communications technology (ICT) services and explore important markets. According to the Egyptian Ministry of Communications and Information Technology, the value of digital trade exports increased to \$4.5 billion in the 2020/21 fiscal year, up from \$3.6 billion in the previous fiscal year, with major exporting countries including Saudi Arabia, the United States of America, the United Arab Emirates, Germany, Canada, Sweden, the United Kingdom and others.

### 3.3 two-way investment

[Total FDI absorption] According to the World Investment Report 2022 issued by UNCTAD, Egypt's FDI flows in 2021 were \$5.12 billion; at the end of 2021, FDI stock stood at \$137.54 billion.

**Table 3-8. FDI absorption and outward investment in Egypt, 2017-2021**

(in billions of United States dollars)

vintages	2017	2018	2019	2020	2021
Absorption of foreign capital flows	74.09	81.41	90.10	58.52	51.22
Stock of absorbed foreign capital (as of end-2021)					1375.43

Source: UNCTAD World Investment Report 2021.

[Official Egyptian statistics] According to the Central Bank of Egypt, Egypt absorbed \$5.21 billion in net foreign direct investment in the 2020/21 fiscal year, down 30 per cent year-on-year. Europe, Arab countries and the United States were the main sources of foreign investment in Egypt. The top 10 sources of foreign investment (capital inflows) and their amounts in the current fiscal year were, in order: Italy (\$2.25bn), the UK

(\$1.77bn), the US (\$1.63bn), the UAE (\$1.41bn), the Netherlands (\$1.33bn), Qatar (\$510m), China (\$490m), Switzerland (\$470m), Kuwait (\$350m), Saudi Arabia (\$350m), and the US (\$490m). million), and Saudi Arabia (\$330 million).

[U.S. Investment in Egypt] According to public data from the American Chamber of Commerce in Egypt (AmChamber in Egypt), by the end of 2020, U.S. direct investment stock in Egypt reached \$17.1 billion, with more than 1,500 registered companies. U.S. direct investment in Egypt reached \$1.41 billion in FY2019/20, a year-on-year increase of 4.4 per cent, accounting for 8.9 per cent. The US was the fourth largest source of FDI in Egypt that year. The most important area of U.S. investment in Egypt is the exploration and exploitation of oil and natural gas, accounting for more than 80% of the investment, the main investment companies include: Apache Petroleum Corporation (Apache), ExxonMobil

(ExxonMobil), Chevron, and others.

The stock of U.S. non-hydrocarbon direct investment in Egypt reached \$2.4 billion by the end of 2020 and is active in most sectors of the Egyptian economy. Non-hydrocarbon investments are described below:

The financial services sector accounts for 46 per cent of the total, with major investments in companies such as AIG (American International Group), American Express, BNY Mellon, Coldwell Banker and Mastercard.

(MasterCard), MetLife, JPMorgan, Citibank and VISA. Manufacturing accounts for 22 per cent of the total, with companies accounting for nearly a quarter of all US companies in Egypt. Large investments in this sector

These include 3M, Abbott, AbbVie, American Automotive, American Standard, Bristol-Myers Squibb, Cargill, Coca-Cola, Colgate-Palmolive, Dow Chemicals, Edison International, Energizer, GE, General Electric, and many others. Palmolive, Dow Chemicals, Edison International, Energizer, GE, General Motors, Gillette, Heinz, Honeywell, HUNDZ Soil, Johnson & Johnson, Kellogg's, Mars, Merck Sharp and Dohme, PepsiCo, Pfizer, Procter & Gamble, Xerox.

The services sector accounted for 17 per cent of investment and the number of companies accounted for nearly 40 per cent of all American companies in Egypt. Sectors covered include business services, consulting, health care, education and construction. The communications and information technology sector accounts for 2 per cent of investments, with major investors including Cisco, Hewlett-Packard, IBM, Oracle and Microsoft. The construction sector includes companies such as Bechtel (Parkhead). Franchise brands include Baskin-Robbins, Burger King, Chili's, Cinnabon, Cold Stone and Dairy Queen, T.G.I. Friday's, Hardee's, Hard Rock Cafe, KFC, Little Caesars, McDonald's, Pizza Hut, Starbucks and more.

**Table 3-9. Statistical table classifying the stock of U.S. investment in Egypt (as of the end of 2018)**

(In millions of United States dollars)

sect or	niche	Number of companies	Cumulative non- hydrocarbon investment
------------	-------	------------------------	--

	Subtotal	33	1120.2
industries	an engineering project	54	294.7
	food and drink	49	167.3
	textiles and clothing	58	133.8
	pharmaceutic	19	113.3
	metallurgy	71	76.8
	building materials	11	56.2
	metallurgical	33	37.4
	mining industry	5	3.6
	wood processing	11	0.8
	Subtotal	311	883.9
services sector	Oil services	50	321.5
	Business services	154	45.9
	Health Services	25	37.6
	Transport and maintenance	27	21.5
	(sales) inquiry (formal)	114	7.1
	public service	78	4.1
	mass media	46	2.3
	teach	34	1.5
	store in a warehouse	3	0.4
	human resources	3	0.1
	Subtotal	534	441.8
building	property development	46	61.1
	Contracted projects	55	34.0

industry	infrastructure	21	6.1
	housing	2	1.0
	Subtotal	124	102.2
Communications and information technology industry	information technology	162	33.0
	correspond (by letter etc)	23	6.1
	System technical services	42	2.0
	Subtotal	227	41.0

travel trade	Subtotal	81	36.7
agric ultur e	land reclamation	41	11.3
	plantation	1	7.1
	Animal husbandry and fisheries	7	2.6
	Other agriculture	1	0.5
	Subtotal	50	21.5
(gra nd) total		1,360	2647.2

Source: American Chamber of Commerce in Egypt, Economic and Commercial Section of the Chinese Embassy in Egypt, based on publicly available information.

[EU investment in Egypt] According to media reports, by the end of 2018, EU countries had a stock of \$42.8bn in direct investment in Egypt, with 6,339 registered companies, providing 192,000 jobs. In addition to France and Germany, Belgium has a large investment in EU countries, mainly due to the fact that Brussels is an important offshore financial centre in Europe, and many EU third-country funds flow into Egypt via Belgium. French investment in Egypt: according to media reports, by the end of 2018, the stock of direct investment in Egypt was €5bn (\$5.6bn) with 160 active registered companies, providing more than 30,000 jobs, and in the 2016/17 financial year, operating revenues of €4.3bn (\$4.8bn). Major companies include Orange, Total, and Crédit Agricole.

**Table 3-10 France's main investors in Egypt**

(In millions of United States dollars)

seri al nu mbe r	Project name	Cumulative investment	Busines s Overvie w
1	Orange	2680	A world-renowned telecommunications group that entered the Egyptian market in 1998 and has become the second largest

5	Schneider Electric	39	A leading global manufacturer of electrical equipment with 1,506 employees in Egypt and more than 1,400 Egyptian customers.
6	AXA (AXA France)	77	Global insurance giant. authorised to conduct separate non-life business in Egypt in 2015 and acquired Egyptian life insurance company CIL, renamed AXA Life Egypt. customer size of approx. 500,000 with 650 employees.
7	Valeo	111	Manufacturer of automotive parts, employing 1,900 people.
8	Air liquide	89	One of the world's largest suppliers of industrial and medical gases and related services.
9	SEB	44	No. 1 brand in the French small appliances market, with 900 employees.
10	EDF (Electricité de France)	133	Major investments are made in the renewable energy sector. For example, with Elsewedy Electric co-operated in the investment and construction of 100MW photovoltaic power station in Benben Photovoltaic Industrial Park.
11	Lactalis Halava (Lactalis Dairy)	110	Lactalis is one of the largest dairy manufacturers in the world. In There are five factories in Egypt producing dairy products under the "President" brand. It employs 5,060 people.
12	Saint-Gobain (Saint-Gobain Group)	16	The world's leading producer of speciality glass and plastics. Employees 750.
13	Voltalia	33	French renewable energy company. Invested in a photovoltaic power plant in the Bemban Photovoltaic Industrial Park.

14	Sanofi	17	Global pharmaceutical giant. Employs 1,200 people.
15	Teleperformance (Connected Enterprise Group)	13	A specialist provider of outsourced call centre services. Employs 4,200 people.
16	Bel	7	One of the world's largest cheese brands has built a cheese production line and employs 1,200 people.

Source: Compiled by the Economic and Commercial Section of the Chinese Embassy in Egypt on the basis of publicly available information.

**Table 3-11 Other French investors in Egypt**

sect or	Investor Name
industries	Arkema, Vicat, Lafarge-Holcim, Consolis, Legrand, Nexans, Atlantic
agriculture	Danonde, Bongrain, Lesaffre.



Food and drug industry	Servier, Ceva
logistics	CMA-CGM, Bolloré
sell individually or in small quantities	Carrefour, Decathlon.
franchised operation	Paul, Brioche Dorée, 5àSec.
journey	Air France, Club Med, Accor Hotels (Accor)

Source: Compiled by the Economic and Commercial Section of the Chinese Embassy in Egypt on the basis of publicly available information.

German investment in Egypt: According to the data of the German-Arab Chamber of Commerce and Industry, the main German investment projects in Egypt include: DEA invested \$800 million in oil and gas exploration and exploitation, which has entered the Egyptian market for more than 45 years, and the projects are located in the Gulf of Suez, Desouq, and the northern sea area of Alexandria; Egyptian German Industrial Corporate was established in 1991, and currently has three factories built to produce industrial products such as polypropylene, polyvinyl chloride, and brass.

There are many other well-known German brands and companies that have registered their companies in Egypt and are engaged in manufacturing activities, such as Mercedes

Benz (Daimler Group), Basf, BMW, Henkel, Leoni, SAP, Symrise, ThyssenKrupp, Duravit, Bayer, DMG MORI (German-Japanese joint venture), etc. Metro invested in supermarket chains in Egypt. Metro has invested in supermarket chains in Egypt.

[British investment in Egypt] The UK has a long history of economic and trade ties with Egypt and is one of the largest sources of foreign investment in the country. According to media reports, the UK's actual investment in Egypt is about \$46bn, mainly in the oil and gas sector, which is about \$40.5bn. Major companies include BP, Vodafone, GlaxoSmithKline and British Union Capital.

According to Egyptian authorities, by the end of 2018, the UK's FDI stock in Egypt was around \$5.6bn, with more than 1,600 companies.

**Table 3-12. Major UK investors in Egypt**

(In millions of United States dollars)

serial number	company identification	sum of money invested (in a currency or bond)	Business Overview
1	BP (British Petroleum)	35,000	which specialises in oil and gas exploration and exploitation, has been in the Egyptian market for 55 years and is one of the largest operators of crude oil and natural gas in Egypt.  It is the largest foreign company investing in Egypt.
2	BG (British Gas)	3500	Mainly engaged in natural gas exploration and extraction.
3	Vodafone	2680	Mainly in the telecoms business, it has been in the Egyptian market for more than 20 years and is a member of the Egyptian

			and the largest mobile operator, with a total subscriber base of approximately 42 million at the end of 2018. additional investment of EGP 2 billion in 2018 (approximately \$120 million), with cumulative investments exceeding E40 billion. Sterling. Over 13,000 employees.
4	GlaxoSmithKline.	800	The global pharmaceutical giant, which has two factories in Cairo and Giza governorates, accounts for about 8 per cent of the Egyptian market share.
5	Rockhopper Exploration PLC	100	Mainly engaged in oil and gas exploration and exploitation.
6	HSBC	-	Having been in the Egyptian market for 35 years, it is one of the largest foreign banks operating in Egypt.
7	Actis (Anglo Alliance Capital)	750	Leading UK private equity firm.
8	Standard Chartered (Standard Chartered Bank)	-	Opened a representative office in Cairo, focusing on market research.
9	COMPASS GROUP	-	A Fortune 500 company that focuses on catering supply services.
10	Unilever (Unilever)	-	Construction of five factories in Egypt for the production of daily chemical products, with 50 per cent of the products destined for export to the Gulf region and neighbouring African countries.

Source: Compiled by the Economic and Commercial Section of the Chinese Embassy in Egypt on the basis of publicly available information.

[Status of Japanese investment in Egypt] According to the Central Bank of Egypt (CBE) data, between 2005 and June 2018, the stock of Japanese direct investment in Egypt was around \$700 million. The Japanese ambassador to Egypt has publicly stated that there

are around 50 active Japanese companies registered in Egypt.

**Table 3-13 Major Japanese investors in Egypt**

serial number	Project name	Business Overview
1	Canon	The company was registered in Egypt in 2016 as a regional sales management centre covering North Africa and selected Middle Eastern countries.
2	Toshiba	The main business includes railway, power generation equipment and household appliance sales. It is a joint venture for household appliances in Egypt. 2003, Toshiba Home Appliances established a white goods sales company in Egypt with ElAraby. 2011, the two companies established a joint venture for LCD TV manufacturing. Business.
3	Panasonic	Inaugurated in August 2017, the television factory in Mostorod, near Cairo, employs

		200 or so.
4	NEC (Nippon Electric)	The main businesses include information and communications-related equipment, mobile phone base station equipment, microwave communications systems, submarine cable laying, identification systems, intelligent energy systems and sales of storage batteries.
5	Hitachi Industrial Equipment Systems Co. (Hitachi Industrial Equipment Systems)	With a representative office in Egypt, we sell industrial electrical equipment such as motors and inverters, covering the entire African market.
6	Fujitsu	With a representative office in Egypt, it sells ICT-related equipment such as servers and ICT platforms, provides system integrator services and covers the entire African market.
7	Mitsubishi (including Mitsubishi Electric, Mitsubishi Heavy Industries, Mitsubishi Hitachi Power Systems) (Uni Corporation)	The main business includes industrial automation equipment, air conditioning, lifts, power plant construction operation and maintenance, etc. The service scope covers the whole African market.
8	Fujitec	A famous lift brand, a local company was incorporated in Egypt in 1998 to sell, install and maintain lifts. The service scope covers the whole African market.
9	Daikin Industries, Ltd.	The main business is the sale of air-conditioning equipment, a local company incorporated in Egypt in 2008, which manages a distribution network in 26 countries in Africa.
10	MURATEC (Murata Machinery)	Representative office in Egypt, specialising in the sale of textile machinery and machine tools.
11	JUKI (Heavy Machinery)	The main business is industrial sewing machines, with a registered branch in Egypt, serving the North African market.
12	ISUZU (Isuzu Motors)	Mainly produces, sells and exports commercial trucks, buses and pickups. Started exporting to Egypt in 1956. As a joint venture with General Motors USA, it acquired two local companies in 2015 and established a local subsidiary in 2016 with an assembly line in Egypt. The Egyptian

		<p>subsidiary manages distribution in 23 countries in Africa</p> <p>Merchant.</p>
13	SUZUKI (Suzuki Motor Corporation)	<p>Mainly engaged in cars, motorbikes and small engines. A local company was established in Egypt in 1989 and has been producing light commercial vehicles since 1993. A local sales company for cars was established in 2008 and integrated with the motorbike business in 2014. Service Coverage</p> <p>Coverage includes all other African countries except West Africa.</p>
14	NISSAN	<p>Mainly engaged in the production, sale and export of automobiles. Has an automobile assembly line and a local sales company in Egypt.</p>
15	Kinki vehicles	<p>Mainly engaged in the production of railway rolling stock. Has been producing railway locomotives for Egypt since 1960.</p> <p>1996 Established MISR with Mitsubishi, Toshiba, and Arabian Engineering and Distribution Co.</p> <p>JAPAN ALLIED Joint Venture. Received Mitsubishi and Toshiba Corporation since 2007.</p>

		The Division's new vehicle and maintenance orders for Cairo Metro Lines 1, 2 and 3.
16	Sumitomo Electric Industries (Sumitomo Electric)	A world renowned manufacturer of fibre optic cables. Has a factory in Egypt that manufactures and sells wires and harnesses for automobiles.
17	JFE Steel	In 2017, a joint venture was established in Egypt with Itochu Marubeni Iron & Steel Co. to manufacture steel products.
18	Itochu Marubeni Steel Corporation	World famous steel company. Mainly engaged in the manufacture of galvanised steel and colour steel sheets, and exports steel Products. a joint venture with JFE Steel and Kandile Egypt in 2017.
19	Uni Charm	A local company was established in Egypt in 2010 to produce hygiene products such as sanitary napkins for women and nappies for children.
20	Otsuka Pharmaceutical Co., Ltd. (Otsuka Holdings)	Manufacture and sale of pharmaceutical products for infusion and sale of Pocari Sweat (Pocari Sweat) Beverages. Incorporated in Egypt, acquiring the local company Ateco Pharma Egypt in 1977.
21	Takeda (Takeda Pharmaceutical Co. Ltd.)	A world-renowned pharmaceutical company. Registered a company in Egypt, specialising in the sale of pharmaceuticals, covering North and East African countries.
22	YKK	The world's most famous manufacturer of zips. established the company in Egypt in 1996 and invested Construction of production lines, all products are exported to Europe and the United States.
23	Ajinomoto (Ajinomoto)	The main business is the sale of fresh seasonings and processed foods, and a local sales company was established in Egypt in 2011.
24	JTI (Japan Tobacco Inc.)	Acquired Al Nakhla Tobacco, a local Egyptian tobacco company, in 2013 to engage in tobacco production and sales.
25	Kobe products	The company specialises in supermarket management, imported foodstuffs and vegetables, etc. In 2006, it established a local food processing company in Egypt and

		invested in plantations.
26	Sojitz Corporation (two days)	Interests in crude oil exploration blocks were acquired in 2006 and successful oil and gas exploration took place in 2008.
27	Toyota Tsusho	Engaged in the production and sales of Toyota vehicles in Egypt.
28	Mitsubishi (Mitsubishi Corporation)	Invested in ammonia and urea production and sales business in 2006. received an order for Cairo metro cars with Kinki Vehicles Ltd. in 2007.
29	Dachser Holdings (Taichi Hall Diggs)	A specialised trading company based in the Middle East and Africa. Mainly trades in air-conditioning, vehicles and construction equipment. Has a representative office in Cairo and has invested in a Japanese restaurant. Makino.
30	ORIX (ORIX Financial Leasing)	ORIX is the largest non-banking financial institution and the largest integrated financial service provider in Japan.



		Group, a company registered in Egypt in 1997 for car rental.
31	Tokio Marine Holdings	The company was incorporated in Egypt in 2008 and has a business partnership with the Egyptian company Hollard, which serves 21 African countries.
32	Sumitomo Mitsui Banking Corporation (Sumitomo Mitsui Banking Corporation)	Representative office opened in Egypt in 1975.
33	The Bank of Tokyo-Mitsubishi UFJ (Bank of Tokyo Mitsubishi UFJ)	A representative office was opened in Egypt in 1996 and upgraded to a branch office in 2013, and a Memorandum of Understanding (MoU) on co-operation with CIB was signed in 2011.
34	H.i.s. (Sam Yin Travel Service (Consolidated) Company Limited)	Japan's largest online travel platform. Established a branch office in Egypt to promote and sell travel products.
35	Dentsu (Dentsu)	The largest single advertising agency in the world. Registered advertising agency Dentsu Aegis Network in Egypt for advertising and marketing business.
36	Registered media	Asahi Shimbun (Asahi Newspaper), Kyodo News (Kyodo News Agency), Tokio News (Tokio News Agency), TV Asahi Corporation, Nippon Television Network Corporation, FUJI MEDIA HOLDINGS, INC. FUJI MEDIA HOLDINGS, INC., NHK (Nihon Hōsō Kyōkai), Tbsholdings.co. (Tokyo Broadcasting Holdings)

Source: Japan External Trade Organisation (JETRO), Economic and Commercial Section of the Chinese Embassy in Egypt, based on publicly available information.

[Indian Investment in Egypt] According to the relevant information from the Indian Embassy in Egypt, as of the end of 2018, Indian investors were present in almost all major sectors of the Egyptian economy, including textiles and garments, electricity, chemicals, adhesives, pharmaceuticals, information technology, paints, consumer goods, healthcare, PVC, caustic soda, PET resins, plastics, paper, packaging, and

automotive spare parts. More than 450 Indian companies trade and operate in Egypt, of which about 50 Indian companies are engaged in manufacturing and construction, with actual investments totalling more than US\$ 3.3 billion, of which about half are joint ventures and wholly-owned Indian subsidiaries and the remaining half are Egyptian holding companies. Indian companies provide about 35,000 direct and indirect local employment opportunities, with more than 21,200 people directly employed and more than 13,500 indirectly employed.

**Table 3-14 India's major investors in Egypt**

(in US\$ million)

serial number	Project name	sum of money invested (in a currency or bond)	Business Overview
1	TCI Sanmar Chemicals S.A.E.	120000	India's Sanmar acquired Egypt's TCI in 2007 to build 275,000 tonnes of TPA sodium hydroxide and 400,000 tonnes of TPA PVC projects in Port Said, with exports of around \$400 million in 2017 Dollars.
2	Alexandria Carbon Black	42000	Established in 1994, it has 4 carbon black production lines with annual production capacity of 280,000 tonnes, \$150 million in exports in 2018, and local employees of about 410.
3	Egypt-India Polyester Company	30000	Construction of the first PET resin production line in North Africa with a capacity of 420,000 per year tonnes, the largest in the Middle East, 80% of its products are exported and it employs around 500 people.
4	Embee International	10000	It has four garment factories, an operations management centre, exports its products and employs 12,000 people locally.
5	Autoteck Industry	-	Established in 1991 to manufacture automotive parts.
6	Dabur Egypt Limited	2000	Established in 1994, the company produces household chemicals and employs approximately 570.
7	Egypt Global Silicates	600	Annual production capacity of sodium silicate glass is 72,000 tonnes and 50,000

			EGP 100 million.
16	Misr Hytech Seed International	4900	Seed production and marketing, serving 200,000 farmers, 107 employees.
17	Monginis Foods and Services	-	Established bread production plant with an annual turnover of EGP 450 million and employees 1,000 people.
18	Nile Egypt Plastech	800	Manufacture of industrial packaging products with an annual turnover of \$7 million and 100 employees.
19	Pharmed Healthcare	3000	Pharmaceutical company with an annual turnover of \$14 million and 200 employees.
20	Padilite	650	Manufacturer of speciality chemicals, exporting most of its products. Employees 80 people.
21	Ranbaxy Egypt Limited	800	Pharmaceutical company with an annual turnover of EGP 55 million and 92 employees.
22	SCIB	500	Produces paints and various coatings. Employs 700 people.
23	Shapoorji Pallonji Infrastructure Capital	-	Construction of a 50MW photovoltaic power project in Benben
24	State Bank of India	-	The Cairo Representative Office was established in 1997 and covers the Middle East North Africa (MENA) region.
25	The Oberoi Sahl Hasheesh	128	Investment in a resort hotel in the Red Sea, employing 235 people.
26	Velocity Group of Companies	10000	Mainly engaged in the manufacture of ready-made garments, all products are exported to Europe and the United States, employees 8,000 people.

Source: Embassy of India in Egypt, Economic and Commercial Section of the Embassy of China in Egypt, based on publicly available information.

[Overview of international assistance received] Egypt receives foreign assistance in the form of non-reimbursable aid, low-interest loans and interest-free foreign currency deposits. Among them, non-reimbursable aid is mostly provided by the United States and Europe, loans are provided by international and regional development financial institutions, and interest-free foreign currency deposits are mostly injected by the Gulf States. After the 2011 revolution, the assistance provided by a number of countries and institutions to Egypt was relatively reduced or suspended. Since President Sisi came to power, international assistance to Egypt has gradually resumed. The size and purpose of the assistance provided to Egypt by the countries and institutions concerned varies according to differences in geopolitical relations and interests.

(1) Developed countries in Europe and the United States and multilateral financial institutions. For geopolitical and security reasons, Egypt has been one of the largest recipients of assistance from the United States and European countries among the Arab States, which is aimed at enhancing regional strategic cooperation and strengthening security guarantees.

Main starting point.

美国每年为埃及提供15亿美元的援助（包括13亿美元军事援助和2亿美元经济援助），一度中断后于2015年恢复。2021年，美国国际开发署（USAID）向埃及提供1.25亿美元援助，其中1700万美元用于支持基础教育部门；3100万美元用于支持美国-埃及高等教育 In 2021, USAID is providing Egypt with \$125 million in assistance, including \$17 million to support the basic education sector; \$31 million to support the U.S.-Egypt Higher Education Initiative (HEI); \$4 million to support U.S.-Egyptian cooperation in the fields of science and technology; \$27 million to support economic governance; \$5 million to support agricultural and rural development; and \$28 million to support Egyptian trade and investment. In 2021, MASHAV signed seven bilateral cooperation agreements with USAID to support development in the areas of health, basic education, higher education, science and technology, technology, agriculture, governance and trade, and investment.

The EU's bilateral assistance to Egypt in the framework of the European Neighbourhood Instrument (ENI) amounts to €756 million for 2014-2020, focusing on supporting Egypt to modernise its economy, make its energy sources sustainable, improve social development and social protection, and build a stable and modern democracy. In February 2022, the EU announced that it would provide €18 million in humanitarian funding for the North African countries of Algeria, Egypt and Libya with €18 million in humanitarian funding to support vulnerable groups affected by epidemics and regional conflicts and ensure their access to healthcare, education and other services; in April, the EU announced that it would provide €100 million to Egypt to help it cope with rising food prices due to the conflict in Russia and Ukraine. It is expected that by 2027, Egypt could receive 1 billion euros from the EU to support economic and social development.

By the end of 2021, the European Bank for Reconstruction and Development (EBRD) had provided a cumulative total of 8.55 billion euros in funding to Egypt, covering 144 projects. The German government has more than 30 development cooperation projects with Egypt totalling €1.7 billion in various fields such as technical education, vocational training, wastewater, irrigation, water supply, solid waste management, etc. In 2021, the German government provided Egypt with €151 million and €197 million of development finance in the first and second half of the year, respectively, in support of cooperation projects in the fields of renewable energy, urban development and solid waste management. Co-

operation projects. Between 2016 and 2020, the UK provided more than £50 million to support Egypt's continued stability and prosperity. In 2020, the UK assisted Egypt with £2 million for the response to the New Crown Epidemic. In 2021, France signed a €3.8 billion development finance agreement with Egypt in support of public transport, renewable energy, and social security and development, covering the French University of Egypt, Cairo Metro Line 1 and other projects.

With regard to international financial institutions, on 23 March 2022, the Egyptian government formally requested financing support from the International Monetary Fund (IMF) to help mitigate the economic impact related to the Russian-Ukrainian conflict. Since 2016, the IMF has approved three loans to Egypt totalling \$20 billion. The World Bank's co-operation programme in Egypt totals US\$8 billion.<sup>2021</sup> The World Bank (WB) announced the approval of a US\$360 million Development Policy Financing (DPF) loan to Egypt, which aims to support Egypt's second wave of economic reforms and enhance its capacity to achieve sustainable and inclusive growth.... ; Africa.

Development Bank (AfDB) in Egypt for 30 projects totalling \$2.8bn. In 2021, the AfDB approved a €145m loan to Egypt for the renovation and upgrading of railway infrastructure, as well as an €83m loan to support the Egyptian electricity sector to achieve green growth.

(2) The main oil-producing countries in the Gulf and regional financing institutions. After the "1/25" revolution, all the forces in Egypt, the Gulf rich countries once replaced the United States and Europe as the main aid to Egypt. According to the Central Bank of Egypt, since 2011, Egypt has received about \$92 billion in financial support from the Gulf countries.<sup>2022</sup> At the beginning of the year, the UAE, Qatar, and Saudi Arabia announced that they would provide \$22 billion in financial support to Egypt to help it cope with the economic crisis brought about by the Russia-Ukraine conflict. The Gulf countries' financial support to Egypt includes non-refundable aid, grants, loans and deposits in the Central Bank of Egypt, as well as interest payable. In addition to this, Egypt receives oil and in-kind assistance from the Gulf States. Saudi Arabia and the UAE lead the Gulf States in terms of contributions, followed by Kuwait, Oman, Bahrain and Qatar.

Saudi Arabia provides about \$5.5 billion in deposits to the Egyptian banking system, and the Saudi Arabian Oil Company (Aramco) supplies Egypt with 700,000 tonnes of oil derivatives per month, as well as loans totalling \$23.5 billion over a five-year period.

The UAE is providing \$5.679 billion in deposits to major Egyptian banks, payable in instalments until the end of 2023. In addition, the UAE is providing \$8.6 billion in loans to help Egypt purchase petroleum products.

Kuwait deposited \$4 billion in the Central Bank of Egypt to strengthen Egypt's currency reserves.

Asian countries represented by Japan and South Korea. Japan's and South Korea's assistance to Egypt is mainly livelihood-oriented assistance that promotes bilateral economic exchanges and cooperation, with the starting point of promoting and deepening bilateral cooperation in international affairs under a multilateral and bilateral framework. Japan's assistance to Egypt is mainly channelled through the Japan International Cooperation Agency (JICA), and takes the form of non-reimbursable aid, preferential loans and technical cooperation. As of April 2021, the total amount of Japan's



development cooperation projects with Egypt is about \$2.7 billion, of which \$287 million is to support the Egypt-Japan Partnership for Educational Development, \$1.12 billion is to support the electricity sector, \$550 million is to support the transport sector, \$450 million is to support the tourism and antiquities sector, \$240 million is to support the development policy reforms, and \$57 million to support the irrigation sector.

[Overview of China's assistance to Egypt] Projects implemented with the assistance of the Chinese Government include: 16 sets of projects such as the Cairo International Convention and Exhibition Centre, the Investment Service Building in the Suez Economic Zone, the Egypt-China Friendship Demonstration School in the Sixth of October City, the Aquatic Training Centre of the University of the Suez Canal, rural schools, and so on; 1,000 motor vehicles to the Egyptian Government, two sets of container inspection equipment for Egyptian Customs, solar energy and street lights for the Egyptian power plant, and other materials; dispatching agricultural experts to carry out technical cooperation projects; providing three batches of medical materials and four batches of 3 million doses of new crown vaccine and anti-epidemic assistance to Egypt. It has also provided the Egyptian Government with 1,000 motor vehicles, two container inspection equipment for Egyptian customs, solar energy for Egyptian power plants, street lamps, medical supplies and other materials; dispatched agricultural experts to carry out technical cooperation projects; and provided Egypt with three batches of medical materials and four batches of 3 million doses of vaccine to combat epidemics.

The assistance projects currently being implemented or explored by China and Egypt include: the Satellite Assembly Integration and Testing Centre, the expansion of distance education, the Egyptian Remote Sensing Satellite No. 2, the Vocational Training Centre in the Suez Economic Zone, and the Suez Canal University Aquatic Teaching Centre.

training centre, the technical assistance and equipment project for the Egypt-China Institute of Applied Technology at Suez Canal University, and the 60-million-dose New Crown vaccine assistance project. For some large-scale infrastructure projects, the two sides have also carried out useful attempts to make use of preferential loans and interest-free loans from the Chinese side and to increase the concessionality of loans.

### 3.5 Sino-Egyptian Economy and Trade

#### 3.5.1 bilateral agreement

[Bilateral economic and trade agreements] China and Egypt have a long history of economic and trade exchanges; before the establishment of diplomatic relations between the two countries, the Minister of Commerce and Industry of Egypt and the Minister of Foreign Trade of China exchanged visits, and in August 1955, China and Egypt signed the first trade agreement between the governments. Since then, China and Egypt have signed a series of co-operation agreements, such as the Economic and Trade Agreement, the Investment Protection Agreement and the Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income.

In August 2012, the Governments and institutions of the two countries signed the following agreements: Agreement on Economic and Technical Cooperation; Agreement on Strengthening Cooperation between China and Egypt on Agricultural Technology Research and Demonstration Bases; Memorandum of Understanding on Cooperation in the Field of Information and Communication; Memorandum of Understanding on Environmental Cooperation; and Implementation Plan for Tourism Cooperation.

During President Xi Jinping's visit to Egypt in January 2016, the two governments and institutions signed a Memorandum of Understanding on Jointly Promoting the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, a Memorandum of Understanding on Cooperation in the Development and Planning of the Suez Canal Corridor, a Memorandum of Understanding on the Gift of Materials for Addressing Climate Change, a Memorandum of Understanding on Development Assistance for the Silk Road Building Year 2016, an Economic Agreement on Technical Co-operation Agreement on the Suez Economic and Trade Co-operation Zone II in Egypt Memorandum of Understanding on Cooperation in Aviation, Memorandum of

Understanding on Cooperation in Science and Technology, and 21 other agreements and project contracts.

During President Sisi's visit to China in September 2018, the two governments and institutions signed five documents: the China-Egypt Economic and Technical Cooperation Agreement on the Provision of Non-Reimbursable Aid, the China-Egypt Economic and Technical Cooperation Agreement on the Provision of Interest-Free Loans, the Framework Agreement on China's Preferential Loans to Egypt, the Central Bank of Egypt's Renminbi Loan Agreement, and the China-Egypt 2018 Production Capacity Cooperation Key Projects List.

[Bilateral Economic and Trade Consultation Mechanisms] The main bilateral economic and trade consultation mechanisms between China and Egypt are as follows:

**Table 3-15 Bilateral economic and trade consultation mechanisms**

name (of a thing)	Established	gauge	element	Recent developments
China-Egypt Joint Commission on Economy, Trade and Technology	1985	Sino-Egyptian Long-Term Trade Agreement	Establishment of the mechanism of the Sino-Egyptian Joint Commission for the promotion of economic and trade between the two countries	Eighth meeting by videoconference in October 2021

			developmental	
China-Egypt Trade Remedies Co-operation Mechanism	November 2006	Memorandum of Understanding on the Establishment of a Co-operative Mechanism on Trade Remedies	Establishment of a consultation platform on trade remedy mechanisms to address trade frictions between China and Egypt	Fifth meeting by videoconference in October 2021
China-Egypt Capacity Co-operation Mechanism	September 2015	Agreement on Sino-Egyptian Cooperation in Productive Capacity	Establish a mechanism for Sino-Egyptian production capacity co-operation and strengthen the co-operation in transport, electricity, manufacturing and other industries. Production capacity co-operation	Convening of the third "Ministerial Meeting in Cairo" in January 2019 in Cairo.

Intergovernmental Coordination Committee for the Suez Economic and Trade Cooperation Zone (ETCZ)	January 2016	<p>Agreement between the Ministry of Commerce of the People's Republic of China and the General Establishment of the Suez Canal Economic Zone of the Arab Republic of Egypt on Economic and Trade Cooperation in Suez, Egypt.</p> <p>Agreement on the Implementation of the Programme of Action for the Sustainable Development of Small Island</p>	<p>Jointly promoting the construction and development of the Suez Economic and Trade Cooperation Zone to build an important platform for China-Egypt domestic energy cooperation</p>	<p>Third meeting by videoconference in October 2021</p>
--	--------------	---	--	---

		Developing States (SIDS)		
China-Egypt Working Group on Trade Facilitation	October 2021	Understanding between the Ministry of Trade and Industry of the Arab Republic of Egypt and the Ministry of Commerce of the People's Republic of China on the establishment of a working group on trade facilitation	Implementing the "Belt and Road" trade facilitation co-operation initiative, further deepening trade co-operation between the two countries, and enhancing the quality and level of bilateral trade.	First meeting to be held in September 2022

		n Memorandum		
--	--	-----------------	--	--

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

### 3.5.2 bilateral trade

Statistics on bilateral trade in goods between China and Egypt over the past five years are as follows:

**Table 3-16. China-Egypt trade in goods statistics, 2017-2021**

(In billions of United States dollars, per cent)

years	volume of trade (between countries)	growth rate (esp. in economies)	Chinese exports	growth rate (esp. in economies)	Chinese imports	growth rate (esp. in economies)
2017	108.3	-4.2	95.4	-11.5	5.5	141.8
2018	138.3	27.7	119.9	26.4	18.4	36.8
2019	132.0	-4.5	122.0	1.8	10.0	-45.7
2020	145.7	10.3	136.2	11.7	9.2	-7.8
2021	199.7	37.3	182.7	34.0	17.1	84.8

(Chapter)

dollars, per cent)

serial number	HS Code (Chapter)	commodity category	2021	year-on-year	percentage
		aggregate value	182.7	34.0	100.0
1	85	Motors, electrical, audio-visual equipment and their spare parts	31.7	23.3	17.4
2	84	Boilers, mechanical appliances and parts	21.6	27.5	11.8
3	87	Vehicles and their parts and accessories, except railway vehicles, except in addition	14.4	40.8	7.9
4	90	Optical, photographic, medical and other equipment and parts thereof classifier for clothes, luggage, decorations; piece of work; a matter, an event	10.7	67.6	5.9
5	39	Plastics and products	9.9	57.6	5.5

Source: GTF

**Table 3-18. Major Commodity Composition of China's Imports from Egypt, 2021 (Chapter)**

(In billions of United States dollars, per cent)

series	HS code	commodity	import	year-on-year	percentage
--------	---------	-----------	--------	--------------	------------



Source: GTF

### 3.5.3 Chinese investment in Egypt

According to China's Ministry of Commerce, the flow of Chinese direct investment in Egypt in 2021 was US\$196 million; at the end of 2021, the stock of Chinese direct investment in Egypt was US\$1.273 billion.

According to the Egyptian General Authority for Investment and Free Zones (GAFI), by the end of fiscal year 2020/21, there were more than 2,000 Chinese-funded enterprises registered in Egypt, with investments in oil and gas extraction and services, manufacturing, construction, information technology industries, and services. There are more than 140 Chinese-funded enterprises, and nearly 100 representative offices and project departments, which have been registered with the Ministry of Commerce of China and are carrying out economic and trade activities in Egypt.

**Table 3-19. Chinese direct investment in Egypt by year 2017-2021**

(in US\$ million)

	2017	2018	2019	2020	2021
annual flow	9,276	22,197	1,096	2,743	19,571
Year-end stock	83,484	107,926	108,580	119,172	127,344

Source: Ministry of Commerce, National Bureau of Statistics and State Administration of Foreign Exchange, China's Outward FDI Statistical Bulletin 2021.

**Table 3-20 Key Chinese Investment Enterprises in Egypt**

Name of Chinese Investment Entity	Name of overseas enterprise (organisation)	Scope of businesses
Sinopec International Petroleum Exploration and Development Company	Sinopec International Petroleum Exploration and Development Company Egypt/Apache Project	Invested in the acquisition of a portion of Apache Egypt's oil and gas blocks in the United States to carry out oil and gas exploration, development and production
Sinopec Group Xinxing Petroleum Co.	China-Sahelian Drilling Company	Onshore and offshore drilling, well workover engineering services, trading of drilling rigs and equipment

China Xidian Electric Co.	Xidian EGEMAC High Voltage Electric Co.	High-voltage switchgear, transformers, capacitors and surge protection Manufacturing, sales and service business of power transmission products such as surge arresters
Angie's Yeast Co.	Angie's Yeast (Egypt) Co.	Dry yeast, baking powder, biofertiliser
New Hope Six and Co.	New Hope Egypt Co.	Production of processed feed and breeding stock
Midea Group Limited	Midea Carrier Egypt Joint Venture	Manufacture and sale of air conditioners
Kongka Group Limited	Kang Hao Technology Co.	Manufacture and sale of televisions and other household appliances

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

#### 3.5.4 Contractual engineering and labour cooperation

According to China's Ministry of Commerce, in 2021, Chinese enterprises signed 40 new contracting contracts in Egypt, with a new contracted contract value of \$3.96 billion and a completed turnover of \$1.95 billion. A total of 4,109 labourers were dispatched, with 5,020 labourers in Egypt at the end of the year.

Newly signed large-scale contracted projects include: China Construction Alamein New City ultra-high complex project, Chengdu Yard GOE- KES housing project, China Energy Construction Egypt-Saudi Arabia 500KV ultra-high voltage DC transmission line EPC project, Sinochem Sixteen City Star Sharm El-Sheikh Hotel project, and a number of substation projects won by Xidian and other companies.

A brief summary of the key projects under construction and completed is set out below:

( 1 ) New Capital Central Business District (CBD) Project. The project is located in the core area of the first phase of the new administrative capital, including a 385-metre tallest building in Africa, 12 high-rise commercial office buildings, 5 high-rise

apartment buildings and 2 high-class hotels, a total of 20 high-rise building units and ancillary municipal works, with a total gross floor area of about 1.9 million square metres. The project adopts the EPC+F model, and an international syndicate of banks, including Chinese financial institutions, will provide commercial loans for the project. In March 2018, a groundbreaking ceremony was held. In September 2018, China Construction Group signed a general contract for the second phase of the project with the New Urban Development Authority (NUCA) of the Egyptian Ministry of Housing, amounting to US\$3.5 billion. Currently, all 20 single buildings of the first phase of the project have been topped out.

(2) State Grid 500kV Transmission Line Project. The project is constructed by State Grid CLP Equipment Egypt in EPC+F mode. The project construction includes 15 500kV double circuit AC lines with the same tower, totalling about 1,210km. The project officially started in January 2016, with a total construction period of 18 months. The project is the first project of China-Egypt capacity co-operation to be contracted, executed and completed for financing closure, and it is also the largest transmission line project in Egypt for many years. The project is now completed and delivered.

( 3 ) Chengdu Yard six 6,000 tonnes per day cement production line project. The project is the general contracting of six 6,000 tpd clinker cement production lines of BeniSuef, which is the largest cement production line project in the cement industry in the world so far in the same place, at the same time, and in parallel construction. The scope of construction covers the complete cement production line from raw material crushing to packaging and shipping of finished cement products, and the production lines were constructed on a turnkey basis, including design, equipment manufacturing, civil construction, supply and installation, commissioning and training, as well as three years of operation and maintenance. The project was fully completed in May 2018 for delivery.

( 4 ) Phase I of the Ten Days of Ramadan City Light Rail Project. The project is a two-lane electrified light rail line with a design speed of 120 km/hour that will connect downtown Cairo, the 10th of Ramadan City and the new administrative capital, with 11 stations and a total distance of approximately 66 km. On 8 June 2022, the project was inaugurated.

( 5 ) Aswan Benban Photovoltaic Industrial Park solar power plant project. TBEA New Energy and Spanish power developer Acciona, Dubai Swicorp jointly invested in three 50MW photovoltaic projects in Egypt, in which TBEA accounted for 24% of the shares, and at the same time undertook the EPC implementation of the above projects, which is the first time for Chinese enterprises to participate in the investment in the field of photovoltaic in Egypt, and the first time to invest in the power generation end of the country. The project financing is provided by the World Bank IFC, Industrial and Commercial Bank of China (ICBC), ADB and other international syndicates, and Egypt has become the first Arab and African country to receive financing support from ADB. The project has been completed and passed acceptance.

( 6 ) China Harbour (Egypt) Engineering Co. Ltd. is undertaking the construction of Ain Sukhna Port Phase II Container Terminal Project, which is mainly for the construction of four container terminal berths with a total quay shoreline length of 1,350 metres, including quay structure, dredging and excavation, foundation treatment, shore protection, quay office, substation, road stacks, and other utilities, etc., and will pass the acceptance inspection in May 2019.

### 3.5.5 Offshore Parks

China-Egypt Suez Economic and Trade Co-operation Zone, established in 2008, is a state-level overseas economic and trade co-operation zone guided by the Ministry of Commerce of the People's Republic of China and promoted by the Tianjin Municipal Government, and implemented and operated by China-Africa TEDA. The zone is located in the Canal Special Economic Zone of Suez Province, Egypt, in the Golden Triangle of Asia, Africa and Europe, adjacent to the Suez Canal, only 2 kilometres away from Ain Sukhna Port, the third largest seaport in Egypt, and connected to Cairo through a highway. The Zone is governed by Egypt's Special Economic Zones Law and enjoys the policy of returning 50 per cent of investment costs in Class A zones under the Investment Law. By the end of 2021, the project has attracted 123 enterprises, with actual investment exceeding USD 1.3 billion, cumulative sales exceeding USD 3 billion, payment of taxes and fees of nearly USD 190 million, direct employment for about 4,000 people, and industry-driven employment for more than 40,000 people. the production value of the zone in 2021 was USD 620 million, and cumulative production value was USD 3 billion. The starting area of the zone covers 1.34 square kilometres and has been fully developed. The cumulative investment in development and construction is US\$142 million. Initially formed new building materials, petroleum equipment, high and low voltage equipment, machinery manufacturing four leading industries, the key enterprises, including Jushi Group, Fengshang (Shepherd) Group, Xidian Group and so on. The extension area of the cooperation zone is 6 square kilometres, with a total planned investment of 230 million yuan.

The project is expected to attract about 150-180 enterprises, and is expected to realise sales of US\$8-10 billion and provide about 40,000 job opportunities. In early 2016, the Heads of State of China and Egypt unveiled a plaque for the TEDA Cooperation Zone Expansion Project. With the strong support of the Chinese and Egyptian governments, the first phase of the expansion zone has completed the infrastructure construction of 2 square kilometres, all kinds of supporting facilities are operating well, and a number of enterprises including DAYUN Motorcycle and Leichu Textile have been put into production and operation. The 2 square kilometres of the second phase of the expansion area completed the land transfer in April 2019 and started the construction of relevant supporting facilities simultaneously, attracting a number of well-known domestic enterprises, such as Midea and Zhejiang Caidie, to sign contracts and move in. In addition, TEDA has been approved as the only Chinese-funded enterprise that can carry out international logistics bonded and general trade and re-export trade in Egypt, and has obtained the qualification of importing and storing second-hand automobiles, planning 100,000 square metres of land to carry out second-hand automobile-related business, and has established practical cooperation with a number of second-hand automobile dealers in China and Egypt. By the end of 2021, it has completed the sale of nearly 300 cars, sold 20,000 square metres of land for commercial logistics, and attracted three enterprises, including Zheshang Holding, TLS, and Huaxin Zhong'an, to set up in the Cooperation Zone. Up to now, 24 enterprises have settled in the extension area of the Co-operation Zone, attracting an agreed investment of over US\$300 million.

## 4. Investment climate

### 4.1 investment appeal

Since Sisi's election as president in June 2014, Egypt's political turmoil has ended and the political situation has stabilised. Economically, Sisi has launched an ambitious development blueprint, pushed forward major national projects such as the new capital, railway and energy construction, and made efforts to attract foreign capital and promote private investment, and the economic situation has gradually improved. In March 2018, Sisi was successfully re-elected, and various economic policies have been sustained, in particular after the successful amendment of the constitution, Sisi can theoretically be re-elected until 2030, which is conducive to the maintenance of long-term stability in the political and economic situation.

[Investment Environment] Since 2017, the Egyptian government has been pressing ahead with a series of policies to improve the investment environment. In terms of top-level design, the Supreme Investment Council (SIC) was established under the direct leadership of President Sisi, and the Ministerial Investment Coordination Committee (MICC) was established under the leadership of Prime Minister Madbouly. In December 2019, the Cabinet was reshuffled, and the General Authority for Investment and Free Zones (GAFI) was separated from the former Ministry of Investment and International Cooperation (MOIC) to become an independent department directly responsible to the Prime Minister and providing one-stop investment services through its Investor Service Centre (ISC). It is responsible to the Prime Minister and provides a one-stop shop for investment services through its Investor Service Centre (ISC). Egypt does not yet have a ministry dedicated to investment. The Industrial Development Authority (IDA) has been given the mandate to (IDA) status as an independent public economic entity and the power to formulate industrial development policies on its own, etc., to gradually eliminate the problem of multiplicity of authorities and promote the facilitation of registration and approval. On the legal front, the Investment Act and the Industrial Licensing Act have been introduced and amended.

The Bankruptcy Law and amendments to the Company Law, the Income Tax Law and



other laws have improved the legal system covering the entire life cycle of enterprise establishment, operation and exit. With regard to the construction of parks, new investment parks have been established, such as the Golden Triangle Special Economic Zone and the Nuweiba Free Zone, to enhance the carrying capacity for investment. In the area of market access, a series of bills have been enacted to open up monopolistic areas such as natural gas distribution, electricity and railway construction to private capital.

In January 2019, the former Egyptian Ministry of Investment and International Co-operation contracted renowned consulting firm McKinsey to study policy measures to improve Egypt's investment climate in line with best international practices.<sup>20</sup> Since 2020, Egypt has seen a decline in attracting both foreign and indirect investment due to the impact of the epidemic.

#### [Investment Advantages]

(1) Unique location advantages. Egypt straddles the two continents of Asia and Africa, with the Mediterranean Sea to the north and Europe to the south-west, and the African continent to the hinterland. The Suez Canal is the shipping lifeline linking Europe and Asia, and its strategic position is extremely important. Egypt also has sea and air routes connecting it to Europe, Asia and Africa, as well as a land transport network connecting it to neighbouring African countries, making it a convenient and geographically advantageous location.

(2) Favourable international trading conditions. Egypt joined the World Trade Organisation in 1995 and actively participates in various multilateral and bilateral trade agreements. The main regional trade agreements to which it has acceded include the Egypt-European Union Partnership Agreement (EEU PAA), the Greater

Arab Free Trade Area (AFTA) Agreement, African Free Trade Area (AFTA) Agreement, Qualified Industrial Zones (QIZ) Agreement (US-Egypt-Israel), Common Market for Eastern and Southern Africa (COMESA), Egyptian-Turkish Free Trade Area (ETTA) Agreement, and others. Under these agreements, Egypt enjoys a zero-tariff free trade policy for the vast majority of its exports to the countries of the agreement area.

(3) Sufficient human resources. Egypt is the most populous country in the Middle East and the third most populous country in Africa, with abundant labour resources, with more than 50 per cent of the population under the age of 25. In addition, Egypt's low-end and high-end labour force coexist, and the overall wage level is very competitive in the Middle East and Mediterranean coastal region. The prevalence of English among young people is relatively high, as is the availability of French-speaking talent. There is a considerable pool of highly educated technical and managerial talent, with more than 300,000 new university graduates each year.

(4) (c) Richer natural resources. Egypt has a large amount of undeveloped wasteland at low prices, and less developed regions such as Upper Egypt even provide industrial land free of charge. Oil and gas resources are constantly being discovered, and with the commissioning of the Zohr gas field, the largest in the Mediterranean, Egypt is once again exporting natural gas. In addition, it is rich in mineral resources such as phosphates, iron ore, quartz, marble, limestone and gold.

(5) A domestic market full of potential. Egypt is the third largest economy in Africa and the third largest country in terms of population, with a strong sense of national consumption and a large domestic market. At the same time, the consumption structure is polarised, not only the existence of a large number of low-income people in the stage of basic life consumption, but also has a sizable number of high-income people who have entered the stage of enjoyment consumption. World Economic Forum  
According to the Global Competitiveness Report 2019, Egypt ranked 23rd out of 141 of the world's most competitive countries and territories in the "market size" indicator, the first in the Middle East and Africa region.

(6) Relatively good infrastructure. Egypt has a road network of nearly 180,000 kilometres, which basically connects most of the country's towns and villages. There are 10 international airports, with Cairo Airport being the second largest air terminal in Africa. There

are 15 commercial ports with 155 berths and an annual cargo handling capacity of 234 million tonnes. In addition, with more than 59,063 MW (as of December 2020) installed power generation capacity, it has the highest power generation capacity in Africa and the Middle East, and achieves a sizable power surplus and exports. Overall, Egypt's infrastructure is relatively well-developed for Africa as a whole, although it faces the problem of ageing.

[WEF Ranking] Egypt was ranked 93rd out of 141 countries in the Global Competitiveness Index Report 2019 published by the World Economic Forum. In terms of sub-indicators, Egypt's biggest improvements were in administrative efficiency and product markets, which improved by 20 and 21 places year-on-year, respectively. The administrative efficiency aspect is mainly due to the Egyptian government's efforts to improve the efficiency of government services and management, the legal system, and dispute resolution in order to ensure investor confidence.

[World Bank Doing Business report] According to the World Bank's Doing Business 2020 report, Egypt ranks 114th out of 190 countries and regions worldwide. Cross-border trade, tax burden, and compliance capacity are all ranked after 160, and there is still much room for improvement in the business environment.

[Global Innovation Index Ranking] The Global Innovation Index 2022 published by the World Intellectual Property Organisation (WIPO) shows that Egypt is ranked 89th out of 132 countries and territories in the overall index.

[Other rankings]

(1) The World Bank report, *Connect and Compete: Trade Logistics in the Global Economy*, showed that Egypt was ranked 67th in the 2018 Logistics Performance Index (LPI).

(2) In May 2019, the World Bank released the *World Development Report 2019 - The Changing Nature of Work*, in which Egypt scored 0.49 and ranked 104th out of 157 countries on the Human Capital Index indicator. The indicator measures "the proportion of the economy's total labour force that has access to a complete education and full health".

(3) The Rand Merchant Bank (South Africa), Africa's largest corporate and investment bank in 2021, published the *Africa Investment Guide 2021*, which ranked Egypt as the best investment destination country in Africa for the fourth consecutive year.

(4) Egypt was ranked 37th in the 2016 Global Manufacturing Competitiveness Index by Deloitte.

(5) In June 2022, Yale University released its global Environmental Performance Index (EPI) ranking, in which Egypt ranked 127th; out of 16 Arab countries, Egypt ranked eighth.

(6) In April 2021, Egypt was ranked as the top services receiving country in the Middle East and North Africa (MENA) and 15th out of 60 economies in the world in the Global Offshore Services Destination Index (GSLI) published by A.T. Kearney, a renowned consulting firm in the United States. With 300,000 university graduates per year, 10 per cent of whom are in information technology or outsourcing-related disciplines, Egypt has an important advantage in the development of offshore services.

(7) In January 2022, MAGNITT, a Middle Eastern venture capital institution, released a report stating that Egypt ranked third in Africa in terms of the amount of startup financing in 2021, accounting for 18 per cent of the amount of financing by countries on the continent.

Since the announcement of the "Digital Egypt" strategy, Egypt has been working to

enhance the digitisation of public services in order to provide them in a faster and more convenient manner. The Ministry of Communications and Information Technology (MCIT), as the lead ministry, has strengthened cooperation with ministries responsible for law enforcement, notary publics, commodities supply, electricity, agriculture, transport, real estate registration, mortgages, and investment, to develop and launch public service offerings on the Digital Egypt public service platform for these ministries. In February 2022, MCIT Minister Talat stated that more than 125 government services have been launched on the Digital Egypt Public Services Platform.

## 4.2 financial environment

### 4.2.1 Local currency

Egypt's legal tender is the Egyptian pound (L.E) On 4 November 2016, Egypt introduced a floating exchange rate and the EGP depreciated significantly.

After violent fluctuations in 2017 began to start to stabilise, after 2019 slightly appreciated. 2021 March 31, the Central Bank of Egypt announced the official median price of 1 U.S. dollar to about 15.67 Egyptian pounds, 1 yuan to about 2.41 Egyptian pounds. 2022 February the Russian-Ukrainian conflict broke out. The spillover effect of the ongoing conflict on the Egyptian economy has become increasingly obvious, and the Egyptian foreign capital continues to flow out, the Egyptian pound is facing depreciation pressure. 21 March, Egypt announced a 1% increase in interest rates, the Egyptian pound to the U.S. dollar exchange rate fell to 18.2 to 1, a drop of more than 15%. Since 2019, Egypt's major commercial banks have opened RMB business and can settle with the EGP by opening RMB accounts.

**Table 4-1. Changes in the official exchange rate of the EGP,**

dates	1 Euro to Egyptian pound median price	USD 1 to EGP median price	CNY1 to Egyptian Pound Median Price
2016-01-03	8.39	8.73	1.19
2017-01-02	19.14	18.27	2.63
2018-01-02	21.37	17.72	2.73
2019-01-02	20.48	17.91	2.61
2020-01-02	17.94	16.04	2.30
2020-03-31	17.28	15.75	2.22
2021-03-31	18.48	15.76	2.41
Source: Central Bank of Egypt			
2022-03-31	20.17	18.22	2.87

#### 4.2.2 Foreign exchange management

[Foreign exchange management policy] According to the Egyptian Foreign Exchange Act No. 38 of 1994, investment companies may open bank accounts in United States dollars and retain their profits in United States dollars, with foreign exchange being freely convertible. The Investment Law also guarantees that investment funds and profits can be freely remitted and that all funds can be repatriated in a single instalment in the event of the company's liquidation. In other cases, they can be remitted in five instalments over a period of five years.

Egypt's foreign exchange has been relatively tight for a long time due to the huge

goods trade deficit. In practice, there are difficulties for foreign companies to remit funds in the name of profits, and commercial banks will specify the maximum amount of foreign currency to be exchanged at one time and for what purpose, in accordance with the CBE's window guidance. In December 2015, the Central Bank of Egypt (CBE) ruled that it would no longer provide any form of financing services against imports for the purposes of trade, except for raw materials, means of production, and some strategic commodities (including medicines, vaccines, or chemicals, and specific food products such as children's milk powder) are exempted from it.

In November 2016, the Egyptian pound was introduced to a floating exchange rate, and foreign exchange constraints were significantly reduced and continue to improve. In accordance with the loan agreement between the IMF and Egypt, Egypt has gradually removed a number of foreign exchange controls, and in December 2017, the Central Bank of Egypt began implementing the "Foreign Investment Funds Repatriation Guarantee Mechanism"<sup>11</sup>, which allows foreign investors to pay a 1 per cent fee on their incoming funds.

After the field fee, investments are made in Egypt and the investment proceeds can be exchanged and repatriated at the exchange rate specified in Egypt. In December 2018, the mechanism was announced to be cancelled and foreign funds entering the Egyptian market through the mechanism can be exchanged and repatriated at any time at the exchange rate specified in the original mechanism. New inflows of foreign investment funds can purchase and transfer Egyptian treasury bonds directly through local Egyptian commercial banks.

Egypt's foreign exchange reserves fell to \$36bn at the end of May 2020, a significant reduction of \$9.5bn from the February high, as a result of the New Crown Pneumonia outbreak, but they were still able to meet eight months of imports and were in a safe range. In April 2021, Egypt's foreign exchange reserves rebounded to \$40.3bn. By the end of 2021 Egypt's foreign exchange reserves reached \$40.934 billion. Currently, the Egyptian government has imposed new restrictions on foreign exchange companies, requiring foreign exchange brokers to verify the identity of their clients and the reason for the transaction when selling foreign exchange. Individuals must provide a reason for the exchange, including identity cards, workplace information, passports with valid visas, and airline tickets; companies must also provide business registration information, foreigners residing in Egypt must present a valid residency visa, and diplomats must be verified to pass through their workplace before they can obtain foreign currency.

[Enterprises opening foreign exchange accounts] Foreign enterprises can apply to open foreign exchange accounts at Egyptian commercial banks, the vast majority of which can open accounts in United States dollars or euros. Some commercial banks, such as the Bank of Egypt, Commercial International Bank of Egypt, HSBC, Qatar Bank, etc., have opened RMB business, including opening RMB accounts, processing RMB letters of credit, RMB non-cash transfers and foreign exchange transactions. Requirements and documents needed to open an RMB account vary for different types of businesses and for individual customers on a case-by-case basis.

[Foreign exchange inward/outward remittances] Egypt allows foreign exchange inward and outward remittances, but only on the basis of genuine transactions, which must be documented to the depositary bank.



[Profit remittance] The legitimate profits of a foreign enterprise can be remitted after examination, and a withholding tax of 5 per cent or 10 per cent is payable upon remittance. In addition, it is necessary to pay a handling fee of 2‰-3‰ to the bank, but some banks are currently exempt from the handling fee.

The Egyptian government allows travellers to carry foreign currency in and out of Egyptian customs. Since 2012, it has been prohibited to bring more than 5,000 Egyptian pounds or \$10,000 in cash into or out of Egypt.

#### 4.2.3 Banks and insurance companies

[Central Bank] The Central Bank of Egypt (CBE) was established in 1960 as a banking authority directly under the Cabinet. Its main functions include issuing currency, supervising the operation of the banking system, formulating credit and banking policies, managing foreign exchange reserves, regulating the foreign exchange market, supervising the payment system, and tracking and managing foreign debt.

[Commercial banks] In 1975, Egypt enacted Act No. 120, the Banking Act, which defines the scope of business and mode of operation of all banks in the country, which are divided into three main types: commercial banks, investment banks and specialised banks. Commercial banks operate general storage operations and finance various market transactions. Investment banks may accept deposits and provide financing for foreign trade operations, but they mainly invest in medium- and long-term operations, such as supporting emerging industries and providing financing for investment in fixed assets.

Specialised banks mainly serve specific sectors of the country, providing long-term financial support for real estate, industrial and agricultural development. Currently, there are 40 banks with licences to practise in Egypt, including 5 state-owned banks, 28 private and joint venture banks, and 7 branches of foreign banks. National Bank of Egypt is the largest commercial bank in Egypt and has opened a branch in Shanghai. Banque Misr (Bank of Egypt) is the second largest commercial bank with an office in Guangzhou. Commercial International Bank (CIB) is the largest private bank in Egypt.

**Foreign Banks]** The larger local foreign banks include Qatar National Bank (QNB), HSBC, Commercial International Bank (CIB), etc. In 2003, Egypt enacted and implemented the new Banking Law, which welcomes foreign banks and financial institutions to participate in the privatisation process of Egyptian banks and to enter the Egyptian financial market through shareholdings and acquisitions, etc. The Central Bank of Egypt has long ceased to issue new banking licences. The Central Bank of Egypt has long ceased to issue new banking licences, and foreign banks can only enter the Egyptian market through the acquisition of existing banks, but can set up representative offices in Egypt. Currently, there are 20 representative offices of foreign banks registered with the Central Bank of Egypt, including the Bank of New York Mellon, Commerzbank, JPMorgan Chase Bank, Standard Chartered Bank and others, mainly from the United States, Japan, Europe and the Middle East.

**[Insurance companies]** The insurance industry in Egypt had an early start, and in 1900, the first Egyptian insurance company, the National Insurance Company (NIC), was established.

(The National Insurance Company (NIC) was established. Since then, the development of the insurance sector has suffered repeated setbacks through waves of nationalisation and privatisation. According to the Egyptian Financial Supervisory Authority (EFSA), at the end of June 2019, there were 39 insurance companies in Egypt, with total premiums amounting to £35.2bn. Among them, there are 15 life insurance companies, 22 property and casualty insurance companies, one export insurance company and one insurance co-operative. Of these companies, 3 are state-owned and the remaining 29 are privately owned. There is also an additional reinsurance company. The main insurance companies in Egypt are: Egyptian Life Insurance Company,

Egyptian Property and Casualty Insurance Company, Allianz Life Insurance Company (Egypt), Metropolitan Life Insurance Company, and International Commercial Life Insurance Company. The entire industry is now open to foreign investment (foreign investors can hold majority stakes in local insurance companies). Since 2009, the Egyptian Financial Regulatory Authority (FRA) has been responsible for regulating the insurance sector. In FY 2018/19, the insurance sector contributed 9% to GDP, with premiums growing by 19% year-on-year. Insurance funds are mainly invested in bank deposits, government bonds and non-government bonds.

[Foreign enterprises opening bank accounts] Foreign enterprises can open accounts in local banks, and those that have already been incorporated need to provide the following information: business registration certificate, tax card, investment guide (small red book issued by GAFI, which is received at the time of registration of the company) and signatures of the company's shareholders or chairman of the board of directors; for those that have not yet been incorporated, they need to obtain the consent of the parent company and provide the SWIFT code of the bank that is authorised to withdraw the money.

[Chinese Bank in Egypt] At present, China Development Bank has a representative office in Egypt, which is the only official financial institution set up by China in Egypt, contact telephone number: 02-27507406/02-23802799. China Development Bank and the Central Bank of Egypt, the National Bank of Egypt, the Bank of Egypt, the African Export-Import Bank and other local and regional multilateral financial institutions all have

The main business includes loans, investment, bond underwriting, financial leasing, securities brokerage and other full-licence financial services, and its main function is to deepen the financial cooperation between China and Egypt, and to serve the construction of the "One Belt and One Road" and the production capacity cooperation between China and Egypt.

#### 4.2.4 Financing channels

[Base interest rates and commercial financing costs] In March 2020, the Monetary Policy Committee of the Central Bank of Egypt made an urgent decision to reduce the base interest rate by 300 basis points, with the overnight deposit rate falling to 9.25 per cent, the overnight lending rate to 10.25 per cent, and the main operating and discount rate falling to 9.75 per cent. According to data from the Central Bank of Egypt's website, on 11 May 2020, the overnight deposit and lending base rates were 9.25% and 10.25%, respectively, and the interbank overnight lending rate was 9.789%, both in EGP. On 21 March 2022, the Central Bank of Egypt (CBE) decided to increase interest rates by 1%, for the first time in five years (July 2017 to date). The decision raised the deposit rate, the overnight lending rate and the central bank's main operating rate by 100 basis points each. Credit rates were also raised, with the discount rate at 100 basis points. With regard to the cost of commercial financing, the cost of EGP loans offered by local banks is generally above 13 per cent, and the interest rate for US dollar loans is based on LIBOR, adjusted depending on the creditworthiness of the enterprise, the term of the loan and the risk of the project. Under the Central Bank's policy, SMEs are entitled to favourable tax rates for local financing.

[Local financing for foreign enterprises] Egypt's lending conditions for foreign enterprises are the same as those for local enterprises, and local loans require collateral, financial reports, and projections of the company's future performance and cash flow. Due to the unfavourable conditions and high cost of local financing, Chinese companies mainly rely on domestic financial institutions for financing or use sub-loans provided by domestic financial institutions to local financial institutions.

[Letter of Guarantee] A local bank may issue a letter of guarantee in favour of a foreign enterprise, provided that a credit relationship exists between the local bank and the

foreign enterprise. If there is a credit relationship between the local bank and the foreign bank or relevant institution, it can also be issued by the foreign bank and then transferred by the local bank. The materials to be provided include the form of the letter of guarantee confirmed by the beneficiary of the letter of guarantee, the application for the letter of guarantee, etc., and the requirements vary from bank to bank.

Local business must be settled in local currency, and the United States dollar can be used only in a limited number of sectors. The majority of Egypt's foreign exchange expenditure is spent on seven sectors (oil, medicine, food, energy, etc.) that are related to the country's livelihood. Since 2019, major commercial banks in Egypt have opened RMB business, and companies can consult with commercial banks for trade settlement and investment co-operation with the EGP by opening RMB accounts.

[Green Economy Financial Policies and Products] Egypt issued its first sovereign green bond with a nominal value of \$750 million on the London Stock Exchange in October 2020, the first sovereign green bond in the Middle East and North Africa region and the largest issuance of green bonds in the region. Proceeds from the issue will be used to invest in green projects in Egypt, covering renewable energy, clean transport, sustainable water treatment and wastewater management, and pollution reduction and control.

#### 4.2.5 Credit Card Usage

As of December 2021, there were 4,470,100 credit cards, 177,400 POS machines and 19,000 ATMs in Egypt. Major international credit card issuers have some degree of co-operation with Egyptian banks, such as VISA and Mastercard. The use of credit cards in Egypt is average, with higher penetration rates in upscale hotels, shopping malls, supermarkets and tourist venues in Cairo and other major cities.

China UnionPay has chosen Egyptian Banks Co (EBC for short, brand logo 123), the Egyptian Banks Card Consortium, as its partner in Egypt. Since January 2010, more than 3,000 ATMs in Egypt, including National Bank of Egypt, Bank of Egypt and other major banks, have accepted UnionPay cards, with a coverage rate of almost 100%, which basically makes it possible to travel around Egypt with a UnionPay card without any obstacles. The services provided by UnionPay card at ATMs in Egypt are cash withdrawal (EGP) and balance enquiry.

#### 4.3 financial market

[Capital Markets] The Egyptian capital market dates back to the 19th century and is one of the oldest in the MENA region. The Alexandria Exchange was founded in 1888 and the Cairo Exchange (now known as the Egyptian Exchange) was founded in 1903. In the twentieth century, the Egyptian Exchange was considered the fifth largest exchange in the world. The Egyptian Government enacted the Capital Market Law in 1992.

Egypt has two main stock exchanges: the Egyptian Exchange (EGX) for the main board and the Nilex for the SME board. The benchmark index is the EGX30, which represents the 30 most liquid and active companies on the Egyptian Exchange, and there are also weighted indices such as the EGX50, EGX70, and EGX100. The EGX30 index at the close of trading on 8 June 2022 stood at 10,236.06 points, with its all-time high of 18,363.2 points (April 2018).

In June 2022, the Egyptian EGX had more than 200 listed companies, with a total market capitalisation of assets of approximately EGP 670+ billion. The Chairman of the Board of Directors of the EGX is appointed by the Prime Minister, 60 per cent of the Board members are elected by market participants such as investment banks and fund

houses, and 40 per cent are appointed directly by the Capital Markets Authority, the Central Bank and the Banking Group. The regulator is the Egyptian Capital Markets Authority (ECMA), whose director is directly appointed by the President. The current accounting standards and trading systems are in line with international standards, and the EGX was the first Arab stock market to join the Global Alliance of Securities Markets in 2005. The EGX charges a transaction fee of 0.01 per cent for listed securities, 0.1 per cent for unlisted securities and 0.025 per cent for GDRs.

#### 4.4 factor cost

##### 4.4.1 Water, electricity, gas and oil prices

[Water prices] The price of water for factory use is around EGP 9 per tonne, with slight variations in different areas. At the end of 2016, the price of water for residential use was increased by 25 per cent, and in June 2018 it was increased again by a significant amount. The water and sewerage company collects water bills at the door every month, and water consumption is calculated from the first of the month to the last day of the month. See Table 4-2 for specific prices.

**Table 4-2 Costs of residential water use in Egypt**

Water consumption (cubic metres)	Price (EGP)
0 - 10	0.65/m <sup>3</sup>
11 - 20	1.60/m <sup>3</sup>
21 - 30	2.25/m <sup>3</sup>
31 - 40	2.75/m <sup>3</sup>
40 or more	3.15/m <sup>3</sup>

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

On this basis, the water charge, 57 per cent of the sewerage charge, and a service charge of EGP 2.5 are collected, and the three parts of the water charge, sewerage charge and service charge are added together to make the monthly water charge payable.

[Electricity Prices] Residential and commercial electricity is subject to a laddered tariff, and the Egyptian government has been gradually reducing tariff subsidies and increasing electricity prices since 2016. The tariffs were increased on 1 July 2018, with an average increase of 26% for residential electricity, 10%-20% for commercial electricity, and 20%-40% for industrial electricity. The tariffs were increased again in July 2020, with an average increase of 19.1%. The Egyptian government also announced that it had postponed the increase in residential electricity prices for six months in order to comply with President Sisi's directives. The Egyptian government announced in June 2022 that it had postponed the residential electricity price increase scheduled for July by six months in order to implement President Sisi's directive. Currently, the electricity company collects the previous month's electricity bill at the beginning of each month, and the monthly electricity bill payable



consists of the following: electricity consumption x the zone price + a surtax (small amount) for that zone. Residents can apply for a smart meter at the electricity office and pay their electricity bills by topping up their electricity cards, which is more convenient and safer than the old-fashioned meters.

Industrial electricity is subject to an installation charge at a rate of EGP 1,000/KW, depending on the voltage. In terms of tariffs, the rates are around EGP 1.1-1.25/kWh. See Table 4-3 for specific rates for each type of electricity.

**Table 4-3 Residential electricity prices (from 1 July 2020)**

Electricity consumption (kWh)	Price (EGP)
0 - 50	0.38/degree
51 - 100	0.48/degree
101 - 200	0.65/degree

201 - 350	0.96/degree
351 - 650	1.18/degree
651 - 1000	1.40/degree
More than 1000	1.45/degree

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

**Table 4-4 Commercial electricity prices (from 1 July 2020)**

Electricity consumption (kWh)	Price (EGP)
0 - 100	0.65/degree
101 - 250	1.23/degree
251 - 600	1.40/degree
601 - 1000	1.55/degree
1001 and above	1.60/degree

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

[Gas Price] Residential gas is subject to a stepped gas price, charged on a monthly basis, see Table 4-5 for details.

**Table 4-5 Residential Gas Prices**

Gas consumption (cubic metres)	Price (EGP)
0 - 30	2.5/m5
31 - 60	3.25/m2
61 or more	3.75/m7

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

A large number of Egyptian residents use canned gas at around EGP 65 per can. The price of natural gas for industrial use is \$4.5-6 per MBTU.

[Petrol and diesel] Egyptian oil prices have long been below the cost of production. According to the economic reform agreement with the IMF, the Egyptian government began to officially implement the automatic oil price adjustment mechanism in June 2019, pegging the price of Brent crude oil, the combined exchange rate changes and transport costs, and adjusting the price every three months, with a range of less than 10 per cent. The aim of this policy is to drive the selling price in line with production costs to reduce the pressure on fiscal subsidies. After a number of price increases, in April 2022, the price of diesel was EGP 6.75 per litre and No. 80

Petrol is EGP 7.25/litre, petrol 92 is EGP 8.5/litre and petrol 95 is EGP 9.5/litre.

#### 4.4.2 Labour wages and supply and demand

Egypt is the most populous country in the Middle East, with a population of 104 million in 2021 and a labour force of more than 29 million. In January 2022, Egyptian President Sisi announced that the minimum wage would be raised to EGP 2,700/month (about \$172). In manufacturing companies, for example, the average labourer is paid around EGP 2,000-4,000 (including social security and taxes), while skilled workers are paid EGP 4,000-6,000, and higher level Chinese translators are paid EGP 7,000-12,000. The salary of ordinary management personnel (accounting, human resources, logistics and customs clearance positions) is EGP 3,000-5,000, and the more effective enterprises can reach EGP 5,000-8,000.

With more than 3.55 million Egyptians working abroad, the Egyptian labour force is competitive in the Middle East and the Mediterranean coastal region, with average monthly wages ranging from \$150 to \$250 for workers, about \$300 for managers and about \$600 for employees of joint venture banks. Overtime pay is 125 per cent of the regular wage during the day, 150 per cent at night and 200 per cent on holidays.

[Demand for foreign labour] Egypt is a large labour force and a major exporter of labour, with abundant labour resources and a small demand for foreign labour, except for some technical and managerial positions. Accordingly, work permits for foreign workers are granted only in cases where there are engineering or investment projects that cannot be performed by local workers.

#### 4.4.3 Land and housing prices

Land in Egypt's industrial zones is available for sale at a price of EGP 700-1,000 per square metre for land, EGP 1,000-2,000 per square metre for factory buildings, and EGP 20-50 per square metre per month for factory rentals, depending on the location, accessibility and availability of infrastructure. Construction must start within 5 years of purchase. Some land on the East Bank of Upper Egypt is available free of charge on condition that construction must start within 3 years.

Construction of the TEDA Economic and Trade Cooperation Zone Start-up Area of 1.34 square kilometres has been completed and all land has been sold. The expansion area is

6 square kilometres, and the land is 45-year right of use. The current land prices are US\$ 50-55 per square metre for industrial land, US\$ 60 per square metre for logistics land and US\$ 100 per square metre for commercial land. Factory rentals are available at EGP 38-44/m<sup>2</sup>/month and office rentals at EGP 135-153/m<sup>2</sup>/month. TEDA Bonded Warehouse can provide enterprises with bonded and non-bonded warehousing, customs inspection, loading and unloading, combined packaging, sorting and packing, adding and brushing marks, logistics and distribution services. The bonded warehouse yard can provide empty and heavy container storage, cleaning, fumigation and maintenance services.

Land in Egypt's public free zones can only be rented at a higher rate than normal industrial plots, with prices to be negotiated individually depending on the project. If an existing private project applies for a private free zone, the nature of the land does not change.

Land in SEZs can only be leased for a maximum period of 50 years.

#### 4.4.4 construction cost

Table 4-6. Costs of major building materials in Egypt (May 2021)

serial number	name (of a thing)	norm	unit (of measure)	price of item	
				Egyptian pound (EGP)	Tax included or not
1	rebar	φ10-φ32	ton (loanword)	14600	be
2	bulk cement	42.5R	ton (loanword)	700	be
3	bagged cement	42.5R	ton (loanword)	720	be
4	aggregates	5-24mm	cubic metre (unit of volume)	100	be
5	grit		cubic metre (unit of volume)	50	be
6	square wood		cubic metre (unit of volume)	9120	be
7	diesel oil	0#	rise to the rank of	8.75	be
8	petrol	92#	rise to the rank of	6.75	be

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

## 5. Regulatory policy

### 5.1 Trade regulations and policies

#### 5.1.1 Trade authorities

The Egyptian Ministry of Trade and Industry (MOTI) is the competent authority for foreign trade in Egypt. The Ministry comprises the General Organization for Export and Import Control (GOEIC), the Industrial Development Authority (IDA), the General Organization for Exhibitions and Conferences (EECA), the General Organization for Standards and Quality (GOSQ), and the Ministry of Trade and Industry (MOTI). (EOS), the Commercial Services Agency (ECS), the Export Development Authority (EDA), the Export Promotion Bank (EBE), and the Trade Remedies Authority (TRS). Of these, the General Authority for Import and Export Control is responsible for inspection and control of imported and exported goods, the Commercial Services Agency is responsible for sending trade representatives to various countries, the General Authority for Exhibitions and Conferences manages exhibitions held in Egypt and abroad, the Export Development Authority is responsible for export promotion, and the Trade Remedies Authority is responsible for anti-dumping and countervailing duties.

The main civil society organisations involved in research and consultation on economic and trade policies and regulations and trade and investment promotion in Egypt are the Federation of Egyptian Chamber of Commerce (FEDCOC), the Federation of Egyptian Industries (FEI), the Egyptian Chamber of Commerce (ECC) and the Egyptian Chamber of Commerce (ECC).

(Egyptian Federation of Industry (EFI) and Egyptian Businessman's Association (EBA). -(EBA), etc. In addition, there are a number of local commercial agreements, such as the Cairo Chamber of Commerce, the Alexandria Chamber of Commerce and others.

Institutions of a parastatal nature, such as the Egyptian Export Credit Guarantee Corporation (ECGC) and the Export Development Bank (EDB), also play an important role in the field of trade.

#### 5.1.2 Trade regulations

The main laws governing foreign trade in Egypt are the Customs Act and the Import and Export Act and their amendments. The Customs Act, which was updated in 2020, aims to enhance the attractiveness of foreign investment and the competitiveness of foreign trade by improving customs facilitation and enhancing import and export management capacity. Under the new Customs Law, Egypt will launch the National Single Window online platform in 2020 and make it operational in 2021; the Advanced Cargo Information System (ACIS) will be launched by Ministerial Decree No. 38 of 2020 issued by the Ministry of Finance and will become operational in 2021; and the Cargo Information System will be launched in 2020 by Ministerial Decree No. 38 of 2020 issued by the Ministry of Finance and will become operational in 2021. In 2020, Ministerial Decree No. 38 of the Ministry of Finance was issued to launch the Advanced Cargo Information System (ACIS), which was officially launched on 1 October 2021. Trade-related laws and regulations are available on the websites of the Egyptian General Authority for Export and Import Control and the Egyptian General Authority for Investment and Free Zones.



**Table 5-1 Egypt's main trade laws and regulations**

serial number	name (of authority)	Date of enactment	link (on a website)
1	[No. 66/1963] Customs Act [No. 207/2020] Customs Law 2020 Revised Edition	1963 2020	<a href="https://www.gafi.gov.eg/English/StartaBusiness/Laws-and-Regulations/PublishingImages/Pages/TradeLaws/Press%20here.pdf">https://www.gafi.gov.eg/English/StartaBusiness/Laws-and-Regulations/PublishingImages/Pages/TradeLaws/Press%20here.pdf</a> ; <a href="http://www.acs.org.eg/wp-content/uploads/2020/12/Customs-Law-207-2020-.pdf">http://www.acs.org.eg/wp-content/uploads/2020/12/Customs-Law-207-2020-.pdf</a>
2	[No. 118/1975] Import and Export Act	1975	<a href="https://www.goeic.gov.eg/upload/online/2017/10/documents/files/en/386.pdf">https://www.goeic.gov.eg/upload/online/2017/10/documents/files/en/386.pdf</a>
3	[No. 121/1982] Import Registration Act [No. 7/2017] Import Registration Law 2017 Amendment	1982 2017	<a href="https://www.goeic.gov.eg/upload/online/2017/10/documents/files/en/405.pdf">https://www.goeic.gov.eg/upload/online/2017/10/documents/files/en/405.pdf</a> ; <a href="https://www.goeic.gov.eg/upload/online/2017/10/documents/files/en/385.pdf">https://www.goeic.gov.eg/upload/online/2017/10/documents/files/en/385.pdf</a>
5.1.3 4	Relevant provisions on trade regulation [Import regulations] [No. 159/2002] Export Promotion Act Pre-registration system for cargo information.	2002	<a href="https://www.gafi.gov.eg/English/StartaBusiness/Laws-and-Regulations/Documents/ExportPromotionLaw.pdf">https://www.gafi.gov.eg/English/StartaBusiness/Laws-and-Regulations/Documents/ExportPromotionLaw.pdf</a>

The Advanced Cargo Information (ACI) system was officially launched in Egypt on 1 October 2021 in order to improve the efficiency of customs clearance, enhance the level of automation in customs management, and to align with international standards of procedures for trade in goods and requirements for the clearance of goods. Egyptian importers are required to submit all necessary transport information and data related to transactions with foreign exporters through the platform of the National Unified Window (referred to as Nafeza in Arabic) 48 hours prior to the arrival of the goods at Egyptian ports, or else the goods will be returned to the Egyptian ports upon arrival.

ACI operation process: Egyptian importers or their customs brokers enter all the data

related to the transported goods through the ACI system on the Nafeza platform before shipment; EHI will issue the transport identification number, i.e. the ACI number, within 48 hours and inform the importer of it.

and the exporter; the exporter transmits transport-related documents and data electronically, ensures that each document is equipped with an ACI number and sends it to the importer; the importer confirms that the data sent by the exporter is correct. Thereafter, the goods leave the port, the importer pays the import duties and taxes, and the goods arrive at the Egyptian port. Exporters, suppliers and transporters need to be aware of the requirements to ensure that the information is submitted in an accurate and timely manner, see <https://www.nafeza.gov.eg/en>.

Importers need to use the letter of credit to import goods related regulations

In March 2022 the Central Bank of Egypt (CBE) implemented new regulations requiring importers to use letters of credit to import goods. As of

In May 2022, the circumstances and goods exempted from importation using letters of credit include:

- ( 1 ) Branches and subsidiaries of foreign companies are exempted from submitting letters of credit if import activities are limited to the scope of the parent company and its group entities;
- ( 2 ) Goods received by courier;
- ( 3 ) Goods with a value of not more than US\$ 5,000 or the equivalent of that amount in other currencies;
- ( 4 ) Drugs, serums and related chemicals;
- ( 5 ) Some food items, including wheat, tea, meat, fish, poultry, cooking oil, infant formula, milk powder, broad beans, lentils, butter, maize, etc;
- ( 6 ) Import of raw materials, etc., required for production by manufacturers.

See the Central Bank of Egypt's official website for an explanation of the relevant regulations. Provisions related to the registration system for imported products

According to Ministerial Decree No. 43 issued by the Egyptian Ministry of Trade and Industry (MOTI) in 2016, foreign manufacturers exporting some consumer products to Egypt are required to register with the General Organisation for Export and Import Control (GOEIC). Egyptian Customs will not release the products of manufacturers who are not registered. On 15 January 2019, the Ministry of Trade and Industry issued Ministerial Decree No. 44 of 2019, expanding the scope of goods subject to registration.

Commodities subject to exporter/vendor registration include: retail dairy products; retail  
canned and dried fruit; retail food

Oils and fats for use; chocolate and other cocoa-containing foodstuffs for retail sale;  
sugar; pasta; fruit juices for retail sale; purified water; mineral water and soft drinks;  
cosmetics, skin care products, dental care products, deodorants, toiletries, perfumes;  
soaps, soap-type cleaning products for retail sale; floor-covering products; crockery and  
cutlery; bathtubs, hand-washing basins, toilet bowls; toilet paper, toilet tissue, nappies;  
ceramic tiles; tables made of glass; Military ironware; stoves, fryers, air conditioners,  
fans, washing machines, blenders, water heaters and other home appliances; furniture  
and office furniture; bicycles, motorbikes and electric vehicles; clocks and watches;  
household lighting equipment; children's toys; luggage; boxes and bags; shaving and  
hair-care appliances; mobile phones and telephones.

The registration of an exporter must be completed by the legal representative of the  
foreign producer, the brand owner or the legal delegate of the first two. The information  
required for registration is set out below:

- ( 1 ) A copy of the manufacturer's business licence;

- ( 2 ) Legal entity and business scope documents;
- ( 3 ) Information on the manufacturer's own brands and the brands they represent or authorise;
- ( 4 ) Quality control certificates applied for and obtained by factories, certificates of compliance with environmental standards and International Labour Organization conventions, and accreditation by the International Laboratory Accreditation Cooperation (ILAC);
- ( 5 ) Agreed to accept the verification of the plant's safety and environmental standards by the Egyptian technical team.

In April 2022 the Ministry of Trade and Industry amended Ministerial Decree No. 43 as follows:

Repeal of former article 1, paragraph 3, which reads: "The competent authorities in charge of foreign trade shall have the right to decide whether to register or to cancel the registration, and shall have the right to allow enterprises to be exempted from registration".

(2) Replacement of former article 2, paragraph 3. Former Article: No registration shall be made if it is contrary to or inconsistent with the provisions of the Ministerial Decree. Current Article: If registration is carried out in accordance with the aforementioned Article, the registration process can be completed within 15 working days from the date of completing all the requirements for the submission of materials, with the basis for completing the registration. In the event that the competent authority has doubts about the authenticity of the documents, it shall confirm the authenticity of the relevant information before granting registration, including an inspection of the enterprise or factory.

(3) This amendment adds three new provisions under the former Article 2, which stipulates the conditions that need to be fulfilled before the registration of factories and enterprises using the trademark, namely, firstly, that the registration documents can be submitted through the embassies and consulates of the relevant countries in Egypt, secondly, that the updating of the relevant documents needs to be completed within 30 days before the expiry date, and thirdly, that the success of the registration or cancellation of the registration will be published in the Egyptian gazette and the General Authority for

Export and Import Controls' website on a monthly basis.

(4) The Ministerial Decree adds two new provisions: first, the establishment of a Complaints Committee to consider complaints related to cases of non-registration and cancellation of registration. The second is that de-registration from the list of registrations requires a decision to be issued by the Chairman of the General Administration of Import and Export, and that the relevant enterprises may lodge a complaint with the Complaints Committee within 60 working days from the date of issuance of the decision.

The list of companies whose export qualifications to Egypt have been cancelled or suspended, and the list of factory companies eligible for export can be found on the website of the General Directorate for Export and Import Control:

<https://www.goeic.gov.eg/>.

4. In accordance with the Egyptian Regulations for the Implementation of the Export and Import Law, the customs clearance of imported goods shall be subject to the following conditions:

- ( 1 ) Unused goods, second-hand goods from the prescribed catalogue, and second-hand goods approved by the Minister of Trade and Industry;
- ( 2 ) According to the directive of the Minister of Trade and Industry, goods should be equipped with international codes;
- ( 3 ) Imported goods cleared through customs should be accompanied by an invoice stating the manufacturer's name, trade mark (if any), address, telephone number, fax number and e-mail address;
- ( 4 ) Unless otherwise specified, for imported goods with a value exceeding US\$ 5,000, payment to the outside world shall be made in the regular manner through banks operating in Egypt;
- ( 5 ) For customs clearance of imported goods for commercial purposes, an Importer Registration Card is required, and the imported goods should be listed on the card as indicated in the

Commodities are listed;

( 6 ) Customs clearance of imported goods must be accompanied by a certificate of origin certified by the competent authority.

5. The current status of anti-dumping duties imposed by the Government of Egypt on the Chinese products concerned is shown in the table below.

**Table 5-2 Egyptian anti-dumping duties on Chinese imports**

vintages	offerings	Taxation
2017	Plastic tableware	In October 2017 the Egyptian side announced a ban on plastic cutlery and other products from imports from China, Malaysia  The anti-dumping duty was imposed for five years, and the anti-dumping duty rate applied to Chinese products was 15 per cent.
	Construction steel	In December 2017 Egypt announced a five-year anti-dumping duty on steel bars, coils and cuttings from China, Turkey and Ukraine, with the anti-dumping rate applied to Chinese products being 29 per cent.
2020	synthetic fibre blanket	In August 2020 the Egyptian side announced the continuation of the extension of anti-dumping duties for five years at the same rate. (54 per cent)  (-77 per cent ad valorem or \$1.53/kg - \$1.89/kg ad valorem).
	Sulfonated naphthaldehyde	In April 2020 Egypt announced a levy on sulphonated naphthalene formaldehyde (SNF) products originating from China. 13.6-22.6 per cent anti-dumping duties, 24.9 per cent on SNF products originating in Russia  of anti-dumping duties for five years.
2021	electrode	In October 2021, the Egyptian side announced the continuation of anti-dumping duties on electrodes exported from China for a period of 5 years at a rate of 30-41 percent(ad valorem)or \$0.21/kg-\$0.28/kg (ad valorem).
2022	Construction steel	In June 2022 Egypt announced the continuation of steel rods from China, Turkey and Ukraine,  Anti-dumping duty on rolls and cuttings for a period of 1 year.

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

[Export regulations] The Enforcement Regulations of the Export and Import Law provide detailed regulations for exporters and the export of merchandise, including the following: enterprises engaged in the export of local products or commercially imported merchandise must be registered as exporters. No authorisation is required for the export of Egyptian goods. Manufacturing companies may engage in the export of their products on their own after obtaining authorisation to engage in the relevant business. The export of petroleum products, including gas, petrol, paraffin, fuel oil, diesel, aviation oil, tar, heavy oil and bitumen, is subject to the approval of the Egyptian General Petroleum Authority. The exporter or his representative shall fill in a statistical form for each commodity and submit it to the branch office of the General Authority for Export and Import Control prior to shipment, the contents of which shall be in accordance with the actual condition of the goods and the customs declaration. In case of changes, the exporter shall notify the Sub-Division and the Customs will allow the crating after confirming that the form has reached the Sub-Division. The division of the General Directorate of Import and Export Controls responsible for issuing certificates of origin shall confirm before issuing the certificate that the



Whether the form has been received by the branch office. The exporter shall provide the General Directorate of Export and Import Control with the content and information required for the issuance of the certificate of origin in order to carry out investigations in the event of a request from the importing country for verification of the authenticity of the origin.

The conditions to be fulfilled by exporters are as follows (see Part II of the Implementing Regulations of the Import and Export Act):

( 1 ) Individuals: (i) registered; (ii) registered trade capital: not less than EGP 10,000 for production enterprises and EGP 25,000 for other enterprises; (iii) no criminal record, no deprivation of liberty as a result of committing a crime against honour or integrity, or violating the import and export law, the Central Bank Law on currency, or customs, tax, supply, trade regulations, or has not been restored to the status of a legal person; (iv) has not been restored to the status of a legal person as a result of bankruptcy; (v) employees of non-governmental or state-owned sectors; (vi) employees of non-governmental or state-owned sectors. (iv) Have not been restored to legal personality as a result of bankruptcy; (v) Are not employees of the governmental or state sector;

(vi) The applicant for registration or the person in charge of export should have obtained a certificate of export practice issued by the Foreign Trade Training Centre or other centres of the Ministry of Trade and Industry, or a higher education degree that proves the qualifications of the practice; and (vii) If the applicant for registration or the person in charge of export is cancelled or struck off from the record, the case will not be entertained again for three years.

( 2 ) Company: ① Partners of the partnership as well as persons with management rights shall comply with clause ②, ③, ④, ⑥ of (1); ② The company is registered in the trade records; ③ The company has the purpose of exporting; ④ Funding: not less than EGP 20,000 for production companies and not less than EGP 50,000 for other companies; ⑤ The person in charge of exporting shall comply with clause ⑤, ⑥ of (1).

( 3 ) Foreign branch: ① The branch shall be registered in the trade record; ② The company shall have the purpose of exporting; ③ The manager of the branch or the person in charge of exporting shall comply with ⑤ and ⑥ in (1).

( 4 ) State-owned legal person: ① Engaged in export activities; ② The person in charge of export shall comply with clause ⑤ in (1).

[Amendment of the Importers Registration Decree] Egyptian Law No. 7 of 20171 amends the Egyptian Importers Registration Law (Law No. 1982) to provide for the registration of importers in Egypt.

(Act No. 121), as amended, as follows.

(1) The relaxation of nationality restrictions for holders of importing companies allows foreigners to invest in Egyptian importing companies. Regardless of whether the importing company is a limited liability company or a joint-stock company, foreign nationals may hold up to 49 per cent of the shares of an Egyptian importing company, with Egyptians holding no less than 51 per cent of the company's shares. The proprietor of the importing company must be of Egyptian nationality and must have passed the appropriate course of training specified in the implementing regulations.

(2) Increase in minimum capital requirements for importing companies. The minimum capital for limited liability companies was increased from EGP 15,000 to EGP 2 million; the minimum capital for joint-stock companies is EGP 5 million. In addition, importing companies are required to operate in the Egyptian market for more than one year and have a turnover of not less than EGP 5 million in the previous year, which was not the case for companies that had already been granted an import licence at the time of the implementation of the amended law.

(3) Increase in insurance premiums for importing companies: the cash insurance paid by importing companies was increased to EGP 200,000, which is returned when the insurance permit expires or is cancelled.

(4) Increased penalties for non-compliant importing companies. Importers who commit any of the following acts are liable to a term of imprisonment of up to one year or a fine of between EGP 50,000 and EGP 100,000:

- ① Engaging in trade in imported goods without obtaining an import licence;
- ② Providing misleading information in bad faith to the government administration for the purpose of obtaining, renewing, or extending an import licence;
- (iii) Use of inaccurate information in correspondence, documents and communications for import transactions;

(iv) Refusal to provide the competent authorities with information on the transport, warehousing and distribution of imported goods, as well as invoices relating to sales and distribution. This is not in contradiction with the provisions on the protection of commercial information, and if a senior executive of an importing company knowingly causes the company to engage in the faulty behaviour described above, the same penalty will be imposed on that executive.

#### 5.1.4 Import and Export Commodity Inspection and Quarantine Regulations

The General Directorate of Import and Export Control of the Egyptian Ministry of Trade and Industry inspects imported and exported goods, and certain goods require inspection by the relevant agencies. For the food industry, the Radiation Protection Department of the Ministry of Energy and Electricity, the Ministry of Health, the Ministry of Agriculture (Veterinary Office), and the Ministry of Supply (Import and Export Control) are authorised to take samples of any imported vessel for testing. Each department takes its own samples for independent testing. The General Directorate of Plant Quarantine of the Egyptian Ministry of Agriculture is responsible for plant import and export control, inspection and quarantine.

Egypt requires the following information to be shown on the labels of imported foods: ingredients and their proportion; mode of preparation; methods and conditions of preservation; additives and preservatives, etc.

On 18 April 2007, the Egyptian General Directorate of Plant Quarantine issued the Conditions for Import Permits for Plants and Plant Products, which stipulates that phytosanitary certificates are required for the importation of plants, tubers, bulbs, seeds for propagation, fruits, vegetables, fresh cut flowers, twigs, grains, raw materials of

plant products for consumption or processing, as well as growing mediums. In 2019, Egypt issued the Egyptian Phytosanitary Regulation (Ministerial Decree No. 562 ), clarifying phytosanitary import and export procedures and attaching documents such as pest lists.

#### 5.1.5 Customs administration regulations

The Customs Law is the main law governing the Egyptian customs administration. The Egyptian government enacted the Customs Law (Law No. 66) in 1963, the Customs Exemption Law (Law No. 186) in 1986, and the new Customs Law (Law No. 207) in 2020, after consolidating and amending the above two laws.<sup>2</sup> The new law aims at encouraging foreign investment, reducing and simplifying the rules of the international trade and clearance process, and promoting the standardisation of customs clearance procedures to improve the efficiency of the customs clearance process. The new law aims to encourage foreign investment, reduce and simplify the rules of international trade and customs clearance, promote the standardisation of customs clearance procedures, and improve the efficiency of the duty drawback process. In addition, the new law clarifies penalties for violations and requires a post-clearance audit process.

The Egyptian Ministry of Finance is the agency that formulates tariff policy, and its Customs Authority is the implementing agency for tariff policy, with a Higher Council for Tariffs whose main task is to discuss and formulate tariff policies in accordance with the needs of the country's political and economic development.

(c) Customs tariff rates and implementation programmes. The Egyptian Customs Service has adopted the internationally recognised Harmonised System of Customs Tariffs (HSCT). In setting tariffs, the Government also takes into account different policies to encourage the development of national industries and to protect new industries.

In April 2008, Egypt acceded to the Kyoto Convention, which facilitates the alignment of Egyptian customs clearance procedures with World Customs Organisation standards. In November 2009, the customs authorities of China and Egypt signed an agreement on mutual assistance in customs administration.

[Main amendments to the new Customs Law] Implementation of a national unified window system to improve the facilitation of customs procedures; response to business issues through an advance enquiry system; goods purchased through e-commerce channels are subject to e-commerce law; provision of exemptions from customs duties owed; introduction of a risk management system in customs procedures; consolidation of tax exemption rules; and consolidation of temporary admission and duty drawback under the responsibility of the Customs Service; Goods temporarily admitted must be re-exported within one and a half years from the date of release, which may be extended for a longer period, but not more than one year, if eligible; Customs is responsible for monitoring intellectual property rights associated with goods; machinery, equipment and devices used for temporary release for operation or leasing within the territory are subject to customs duties at the rate of 2 per cent for each month or part of a month, with a maximum of 20 per cent per annum; penalties for violations have been increased; and Customs documents need to be kept for five years. See the General Administration of Customs website: <https://www.customs.gov.eg>

[Tariffs] In 2020, Egypt issued Presidential Decree No. 59 to reduce the tariffs applicable to industrial inputs used in local manufacturing in order to reduce the cost of imported inputs and promote local manufacturing. The greater the number of local components used, the greater the reduction in tariffs, and the percentage of local components is based on two factors: the percentage of locally manufactured parts in relation to all parts of the product, and the extent to which the local assembly line contributes to the manufacture of the product. In December 2021 Egypt issued Presidential Decree No. 588 imposing a 10 per cent tariff on imported mobile phones in an effort to support the development of the

local electronics manufacturing industry. The official website of the Egyptian Customs Authority lists the detailed tariff rates, which can be found at:

<https://www.customs.gov.eg/Services/Inquiries/Tariff>

**Table 5-3 Tariff rates for Egypt's main imports from China**

serial number	customs code	Name/Description	Tariff rate (per cent)
1	851712	Telephone sets for cellular or other wireless networks	0
2	852990	Listed in 8525 to 8528 (radio broadcasting, television transmission equipment; radar equipment, radio navigational equipment and radio remote control equipment; radio broadcasting reception equipment; monitors and projectors, not fitted with television reception equipment; television reception equipment) Parts for other devices or equipment	1.6
3	551219	Other cloth containing polyester staple fibre $\geq \geq$ containing polyester	10
4	870322	Other motor vehicles equipped only with an ignition reciprocating piston internal combustion engine. 1000ml<displacement≤displacement≤mlrepeat	26
5	847130	Portable automatic data processing equipment for weight ≤ volume ≤ 13	0

6	540247	Other polyester yarns, twist $\leq$ degree $\leq$ rpm/m	5
7	300220	human vaccine	0
8	540246	Partially orientated polyester yarns, untwisted or with twist $\leq$ twist rpm	0
9	851769	Other equipment for sending and receiving sound/images or other data	0
10	540772	Woven fabrics containing other synthetic fibre filaments $\geq$ other % dyed	5
11	851770	Parts for item 8517	0
12	120600	Sunflower seeds, broken or not	2
13	540233	Polyester Deformation Yarn	5
14	300210	Blood; human and animal, antisera and other blood components	0
15	854140	Light Sensitive Semiconductor Devices; Light Emitting Diodes	0
16	581100	Combination of textile materials and tyre materials to produce quilt-like textiles	10
17	732690	Other iron and steel products	20.6
18	392190	Other plastic plates, sheets, films, foils, flat strips	5
19	851762	Equipment for receiving, converting and transmitting or regenerating data such as sound	0
20	390410	Polyvinyl chloride (PVC) in primary forms, unmixed	0

Source: World Bank trade database WITS

## 5.2 Foreign investment regulations

### 5.2.1 Investment authorities

[The Supreme Council for Investment in Egypt] President Sisi approved the formation of the "Supreme Council for Investment in Egypt" in November 2016, which he personally heads, in order to increase the power of decision-making at the top level and to enhance the efficiency of work in the field of investment. In May 2017, a new law was issued on the formation of the "Supreme Council for Investment in Egypt", which is the first of its kind in Egypt.

Article 68 of the Investment Law specifically provides for the operational mechanisms

and responsibilities of the Supreme Investment Council. To date, the Committee has had relatively few public meetings and activities.

[General Authority for Investment and Free Zones (GAFI)] The main regulatory body for investment affairs in Egypt is the General Authority for Investment and Free Zones (GAFI), which was spun off from the former Ministry of Investment and International Cooperation (MIIC) during the Cabinet reshuffle in December 2019, and has become an independent ministry that is directly responsible to the Cabinet and the Prime Minister. The agency's responsibilities include the development and implementation of investment attraction policies, national business registration activities, domestic and foreign project approval and management, investor services, free zone management, implementation of the Investment Law, and improvement of the investment climate. It is headquartered in Nasser City, Cairo, with five branches in the city of the 10th of Ramadan, Ismailia, Alexandria, Sohag, and Eisyut, and ten offices and nine representative offices in the governorates. To facilitate investors' access to



Nearby procedures, the Bureau has set up 11 Investor & Service Centres (ISC) across the country to provide investors with one-stop investment services.

At the end of 2017, GAFI released the Egyptian Investment Map and a new investment services web platform: [www.investinegypt.gov.eg/English/Pages/default.aspx](http://www.investinegypt.gov.eg/English/Pages/default.aspx), which provides online business registration, investment project enquiry, policy release and other functions.

[Industrial Development Authority (IDA)] The IDA, under the Ministry of Trade and Industry, is the main regulatory authority for industrial production activities in Egypt. The newly enacted Industrial Licensing Law in 2017 empowers the IDA to co-ordinate and manage industrial production activities. Its responsibilities include strategic planning for industrial development, approval of industrial licences, implementation of the Industrial Licensing Law, management of industrial zones, coordination of industrial land, and services for industrial projects. In April 2018, the government issued a bill granting the IDA the status of an independent public economic entity. The bill stipulates that IDA can open a separate account with the central bank, is directly under the supervision of the central audit department, has an independent budget, and surpluses can be accumulated across years, is allowed to enter into co-operation contracts with other economic entities on its own, can allocate land or other assets from state assets for administrative activities, and formulate and implement land development policies, among other things. Website: [www.ida.gov.eg/webcenter/portal/IDA](http://www.ida.gov.eg/webcenter/portal/IDA).

[Suez Canal Economic Zone Authority (SCZone)] The Suez Canal Economic Zone Authority (SCZA) is responsible for administering the 461 square kilometre Suez Canal Special Economic Zone (SEZ) and is currently chaired by Yehia Zaki. According to the Special Economic Zones Law No. 83 of 2002, within the economic zone, powers that were previously divided among ministries other than foreign affairs, justice, defence and interior affairs are concentrated in the hands of the Authority. It is more efficient and has simpler procedures for project approval and administration. The Sino-Egyptian TEDA Suez Economic and Trade Co-operation Zone is under the jurisdiction of the Authority.

Website: [www.sczone.eg/English/Pages/default.aspx](http://www.sczone.eg/English/Pages/default.aspx)

[Ministry of Finance] The Egyptian Tax and Customs Departments, both under the Ministry of Finance, are involved in important matters such as investor incentives, tax collection, tax refunds, and customs clearance of goods and merchandise. In order to protect the legitimate rights and interests of investors, the Ministry of Finance has established a new Investor Protection Department in 2018, which specialises in resolving administrative disputes in tax and customs matters. Ministry of Finance website: [www.mof.gov.eg/english/pages/home.aspx](http://www.mof.gov.eg/english/pages/home.aspx).

[Inter-ministerial Committee Mechanism] In January 2020, Prime Minister Madbouli decided to establish an inter-ministerial committee to promote foreign investment, comprising the Governor of the Central Bank, the Minister of Tourism and Antiquities, the Minister of Planning and Economic Development, the Minister of International Cooperation, the Minister of Finance, the Minister of Local Development, the Minister of Housing, the Minister of Agriculture, the Minister of Trade and Industry, the Chairman of the Suez Canal Economic Zone Authority, the Investment and Executive Chairman of the General Authority for Investment and Free Zones. The main functions of the committee are to encourage investment, resolve investor issues, propose mechanisms to promote investment, formulate policies on foreign investment access, etc., and resolve disputes or take policy decisions to promote investment based on the meetings of the inter-ministerial committee. The Committee meets at least once a month and invites other interested parties to attend its meetings.

Personnel participation.

### 5.2.2 Foreign investment regulations

[Legal system] The main laws directly related to investment are the Companies Law of 1981 and its implementing regulations and amendments, the Special Economic Zones Law of 2002 and its implementing regulations and amendments of 2015, and the Investment Law of 2017 and its implementing regulations. The laws are presented on the Invest In Egypt portal, which was established by the General Authority for Investment and Free Zones in Egypt. Website:

<https://www.investinegypt.gov.eg/Arabic//pages/LawsAndRegulations.aspx?CategoryId=3>.

The Company Law, which applies to all domestic and foreign investors, is the basic legal basis for the establishment of a company, and serves to clarify the form of company registration, related procedures and business norms. The main contents include: company registration, forms and requirements for company formation, and corporate governance.

The Law on Special Economic Zones (SEZ) clearly defines the management system and investment policy of SEZs, and establishes export-oriented SEZs that take into account the needs of the domestic market through policies such as customs clearance facilitation and investment incentives.

The Investment Law and its implementing regulations were promulgated and implemented in 2017, replacing the Investment Guarantee and Encouragement Law No. 8 of 1997, and applying to all domestic and foreign investors and most production, manufacturing, and research and development industries, with a clear investment guarantee and incentive nature. The Act comprehensively unifies the investment management system, simplifies the company registration and approval procedures, unclogs the complaint channels, and clearly clarifies the investment incentive policies in various aspects. Chinese version download address:

<http://images.mofcom.gov.cn/eg/201708/20170810165157735.pdf>

<http://images.mofcom.gov.cn/eg/201712/20171220221127754.pdf>

Laws and regulations closely related to investment also include the 2005 Law on Refund of Customs Duties and Sales Taxes on Re-export of Foreign Goods.

Decision on Taxes, 2007 Decision on the Implementation of Customs Declaration Measures for Arrivals and Departures from Egypt, etc., newly issued in August 2016

Legal Framework for the Suez Canal Special Economic Zone, Industrial Licensing Law, Bankruptcy Law, etc. enacted in 2017.

### 5.2.3 Foreign investment incentives

The Investment Law provides incentives for different regions in the form of tax exemptions, rebates on investment costs, land allocation, foreign labour and other preferential policies. For example, the support policies for the more backward category A regions, such as Upper Egypt, include: exemption from corporate income tax for up to 50 per cent of the investment for seven years; preferential land prices or even free land allocation; and government-funded public infrastructure connectivity for the projects, among others. Taxes on imported equipment, such as customs duties and value-added tax, remain unchanged for investment projects registered before the promulgation of the law.

Currently, most foreign companies choose to register their companies under the Investment Law in order to benefit from the relevant facilitation and tax rebate policies. The implementing regulations specify the general or special investment incentives offered to investors under the Investment Law, the procedures for obtaining project licences, the procedures required for establishing companies electronically, the forms of controlling and allocating land for projects, the organisation of investment zones, free zones, and economic and technological zones, the provision of residence to foreign investors, the hiring of expatriate staff, and the divestment of projects. Currently, there are 2 special economic zones in Egypt, namely the Suez Canal Special Economic Zone and the new Golden Triangle Special Economic Zone, which was established in 2017, and under the Special Economic Zones Law, foreign investments are all entitled to the Investment Law's incentives of a 50 per cent rebate of investment costs in category A zones, but there is no special treatment in terms of income tax rates.

#### 5.2.4 Provisions for the investment industry

##### [Restricted industries and areas]

In order to protect domestic infant industries and promote employment, the Egyptian government has implemented a number of industrial access policies, both explicitly provided for by law and led by relevant government departments. The legal basis includes the Special Economic Zones Law of 2002 and its implementing regulations, the 2015 amendments, and the Investment Law and its implementing regulations enacted in 2017. The relevant access restrictions include, but are not limited to, the following areas:

( 1 ) Commercial distribution. Foreign investors are generally prohibited from engaging in the distribution and wholesale of goods in Egypt; the opening of supermarkets and chains is subject to approval by a special committee.

( 2 ) Agents. Only Egyptians are permitted to register as commercial agents for bidding operations. Under the Labour Law enacted in April 2003, non-Egyptians are not permitted to engage in intermediary activities such as job placement and recruitment of employees for businesses.

( 3 ) Aviation. No private or foreign carrier may operate scheduled flights from and to

Cairo without a licence from the Egyptian Civil Aviation Authority.

( 4 ) Financial sector. Previously, the Central Bank had not issued new commercial bank and insurance company licences for decades, and the only way for foreign investors to enter the local financial sector market was through mergers and acquisitions of local financial institutions. In 2020, Egypt's new Banking and Central Bank Law was introduced, and the Central Bank liberalised the application for new bank licences, with the foreign commercial banks wishing to set up branches being required to submit the required materials to the Central Bank of Egypt and a US\$50,000 verification fee for the application. Registered capital must not be less than US\$150 million or its equivalent in currency.

( 5 ) Railway operations. In March 2018, Egypt's parliament passed an amendment to the Railway Management Law, allowing private sector participation in railway operations, management and development, but still not open to foreign investment.

( 6 ) Natural gas distribution. Foreign investment in natural gas transport distribution operations in the Egyptian domestic market is generally not permitted, and exceptional cases are subject to the approval of the competent energy authorities.

( 7 ) Import operations. The Egyptian Government imposes quantitative restrictions and minimum registered capital requirements on specialised import-qualified trading companies, and does not allow for ownership by foreign individuals or institutional investors. Established in accordance with the relevant laws, they are automatically entitled to import

Entities with import rights are limited to importing their own raw materials or equipment for production.

( 8 ) Recycled raw material imports. According to the Basel agreement, Egypt is not allowed to import recycled raw materials from the EU, resulting in some Egyptian producers not being able to obtain raw materials such as waste plastics or waste paper from the EU. The Egyptian Ministry of Trade and Industry is in communication with the European Commission in this regard.

In addition, some special industries such as iron and steel, pharmaceuticals, food additives, etc. are under strict management, and although foreign investment is not explicitly prohibited, the licensing process is very difficult.

( 9 ) Sinai Peninsula. A special licence from the Sinai Development Authority is required to invest in the Sinai Peninsula, or to acquire any company holding land in the Sinai Peninsula.

[Investment in the financial sector] In recent years, the Central Bank of Egypt has received numerous applications wishing to obtain commercial banking licences, but no new commercial banking licences have been issued. The only way to enter the Egyptian banking sector at present is to acquire an existing bank.

The Egyptian insurance sector is open to foreign investment, and foreign investors may hold a majority stake in insurance companies. To establish a foreign insurance company, an application must be submitted to the Egyptian Financial Supervisory Authority (EFSA), which includes a feasibility study report issued by a law firm, a business plan, a list of board members, a list of shareholders, standard policy terms and conditions, and suitable reinsurance arrangements. The minimum registered capital of a foreign insurance company is EGP 60 million (50% must be paid up for the first time), and 50% or more of the shares must be held by the company, of which 50% should be the insurance company. In addition, a separate portion of the fee is required depending on the breadth of the company's business scope. Foreign insurance companies may participate in real estate and securities market investments.

In May 2020, the Egyptian House of Representatives approved the adoption of the new draft Banking and Central Bank Law, which is part of Egypt's comprehensive economic reforms aimed at promoting national development, creating jobs and encouraging investment,

focusing on the governance of Egypt's central bank and regulating co-operation between the central bank, the government and regulators. The draft covers regulations on payments and financial technology and structures the legal framework for digital currency transactions in Egypt. The new Banking Law stipulates that the Central Bank increases its capital to EGP 20bn, and that the Bank of Egypt should have a capital of at least EGP 5bn, with foreign branches having a capital of at least \$150m. The new Banking Law will establish a Banking Support Fund and a Default Bank Bailout Fund, which will be used to increase the financial resources of banks and to resolve bank defaults, respectively, and 1 per cent of the annual profits of banks shall be paid to the Banking Support Fund. The new Banking Law is expected to open up branch licences for foreign banks, which could be of continued interest to Chinese commercial banks.

[Agricultural investment] The Egyptian Government is actively promoting land improvement in the Western Desert and the desert areas of the Sinai Peninsula by launching a 4 million feddans land improvement project, with the first phase of the project planned for 1.5 million feddans of desert land. According to the plan, 50 per cent of the improved land will be provided to university graduates and small farmers, and the other 50 per cent will be provided to large investors for production and operation. Foreign investors can participate in agricultural projects by leasing or operating them, but they cannot have sole ownership of these lands. Egypt's forested land is small and not valuable for investment.



[Cultural investment] The laws and regulations relating to the cultural industry that have been enacted and implemented in Egypt are few in number, imperfect in content and have not yet formed a system. The main laws include the Law on the Protection of Intellectual Property Rights, the Law on Electronic Signatures, the Law on the Organisation of News Media Organisations, and the Law on the Protection of Cultural Objects.

The main regulations and restrictions on foreign companies investing in the cultural industry in Egypt are:

- ( 1 ) Wholly foreign-owned enterprises are not permitted, and a local Egyptian partnership is required, which may have a controlling interest or participation.
- ( 2 ) An Operation Licence is required. The licence is generally held by an Egyptian partnership. At present, satellite TV is operating in a mature manner, with standardised management and low barriers to entry; although the regulation of online media such as live broadcasting platforms and gaming platforms is relatively lax, due to the enactment of the Anti-Cyber and Information Technology Crimes Law in Egypt in 2018, which has increased the level of fine-tuning and legalisation of cyber-regulation, attention should also be paid to the observance of local laws and regulations, as well as public order and morals, when investing in related fields.

#### 5.2.5 Provisions for investment modalities

[Legal basis] In terms of greenfield investment, foreign investors should first choose the appropriate form of company organisation, such as limited liability company, joint-stock company, sole proprietorship company, branch office, representative office, etc., according to their own business needs, and the specific requirements are stipulated in the Company Law. Secondly, choose under which law to register the company in order to enjoy investment incentives, such as the Company Law, the Investment Law or the Law on Special Economic Zones. Investment mechanisms are also categorised into domestic and free zone investments depending on the tax regime. Domestic investment mechanisms are governed by laws such as the Company Law, the Investment Law and the Special Economic Zones Law and do not have tax incentives. Free zone investment mechanisms are governed by the Company Law in terms of the form of corporate organisation and governance structure, and policies such as guarantees, incentives and land allocation in respect of operations are mainly governed by the Investment Law, with the Investment Law

prevailing in case of conflict with the Investment Law. Enterprises in free zones are not required to pay any taxes, but are required to pay an annual management fee of 1%-2% of turnover to GAFI, and the percentage of products or services exported should comply with the relevant requirements of GAFI, which is generally at least higher than 50%. Special industries are required to obtain prior approval from the competent industry bodies in accordance with the relevant laws before registration.

[Registration Service Provider] The main registration service provider is the Investor's Service Center (ISC), headquartered in GAFI in Nasser City, with branches in major provincial capitals across the country, which can provide one-stop business registration services. The ISC is equipped with representatives from almost all government departments, business associations and firms related to business registration and operation, providing a full range of registration services.

The Commercial Registration Office (CRO) is responsible for technical work such as the entry of business information, personnel information, databases, review of meeting documents and partnership contracts, and the issuance of certificates of qualification, etc. Both ISC and CRO are subordinate to GAFI.

[Natural Person Investment] In January 2018, the Egyptian government issued Law No. 4 of 2018, which amends the Companies Law of 1981 to

The main purpose of the amendment to add the registered form of Sole Proprietorship Company is to legally recognise the large number of unregistered self-employed persons and to bring them under the scope of management, which will contribute to the creation of an entrepreneurial boom and the corporatisation of some informal economic activities. The legal provisions of the Sole Proprietorship Company are basically the same as those of the Limited Liability Company, and it is the simplest form of corporate legal entity in which the company's finances are independent of those of the individual.

The relevant legal provisions include: allowing natural persons of foreign nationality to register, but the company must employ at least one Egyptian management personnel; minimum registered capital of 50,000 Egyptian pounds, a one-time payment at the time of registration; legal persons are allowed to engage in the vast majority of commercial activities, but does not allow the public offering of shares to raise funds, not allowed to split the company, and is not allowed to operate a financial business. It is understood that the Egyptian government does not encourage foreign natural persons to register sole proprietorship companies, and in practice, the approval time limit is long and difficult.

[Other forms of investment permitted to foreign investors]

( 1 ) Limited Liability Company (LLC). Under the Companies Law, foreign investors are permitted to be wholly owned, but must employ at least one Egyptian member of management. There is no minimum registered capital limit, but it must be paid in full prior to registration. According to GAFI, 95 per cent of foreign investors currently choose the Limited Liability Company, which is the dominant form of company registration. The number of shareholders ranges from 2 to 50. It is not allowed to raise capital through public share offerings or to operate financial businesses. Small and medium-sized investment projects are suitable for registration of limited liability companies.

( 2 ) Joint Stock Company (JSC). The basic provisions of the Companies Law include: foreign investors are permitted to hold wholly owned shares; the number of shareholders must be at least three; the registered capital must not be less than EGP 250,000; a bank certificate of deposit of not less than 10 per cent of the company's registered capital must be submitted upon registration at the Commercial Registry (under the auspices of the GAFI) and must be replenished up to 25 per cent in three

months and up to 100 per cent in five years; the company may apply for a listing on the Egyptian Stock Exchange ( EGX); the company is required to have a board of directors with at least three directors, with an odd number in total, who exercise decision-making powers of the company on behalf of the shareholders, and who are not employees of the company. Large and medium-sized investment projects are suitable for registration of joint stock companies.

( 3 ) Simple Partnership Company (Simple Partnership Company). Under the Companies Law, a partnership is a company consisting of two or more natural persons as partners, and is divided into two types: general partnership and limited partnership, neither of which enjoys the status of a separate legal person. The partners of a general partnership are all general partners with unlimited joint and several liability to the company; a limited partnership requires at least one general partner with unlimited joint and several liability to the company, while the other partners may be limited partners with limited liability to the company limited by the amount of their capital contribution. A foreign investor may participate in the partnership but does not have the right to manage the company or sign external contracts on behalf of the partnership, and its shareholding may not exceed 49 per cent.

( 4 ) Foreign branches or subsidiaries (Foreign Branches). The Companies Act allows foreign companies to open branches in Egypt, which may generally be engaged in construction work, hotel management, commercial circulation, financial and industrial activities, or other contractual work of a contractual nature. The legal representative may be of foreign nationality; the registered capital must not be less than EGP 5,000 or its equivalent.

The foreign currency must be deposited in any commercial bank in Egypt as a security deposit, and the construction branch must be registered with the Egyptian Federation for Construction and Building Contractors in order to legally carry out construction projects. Currently, most foreign companies engaged in construction projects are registered as branches.

( 5 ) Representative Office (RO). The Companies Law allows foreign companies to establish a representative office in Egypt for the purpose of conducting market research and feasibility studies for investment in production, without engaging in any substantial commercial activity, including commercial representation, and which should be closed at the end of the research process. On 13 November 2018, GAFI issued Decree No. 742 of 2018, which, among other things, stipulates that a representative office may be registered with a certificate of registration for a period of not more than one year. certificate of registration, which may be renewed annually for up to three years. During this period, the parent company shall decide whether to incorporate a company or a branch in Egypt, failing which the representative office of the foreign company shall be cancelled from the Commercial Registry. In exceptional cases, a longer extension can be reported to GAFI and applied for. The representative office is required to submit to GAFI the list of employees, their positions, nationalities, salaries, percentage of salaries of Egyptian employees, and other information related to the parent company. The representative office shall set deadlines for completed and uncompleted studies and report to GAFI when substantial progress has been made. A representative office that fails to carry out its activities in accordance with the provisions of the regulations for the implementation of the Investment Law shall formalise its activities by establishing a company or opening a branch office in Egypt within six months from the date of notification by GAFI. In addition, if it is proved that the representative office submits false information or violates laws and regulations, the company may be cancelled from its registration authority. The establishment of a representative office is approved and processed by GAFI.

( 6 ) Franchising. Egyptian law recognises the franchising of intellectual property or property, and in June 2002, the Intellectual Property Law No. 82 of 2002 was adopted, which applies **the** TRIPS Agreement .

(TRIPS) to make intellectual property protection under franchise agreements more secure.

Egypt is a World Intellectual Property Organisation

(WIPO) member countries, signed the Madrid International Convention for the Protection of Trade and Industrial Marks (Madrid Protocol) and many other important international agreements. According to the Income Tax Law, royalties, licence fees or royalties for the use of know-how, etc. are subject to a royalty tax of 20 per cent, which is not deductible. However, the tax rate is usually reduced if the home country of the recipient of the royalties has a bilateral tax agreement with Egypt.

[Equity in equipment] Egypt allows investment co-operation in the form of equipment, but there are special requirements for the type and valuation of equipment, and the specific policy is formulated and implemented by GAFI.

[Foreign investment in parks] Currently, the types of parks that Egypt allows foreign investors to invest in and lead the operation of include: industrial zones, investment zones, and private free zones. Industrial zones are under the jurisdiction of the Industrial Development Authority (IDA), and investment zones are under the jurisdiction of the Egyptian General Authority for Investment and Free Zones (GAFI), both of which are respectively provided with complete planning and land procedures, as well as a clear policy of industrial guidance by the above authorities, and the investor, as the developer, is responsible for the construction of infrastructure in the zone, and to achieve profitability through the attraction of tenants and the enhancement of the value of real estate. Private free zones must be under the Investment Law

Registered and subject to the jurisdiction of GAFI, it is an export-orientated internal and external special regulatory duty-free zone, which does not pay any of the existing taxes in Egypt, but is subject to a management fee of 1-2 per cent of annual sales to GAFI, whose conditions of establishment and regulatory requirements are set out in chapter "Pipe.6.1".

#### 5.2.6 Provisions for security clearances

[Security Review] Foreign investors must undergo a security review for the registration of companies, changes in shareholders and management, and the issuance of work visas, which is carried out by the Security and Intelligence Service, and the procedure is not open to the public. Generally, the review takes more than three months. Since the enactment of the Investment Law, GAFI has attempted to increase interdepartmental coordination to limit the period to less than three months.

[Antimonopoly provisions] The Egyptian Government enacted the Law on the Protection of Competition and Prevention of Monopolistic Behaviour (hereinafter referred to as the Antimonopoly Law) in 2005. The Act specifies three types of offences against competition, including horizontal agreements between competitors in the relevant market (article 6), vertical agreements with supply chain partners (article 7) and abuse of a dominant market position (article 8). "Market dominance" means that a single person (natural or legal) holds more than 25 per cent of the market share and has the ability to influence the price or volume of transactions in such a way that its competitors are unable to prevent such influence. The Act prohibits agreements between competitors in the market on raising, lowering or solidifying the selling or purchasing price of a product, as well as the division of the market by region or by type of customer; agreements between operators and suppliers or customers that restrict competition; economic activities of operators with a dominant market position that lead to restrictions on market entry or market exit; discrimination in terms of the price of goods, conditions of transactions, etc. buyers or sellers with equal conditions, etc.

Any asset acquisition transaction, or merger of operators with annual operating revenues exceeding EGP 100 million, is to be declared to the Egyptian Authority for the Protection of Competition and Prevention of Monopolistic Practices (ECA), which

receives suspected violations of the Antimonopoly Law on the basis of complaints.

The relevant authority may order the offender to amend his behaviour within a specified period of time, failing which the relevant agreement or contract is deemed null and void.

The declaration must be made within 30 days of the effective date of the delivery of the shareholding, and violators are liable to a fine of EGP 20,000-500,000

The Competition Commission of the Common Market for Eastern and Southern Africa (COMESA) has announced that it will start accepting declarations for antitrust review of mergers and acquisitions from 14 January 2013 and will enforce the Common Market's antitrust regulations from the same date.

The Act does not apply to public undertakings regulated by the State. Exemptions for public undertakings carried out by undertakings under private law may be granted in a procedural manner, if requested by the person concerned, in order to ensure the public interest, or to ensure that the benefits for consumers outweigh the effects of restricting competition. The Cabinet of Ministers may fix prices for one or more basic products for a specified period of time, and the conclusion of agreements by the Government on price fixing shall not be regarded as an activity detrimental to competition.

The main legal basis [for foreign mergers and acquisitions] includes the Act on the Protection of Competition and Prevention of Monopolistic Practices of 2005 (which was amended four times, in 2008, 2010, 2014 and 2019, hereinafter referred to as the Competition Act), the Capital Act No. 95 of 1992, and the Act on the Protection of Competition and Prevention of Monopolistic Practices.



The Market Law and its implementing regulations, the Companies Law No. 159 of 1981 and its implementing regulations and amendments. The main regulatory bodies include: the Egyptian General Authority for Investment and Free Zones (GAFI), the Egyptian Financial Regulatory Authority (FRA), the Egyptian Stock Exchange (EGX), and the Egyptian Competition Authority (ECA), which is operationally subordinate to the Cabinet of Ministers and administratively subordinate to the Ministry of Trade and Industry.

The Competition Law requires that parties to a general merger or acquisition transaction in which one of the parties has an annual turnover of more than EGP 100 million in the Egyptian market must notify the ECA within 30 days of the statutory effective date of the transaction, a mandatory requirement, with fines of up to EGP 500,000 for failure to notify or delay in notification, or the "mandatory reporting obligation". If the acquisition is by way of a tender offer, a national security review is required prior to FRA approval. In certain specific industries, foreign companies are required to obtain prior written consent from the relevant industry regulator for acquisition transactions.

The Capital Markets Act stipulates that a takeover of a listed Egyptian company, or an unlisted company that has offered its shares to the public, will trigger a mandatory general offer if it accounts for more than 1/3 of the shares or voting rights, and that the FRA has the right to exempt the offeror from the obligation to make a general offer in accordance with the relevant provisions.

In banking mergers and acquisitions, the Central Bank of Egypt (CBE) has greater powers to protect competition in the sector. The CBE has the authority to approve or disapprove equity transactions in banks and financial institutions operating under the Banking Act (Act No. 101 of 2004). Pursuant to section 12 of the Banking Act, CBE has the power to review all merger and acquisition transactions that result in ownership of more than 10 per cent of the shares of a bank as a practical consequence, as well as any other application for acquisition of an equity interest that may result in a change of control and decision-making power of the bank. CBE retains the discretionary power to assess the said applications technically, financially and from the point of view of the impact on competition. M&A applications for ownership of more than 10% (or any

controlling interest) must submit the required documentation (strategic plan, financial statements of the acquirer, various banking certificates, etc.) to CBE 60 days prior to the statutory effective date of the planned transaction. Historically, CBE has demonstrated a high degree of selectivity by imposing strict qualitative requirements before approving mergers or acquisitions in the banking industry.

In the case of mergers and acquisitions in the telecommunications sector, the Egyptian National Telecommunications Regulatory Authority (NTRA), applying articles 4 and 24 of the Telecommunications Act No. 10 of 2003, usually evaluates any intra-sector merger on the basis of its likely impact on competition, and may block the merger by revoking or threatening to revoke the operating licence of the merged entity.

Public undertakings are automatically excluded from the scope of application of the Competition Act, regardless of whether such undertakings are managed by public sector entities or authorised to private companies. However, such private companies should apply to the ECA for exemption from the obligations of the Competition Act, which may be granted by the ECA solely on the grounds of public interest.

Currently, there are fewer cases of Chinese companies entering the Egyptian market by way of M&A. In 2010, Chinese companies executed one M&A in the household appliances sector; in 2013, two M&As were executed in the oil and gas sector, totalling nearly \$4 billion. New joint ventures or wholly owned companies are the main mode of entry for Chinese companies.

#### 5.2.7 Provisions of the infrastructure PPP model

In the late 1990s, Egypt's privatisation reforms were gradually extended to the infrastructure construction sector, with the widespread adoption of the BOO and BOT models, and due to the limitations of the degree of professionalism in project operations and the level of economic development, a number of early projects were forced to be stalled or converted to the traditional mode of operation and transfer. With the implementation of the PPP legal system, the development of PPP projects has accelerated. According to the World Bank's PPI database, 55 PPP infrastructure projects have been financed in Egypt since 1990, second only to Algeria in the MENA region, with a total investment of US\$10.314 billion. Fifty-three of these projects are under construction or in operation, involving an investment of \$10 billion.

Egyptian PPP projects are concentrated in the power, gas, airport, port, water resources and wastewater treatment sectors, with the power sector accounting for the largest share. Egyptian PPP projects are mainly greenfield projects, and the type of cooperation is mainly BOT and BOO. The sources of project financing are diverse, with the participation of international financial institutions such as the World Bank, International Finance Corporation, European Bank for Reconstruction and Development, African Development Bank, as well as local Egyptian banks. The project partners come from various sources, including enterprises from Kuwait, Italy, France and other countries, in addition to local Egyptian enterprises. Our enterprises have participated in the construction of a number of port projects.

In 2006, the Ministry of Finance established **the** PPP Centre, and in May 2010, the Law on Government-Social Capital Cooperation was enacted.

(Act No. 67 of 2010, the PPP Law), which provides a legal basis and regulatory regime for the tendering and operation of projects in infrastructure, public services and utilities. Subsequently, the implementing regulations of the PPP Law (Prime Ministerial Decree No. 238 of 2011) were issued to further clarify the procedures for implementing PPP projects, as well as the responsibilities of government departments. The Egyptian government stipulates that PPPs are mainly focused on utilities such as infrastructure, and that the project amount is generally not less than EGP 100 million, with a concession contract period of 5-30 years. Based on the recommendation of the Supreme Council for PPP Affairs, the Cabinet can decide on PPP contracts longer than 30 years if the public

interest requires it. The Supreme Council for PPP Affairs is the highest decision-making body for PPP projects, led by the Prime Minister and consisting of the heads of the competent ministries in various sectors, such as finance, investment, and the PPP Centre. The ministries in charge of each sector are the specific authorities for the project, under which there is a PPP department. The PPP Centre of the Ministry of Finance provides professional support to the Committee and the PPP departments of the competent ministries. The Centre is responsible for preparing feasibility studies, issuing, tracking and supervising the issuance, signing and execution of PPP projects, deciding on PPP bidding consultants and assisting in the selection of partners.

Since 2014, Egypt has taken infrastructure construction as the main engine for economic growth, launching a number of large-scale infrastructure projects with debt one after another, putting enormous pressure on the country's finances. According to World Bank estimates, Egypt's total infrastructure investment needs for the next 20 years amount to \$675 billion, while the Egyptian side can only provide \$445 billion, a funding gap of up to \$230 billion. The huge infrastructure financing gap has prompted the Egyptian government to expand cooperation with foreign and private capital.

In response to the impact of the Russian-Ukrainian conflict and the Federal Reserve's interest rate hike on the Egyptian economy, the Government plans to attract \$40 billion in private sector investment over four years and is working to increase private sector participation in the national economy from the current 30 per cent to 65 per cent in three years, encouraging the active participation of the domestic and foreign private sector in new and renewable energy projects, real estate, desalination and

Projects in the areas of telecommunications, education and banking.

### 5.3 Policies and regulations related to the digital economy

Under the framework of Egypt's **Vision 2030**, Egypt's Ministry of Communications and Information Technology (MOCIT) put forward the **"Digital Egypt"** initiative in 2018 to realise Egypt's digital vision under the three pillars of Digital Transformation (focusing on the digital transformation of the government), Digital Skills (nurturing talent and spreading digital skills) and Digital Innovation (creating regional innovation hubs), as well as strengthening digital infrastructure and digital legislation. In September 2020, Egypt launched the Digital Egypt Builders Initiative (DEBI), with the Egyptian government allocating EGP 50 million (approximately USD 30 million) from the public budget for the 2020/21 fiscal year. The Egyptian government allocated EGP 50 million (US\$3.18 million) for the 2020/21 fiscal year and allocated EGP 10 billion (US\$637 million) in public investment in the sector, a 300 per cent increase from the previous fiscal year. The programme provides scholarships to 1,000 outstanding university graduates in computer science and information engineering each year through cooperation with internationally renowned universities and ICT companies to support their training and further education in the fields of data science, artificial intelligence, cybersecurity, robotics and automation, and digital arts, in order to provide talent to achieve Egypt's digital transformation.

**【Digital Economy Laws and Regulations】** Till now, the Egyptian government has introduced laws and regulations related to digital economy, including Anti-Cybercrime Law, Data Protection Law, E-Signature Law, The General Rules and Conditions for Protecting Internet Consumers, Mobile Wallets Regulatory Rules, etc. In 2020, Egypt introduced the new Banking and Central Bank Law, which provides for digital payments, banking and central banking, as well as for mobile wallets, and in 2020, Egypt introduced the new Banking and Central Bank Law, which provides for digital payments, banking and central banking. General Rules and Conditions for Protecting Internet Consumers, Mobile Wallets Regulatory Rules, etc. In 2020, Egypt introduced a new Banking and Central Bank Law to set the regulatory framework for digital payments, banking and currency operations. currency operations.

### 5.4 Policies and regulations related to the green economy

At present, Egypt has not introduced specific laws and regulations on the green economy, but the government strongly supports the development of related industries and as an important area for attracting foreign investment, including new energy vehicles, photovoltaics, waste treatment, and seawater desalination, etc., and the projects of each industry are responsible for the specific approval and implementation by the relevant ministries and commissions.<sup>2021</sup> On 1 June 2021, Egypt's Minister of Planning, Hala Said, said that the investment plan for FY 2021/22 pays high attention to high attention to environmental sustainability, with a focus on the direction of transitioning to a green economy, as well as improving the environment. The growth rate of public investment in the green economy will gradually increase from 15 per cent in fiscal year 2020/21 to 50 per cent in fiscal year 2024/25.

[Waste Management Law] In October 2020, the Egyptian Government enacted the Waste Management Law No. 202/2020. The law encourages and supports private sector investment in the establishment of any business related to waste management, services and enjoys all the incentives granted by the Investment Law. For the original text of the law, please see:

<https://www.ecaa.gov.eg/en-us/laws/wastemanagregulationlaw.aspx>

## 5.5 Corporate Taxation

### 5.5.1 Tax systems and regimes

The Egyptian tax system is sound and relatively simple, with a territorial tax system. The main taxes on business operations include corporate income tax, personal income tax, value-added tax (VAT), stamp duty, real estate tax, customs duties and social security contributions. The competent tax authorities include the General Directorate of Taxes under the Ministry of Finance, the General Directorate of Customs, and the Real Estate Tax Authority, which are responsible for the administration of income tax and value-added tax, customs duties, and real estate tax, respectively. Egypt has signed double taxation avoidance agreements with 55 countries. In February 2019, President Sisi signed a decree authorising the General Authority for Taxes to obtain independent legal personality status in order to improve the implementation and efficiency of tax policies.

**Table 5-4 Important laws related to taxation**

serial number	Name of the law	Number of legal enactment	Symbols of important amendments or enactments of new laws
1	Income Tax Act	Act No. 91 of 2005	Act No. 82 of 2017
2	real estate law	Act No. 196 of 2008	Act No. 117 of 2014
3	Value Added Tax Act	Act No. 67 of 2016	2020 Amendment
4	customs code	Act No. 66 of 1963	Act No. 95 of 2005
5	Stamp Duty Act	Act No. 111 of 1980	Act No. 76 of 2017
6	Special Economic Zone Act	Act No. 83 of 2002	2015 Amendments
7	investment law	Act No. 72 of 2017	2019 Amendments

Egyptian Real Estate Tax Authority website:

<http://www.rta.gov.eg/En/BuildingTaxType> 埃及海关总署网站:

<https://www.customs.gov.eg/>

### 5.5.2 Main taxes and rates

[Corporate Income Tax] Taxable objects: Resident enterprises established in accordance with the relevant Egyptian laws, branches, workshops, factories or other units of non-resident enterprises in Egypt.



Taxable income: business income earned by Egyptian resident enterprises both inside and outside the country, as well as business income earned by non-resident enterprises inside Egypt.

Tax rates: The general tax rate is 22.5 per cent, but two special categories of taxpayers pay more than 22.5 per cent. These are: the Suez Canal Authority, the General Petroleum Company and the Central Bank, which are taxed at 40 per cent; and enterprises engaged in oil and gas exploration, extraction and processing, which are taxed at 40.55 per cent.

**Table 5-5 Major enterprise-related taxes and tax rates in Egypt**

tax type s		dut y rate	
corporate income tax		22.50%	
capital gains tax	Securities trading profits	10%/22.5%	
	Gains on transactions of other assets	22.50%	
Branch office tax		22.5 per cent	
Withholding tax on payments of income	Dividend and bonus tax		5/10 per cent
	Resident enterprises	procure (for an enterprise etc)	0.50 per cent
		General services	2 per cent
		Professional Services	5%
		commissions	5%
	Non-resident enterprises	interest (on a loan)	20 per cent <sup>①</sup>
		royalty	20 per cent <sup>①</sup>
		management service fee	20 per cent <sup>①</sup>

co m e ta x on be ha lf of ot he rs			
Branch remittance tax			5% <sup>②</sup>
Loss credits	Carry back	Non-deductible <sup>③</sup>	
	Carry forward	5 years	

Note: ① 20 per cent is the general tax rate. Due to the different tax agreements signed between Egypt and different countries, the tax rate enjoyed by non-resident enterprises from different countries may be different; ② The profits of branch offices must be repatriated within 60 days after the end of the current year and taxed at a rate of 5 per cent. There is no conflict with bilateral tax agreements; (iii) Long-term projects (e.g., engineering-type projects) may be credited forward without a year requirement as long as they are not completed.

Source: Collated by the Economic and Commercial Section of the Chinese Embassy in Egypt.

Corporate income tax anti-avoidance rules. Included:

- ( 1 ) Losses incurred by Egyptian resident enterprises from operations abroad are not deductible against the taxable income of domestic enterprises.

( 2 ) On an annual average basis, if the debt/equity ratio of a business exceeds 4:1, the excess interest is not allowed as an expense against taxable income.

( 3 ) The interest rate on corporate liabilities may not exceed two times the official discount rate published by the Central Bank at the beginning of the year, and the interest on the excess may not be included in expenses against taxable income.

( 4 ) In order to avoid illegal tax avoidance through related party transactions, regardless of domestic or cross-border, the Transfer Pricing of related party transactions should comply with Arm's Length Principles, i.e., both parties must be fair in pricing. The Transfer Pricing of related party transactions should comply with Arm's Length Principles, i.e., both parties have to make fair pricing. The specific evaluation criteria and methods can be consulted with the registered regional tax office.

[Capital gains tax] Profits from trading in securities such as shares of unlisted companies, and profits from asset-based transactions are generally taxed at 22.5 per cent. In July 2014, Egypt introduced a bill to tax the stock market by imposing a 10 per cent profits tax on capital gains and dividends for resident and non-resident enterprises (including individuals) respectively, if the subject of the transaction is the shares of a company registered and listed on the Egyptian Stock Exchange. However, this tax was suspended for 2 years from 17 May 2015 and on 19 June 2017, in the newly enacted Law No. 76 of 2017, the tax continued to be suspended for 3 years until 17 May 2020. In March 2020, the Egyptian government stipulated that the capital gains tax on the Egyptian Stock Exchange will be postponed until 1 January 2022 to be reintroduced, and foreign investors will be permanently exempted.

[Dividend and bonus tax] The general tax rate is 10 per cent and is not deductible. However, if both of the following two conditions are met, the tax rate can be reduced to 5 per cent:

- ( 1 ) Dividend recipients hold more than 25 per cent of the equity or voting rights in the issuing enterprise.
- ( 2 ) The recipient of the dividend holds or undertakes to hold the company's shares for a period of not less than 2 years.

Holding shares in companies listed on the Egyptian Stock Exchange is temporarily exempted from tax on dividends and bonuses until 17 May 2020. Stock dividends are not subject to tax.

[Real estate tax] Legal basis: Law No. 196 of 2008 and its amendments (Law No. 117 of 2014). The general tax rate is 10%. Calculation formula:  $10\% \times \text{annual rental value} \times (1 - \text{statutory rate})$ . The annual rental value is determined by a survey and assessment committee organised by the Property Tax Authority with representatives from all stakeholders. Factors affecting the valuation include location, building standards, building materials and access to municipal facilities.

Once the lease value is determined, residential and non-residential properties are taxed at the statutory rates of 30 per cent and 32 per cent, respectively, after deducting the related use and maintenance costs (i.e., the net annual lease value).

Residential and non-residential properties are entitled to a tax exemption of EGP 24,000 and EGP 1,200 respectively. Leasehold values below this amount are not subject to tax, while leasehold values above this amount are taxable after deducting the above exemptions.

The law provides for an annual leasehold revaluation every five years. The value of residential properties and non-residential properties are revalued every five years.

The maximum sub-increase shall not exceed 30 per cent and 45 per cent.

Transactions of property or land are subject to a non-deductible transfer tax of 2.5 per cent of the total assessed value of the property x 2.5 per cent, except in special cases provided for by law.

[Stamp duty] Egypt divides stamp duty into two categories: one is the coupon stamp duty levied on contracts, invoices and other legal documents and instruments, which is charged at the rate of EGP 0.9 per page; the other is the proportional stamp duty levied on financial transactions and securities. Generally, 8 per cent is levied on borrowings, 1 per cent on credits, 20 per cent on commercial advertisements, 1.08 to 10.08 per cent on insurance premiums, 2.4 per cent on government purchases, payments for services and contractual works, and 0.1 per cent on account balances on a quarterly basis for loan-type operations carried out by banks.

In June 2017, President Sisi signed a decree imposing a stamp duty on stock transactions. According to the law, both buyers and sellers of shares are subject to stamp duty at a rate of 1.25 per cent in the first year of the law's implementation (from the date of its promulgation until 31 May 2018), 1.5 per cent in the second year (from 1 June 2018 to 31 May 2019), and 1.75 per cent from the third year onwards (from 1 June 2019 onwards). In March 2020, the Egyptian government reduced the stamp duty on securities transactions to 0.125 per cent (instead of 0.15 per cent) for foreign investors and 0.05 per cent for residents.

In May 2020, the Egyptian Cabinet approved a draft law amending some of the stamp duty provisions. It stipulates that non-resident sellers and resident buyers should pay stamp duty at 1.25 per cent of the total sales price, and resident sellers and resident buyers should pay stamp duty at 1.25 per cent of the total sales price. The bill grants tax incentives for securities listed on the Egyptian Stock Exchange.

[Personal Income Tax] All income of individuals in Egypt should be recorded as taxable income. Like most countries, Egypt has a progressive personal income tax system with an exemption of EGP 9,000/year. In July 2017, the Egyptian government enacted Law No. 82 of 2017, amending the personal income tax, revising the amount of each tax bracket, and introducing tax rate discounts for the first time. In May 2020, Egypt amended the personal income tax law again, adjusting the tax brackets and abolishing the tax

discount policy.

In May 2022, in order to further reduce the tax burden on citizens and effectively stimulate investment, the Egyptian Cabinet approved an amendment to the Income Tax Law to increase the annual personal income tax exemption from EGP 9,000 to EGP 15,000. The amendment was submitted to the House of Representatives for consideration.

**Table 5-6 Egyptian personal income tax rates**

grade	Taxation of annual income (progressive) EGP	duty rate
1	Annual income below 15,000	0 per cent
2	Annual income 15001 to 30000	2.5 per cent
3	Annual income 30001 to 45000	10%
4	Annual income 45001 to 60000	15%
6	Annual income 200001 to 400000	22.5 per cent

7	Annual revenue over 400,000	25 per cent
---	-----------------------------	-------------

Source: Egyptian Income Tax Act and amendments.

[VAT] On 7 September 2016, Egypt enacted the VAT Law with a general VAT rate of 14%. VAT expenditures and revenues on all items of business operations are deductible, and the difference between the deductions is then turned over to the tax authorities (the former sales tax law did not allow for income and expenditure to be deducted from VAT on different subjects).

The VAT rate for goods or services related to machinery and equipment used for production is 5 per cent. Whether the equipment is imported by the direct user or by a third party (trading company, agency, etc.) sufficient supporting documents should be submitted to the tax authorities to prove that the equipment is used for production. If the entire production line is imported as spare parts, the VAT rate of 5% also applies. The tax rate for contracts such as EPC, turnkey contracts, etc. is 5%, and 10% for consultancy contracts.

The basic steps for applying for the preferential VAT rate for production and processing projects are as follows: at the request of the enterprise, the Egyptian General Authority for Investment and Free Zones or the Industrial Development Authority sends a letter to the tax authorities describing the imported equipment and applying for a reduction in the VAT rate; the tax authorities respond with a written review of the applicable rate; and, after the equipment has been assembled, the equipment is subjected to on-site inspection by a joint committee composed of the tax authorities and Customs.

The law explicitly exempts 57 categories of goods and services from VAT, notably: tea, sugar and milk; gas, electricity and water; banking services (banks only); drugs and active substances used in the manufacture of medicines, whether locally manufactured or imported; cosmetic surgery other than for medical purposes and health services other than weight loss services; and public education and scientific research services, including schools offering international programmes; Public hospitals, public medical services, public clinics and non-profit organisations; free radio and television transmission services; the sale and rental of vacant land, agricultural land, buildings, housing and non-housing units; and advertising services. In addition, exports of goods and services are subject to a zero VAT rate; and

trade in goods and services by enterprises in free zones is subject to a zero VAT rate.

Items for the military, public safety and national defence are exempt from tax.

In February 2020, in an effort to increase revenues, Egypt published Decree No. 13 of 2020, amending some articles of the VAT law to increase the VAT on tobacco products.

In June 2020, the Egyptian Ministry of Finance (MoF) finalised the draft amendments to the VAT Law No. 67 of 2016, which was published on the MoF's website and submitted to the Cabinet for consideration after being discussed by the community. Egyptian Finance Minister Mohamed Maait confirmed that the draft amendment to the VAT law does not affect tax rates.

Changes to the draft amendment to the VAT law include 1. most commercial advertisements will be subject to VAT (previously direct advertisements were not subject to VAT); 2. departing travellers will receive a refund for purchases of specific goods over EGP 1,500 (the previous refund system required EGP 5,000 or more); and 3. baked snacks, soaps, and cleaning products will be subject to VAT, not



5 per cent of the cost of the meal or booking tax; 4. Businesses will be required to submit monthly VAT returns online; 5. Businesses in the SEZ will receive the same VAT treatment as those in tax-free zones, including the Suez Canal Economic Zone (SCZone), and will not be required to pay VAT on any goods or services purchased or exported. This is part of an incentive for businesses wishing to set up shop in the SCZ;

6. The Minister of Health may issue a decree exempting raw materials used in the manufacture of medicines from VAT; 7. Blood collection, vaccines, and contraceptives will be exempt from VAT; 8. Places of worship, mixed cooking oils, and construction and maintenance work on accessible vehicles will also be exempt from VAT. However, these goods and services may still be subject to excise duty or meal charges below or above the VAT rate.

Other elements of the proposed changes include: paper manufacturers will be exempted from VAT on their raw materials in order to boost the paper industry; water tariffs will be exempted from VAT on sewage treatment; international ferry operators will be exempted from VAT; and the cap on VAT offence fees will be lifted to allow authorities to impose higher fines. The Egyptian Finance Minister said that the Ministry aims to increase the number of taxpayers from 70,000 to 550,000 through the proposed amendments, which will be done through a "stricter" approach to prevent businesses from underestimating the value of transactions in their VAT returns.

In June 2021, in response to the proliferation of online ordering and shopping in the wake of the new Crown Pneumonia outbreak, the Egyptian Ministry of Finance issued its No.

Decision No. 285/2021, which specifies that VAT at the rate of 14 per cent shall be levied on restaurants and shops offering online delivery services with a standard annual turnover of EGP 500,000.

In January 2022, Egypt published a copy of Law No. 3 of 2022 introducing several amendments to the VAT Law, notably: applying a zero rate of VAT to goods and services exported from projects within special economic zones and to goods and services imported by these projects from abroad or from other parts of Egypt outside of the zones; suspending VAT for one year on machinery and equipment purchased locally or imported for industrial purposes (with the possible extension to two years), and converting the VAT

moratorium to an exemption if the machinery and equipment is used for industrial purposes during the one- or two-year moratorium period and the following five years, failing which a retroactive payment of VAT will be made; extending VAT exemptions to health services, non-tourist sea transport services for individuals, air transport for individuals, and freight transport services for certain imported products such as pulses, grains, and salt; and applying new penalties for non-tax evasion type New penalties for non-evasion offences, including a fine of 1 per cent of the VAT due, with a minimum fine of EGP 1,000 and a maximum fine of EGP 10,000, which is doubled for repeated offences; and the application of a standard VAT rate of 14 per cent on advertising services in lieu of the 20 per cent stamp duty, with exemptions for certain advertisements, such as those issued by the Government and public institutions.

## 5.6 Special economic zone provisions

### 5.6.1 Special Economic Zone Regulations

The main economic zones available for foreign investment in Egypt include industrial zones, investment zones, science and technology parks, free zones, special economic zones, and qualified industrial zones. Of these, investment zones, science and technology parks and free zones are governed by the Investment Law, while special economic zones are governed by the Investment Law.

Industrial zones are governed by the Law on Special Economic Zones (Law No. 83), which is a general domestic investment regime with no special requirements. (For the relevant legislation, please refer to section "See Industrial Sections".)

[Industrial Zones] The Industrial Development Authority (IDA) under the Ministry of Trade and Industry manages 119 industrial zones throughout the country, which have a relatively well-developed infrastructure, public services and industrial support. Most of the land in the industrial zones belongs to the IDA. The government allows foreign enterprises to invest in the industrial zones, and there are basically no special preferential policies. However, most of the industrial zones are also located in areas designated as qualified industrial zones. Companies registered under the Investment Law and the Company Law are allowed to enter the industrial zones. In the absence of explicit restrictions in laws and regulations, investment projects in any industry may enter the zone by negotiating directly with the IDA or the management committee of each industrial zone.

[Investment zones] Under the Investment Law, the Prime Minister may decide to establish specialised investment zones in different areas of investment, including, but not limited to, logistics, agriculture, industry, etc. The regulator of the investment zones is GAFI. The regulator of the zones is GAFI, and each zone has a board of directors that may authorise private companies to develop and manage the zones or to solicit business for the zones. Projects established in the investment zones are automatically subject to the relevant incentives under Chapters I and II of the Investment Law, and are automatically granted industrial licences, and are subject to the customs temporary release system under other relevant regulations, and can enjoy policies such as industrial clustering, unified management and no capital restrictions. Currently, 36 investment zones have been constructed across major Egyptian cities. Inquiries for admission can be made to GAFI or its investor service centres.

[Science and Technology Parks] Under the Investment Law, the Prime Minister may, at the request of the Minister in charge of the Ministry of Communications, Information and Technology Affairs, and upon the recommendation of the Board of Directors of the Directorate General, establish science and technology parks in the fields of information, communication technology industries. These areas include

processing and manufacturing activities; design and development of electronic products; data centres; foundry activities; software development and upgrading; scientific and technological education, and other related ancillary activities. The development, management and incentive policies of the technology parks are basically modelled on those of investment zones. The special feature is that machinery, equipment, industrial apparatus and materials required for the projects in the Science and Technology Park to carry out approved business activities are exempted from customs duties and fees and are released in accordance with the customs procedures stipulated by the Ministry of Finance. If imported prior to the completion of the project, the relevant equipment and materials required for the business activities, even if they are dispersed into the customs, are still considered as individual components of a complete production line. Currently, seven science and technology parks have been established in six provinces, including Alexandria and Beni Suef, under the supervision of GAFI.

[Free Zones] Under the Investment Law, free zones are special economic zones within and outside the customs territory that have been specially approved, with the nature of a bonded zone and the regulatory body being GAFI. The basic purpose of setting up free zones is to export to foreign countries, encourage the introduction of advanced technology, and promote the development of the manufacturing industry. Due to the many tax incentives and import/export facilities available to companies in the free zones, it is the most favourable investment mechanism in Egypt in terms of policy, and is worth focusing on by export-oriented Chinese companies. As of April 2019, there were 1,095 investment projects in the free zones, with a total investment of \$12.5 billion, and about \$2.1 billion in foreign direct investment, providing 194,000 jobs. Chinese companies have only invested in individual oil service projects in the free zones.

Its policy advantages mainly include: (1) profit distribution is not legally bound by the current taxes in Egypt, i.e., it is not subject to corporate

业所得税或增值税等任何现有税种；（2）自动获得工业生产许可；（3）与国际市场发生的原材料、货物进出口活动不受现行进出口规则、海关程序限制，即与经营范围相符的进出口活动无须事前审批，自动获得进出口经营权；（4）无论公司组建还是日常经营过程中所需的设备、原料进口，（4）No customs duties, additional customs duties and other taxes (except for passenger cars) are paid; (5) The products of the free zone are of Egyptian origin, and can enjoy the preferential trade arrangements signed between Egypt and other countries and regions; (6) Investors can apply for long-term residency matching the project's operation period; (7) Other preferential policies stipulated in the Investment Law are not in contradiction with the working mechanism of the free zone. However, goods imported from the free zone to the domestic market are similar to those imported from abroad and are subject to customs duties.

The free zone covers a wide range of project sectors, including general manufacturing, productive services and creative industries. It is prohibited to establish oil refining projects, fertilizer projects, iron and steel projects, natural gas processing, liquefaction and transportation projects, energy-intensive projects as determined by the Supreme Energy Council, brewing and alcohol products projects, weapons, ammunition, explosives and other projects related to national security.

Free zones are divided into two categories: public free zones and private free zones.

A public free zone is an entire area established by law. They are generally fenced off and have basic infrastructure such as water, electricity, gas, communications and sanitation, as well as police and security personnel to maintain security and the production environment in the zone. Each public free zone has its own customs service, which facilitates the clearance of goods. Currently, the Directorate General has 11 public free zones covering the major industrial cities in the territory, including Cairo and Alexandria, including the new Nuweiba Free Zone, which was established in April 2018 in the South Sinai Governorate. The Investment Law does not specify the conditions for access to the public free zones, but the most important considerations are an export ratio of at least 50 per cent and the encouragement of advanced manufacturing.

Private free zones (PFZs) are free zones established for a single project. no PFZs were approved after 2015. After the enactment of the Investment Law, applications for private free zones were reopened, but with higher conditions and extremely strict

vetting. By the end of 2017, 164 private free zones had been approved. The law allows projects to be converted from a domestic investment regime to a private free zone, which should generally be a completed operational project. The basic requirements for the establishment of a private free zone include (1) no premises suitable for the operation of the project are available in the public free zone; the location of the private free zone to be applied for will significantly affect the economic efficiency of the project; no new permits for the establishment of private free zones may be issued in residential areas, within residential premises, or in areas in which the establishment of other customs control mechanisms, such as a free market or bonded warehouses, has already been authorised; (2) the project should take the joint stock or limited liability company legal form; (3) the issued capital of the project shall not be less than US\$10 million, and the investment cost of the project shall not be less than US\$20 million or the equivalent in other free currencies; and (4) the project shall employ no fewer than 500 employees (based on the number of people paying social security). Exceptions may be made for some strategic projects of special importance whose business nature does not require large-scale employment; (5) the project area shall not be less than 2,000 square metres.

10,000 square metres; (6) local content shall not be less than 30 per cent; (7) the proportion of exports to foreign countries shall not be less than 80 per cent, with no restriction on the proportion for strategic projects of special importance; and (8) the private free zone project shall implement industrial security, civil defence and fire prevention conditions, and set up security facilities at its own expense in the enterprise and its surroundings, such as security guard towers, surveillance systems, and meet the needs of GAFI and the security guards' permanent presence.

Projects in free zones are not legally bound by the taxes and fees in force in Egypt, but are still subject to two fees. (1) An administrative fee of 2 per cent of the value of goods entering the zone for warehousing projects within the zone; an administrative fee of 1 per cent of the value of goods leaving the zone for production and processing projects; an exemption from the administrative fee for trade in transit goods; and an administrative fee of 1 per cent of the revenues realised as set out in an accounting statement approved by a certified public accountant for projects whose main activity does not involve the import or export of goods.

(2) In all cases, the project company shall pay an annual service fee not exceeding one thousandth of the total registered capital, up to a maximum of EGP 100,000.

[Qualified Industrial Zones (QIZ)] Under the Qualified Industrial Zones (QIZ) agreement signed between Egypt, Israel and the United States in 2004, Egyptian exports to the United States are eligible for tariff-free treatment on exports to the United States if 10.5 per cent of the value of the exported product is made in Israel and the Israeli and Egyptian components together exceed 35 per cent. The agreement is product-neutral, has no quotas, and has no termination period. The Qualified Industrial Zones (QIZs) are very large, including the Greater Cairo area, the Alexandria area, and the Canal area, and basically cover the main industrial production areas and major cities in Egypt. Firms within the zone may apply for QIZ status at any time, and upon approval, their export transactions are reviewed semi-annually for compliance with the relevant component requirements within the time period. The QIZ is administered by a separate management body, the QIZ Unit, which is headed by the Office of the Minister of Trade and Industry, and whose management board includes representatives from both the U.S. and Israel. For more information, see [www.qizegypt.gov.eg/Page/Faqs](http://www.qizegypt.gov.eg/Page/Faqs).

As of May 2022, the total number of companies registered under the QIZ protocol was 1,140. Due to the relatively high tariffs on textiles in the United States, around 80 per cent of the companies in the zone are engaged in textile production, while the rest of the firms export products such as agricultural products, chemicals, and base metals, as well as plastics, leather products, and construction materials. In 2021, QIZ products accounted for 37 per cent of total Egyptian exports to the United States, with textiles and clothing accounting for 94 per cent of the year's QIZ exports. QIZ authorities are welcoming to Chinese investors.

#### 5.6.2 Introduction to Special Economic Zones

[Suez Canal Special Economic Zone (SCZone)] According to the Special Economic Zones Law No. 83 of 2002, the SCZone is planned to cover an area of 20 square kilometres adjacent to the port of Ain Sokhna at the southern mouth of the Suez Canal, 45 kilometres south of the city of Suez. In August 2015, the entirety of the Suez Canal and the surrounding area was designated as the " Suez Canal Special Economic Zone (SCZone)" with an area of 460.6 sq km, which is intended to be developed into an industrial, scientific and technological hub of Egypt and a world logistics centre. The SCZone is divided into 2 integrated zones, 2 development zones and 4 ports. The zones are Ain Sukhna Port and East Said Port, the development zones are West Kantara and East Ismailia, and the four ports are West Port Said Port, Adabiya Port, Ertu Port, and



The port of El Arish. Six ports are currently under construction, as well as industrial zones for automobiles, furniture, textiles, electronics, etc. International trade agreements in which SCZone is involved include: the Greater Arab Free Trade Area (GAFTA), the Egypt-European Free Trade Area (EFTA) (Iceland, Liechtenstein, Norway and Switzerland) Free Trade Agreement, the Egypt-European Union Partnership Agreement, the Agadir Agreement (Mediterranean Arab Free Trade Area), the European Common Market Agreement, the Common Market for Eastern and Southern Africa Agreement (COMESA), the Egypt-Turkey Free Trade Agreement, the Qualified Industrial Zone (QIZ) Agreement, the Agadir Agreement (Free Trade Area for the Arab States of the Mediterranean), the European Common Market Agreement, the Common Market for Eastern and Southern Africa (COMESA), Egypt-Turkey Free Trade Agreement, and the Qualified Industrial Zones (QIZ) Agreement.

In August 2016 Egypt introduced the Legal Framework for the Suez Canal Special Economic Zone, which determines the applicable laws, taxes, licences, investment establishment procedures, and investment incentives and safeguards for the zone. In June 2017 Egypt enacted a new

In the Investment Law, the Suez Canal Economic Zone was included in the "out-of-category zones" in the implementing regulations issued in November, with "special incentives" for a 50 per cent reduction in investment costs.

In August 2017, Dubai Ports World (DPWorld) announced the establishment of a joint development company with the General Authority of the Suez Canal Economic Zone, Egypt, to build an exclusive industrial, trade and logistics park, as well as supporting residential and recreational facilities. In December of the same year, the Suez Canal Economic Zone unveiled plans for the construction of the Russian Industrial Park, a 5.2 square kilometre, \$6.9bn investment in East Port Said, including residential and industrial areas. The Russian side reportedly submitted the master plan for the industrial zone in mid-2019. There are also plans by developers from Turkey and other countries to build a park on the site.

According to the Special Economic Zones Law, the zones enjoy full jurisdiction in terms of administration, with all ministerial functions falling under the unified authority of the General Directorate of Zones, except for the four areas of foreign affairs, defence, the interior and the judiciary, and the zones have the right to formulate the corresponding

policy measures with flexibility. In August 2015, Egypt amended the Special Economic Zones Law, with the most significant change being the abolition of the corporate income tax and the personal income tax concessions. Enterprises established in SEZs are still entitled to the following incentives:

( 1 ) Bond proceeds, interest on loans and credit facilities received by institutions, major development companies and companies, enterprises and their branches in the Special Administrative Region are exempted from all taxes; imports are exempted from customs duties and turnover taxes, and exports to the Egyptian domestic market after importation are subjected to additional customs duties at the rate of spare parts rather than the final product;

( 2 ) The SAR does not enforce the Sales Tax Act, the Stamp Duty Act, or the State Resource Development Fee;

( 3 ) More liberal labour policies, the provision of Egyptian certificates of origin, the implementation of uniform tariffs, the establishment of tax administration platforms and dispute resolution mechanisms, etc;

( 4 ) Applications for work permits are handled by the SARA and do not require the approval of the Ministry of the Interior and the Ministry of Labour. The Authority may, where appropriate, relax the 10 per cent employment ratio for foreign employees;

( 5 ) Tax exemption credits are granted to some enterprises that meet the eligibility criteria. The Law on Special Zones provides for labour-intensive enterprises, enterprises expanding production using domestic raw materials, and investments in logistics services, trade development, electricity, and new energy sources,

Enterprises operating in the fields of agriculture, transport, etc., may be granted tax exemptions or other incentives in accordance with the relevant regulations of the competent authorities;

- ( 6 ) Manufacturing enterprises are exempted from customs duties on imported raw materials.

[Golden Triangle Special Economic Zone] In July 2017, the Egyptian government issued Presidential Decree No. 341 of 2017, deciding to establish a second special economic zone in the "Golden Triangle" area of Upper Egypt in accordance with the Special Economic Zones Law No. 83 of 2002, focusing on the development of the mining, industrial and tourism sectors. The "Golden Triangle" refers to the approximately triangular area bounded by the cities of Al-Qoseir and Safaga on the western shore of the Red Sea, and Qena on the left in Upper Egypt. The special authority for the zone is located in the city of Safaga. The SEZ will be subject to the tax exemptions provided for in Law No. 83, and will be included in the "Law Classified Zones" in the implementing regulations of the Investment Law, with a "special incentive" of a 50 per cent reduction in the cost of investment.

## 5.7 Labour and employment legislation

### 5.7.1 Core elements of labour law

The relevant provisions of the Labour Code, No. 137 of 1981, the Uniform Labour Code, No. 12 of 2003 and the new Labour Code of 2022 are set out below:

(Official regulations search portal: <https://www.egypt.gov.eg/english/laws/labour/>)

[Work permits] All Egyptian workers must obtain a work permit, except for short-term workers working for less than six months, and Egyptians working in foreign companies and representative offices must obtain approval from the Ministry of the Interior. Foreigners working in Egypt must obtain approval from the Ministry of Human Resources, and permits are generally granted for a period of one year, renewable.

[Labour contract] The employment contract must be written in triplicate, in Arabic, with one copy for the employer, one for the employee and one for the Social Security Office. In the case of a trial, a trial period must be indicated, which may not exceed three months.

[Working hours] Working hours must not exceed 8 hours per day and 48 hours per week, which may be increased to 9 hours per day in exceptional circumstances. There must be more than 24 hours of rest per week. If overtime work is done under special circumstances, it must be compensated.

[Paid leave] Employees who have worked for one year are entitled to 21 days of paid leave, and those who are over 50 years of age or have worked for more than 10 years are entitled to 30 days of annual leave. Employees are entitled to at least 15 days of annual leave per year, and 6 days are consecutive, with an additional 7 days of annual leave for remote areas. For the annual leave that has not been taken needs to be settled in 3 years and compensated to the employee in cash. However, if the company requires the employee to take leave and the employee does not accept it, the employee must take leave if he/she does not comply with the regulations. Employees are entitled to 75 per cent of their normal salary during sick leave, but not more than six months.

[Insurance and salary increases] Private companies are required to pay health and pension insurance for their employees, 10 per cent of company profits should be distributed to workers, and wages are increased by 7 per cent annually. If an employer needs to reduce an employee's salary or demote them, they need to take evidence and cannot arbitrarily punish employees. Employers are also required to display the company's system of rewards and punishments in a public place.

[Dismissal of workers] An employer may not dismiss an employee except in cases of serious misconduct (including strikes, extremely poor work performance, prolonged absenteeism, wilful damage to property, etc.). Before dismissal, the case must be submitted to the Coordination Committee of the Ministry of Human Resources for a hearing and coordination. Coordination is not mandatory and both parties may go to court. The court's judgement generally requires 30 days' notice to the employee before dismissal or compensation of one month's salary.

[Social Security Fund] In January 2020, the new Comprehensive Social Insurance Law, known as Law No. 148 of 2019, came into force, stipulating that social insurance is to be shared by employers and employees, and that the categories include old-age, disability, death, work-related injuries, medical care and unemployment insurance. The employer withholds social insurance from the employee's salary and pays it, together with the employee's share, to the Social Security Board on a monthly basis.

**Table 5-7 Egyptian Social Insurance Contribution Rates**

payer		insurance policy	Contribution rate (%)
employers	add up the total		18.75
	Old-age, disability and death insurance		12.00
	medical insurance		3.25
	industrial injury insurance		1.50
	unemployment insurance		1.00
	End-of-service allowance		1.00
employees	add up the total		11.00
	Old-age, disability and death insurance		9.00
	medical insurance		1.00
	End-of-service allowance		1.00

and semi-skilled industrial workers and managers, and training costs are relatively high. The Egyptian Labour Code, which is one of the strictest labour regulations in the world, guarantees lifelong jobs for workers, which is not

conducive to increasing worker motivation.

#### 5.7.2 Provisions for foreigners working locally

The Investment Law and its implementing regulations enacted in 2017 amended the policy related to the employment of foreign labour in investment projects, stipulating that the proportion of foreign workers should not exceed 10 per cent of the total number of employees. When it is not possible to obtain local employees with the necessary skills, the percentage of foreign labour is nominally allowed to be relaxed to 20%, but it is very difficult to apply in practice. GAFI is responsible for the formation of a team of skilled,

A committee composed of legal and related authorities decides on applications to increase the proportion of foreign employees in accordance with the following principles:

- ( 1 ) The foreign employee's qualifications and professional experience, and the time required to adapt to the type of work to be performed;
- ( 2 ) Opinions of the competent authorities of the company or enterprise; opinions of the security services based on the needs of national security;
- ( 3 ) The principle of equivalence with the State whose nationality the foreign employee holds;
- ( 4 ) The country's need for foreign experience and the country's economic interests;
- ( 5 ) The need of the company or enterprise for professional and consultant personnel, the conditions of production, and the effect of approval or refusal on production or investment;
- ( 6 ) The extent to which the company or enterprise is likely to provide job opportunities for Egyptian employees;
- ( 7 ) The seriousness with which a company or business honours previous commitments and complies with legal requirements;
- ( 8 ) When there are more foreign employees, preference is given to Egyptian-born or resident foreigners;
- ( 9 ) A company or enterprise that is authorised to use foreign experts or technicians shall provide the foreign experts or technicians with Egyptian employees as assistants whose skills are commensurate with their work. The foreigner shall train the assistants and submit regular reports on the extent of their technical progress.

[Risks of foreigners working locally] Egyptian work visas are issued more strictly and are subject to lengthy security vetting. At the same time, Egyptian police sometimes raid such small and medium-sized enterprises (SMEs) due to the illegal use of Chinese employees by individual Chinese enterprises. The Egyptian Embassy in China generally does not re-issue visas to Chinese nationals who have overstayed their visas. The Egyptian General Authority for Passports, Immigration and Nationality can be contacted at 0020-2-27927766 for visa extensions.

## 5.8 Regulations on the Acquisition of Land by Foreign Enterprises in Egypt

### 5.8.1 Main elements of the land law

[Land Law] The legal basis for the purchase and lease of land in Egypt by foreign

investors is mainly based on Law No. 15 of 1963, Law No. 143 of 1981 and Law No. 230 of 1996. Agricultural land in Egypt is basically privately owned, while most other types of land are owned by the state. (Relevant laws and regulations can be consulted:

<https://www.gafi.gov.eg/English/StartaBusiness/Laws-and-Regulations/Documents/LandandandRealEstateOwnershipLaws.pdf>)

Act No. 15 of 1963 provides that no foreigner, whether a natural or legal person, may own agricultural land.

Act No. 143 of 1981 stipulates that if a foreigner forms a partnership or joint stock company with an Egyptian citizen (in which the Egyptian citizen may not hold less than 51 per cent of the shares), the partnership formed may own 10,000 feddans of desert land and the joint stock company may own 50,000 feddans of desert land. In the event of the company's liquidation and bankruptcy, the desert land owned by the company shall be transferred to the Egyptian personnel. The



Article 1 of the Act stipulates that the so-called desert land shall be land beyond two kilometres of the municipal boundary. This provision applies to desert land that has been leased for more than 50 years.

Act No. 230 of 1996 provides that a foreign national may own real estate (unbuilt or built) in Egypt under the following conditions: (1) A foreign national may own only two properties in Egypt for his or her own use and that of his or her family (including spouse and minor children), in addition to the right to own the real estate required for the exercise of activities licensed by the Egyptian Government. (2) The area of each property may not exceed 4,000 square metres. (3) The property must not be a historical site. For both (1) and (2), the Prime Minister's approval is required in special cases. Ownership of real estate in tourist areas and new towns is subject to the relevant regulations set by the Cabinet of Ministers. The construction of new housing or other industrial/commercial buildings on existing arable land is classified into two cases: firstly, for arable land with good conditions for irrigation and cultivation, a change of use for private interests is generally prohibited; secondly, for land that is unsuitable for continued cultivation, the investor should apply to the Ministry of Agriculture and, based on the **Technical Report** issued by the Ministry of Agriculture, apply to the Provincial Government, which has the right to own and manage the land, for the approval of the Ministry. Secondly, the investor should apply to the Ministry of Agriculture and, based on the "technical report" issued by the Ministry of Agriculture, request approval for the change of land use from the provincial government that has the right to own and manage the land.

Pursuant to Prime Ministerial Decree No. 350 of 2007, foreign enterprises, regardless of the nationality of the shareholders or partners, may purchase land and property for commercial operations, with the exception of strategic areas. The strategic areas include the eastern, western and southern borders, the islands in the Red Sea and the Mediterranean Sea and along the Suez Canal. Foreign companies are not permitted to purchase land and property in the Sinai Peninsula, but may be granted the right to use it for a period not exceeding 50 years, subject to the fulfilment of certain conditions.

#### 5.8.2 Provisions for the acquisition of land by foreign-owned enterprises

The Investment Law, enacted in June 2017 (see section 'See Cloth' for more details), adjusts the procedures relating to the allocation of land to investors in order to facilitate coordination and communication with all parties involved in the land. The Law creates unprecedented incentives for the use of land in remote areas, such as allowing the allocation of land through purchase, lease and low-cost use, removing restrictions on the ownership of land and property by foreign companies, and stipulating that, with the exception of the Sinai region (where a foreign company must enter into a partnership with an Egyptian company that owns more than 51 per cent of the land), companies may allocate land to investors based on the expansion of their business, regardless of the nationality and place of residence of the partners and shareholders, and the amount of the company's equity participation. Regardless of the nationality and residence of its partners and shareholders and the extent of its equity participation, a company may have the right to own building land and develop real estate according to the needs of its business expansion, and GAFI can assist investors in identifying and acquiring land suitable for their investment projects. Foreign companies engaged in production activities generally invest in various types of parks. Depending on the nature of the zone, foreign investors may acquire land in different ways. In industrial zones, an investor can purchase land ownership from the government and own the land in perpetuity. In old industrial zones such as Sixth of October City, the industrial zone management committee is responsible for the sale of land, while in new industrial zones developed by private contractors, the developer is responsible for the sale of land. In free zones, investors can only lease land. In special economic zones, investors can only lease land for a maximum of 50 years, renewable.

The procedure for acquiring land is as follows:

- ( 1 ) The investor puts forward the intention to purchase the land, the management committee or the developer introduces the location, status and price of the land, and negotiates the purchase of the land.

Conditions;

- ( 2 ) The investor delivers 20 per cent of the price to the MC or developer as a down payment and signs the land contract;
- ( 3 ) The investor pays a fee for the review of the land contract and the contract is sent to the local government authorities for approval;
- ( 4 ) After the contract is approved, the investor pays the land handover fee, the initial handover of the land takes place, the land surveying department makes an on-site measurement, calculates the actual area, fills in the handover minutes, and the three parties sign together;
- ( 5 ) Within two years of the initial handover and prior to the construction of the project works, the project works will be submitted to the local government for approval.

The supply of investment land in good condition is still relatively tight, and the time taken to find and acquire suitable sites is long, with land prices rising rapidly.

#### 5.9 Requirements for foreign companies to participate in local stock exchanges

Egypt allows foreign companies and individuals to participate in trading in the securities market with an easy account opening procedure. Investors must have a trading account with a brokerage firm authorised by the Financial Regulatory Authority (FRA) or the EGX Membership Department. All investors are required to open an account with a custodian to ensure that the investor's account has the quantity offered at the time of sale and transfer to the buyer. Foreign companies are also allowed to carry out financial services such as securities underwriting, trading intermediation and securities and mutual fund management. Since 2014, a capital gains tax of 10 per cent has been levied in Egypt (temporarily exempt, see section 5.5.2). Interest income from the purchase of treasury bonds is subject to income tax at 20 per cent.

#### 5.10 Environmental protection regulations

Most of Egypt's land is desert with a fragile ecological environment. As a developing country, the Government has always attached great importance to the protection of the environment and to sustainable development, along with comprehensive economic development.

### 5.10.1 environmental authority

The environmental authority in Egypt is the Egyptian Ministry of Environment (Egyptian Environmental Affairs Agency, EEAA).

EEAA's main responsibilities include: formulating laws and regulations in the field of environmental protection, preparing national environmental protection reports and development plans, formulating environmental protection standards and norms for various types of construction and operation projects and conducting pilot projects, implementing international and regional environmental conventions, and managing the National Environmental Protection Fund.

Address: Misr Helwan El-Zyrae Road, Maadi, Cairo, Egypt (Behind Maadi Sofitel Hotel) Website: [www.eeaa.gov.eg](http://www.eeaa.gov.eg)

Tel: 00202-25256442, 00202-25256462, 00202-25256452

Fax: 00202-25256490

E-mail: [eeaa@eeaa.gov.eg](mailto:eeaa@eeaa.gov.eg)

### 5.10.2 Major environmental laws and regulations

In 1994, Egypt enacted the Environment Act No. 4, which provided for the creation of the EEAA, and which requires all investment projects to obtain an Environmental Impact Assessment (EIA) report from the Ministry of the Environment prior to their establishment. All industrial projects established in Egypt are required to assess their potential impact on the environment, which must be done by an Egyptian authority and is an indispensable document for companies to obtain a licence to operate.

Industrial projects are required to carry out preliminary treatment of pollution generated in the course of production and to meet discharge standards before discharging into public sewers. The Government has also established the Environmental Protection Foundation under this Act, which is funded mainly by financial allocations, financial institutions, civil society organisations, enterprises, etc.

On 26 October 2005, Egypt issued Prime Ministerial Decree No. 1741, which extensively revised the environmental standards in the former Environment Act (replacing the former Environmental Protection Act), reformulated the system of indicators and evaluation of environmental assessment, and stipulated stricter standards for emissions and treatment of pollutants, as well as the manner in which sources of pollution are to be managed.

On 1 March 2009, Egypt issued State Decree No. 9 of 2009 amending the former Environment Law to include a new definition of environmental protection in the coastal zone and integrated management measures, measures for the protection of the ozone layer, and the establishment of the Prime Ministerial Committee for the Protection of the Nile Waters. (Relevant legislation can be found at: <https://www.eeaa.gov.eg/en-us/laws/envlaw.aspx>)

### 5.10.3 Basic points of environmental laws and regulations

The law requires that industrial projects must carry out preliminary treatment of pollution generated in the course of production and meet discharge standards before discharging to public sewers. Unauthorised disposal of solid waste, aerosol pesticides

or other chemicals is prohibited.

In all cases, the discharge of polluting substances within Egyptian territorial waters by vessels of States or companies engaged in the exploration and exploitation of marine resources, offshore platforms (such as offshore drilling platforms, etc.) is prohibited. Discharges are not permitted to be discharged into the sea and must be kept at a distance of 500 metres from the coastline. Discharges into fishing areas, swimming areas or nature reserves are not permitted.

In the area between Taba and Ras Mohamed in the Gulf of Aqaba, it is prohibited to use nets or dynamite to catch birds and fish, including sea shells, coral, oysters and other marine life.

Violators must correct or remove the offending acts and things within the time specified by the Department of Water Resources and Irrigation. If they fail to do so within the specified time, the Ministry of Water Resources and Irrigation has the right to take measures (such as using administrative means or revoking licences) to remove or correct their violations and practices.

#### 5.10.4 Environmental Impact Assessment Regulations

The law requires all investment projects to go through an EIA by EEAA before they can receive a final licence from, for example, the Directorate General of Industrial Development (IDA). The procedure is as follows: the investor submits the Project Environmental Impact Assessment Report (in English or Arabic) to EEAA, and EEAA evaluates it and issues an EIA notification, which generally takes about 45 days. The cost is determined according to the type of project and the amount of investment, e.g., for a \$50 million food-based project, the EIA will cost about EGP 400,000.

[Basic procedures]

- ( 1 ) After completing IDA pre-approval, process IDA final approval;
- ( 2 ) Prepare the EIA report for the investment project and provide the report to the agent;
- ( 3 ) EEAA determines the environmental rating of investment projects (in categories A, B and C);
- ( 4 ) Consult the EEAA to identify relevant colleges or specialists who are qualified to act as an environmental assurance agent, and select specialists who are qualified to act as an environmental assurance agent;
- ( 5 ) After signing the contract with the agent, a letter of engagement is issued to the agent to prepare the relevant information and provide the preparation of the environmental report;
- ( 6 ) Levels A and B generally take 1-2 months; level C takes longer and requires two hearings in the provincial government where the investment is to be made, after which the environmental report and the hearing report are submitted to the local environmental affairs department for approval.

[Information for the preparation of the EIA report]

- ( 1 ) EIA report at the time of project investment declaration (the project plan completed at the time of project declaration in China contains the EIA);
- ( 2 ) Specific investment locations. For investments in industrial zones, a map is required to indicate the geographical location of the factory, the surrounding works (companies, factories), wind direction, distance from residential areas, and other information;
- ( 3 ) Description of the production process;
- ( 4 ) Water consumption, detailed description of the sewage treatment process system.

Among other things, a letter of certification from the Egyptian Water Company is required for water use;

( 5 ) Initial contracts for electricity, gas and other relevant energy sources. The contract must be a valid letter of certification from the Government of Egypt or the relevant energy supply company;

( 6 ) If there are exhaust gases, describe the process of controlling the exhaust gases;

( 7 ) If chemicals are present, instructions for protection and handling are also required;

( 8 ) A note on labour protection for employees.

[Documentation for environmental assurance]

( 1 ) Business Registration Certificate;

( 2 ) IDA Pre-Approval;



- ( 3 ) Land contracts;
- ( 4 ) Map of the plant area where the investment is located, with the local government stamp;
- ( 5 ) Official letter of confirmation from Energy and Water Supply;
- ( 6 ) EIA report;
- ( 7 ) Hearing report (required for level C).

#### 5.11 Provisions against commercial bribery

Egypt acceded to the United Nations Convention against Corruption in 2005, but there is no specific anti-corruption law. Active and passive bribery, intentional corruption, abuse of power, and use of public power for private gain are all recognised as offences in the Penal Code. Active and passive bribery are serious offences under the Penal Code, with lesser offences of passive bribery punishable by 2-3 years' imprisonment and a fine not exceeding the amount of the bribe but not less than EGP 1,000. Aggravating circumstances are punishable by 15 years' imprisonment and a fine of up to twice the amount of the bribe; those who plead guilty and voluntarily provide information to assist in the case are exempted from criminal penalties, and the bribed funds are confiscated. The provisions of the law addressing active bribery are relatively simple and are usually considered ancillary to passive bribery, and do not explicitly provide for penalties for those who give bribes. The Penal Code does not specify whether bribery of foreigners is illegal or not, nor does it contain relevant provisions on the liability of businesses. For the original text of the statute, see:

[https://www.cc.gov.eg/legislation\\_single?id=404680](https://www.cc.gov.eg/legislation_single?id=404680)

The Money Laundering Act 2002 and its series of amendments regulate the identification of money laundering offences. The Act covers only corruption in the public sector or private-to-public sector. The Act also specifically makes bribery a predicate offence for money-laundering offences. For the original text of the legislation, please see:

[https://www.cbe.org.eg/\\_layouts/download.aspx?SourceUrl=%2Fen%2FAboutCBE%2FAMLdl%2FAML%20and%20CFT%20law%2080%20of%202002%20-%20Eng.pdf](https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Fen%2FAboutCBE%2FAMLdl%2FAML%20and%20CFT%20law%2080%20of%202002%20-%20Eng.pdf)

Typically, tender invitations issued by Egyptian owners contain clauses prohibiting commercial bribery, and if a breach of the relevant

It is stipulated that the owner has the right to suspend the contract. For example, it is stipulated that the agency fee cannot exceed 0.1 per cent, but in practice, the rate can be as high as 5-10 per cent, far exceeding the legal requirements. As a result, Egypt's commercial anti-bribery laws have had a limited impact on practice, and companies still need to refer to the actual situation when tracking projects.

The Egyptian Administrative Control Authority (ACA) and the Office of Illicit Profits under the Public Funds Inspectorate of the Ministry of the Interior are responsible for investigating corrupt practices by government employees. Individuals and businesses can be adjudicated and tried by the District Attorney's Office and civil courts under Egyptian civil and commercial law. The ACA intervenes in cases where the private sector is suspected of violations of public funds or public interests, and its official website details its terms of reference, conditions for intervention, types of administrative offences, and the types of offences it investigates.

Definitions, intervention procedures, etc. For further information:

[www.aca.gov.eg/english/Pages/default.aspx](http://www.aca.gov.eg/english/Pages/default.aspx)

## 5.12 Provisions for Foreign Enterprises Contracting Local Works

### 5.12.1 licensing scheme

The Bidding Law is the main legal basis. According to the law, foreign natural persons are not allowed to undertake works, and foreign enterprises participating in the bidding process must fulfil one of the following two conditions in order to receive the owner's tender: having a branch office registered in Egypt, or having an Egyptian agency and relevant supporting documents.

Foreign contractors establishing a branch in Egypt are first required to register with the Egyptian Federation of Construction Contractors (EFCBC), obtain membership and have the appropriate qualifications before they can register with GAFI to establish a branch, otherwise GAFI will not pass the application. Foreign contractors are required to share no less than 51% of the contract value and no less than EGP 40 million with Egyptian contractors registered with EFCBC and having the appropriate qualifications. Contracts greater than EGP 40 million are exempted from the requirement to share no less than 51 per cent of the contract with an Egyptian subcontractor in the following three cases: (1) agreements between the two countries; (2) state-aided projects or projects financed by an international bank loan; and (3) projects of public interest or projects for which the Egyptian side does not have the capacity to carry out the work, which will require the provision of the original contract, and a separate assessment of each contract. The subcontracting requirement cannot be waived for projects other than the above three cases. Construction equipment must be shipped out of Egypt promptly after the completion of a foreign company's work on a project in Egypt, if no new project is received.

Egyptian companies have the right of first refusal if their bids are within 15 per cent of those of foreign companies under the same technical conditions. Foreign companies contracting for projects must be represented by Egyptian companies and must employ more than 90 per cent Egyptian workers. According to the practice of Chinese enterprises carrying out contracting work in Egypt, the implementation of the above two provisions is more flexible in private sector and military projects.

Apart from grants from foreign governments to Egypt and loans from the World Bank, the African Development Bank and the Arab Foundation, most civil engineering projects in Egypt are paid for in Egyptian pounds. In recent years, the Egyptian contracting market has become increasingly demanding in terms of financing, with the use of capital-carrying contracting and lease-operated EPC+F or part-investment modes common for large-scale projects.

#### 5.12.2 Prohibited areas

Egypt does not have an explicit field or catalogue of areas in which foreigners are prohibited from participating in contracting work. It is up to the owners of governmental and private projects to determine whether or not to resort to international tendering. However, under Egyptian law, the construction of military projects is prohibited for general commercial enterprises, except in the case of civilian projects led by the military.

#### 5.12.3 Bidding method

According to the Bidding Law, except for military projects, engineering projects must be carried out through public bidding, which generally requires at least three bidders. International tendering will be conducted for projects financed by international financial institutions, foreign government loans, foreign investment and projects deemed necessary by the Government. Owners usually pre-qualify companies interested in bidding.

### 5.13 Provisions for the protection of intellectual property rights

#### 5.13.1 Laws and regulations on the protection of intellectual property rights

Egypt joined the World Intellectual Property Organisation (WIPO) in 1975 and is a member of the Paris Convention and the Patent Co-operation Treaty, and is well established in the field of intellectual property protection, with the introduction of the Intellectual Property Protection Act in 2002, and the promulgation of the Intellectual Property Protection Regulation in 2003, which provides detailed regulations on the process of protecting intellectual property rights such as professions, integrated circuit designs, undisclosed information, trademarks and industrial designs, and copyrights. The protection process is regulated in detail. In terms of special laws, the Egyptian Patent Office, the Trade Registry, and the Copyright Protection Office are responsible for the registration and protection of all types of intellectual property rights as the specific implementation units of the law. The Patent Office, which is under the Ministry of Higher Education and Scientific Research, is responsible for the application and protection of patents, and in 2009, the World Intellectual Property Organisation (WIPO) granted the Egyptian Patent Office the right to become an international searching authority, the first in Africa and the Middle East, and the third in the developing world to be granted such a right.

The 2002 Law on the Protection of Intellectual Property Rights stipulates that the term of protection for invention patents is 20 years from the date of filing; the term of protection for designs is 10 years; and the term of protection for utility models is 7 years. The effective period of ownership of a trademark is 10 years, which can be extended several times for 10 years each time. The registrant, i.e. the owner of the trade mark, may not challenge the owner's ownership if the trade mark has been used continuously for more than 5 years after registration. Copyright protection lasts until 50 years after the author's death. For

the original text of the statute, please see:

<http://www.egypo.gov.eg/PDFs/law2002e.pdf>

### 5.13.2 Penalties for intellectual property infringement

Under the Law on the Protection of Intellectual Property Rights, the Egyptian Patent Office, the Trade Registry, and the Copyright Office are responsible for receiving complaints of infringement of intellectual property rights and assisting with appeals to the administrative courts.

-Fines of EGP 20,000-100,000 for those responsible for violating the provisions of patents and utility models, and imprisonment for up to two years and a fine of EGP 40,000-200,000 for a second offence.

-Fines of EGP 40,000-100,000 for those responsible for violating the regulations on the layout design of integrated circuits, and imprisonment for up to two years and a fine of up to EGP 200,000 for a second offence.

-A fine of EGP 10,000-50,000 for those responsible for violating the provisions on non-disclosure of information, and imprisonment for up to two years and a fine of EGP 50,000-100,000 for a second offence.

-Trademarks, service marks and commercial names and signs are subject to fines of EGP 5,000 to EGP 20,000, depending on the seriousness of the offence and the circumstances, and to imprisonment of more than two months and a fine **for** individuals who commit a repeat offence. A first offence is punishable by a fine of up to 6 months for businesses.

Within the shutdown penalties, and order closure for further offences.

-For new species, the party responsible for the offence is liable to a fine of EGP 10,000-50,000, and in the case of a second offence, to imprisonment for a period of more than three months and a fine of EGP 20,000-100,000.

#### 5.14 Main ways of resolving business disputes and applicable law

In the event of disputes arising from investment co-operation under intergovernmental agreements, the main reliance is on government agencies for co-ordination. Disputes involving enterprises and the Government rely mainly on the three dispute mediation committees established under the Investment Law with different responsibilities, without excluding recourse to judicial proceedings. Investment cooperation disputes arising from commercial acts between enterprises are coordinated by the enterprises themselves or by recourse to local Egyptian law. In the case of international arbitration, the application for arbitration may be filed with a qualified international arbitration institution.

The [local Egyptian laws for resolving business disputes] are mainly:

- (1) Act No. 13 of 1968, the Civil and Commercial Procedure Act;
- (2) Act No. 27 of 1994: The Egyptian Arbitration Act;
- (3) Act No. 17 of 1999, the Commerce Act;
- (4) Act No. 120 of 2008 on the Code of Economic Procedure;
- (5) Law 72: Investment Law, promulgated in June 2017;
- (6) Law No. 11, enacted in February 2018: the Bankruptcy Law.

[Investment Law] Chapter V of the Investment Law, "Handling of Investment Disputes", provides an open channel for investors and the Government to resolve investment disputes through friendly negotiations. The General Directorate of Investment (GDI) is responsible for coordinating conflicts and disputes between investors and various government departments. The law provides for the establishment of three committees: the Complaints Committee, which receives complaints against the administrative decisions of the DGI; the Inter-Ministerial Committee for Handling Investment Disputes, which receives all disputes on investment matters related to the Government and State-owned enterprises; and the Inter-Ministerial Committee for Handling Investment Contract

Disputes, which coordinates all contractual disputes related to the Government and State-owned enterprises and has the authority to reformulate contractual clauses in the interest of protecting the public interest and the rights and interests of the investor. If the decisions of the three committees are not accepted, they may choose arbitration by an arbitration institution with independent legal personality or appeal to the courts.

[International arbitration] Egypt is subject to the jurisdiction of the United Nations Commission on International Trade Law (UNCITRAL) and in 1959 acceded to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The Egyptian judiciary is receptive to arbitration, which has gradually become an important means of settling disputes. In addition, Egypt is home to the headquarters of the Cairo Regional Centre for International Commercial Arbitration (CRCCICA), which is one of the oldest and highest level arbitration centres in the region and handles a wide range of cases, from leasing contracts to complex construction, oil and gas contracts. Currently, Egyptian law does not impose a mandatory requirement on the place of arbitration, which can be specified by both parties to the contract when signing the contract, and in the event of a dispute between the two parties that cannot be conciliated, one party may appoint an attorney to transfer the dispute to the relevant centre.



The material is submitted to the contractual place and institution of arbitration, and the other party is obliged to respond to the complaint.

[Business dispute case] A project under construction experienced difficulties such as delay in production and transport of materials and shortage of personnel in management and technical positions after the outbreak of an epidemic, which might lead to a delay in the project's construction period. In response, the contractor sent a written notice to the supervisor and the owner, and requested the Economic and Commercial Office of the Chinese Embassy in Egypt to coordinate with them, urging the Egyptian side to give understanding and support to the Chinese side in respect of the project schedule. In the end, the two sides agreed on a new schedule based on the principle of mutual understanding and accommodation, which enabled the project to move forward smoothly.

## 6. Procedures for investment cooperation in Egypt

### 6.1 Procedures required for investing in a registered business

#### 6.1.1 Forms of establishment of enterprises

When registering a company in Egypt, one can choose to register under the Companies Act or the Investment Act, which is divided into domestic and free zone investments, asset-based companies regulated under the Capital Markets Act (Act No. 95 of 1992), and enterprises registered in special economic zones regulated under the Special Economic Zones Act (Act No. 83). There are seven main forms of business establishment: limited liability company, joint stock company, partnership, sole proprietorship, branch, representative office and franchise. Representative offices are regulated by the Commercial Agents Act (Act 120 of 1982). For details of the forms of registration, please refer to "Regulation 5 of the Law". (Please refer to 5.2.2 for the relevant regulations.)

#### 6.1.2 Receiving organisations for registered businesses

The admitting authority for company registration in Egypt is the Investor Service Centre (ISC) of the Egyptian General Authority for Investment and Free Zones (GAFI).

#### 6.1.3 Main procedures for registering a business

At the end of 2018, GAFI published the Investor Services Guide (for a Chinese translation, please visit: <http://eg.mofcom.gov.cn/article/ddfg/201904/20190402859328.shtml>), which provides a comprehensive overview of the conditions, procedures and fees required for the registration of various types of companies, as well as contact details of all Egyptian The Investor Service Centre (ISC) and the contact details of all relevant government departments in Egypt are also explicitly encouraged in the Investment Law. The Investment Law also explicitly encourages the development of auditing firms that are engaged in reviewing the integrity of investment registration documents to assist companies in expediting the registration process. The main procedures for registering a business include security clearance, business registration, opening a bank account,

tax registration, and social security registration.

## 6.2 Procedures for Undertaking Engineering Projects

### 6.2.1 Access to information

[Public information from relevant Egyptian government departments] The Ministry of Transport, Ministry of Electricity, Ministry of Housing, Ministry of Information and Communication and other departments have a large number of public tenders, which companies must pay close attention to. Many of these ministries employ ministerial advisers, consulting firms and the like as professional think tanks to provide expert advice, and these individuals or organisations usually have information about the projects and their opinions have an impact on the decision-making level.

【Local Agents】 Medium to large engineering enterprises generally maintain their relationship with owners or clients through local agents, and usually also

A better understanding of the local market is an important source of project information. They should normally have the following qualifications: a good relationship with the potential owner or relevant government department; a history of good cooperation with the potential owner or relevant government department; familiarity with Egyptian laws, regulations and special provisions; a good ability to collect and analyse engineering information; an understanding of the Chinese way of thinking, which allows them to think from the contractor's point of view; and a good reputation and word of mouth.

**【Owners of existing projects】** Capture the owners of existing projects, build up reputation and trust by completing the existing projects with high quality, and will take the initiative in other new projects of the owners.

[Through other Chinese-funded enterprises] Some Egyptian owners or agents sometimes negotiate co-operation with familiar Chinese-funded enterprises, but sometimes there is a mismatch in the scope of business, qualifications, etc. It is very common for Chinese enterprises to exchange project information with each other, and Chinese-funded companies in Egypt should actively communicate with each other through industry associations, chambers of commerce, and other occasions to strengthen exchanges.

#### 6.2.2 tenders and bids

Refer to 5.12.1 for regulations and procedures.

#### 6.2.3 government procurement

On 3 October 2018, Egypt enacted a new Public Procurement Law. The Law applies to all supply, service and construction contracts signed by public entities. The scope of public entities includes governmental bodies within the State budget, governmental departments, entities with independent budgets, local administrative units (governorates and municipalities), general authorities of a service or economic nature, and private projects that receive government funding.

For specific regulations, please visit:

[www.riad-riad.com/en/publications/new-public-procurement-law](http://www.riad-riad.com/en/publications/new-public-procurement-law)

#### 6.2.4 Licensing procedures

The Egyptian Federation of Building Contractors (EFBC) was established in 1992 to co-ordinate the co-operation between domestic and foreign contractors, to maintain a favourable competitive environment in the Egyptian construction industry, and to assist in the settlement of related disputes.

Egypt's Egyptian Federation of Builders Law No. 104 of 1992 (CU Law) provides that civil works above EGP 50,000 need to be registered with the Federation of Builders (EFCBC), failing which a fine of EGP 10,000 will be imposed and the contract may be cancelled at the request of the court. However, registration is not required in the following two cases: for loan or aid projects approved by Parliament where the contract expressly states that registration is not required; and for public service projects approved by the Cabinet.

Contractors are categorised into seven grades in each sector, such as in the water and electricity sector, where grade 1 is EGP 10 million or more in construction investment, 20 or more engineers, equipment worth EGP 5 million or more, and 20 or more years of specialisation. The 7th grade is EGP 100,000 and 1 engineer or more. EFCBC will determine the specialisation level of EPC contractors based on these criteria.

[Type of Registration] There are generally two types of registration with EFCBC:

( 1 ) Application for a general licence

Application materials include: proof of the contractor's business registration; certificates issued by the relevant chambers of commerce or trade unions in the country where the contractor is located; financial statements considered by the board of directors or audited; statements jointly signed by the contractor's engineers, accountants, managers, etc.; a list of equipment owned by the contractor; and relevant performances recognised by the owner over the past five years.

The above documents must be certified by the Egyptian Embassy/Consulate of the host country and translated into Arabic.

( 2 ) Apply for EFCBC Membership

Foreign contractors wishing to set up a branch office in Egypt are required to register with EFCBC and obtain a membership with the appropriate qualifications before they can register with GAFI to set up a branch office, otherwise GAFI will not approve the application of foreign contractors to set up a branch office in Egypt.

In practice, it is possible to undertake projects without registering through the EFCBC under certain special circumstances. For example, in the case of the Suez Canal dredging project, the registration system was not strictly enforced because of the President's push.

A foreign contractor's membership in EFCBC is valid only for the time required to execute the construction contract. Once the contract is executed, EFCBC will suspend the contractor's membership.

When a foreign contractor subcontracts an EPC project, the owner with a government background (e.g., EEHC, EETC, etc.) may review the foreign contractor's qualifications and have the right to withhold permission to undertake the project if it is deemed to be a threat to national security.

If the owner is the Egyptian military, there is no requirement to register with the EFCBC. For private projects, registration is mandatory.

## 6.3 Patent and Registered Trademark Applications

### 6.3.1 Patent application

The Egyptian Patent Authority is the Patent Office under the Ministry of Higher Education and Scientific Research. Egyptian patent applications are accepted for inventions, utility models and designs. The application documents to be submitted include:

( 1 ) An application for a patent for an invention or a utility model shall be submitted with a request, a specification and an abstract thereof, and the claims and other documents;

( 2 ) The request shall state the name of the invention or utility model, the name of the inventor or designer, the name or name and address of the applicant and other matters;

( 3 ) The specification shall give a clear and complete description of the invention or utility model, subject to the technical field of technical personnel can achieve; if necessary, there should be attached drawings. The abstract should briefly explain the technical points of the invention or utility model. Claims should be based on the specification, the scope of patent protection;

( 4 ) An application for a design patent shall be filed by submitting an application form, as well as documents such as pictures or photographs of the design, and shall specify the product in which the design is used and the category to which it belongs;

( 5 ) Other matters required to be submitted by the applicant during the process of applying for an invention or utility model are: 1) the applicant's nationality; ② the applicant is an enterprise or other organisation, the country where its headquarters; ③ the applicant commissioned a patent agency, the relevant matters should be noted; ④ the applicant has not commissioned a patent agency, it should indicate the contact person's name, address, postal code and contact telephone number; ⑤ request for priority, it should be noted that the matter; ⑥ applicant or agent's signature or seal; ⑦ the list of documents applying for; ⑧ List of additional documents; 9 other relevant matters to be indicated.

Once all the above documents are prepared, the patent application can be filed according to the relevant requirements of the Patent Office. Address of the Egyptian Patent Office:

101 Kasr Al Ainy st., Cairo, Egypt

Egyptian Patent Office

Academy of Scientific Research & Technology

Tel: 00202-27921291, 27921274, 27921272 Fax:

00202-27921272

E-mail:

patinfo@egypo.gov.eg 网址:

www.egypo.gov.eg

### 6.3.2 registered trademark

Trademark registration is carried out in accordance with the provisions of the Intellectual Property Law and is handled by the Trademark Office of the Egyptian Ministry of Trade and Industry. The Nice Classification is used in Egypt.

[Required documents] The applicant should first issue a power of attorney to his agent. Under the said power of attorney, the applicant authorises the agent to act on his behalf and to submit the applicant's trade mark for registration at the Trade Mark Office. The said power of attorney shall be notarised and finally authenticated by the



Egyptian Consulate in the host country.

The required documents include, inter alia, a copy of the company's articles of association or commercial register certified by the Egyptian consulate, which must be translated into Arabic; a copy of the trade mark pattern; and a list of the categories and types of products or services subject to the protection of the trade mark in question, which must be translated into Arabic.

[Main procedures] Application stage: (1) The application for registration of a trade mark is submitted to the Egyptian Trade Marks Office together with the relevant documents mentioned above.

(2) The said application is examined by a professional examiner. (3) During the examination process, the Trademark Office may request the applicant to make some amendments to his trade mark. If the required amendments are not made within six months of the notification, the Trademark Office may reject this application (4) The examination phase takes approximately eight months. (5) At the end of the examination period, the examiner will make a decision to accept or reject the relevant

Registration of the trade mark. If the Trademark Office's decision is accepted, the trademark will be moved to the second stage, the "Publication and Registration Stage". Publication and Registration Stage: (1) The applicant pays the publication fee and publishes the trade mark in the "Official Gazette of Trade Marks". (2)

After the publication of the trade mark, a third party has 60 days to file an opposition. (3) If no opposition is filed within 60 days, the trade mark shall be finally registered and a certificate of registration shall be issued.

Normally, the period required to register a trade mark in Egypt is 12 to 14 months. The period of protection is 10 years from the date of filing the application for the trade mark, and the said period may be renewed before the end of the 10th year, and the renewal of the trade mark shall also be published in the "Official Gazette of Trade Marks". If the decision of the Trademark Office is a refusal, the following options are available: within 30 days after the applicant has been notified of the refusal, the applicant may file an appeal with the Appeals Board of the Trademark Office. If the Board accepts the appeal, the trade mark will be moved again to the publication and registration procedure described above.

## 6.4 Procedures related to corporate tax returns

### 6.4.1 Time to file tax returns

[Time Requirement] The Egyptian tax year is the same as the calendar year, starting on 1 January and ending on 31 December each year. Taxpayers are required to register with the tax authorities within 4 months of the commencement of business activities. Corporate income tax should be declared and paid on 1 May each year or within 4 months after the company's fiscal year. Value-added tax (VAT) is generally levied on a monthly basis, and the declaration and payment is completed in the month following the expiry of the tax period. The tax office is responsible for auditing the tax return and assessing the amount of tax to be levied based on the information in the return. For import and export enterprises or enterprises that only engage in one or two taxable acts per year, the deadline for declaration and payment can be adjusted upon approval.

[Extensions and Penalties] A business may apply for an extension of time to file a

tax return, provided that the estimated tax is paid at the time of filing the application. The application for an extension should be made at least 15 days before the deadline and up to a maximum of 60 days. VAT and stamp duty also enjoy a 60-day grace period without the need to apply. Businesses that fail to submit a tax return and pay the tax by the required date will be subject to a penalty interest rate of 1 per cent of the tax owed per month. Any taxes must be submitted at the same time as the tax return.

Following the outbreak of the 2020 New Crown Pneumonia epidemic, the tax filing schedule for some taxes, such as corporate income tax, was temporarily adjusted in April to reduce the pressure on enterprises. Taxes payable for some industries that have been significantly affected by the outbreak can be paid in three instalments, 20 per cent by the end of April, 50 per cent by the end of May and 30 per cent by the end of June. These industries include: aviation, tourism, restaurants and cafes, hotels, press and media, industrial enterprises (especially export-oriented enterprises, except for companies dealing with food processing or pharmaceuticals, health supplies and detergent products), transport and automobile distributors, hospitals, construction, certain software companies and companies in the field of telecommunication services; and clubs and facilities in the sports sector.

#### 6.4.2 Channels for filing tax returns

Enterprises can file their own tax returns through the tax department's online filing system or at the tax department's filing hall, or they can commission an accountant to do so.

## Tax Returns from the Law Firm.

### 6.4.3 Procedures and information for filing tax returns

GAFI issues tax cards to taxpayers containing the taxpayer's name, address, identity card number, company address, legal form, company name, the taxpayer's business activity, the type of tax payable, the registered regional tax office, the tax identification number, and the date of submission of the annual report. Taxpayers are entitled to tax incentives on the basis of supporting documents issued by GAFI. The taxpayer provides data on sales volume and number of sales upon request of the tax authorities.

Starting from 2019, the Egyptian tax authority began to implement electronic filing of corporate income tax returns, with the first batch mandatory only for financial enterprises, the rest of the enterprises to be included in phases, and other taxes such as VAT to be fully e-filed one after another. In October 2020, Egypt issued the Unified Collection Procedures Law (No. 206/2020), while successive amendments were made to the Income Tax Law and the Value Added Tax Law, which require that all tax returns must be submitted online and gradually all other tax-related operations, such as invoice filing, will be e-filed. The outsourcing service of the electronic tax filing system of the Taxation Bureau is provided by ExcelTP, and any questions about the system can be directed to its project manager Mr. Fouad Hassan (email: [fouad.hassan@exceltp.com](mailto:fouad.hassan@exceltp.com), phone: 00201000108226/0020233478749).

In March 2021, the Egyptian tax authorities announced that, as of 1 January 2022, paper invoices will no longer be accepted and only electronic invoices (e-invoices) will be accepted for credit or VAT refunds, excluding, for the time being, companies that are not compelled to issue e-invoices and companies that are allowed by the tax authorities to be exempted from issuing e-invoices.

## 6.5 Work Permit Processing

### 6.5.1 competent authorities

The competent authorities for the approval of work permits in Egypt are: GAFI (acceptance of applications and provision of proof of the company's qualifications), the Ministry of the Interior (security clearance), and the Migration Department of the Ministry of Manpower (approval and issuance of permits).

### 6.5.2 Work permit system

The important provisions of the Egyptian work permit system are as follows:

( 1 ) (a) Under the Egyptian Labour Law, foreign employees are not allowed to account for more than 10 per cent of the regular workforce. The Investment Law allows this to be extended to 20 per cent, but this requires an application to GAFI, which is more difficult to process;

( 2 ) The following expatriates are excluded from the above ratio in special cases: executives of all types of companies established under the Investment Law and the Companies Law (commonly known as "investment visas", see the attached table for specific requirements), managers of representative offices, branches of foreign companies, employers and their family members, small businesses (with less than five employees or family businesses), and those who are employed in accordance with the international agreements concluded by Egypt. International treaties concluded by Egypt

Foreign personnel working on national projects in Egypt under conventions and agreements;

( 3 ) The basic qualification requirements for foreigners to get a work visa: more than 3 years of work experience in related positions, graduation certificate, experience certificate, but investors and supervisors of the company are not subject to this restriction;

( 4 ) After obtaining a work permit from the Egyptian Ministry of Labour, a work visa must be applied for within 60 days, after which it will be invalidated;

( 5 ) Work visas are valid for 1 year and must be renewed 1 month before the expiry date, and will be cancelled 14 days after the expiry date;

( 6 ) Upon completion, be sure to return the work visa to the work visa office with an official letter from the company, stamped and confirmed by the Egyptian Ministry of Labour, in order to eliminate the work quota;

( 7 ) Technicians and experts are required to provide a report on the status of their Egyptian assistants at the time of visa renewal;

( 8 ) If a visa application is refused, an appeal should be filed at the Foreigner Work Visa Bureau of the Ministry of Human Resources within one month. Give reasons for the reasons for visa refusal and provide supporting documents if necessary. The appeal should be successful in one go. If the visa is refused for the second time, it is better to prepare to return to your home country and reapply for a permit to come to work in Egypt without a second appeal.

**Table 6-1 Requirements for "investment visa" work**

legal system	Type of company	Job Requirements	Minimum paid-up capital (US\$)	Number of work permits
Investment Law	joint-stock company	Shareholders, Chairman, Managing Director, Board Members	35,000	1
			50,000	3
			100000	6
	limited liability company	Shareholders, managers	35,000	1
			50000	3
			100000	6
	General and limited partnerships	associate	ibid	ibid

Source: Ministry of Human Resources of Egypt, Economic and Commercial Section of the Chinese Embassy in Egypt.

### 6.5.3 Application Procedures

There are three main components to obtaining a work visa: a permit authorising a foreigner to come to Egypt to work; a work visa; and a renewal of the visa.

[Work permits] Permits to allow foreigners to come to Egypt to work are subject to the following procedures:

( 1 ) When a company intends to use non-Egyptian employees, it must first obtain a permit from the relevant Egyptian authorities agreeing to come to work in Egypt, i.e. a work permit, before the person comes to Egypt.

( 2 ) Apply to GAFI's ISC. Provide with the application: a copy of the applicant's passport; proof of the applicant's qualifications (to be certified at the Egyptian Embassy in China); and information about the enterprise (business registration certificate, tax registration certificate, social security account opening certificate and insurance documents).

( 3 ) After review, the ISC issues a letter of agreement in principle to grant a permitted labour permit, which the applicant sends to the Labour Use and Labour Market Information Centre of the Ministry of Human Resources for review.

( 4 ) Upon passing the examination, a letter of preliminary consent to come to work in Egypt (permit) is issued and sent to the Passport, Immigration and Nationality Directorate of the Ministry of the Interior, with a copy to the Office for Foreigners' Work Visas (hereinafter referred to as the "Examining and Qualifying Visa Office"), signifying consent to come and work in the country.

( 5 ) The applicant company sends the letter of permission from the Ministry of Human Resources to the Passport, Immigration and Nationality Department of the Ministry of the Interior, which issues a yellow receipt upon receipt of the letter of permission. An endorsement is also added within one week for the time of notification to the embassy in China.

( 6 ) A copy of the above-mentioned passport of the Ministry of the Interior, the yellow receipt of the Directorate of Immigration and Nationality and the letter of approval of the Ministry of Human Resources to come to work shall be sent to the country, and the holder of the passport shall go to the Embassy in Beijing with it to apply for a visa to come to Egypt for the purpose of work (the period of stay in Egypt



shall be two months). The above-mentioned yellow slip and the letter of approval from the Ministry of Human Resources are examined by the Embassy but are not retained in the Embassy and are taken back to Egypt.

According to the current actual situation, the Egyptian Embassy in China generally only issues tourist visas for entry. After the applicant enters Egypt, he/she starts to formally apply for a work visa, and then applies for a tourist visa to work visa.

( 7 ) After obtaining a visa from the Egyptian Embassy in Beijing, the licensee is required to provide a medical certificate, a letter of application for a work visa, a photograph, together with a yellow slip from the Ministry of the Interior and an endorsement from the Ministry of Human Resources, to apply for a work visa at the Egyptian Ministry of Labour.

**【Working Visa】** Foreign labourers are required to go through the following procedures to apply for a working visa to Egypt:

- ( 1 ) Within 2 months of receiving the work permit from the Ministry of Human Resources, the applicant must depart for Egypt or the permit will be cancelled.
- ( 2 ) Immediately after entering Egyptian territory, the applicant goes to a specialised hospital to be tested for AIDS.
- ( 3 ) The company goes to GAFI's ISC for the work visa application process.
- ( 4 ) ISC issues a letter of consent to apply for a work visa, and the applicant organisation, with the letter from ISC and all the submitted documents, will be sent to

Proceed to the GAFI Visa Office and obtain a 6-month temporary residence visa with the relevant documents.

( 5 ) Once the security clearance is provided, the Visa Office officially issues a work visa and a residence visa for one year in the same department.

[Visa Renewal] In Egypt, you can apply for a renewal of your work visa when it expires. Renewals should be made 1 month in advance.

( 1 ) Documents to be submitted: ① Renewal application (Alien Visa Application Form); ② Original work visa issued to the individual; ③ Form from the security department agreeing to renew the visa (processed by the Visa Office); ④ Report on the work of the Egyptian assistant;

⑤ Postal money order for work visa processing fee.

( 2 ) Examination and approval: The Visa Office issues a new work visa after satisfactory examination. With the new work visa, the applicant applies for a new 1-year residence visa through the Visa Office.

#### 6.5.4 information provide

- ( 1 ) Application form for foreigner's work visa. Enterprises fill in the form item by item, signed by the person in charge and stamped with the official seal of the enterprise.
- ( 2 ) A copy of the permit from the Ministry of Human Resources is sent to the Ministry of the Interior and the Labour Office of the General Directorate of Investment.
- ( 3 ) Proof of the applicant's work qualifications certified by the Egyptian Embassy in China, with a work experience of not less than 3 years.
- ( 4 ) Original and photocopy of the applicant's passport, the original to be used for verification.
- ( 5 ) Mail order in favour of the Director of the General Secretariat of the Ministry of Labour and Migration in the amount of EGP 3,200 for the cost of.

Processing fee for a 1-year work visa.

- ( 6 ) Medical certificate from a hospital (proving absence of AIDS).
- ( 7 ) Confirmation that the applicant has not applied for (or has applied for) a job.
- ( 8 ) Corporate documents (business registration certificate, tax registration certificate, etc.).

( 9 ) Social security form and the company's stamped roster of insured employees.

( 10 ) Security Clearance Form.

## 6.6 Institutions able to provide investment co-operation advice to Chinese enterprises

### 6.6.1 Economic and Commercial Section of the Chinese Embassy in Egypt

Address: NO.22, Bahgat Aly Street, Zamalek, Cairo, Egypt

Tel: 00202-27363712

Fax: 00202-27362094

E-mail:

eg@mofcom.gov.cn 网址:

eg.mofcom.gov.cn

## 6.6.2 Egypt China Chamber of Commerce

President: Bian Shi Yuan

Tel: 002-01029127806

E-mail: bianshiyuan@cdb.cn

## 6.6.3 Embassy of Egypt in China

Address: No. 2, Ritan East

Road, Beijing, China Tel:

0086-10-65321825

## 6.6.4 Egyptian Investment Service

[Larger law firm in Egypt]

( 1 ) HELMY, HAMZA & PARTNERS (BAKER & MCKENZIE)

Address: NILE CITY BUILDING, NORTH TOWER, 21ST FLOOR 2005C, CORNICH  
EL NIL, RAMLET BEAULAC, CAIRO, EGYPT

Tel: 00202-24619301

Fax: 00202-24619302

Website: [www.bakermckenzie.com](http://www.bakermckenzie.com)

According to the Legal 500 ranking, the firm is in the first tier in the areas of banking and finance, dispute resolution, intellectual property, oil and gas projects and infrastructure, and telecommunications.

( 2 ) Matouk Bassiouny

Address: 12 Mohamed Ali Genash Street, Garden City, Cairo, Egypt

Tel: 00202-27962042

E-mail: [info@matoukbassiouny.com](mailto:info@matoukbassiouny.com)

According to the Legal 500 ranking, the firm is in the first tier in the areas of banking and finance, corporate and M&A, dispute resolution and oil and gas.

( 3 ) Ibrachy & Partners

Address: 4 Elsad Elaly Street, Dokki, Cairo 12311, Egypt

Tel: 00202-33381099

E-mail: [ashraf.elibrachy@ibrachy.com](mailto:ashraf.elibrachy@ibrachy.com)

The firm is ranked in the second tier of the Legal 500 in the areas of Banking & Finance,

Corporate & M&A and Dispute Resolution.

Ranked third class.

( 4 ) shalakany law office

Address: 12 MARASHLY ST, ZAMALEK, 11211 CAIRO, EGYPT

Tel: 00202-27288888

Fax: 00202-27370661

E-mail:

mail@shalakany.com 网址:

www.shalakany.com

According to the Legal 500 rankings, the firm is ranked in the second tier in Banking & Finance, Corporate & M&A, and Intellectual Property, and in the first tier in Dispute Resolution.

[Ranking of Major Law Firms] According to the Legal 500 ranking, Egyptian law firms are ranked in the following areas:

( 1 ) First level in the field of projects and infrastructure

Helmy, Hamza & Partners (Baker & McKenzie); Shalakany Law Office

( 2 ) First level in banking and finance

Al Kamel Law Office; Helmy, Hamza & Partners (Baker & McKenzie); Matouk

Bassiouny; Zulficar & Partners Law Firm

( 3 ) First degree in corporate law and mergers and acquisitions

Al Kamel Law Office; Helmy, Hamza & Partners (Baker & McKenzie); Matouk

Bassiouny; Zulficar & Partners Law Firm

( 4 ) First level in the field of dispute settlement

Al Kamel Law Office; Hafez; Helmy, Hamza & Partners (Baker & McKenzie); Kosheri,

Rashed & Riad; Matouk Bassiouny; Shalakany Law Office; Zulficar & Partners Law Firm

( 5 ) First level in the field of projects and infrastructure

Helmy, Hamza & Partners (Baker & McKenzie); Shalakany Law Office

## 7. Issues to be noted for investment cooperation by Chinese enterprises in Egypt

### 7.1 offshore investment

[Security Clearance] Since 2019, there have been several cases of Chinese companies' security clearances being rejected, and the problems have been basically resolved under the vigorous coordination of the Economic and Commercial Section of the Chinese Embassy in Egypt, but they still adversely affect the normal operation of certain companies.

In principle, a company may sign a waiver at the security clearance stage and continue with the subsequent company registration process, but the company's core personnel cannot conduct actual business without obtaining work visas. If the security clearance is not passed, the foreign investor will be immediately ordered to cease all business activities and the previous company registration process will be null and void. As a result, investors often do not invest on a large scale or conduct substantive business until they have passed the security review in order to avoid the risk of the security review, which objectively delays the progress of project implementation.

Case 1: A Chinese enterprise applied for a change of head (appointment of a general manager) and the security review actually took six months.

Case 2: A Chinese enterprise executing a contract for a substation project in Egypt submitted an application to GAFI in January 2016 to set up an Egyptian branch, after which the security review was delayed and there was no way to enquire about the progress of the review. In order to ensure the timely delivery of the project, the company decided to adopt an alternative approach by setting up a co-signing and co-management account with a local partner to solve the problem of the funding platform for the project execution and to bear the related risks, and it was only in February 2017 that the security review was passed.

Case 3: A Chinese enterprise has submitted hundreds of work permit renewal applications for Chinese employees to the Egyptian Ministry of Human Resources continuously since June 2019, but due to delays in the security review process, as of May 2020, the vast majority of the employees' applications have not been approved for the time

being, which has seriously impacted the daily operations of the enterprise.

**【Working Visa】** According to the Investment Law, the percentage of foreign employees in a foreign enterprise shall not exceed 10 per cent, which can be extended to 20 per cent by applying to GAFI under special circumstances. Egypt is very strict on work visa audits. Even in the case of fully meeting the requirements of the Egyptian labour department, the Egyptian side sometimes refuses the visa on the pretext of the applicant's position, experience, age, etc., and it is difficult for many enterprises to obtain the full amount of work visas in accordance with the ratio stipulated in the Investment Law.

The law stipulates that work visas are valid for one year, but the start date is counted from the date of application, and by the time the visa is obtained, it is often only valid for about six months. At the end of 2017, Egypt cancelled visa-on-arrival for Chinese ordinary official passport holders, further making it more difficult for Chinese personnel to enter and work in Egypt.

**[Insufficient foreign exchange]** The Federal Reserve's continuous interest rate hikes have led to a massive outflow of US dollars, and the Egyptian government is strapped for foreign exchange.<sup>2022</sup> At the end of May, Egypt's foreign exchange reserves fell to \$35.495 billion. Although Egyptian law gives investors the right to freely exchange foreign currency and remit it, in practice, Egyptian commercial banks still have their own quota restrictions on foreign exchange deposits, withdrawals, exchanges and other operations.



The size of the quota depends on the bank's foreign exchange availability and is subject to "window guidance" from the Central Bank of Egypt. Foreign exchange use on the non-priority list is subject to a queuing process for the exchange quota, which used to take 1-3 months and is now more uncertain. If an enterprise has US dollars in its account, it must first use its own US dollars. Foreign-owned enterprises receive EGP from the sale of goods and the provision of services, and profits are not on the Central Bank of Egypt's priority list of dollar transactions, making it difficult to convert them into hard currency for remittance, and creating additional financial risks due to the volatility of the EGP exchange rate.

[Tax Dispute] The Egyptian government's tax department has a high degree of arbitrariness in its policies, and its efficiency needs to be improved. The tax settlement cycle is long, and there are cases of indiscriminate collection of taxes and delays in tax refunds. There is insufficient communication within the relevant departments, some tax policies are not clear enough, different departments and personnel have different policy interpretations, and there have been instances where legal proceedings have been initiated without notice to enterprises.

Case 1: In 2014, a Chinese enterprise made tax settlement for 2010-2012 and found that there was a discrepancy between the company's self-paid tax advance and the tax amount approved by the tax authority, forcing it to pay late fees. For this reason, the company started to continuously apply for approval of the company's 2013 tax situation in 2014 in order to complete the annual tax settlement in time, but the tax department did not complete the 2013 annual inspection even by April 2018. The company hoped to avoid the late payment caused by this discrepancy and was applying for tax approval from the tax authority every year, but sometimes the Egyptian tax authority was not in a hurry to settle the accounts and was suspected of intentionally prolonging the period of late payment in order to charge a higher late payment, and that part of the late payment could not be claimed for waiver theoretically, and that this system of tax inspections was flawed. According to the company's tax consultant, this phenomenon is common in Egypt, and the only way to avoid late payment is to pay the excess tax in advance, which in turn would unnecessarily tie up the company's cash flow.

Case 2: A Chinese company located in the Suez Special Economic Zone received

a notice from the Tax Authority regarding the imposition of property tax. The company engaged Egyptian lawyers to respond, and eventually the court ruled that the company was exempted from paying it.

Case 3: A Chinese enterprise was incorporated under the Egyptian Investment Law of 1997, and according to the policy should be entitled to the preferential policies of export sales tax (which has been changed to VAT in July 2017) reduction and exemption. The Egyptian government required the enterprise to pay the tax first and then refund the tax after it commenced production. By the end of 2016, the company had been in production for more than three years, totalling EGP 200 million in sales tax refunds due, but only EGP 0.96 million in tax refunds had actually been completed. The significant depreciation of the EGP has also led to significant losses on book assets. The company started to continue applying for tax refunds from the Tax Authority in 2018, and continued to wait for other permits, which remained unresolved as of May 2021, after preparing many application documents as required.

[Import licence] The Egyptian Government has strict control over import trade, and the Importer Registration Act stipulates that foreign investors are not permitted to set up separate import trading companies, and that participation in a trading company must not exceed 49 per cent. However, the Customs Law and the Investment Law both stipulate that enterprises importing goods, equipment and other raw materials for the purpose of "self-use" will automatically be granted an "import licence". In practice, although enterprises are granted an "import licence", they still need to complete the process in accordance with the relevant regulations, which often takes a long time. Customs and other relevant departments sometimes question the use of imported equipment by enterprises on the basis of subjective judgement, and arbitrarily make customs valuations, resulting in difficult and slow customs clearance.

[Strong partners] Some Chinese enterprises have set up joint ventures with Egyptian state-owned enterprises or the military. During the operation process, the Egyptian partner is often strong. The Egyptian side's primary consideration is political performance and employment, followed by the company's economic interests, which is somewhat misaligned with the demands of the Chinese side.

Case 1: The chairman of the Egyptian side of a joint venture company was transferred to another company without prior communication with the Chinese side, which led to disruption in the management mechanism.

Case 2: A joint venture was established between a Chinese party and an Egyptian state-owned enterprise, and the relevant government departments on the Egyptian side often interfered in the internal management of the joint venture and the appointment of personnel to important positions in order to strengthen their control over the joint venture. The overall efficiency of the Egyptian employees needs to be improved, and when the enterprise encounters operational difficulties, it is not possible to lay off the employees of the Egyptian state-owned enterprise.

[Judicial system] The efficiency of the Egyptian judiciary needs to be improved, and law enforcement at the grass-roots level is simple.

Case 1: A Chinese enterprise purchased steel on the Egyptian market, but the supplier did not deliver according to the contract and did not return the advance payment. The enterprise reported the case to the police and sued the supplier in court, with no progress after more than six months.

Case 2: Part of the business premises of a Chinese-funded enterprise was seized by the Cairo Police Department, which accused it of assembling mobile phones with counterfeit parts, Chinese employees without work permits and business premises without business licences. According to the feedback from the enterprise, the judicial procedure was standardised during the trial and the court's decision was fair, which the enterprise did not object to. However, the legitimate rights of the enterprise were infringed upon by the police and other law enforcement authorities who arbitrarily expanded the scope of the seizure, did not present search warrants, did not provide receipts for the seized items, and did not provide any information for reporting clues.

[Lack of coordination of inter-sectoral policies] Policies are not stable and inter-

sectoral policies are sometimes not coordinated, thus harming the interests of investors.

Case: In early 2020, a Chinese enterprise invested in a motorbike factory in the Suez Canal Special Economic Zone (an independent customs zone with the nature of a free trade zone) and encountered policy conflicts when exporting to the local Egyptian market. The Egyptian Ministry of Trade and Industry and the Suez Economic Zone Authority took too long to coordinate policies on domestic sales of products in the zone, resulting in the motorbikes produced by the enterprise not being able to be cleared for domestic sales for more than a year, and the enterprise was forced to shut down its production and production work, resulting in serious losses.

[Other precautions to be taken]

(1) Legal compliance. Legal compliance is a prerequisite for enterprises to safeguard their legitimate rights and interests. For example, some enterprises have not applied for work visas for their Chinese employees, which is a great hidden danger, and they are unable to obtain comprehensive consular protection from the Chinese side; some investors, after investing in the construction of factories in industrial zones, do not accept them in a timely manner in accordance with the local requirements in order to save the costs for a short period of time, which leads to difficulties in the expansion of later periods, and the cost of water and electricity is higher than a series of aftereffects.

Response: Prevention is the key to eliminating such risks. Enterprises should apply for relevant licences in strict accordance with Egyptian law and should not take any chances. In terms of visas, enterprises should strictly follow the relevant regulations and apply for licences from the Egyptian Investment and Free Zone (EIFZ).

The General Administration explains the situation and submits an application for additional work visas. Only by operating legally and compliantly can a business be effectively protected by local laws as well as by Chinese embassies and consulates.

(2) Policy transparency. The overall administrative level of Egyptian government departments needs to be improved, with low policy transparency and arbitrary decision-making. Some department heads change frequently, and the policy orientation of each leader varies, increasing the uncertainty of business operations.

Countermeasures: Actively maintain good co-operative relationships with various government departments and keep abreast of policy trends. Chinese enterprises can co-operate with local enterprises and agents to reduce information asymmetry.

(3) Overseas safety and security. The security situation in Egypt is still relatively severe, and several terrorist attacks have occurred in the past year, resulting in casualties and causing certain psychological barriers to Chinese investors and damage to Egypt's international image. Egyptian society in general is relatively stable, the security situation is favourable, and no large-scale vandalism, looting and burning and other vicious incidents have occurred.

Countermeasures: Chinese enterprises should strengthen their security awareness, set up emergency mechanisms for security prevention, formulate security plans, standardise the management system for travel and finance, and strengthen the security facilities in their premises; their employees should try not to travel privately to remote areas such as the Sinai Peninsula and the Western Desert, and avoid going to local large-scale activity venues, restricted areas for military and police, and other sensitive areas. They should play the role of the Chamber of Commerce of Chinese-funded Enterprises, strengthen the joint defence mechanism with the local military and police departments, and inform the security situation on a regular basis.

(4) Social responsibility. Some local forces sometimes require foreign investors to use local equipment and facilities, hire local personnel, ask for social donations, and so on.

Response: On the one hand, localisation efforts have been greatly strengthened. On the other hand, it attaches great importance to creating harmonious social relations and actively fulfilling its social responsibilities. For example, it carries out charitable activities during major traditional festivals such as Ramadan and actively supports the

development of local education, medical care and environmental protection.

(5) Xenophobia. Local enterprises in Egypt sometimes discriminate against foreign investors by overstating their procurement needs or colluding with local counterparts in bid rigging or bid rigging, causing problems for foreign investors. For example, when a Chinese enterprise procured construction services locally, it was colluded with by local suppliers who inflated the market price, which was later resolved through bidding by the local partner.

## 7.2 Foreign contracted projects

[Foreign investment discrimination] The Egyptian Government has traditionally attached importance to the protection of local enterprises, for example, by giving preference to local suppliers in public procurement and setting minimum local content requirements. Egyptian law stipulates that in public procurement, if the price quoted by a local Egyptian bidding entity is not 15 per cent higher than that quoted by a foreign party, it can be regarded as the lowest price and enjoys the right to win the bid. That is, local enterprises enjoy preferential treatment up to 15 per cent above the price quoted.

Due to the late entry of Chinese companies into the Egyptian market, there are still occasional tenders for Chinese products in government and private tenders.

The Chinese Embassy has also been involved in the development of discriminatory phenomena in government tenders, such as stipulating that preference or use should be given only to products from countries and regions such as Europe, the United States and Japan, or excluding Chinese products by setting thresholds for technical standards. As a result of representations made by the Chinese Embassy, some government tenders have cancelled discriminatory provisions against Chinese products.

Case: Since 2019, a number of security screening equipment projects of Egyptian government departments have explicitly required the use of American, European and Japanese products, which is suspected of origin discrimination and damages the legitimate competition rights and interests of Chinese enterprises. Through the coordination of the Economic and Commercial Affairs Department of the Chinese Embassy in Egypt, the unfair competition clauses of the above project tenders were eventually cancelled.

[Local Builders] Egypt has strong civil construction capabilities, THE ARAB CONTRACTORS, ORASCOM, Hassan Alam, PETROJET, etc. are among the top builders in Egypt, and these companies have generally established a strong political and business connections. When contracting large infrastructure projects in Egypt, owners usually require the civil engineering part to be undertaken by local builders, and the above local companies are an important part of the process. Small and medium-sized builders are less able to do this, and should sign civil subcontracting contracts with strict and detailed schedules and penalty clauses.

[Restrictions on expatriate employment] Egyptian law provides for 10 per cent expatriate employment, which may be relaxed to 20 per cent in exceptional cases. In practice, temporary expatriate employees during the construction period of the project may still exceed this percentage.

[Change in bidding method] By law, government projects are subject to public bidding, except in special cases, such as projects of high urgency and military involvement in project implementation. As a general rule, a third party should be engaged to evaluate the project in the case of directly negotiated tenders.

The Egyptian owner will sometimes start the project with a negotiated tender, which is later converted into an open tender. In the negotiation stage, they will discuss

the project details with the engineering contracting enterprises, ask them to advance capital, carry out the feasibility study, environmental assessment and other processes, and sometimes find other enterprises to negotiate at the same time, so as to suppress the price. In the end, the project will be turned into an open tender, which will make the investment of the enterprises that have negotiated the tender earlier go down the drain. Such situations have been encountered in coal-fired power stations, smart meters and other projects tracked by Chinese enterprises.

Chinese companies should pay attention to responding cautiously to the bidding requirements of the Egyptian owners, especially when the Egyptian side discusses bidding with several enterprises at the same time, analyse the necessity and urgency of the project prudently, and carefully examine whether the government budget or funds for the project are in place. If external financing is required, analyse whether the project has good economic benefits and communicate with relevant financial institutions in advance about the feasibility of financing. Grasp the pace of inputs to avoid unnecessary input losses.

[Agents' system] The agents' system does not apply to military projects. Civilian infrastructure projects for the military allow Egyptian enterprises to participate in consultancies, and tenders for oil companies, private enterprises and USAID projects are not stringent with regard to the implementation of the agent system.

[Local customs] Muslim countries have many unique requirements and schedules in terms of religion, for example, daily prayers and the annual month of Ramadan. Contractors should respect local religious customs and make good work arrangements.

[Currency of Payment] The Owner will normally require payment in whole or in part in Egyptian pounds, and the Contractor will need to consider the exchange risk.



[Project Company Registration] Many owners will require contractors to set up a local branch in order to reduce the taxes paid by the owner on external payments. Consult local lawyers and accountants fully before company registration and project quotation to avoid tax and legal risks.

[Foreign exchange risk] In the period of foreign exchange shortage, Egypt, although nominally allowed investment profit remittance, but the actual operation of the bank approval time is longer, and even impossible to realise. After the implementation of the floating exchange rate in November 2016, the foreign exchange market is functioning well, the foreign exchange is more abundant, the exchange rate is stable, and the remittance problem is basically solved. However, due to the Russian-Ukrainian conflict and the Fed's interest rate hike, Egypt is currently under foreign exchange tension, and the EGP has entered a depreciation channel. When signing contracts, Chinese contractors should be cautious in treating cash-exchange projects in which the currency of payment is the Egyptian pound, give full consideration to the risks of exchange and inflation, and strive to include clauses relating to the risk of exchange rate fluctuations.

[Special features of military projects] Military projects may be directly negotiated, but care needs to be taken to avoid various pitfalls. For example, if the issue of management fees is not clarified with the military in the contract beforehand, the military may be charged project management fees in the name of customary practice during the implementation process; civilian projects for the military are generally exempt from tax.

[Delineation of Rights and Responsibilities] Chinese enterprises implementing engineering projects in Egypt should delineate their rights and responsibilities with the owner, and leave the responsibilities of coordination with other ministries, visa processing, and on-site work permit processing to the owner, so as to avoid the situation in which the Chinese side affects the schedule of the work for reasons other than its own, but bears the consequences.

Case: In a railway project undertaken by a Chinese enterprise, the contract stipulated that the owner was responsible for the station's water supply and drainage and communication interfaces, and the Chinese party was only responsible for the relevant piping and electromechanical works within the station. However, in the actual design and execution, the owner proposed that the Chinese side should solve the

connection between the station and the municipal water supply and drainage and communication network, and coordinate with the municipal company and the communication company, which violated the contract provisions and enlarged the scope of the Chinese side's work, resulting in a great deal of passivity in the progress of the project.

### 7.3 foreign labour cooperation

Egypt is a major exporter of labour, the unemployment rate in the country has always been high, and the government severely restricts the entry of foreign labour into the Egyptian market. When a project encounters work that cannot be performed by an Egyptian employee, the expatriate employee may be granted a work permit for a period of one year, which may be renewed annually for a period of no more than three years. The company submits the work permit application to the Egyptian Ministry of Labour and Immigration through its legal entity in Egypt and provides relevant documents from the company where the expatriate plans to work. The work visa will be issued to the expatriate who has been granted a work permit. Upon obtaining a work permit, the expatriate's visa can be converted into a work visa, which is valid for the same period as the work permit. According to Egyptian law, the percentage of expatriates should not exceed 10 per cent, and in exceptional cases not more than 20 per cent. If a project does require a large number of domestic personnel, it is recommended that the company can draw up a schedule and apply for additional work visas through the owner.

In recent years, Chinese-funded enterprises have seen rapid growth in their contracting business in Egypt, contracting a series of large-scale projects in the

Egyptian labourers are increasing rapidly. While the business is booming, it is also facing some problems. One is the problem of labour disputes arising from the layers of subcontracting of works, irregular contracts and lack of remuneration. Especially from the labour disputes accepted in recent years, more problems occurred in China's individual construction enterprises, whose labour recruitment in the country is often personal, without signing a contract, resulting in the legal rights and interests of some labourers are not protected. Secondly, as the income of workers in China's domestic construction market has increased significantly, the cost of overseas labour has risen sharply, making it increasingly difficult to recruit foreign labour.

#### 7.4 Protecting against investment co-operation risks

[Investment risk management] In the process of investment, trade, contracting and labour cooperation in Egypt, special attention should be paid to investigating, analysing and evaluating the relevant risks beforehand, and doing a good job of risk avoidance and management during the process, which includes investigating and evaluating the creditworthiness of the project or trade client and related parties, analysing and avoiding the political and commercial risks of the project location, and analysing the feasibility of the project implementation itself, and so on. Enterprises should actively make use of insurance, guarantee, banks and other insurance financial institutions and other professional risk management institutions to protect their own interests, including trade, investment, contracting and labour credit insurance, property insurance, personal safety insurance, etc., factoring and forfaiting business of banks, and all kinds of guarantee business (government guarantee, commercial guarantee, letter of guarantee).

[Policy-based insurance institutions] Enterprises can use the credit risk protection products including political and commercial risks provided by China Export and Credit Insurance Corporation (CECIC), a Chinese policy-based insurance institution, in the course of their foreign investment and cooperation in Egypt; the company's website is: [www.sinosure.com.cn](http://www.sinosure.com.cn).

[Localisation] Chinese enterprises should attach great importance to localisation, consciously fulfil their social responsibilities, actively contribute to Egyptian society, focus on teaching people to fish, help Egypt enhance its capacity for independent

development, uphold the correct concept of righteousness and profitability, and realise the goal of mutual benefit and win-win situation between China and Egypt. For example, accelerate the process of localisation of employees and build local management team; increase investment, transfer and development of technology to Egypt; purchase local raw materials as much as possible and increase the proportion of local ingredients; explore international markets outside Egypt and reduce the pressure on foreign exchange through exporting foreign exchange; set up consortiums or joint-venture companies with local enterprises and share the risk of interests; strengthen the research of local industry standards and promote the convergence of China's standards with local and international standards. and international standards, etc.

[Strengthen communication] Chinese enterprises should strengthen communication with the Egyptian investment and cooperation administration, understand the security review system in detail, fully prepare the relevant approval materials, and keep abreast of the work progress through various channels such as local agents in a timely manner. At present, the time spent on security review is basically controlled at about 3 months. It is necessary to strengthen communication with the customs and industry authorities to understand in advance the relevant regulations and judgement criteria for importing equipment and raw materials for personal use, and to do a good job of explaining if there are problems with customs clearance and seek timely help from the Economic and Commercial Affairs Department of the Embassy.

[Market research] The market situation in Egypt is complex and volatile, and information is not transparent. To make sound investment decisions, not only

The market itself needs to be taken into account, as well as various other factors such as the business environment, social relations and operational capabilities. Enterprises with different backgrounds investing in the same project may have very different operational benefits. If you get relevant market news, you should verify and investigate it through multiple channels to get first-hand information to prevent miscalculation and avoid following the trend and blind investment. In addition, Egypt has a large number of small and medium-sized companies with varying creditworthiness, so partners should be chosen carefully.

## 8. How Chinese companies can establish harmonious relations in Egypt

### 8.1 Managing relations with the Government and Parliament

The central government of Egypt is in charge of economic affairs, while the local governments have relatively little authority, and only have certain decision-making power in terms of land use and security. In order to establish a harmonious relationship in Egypt, Chinese enterprises should firstly understand in detail the relevant duties of the central government departments and local governments, and establish a close relationship with the relevant departments of the Egyptian central government and local governments, in particular, they should establish a working relationship with the Ministry of Trade and Industry, the Ministry of Transportation, the Ministry of International Co-operation, the Ministry of the Interior, and the General Administration of Investment and Free Zones, and other departments. Secondly, pay close attention to the latest economic policy trends of the central government, especially following up on investment and trade policies.

The Egyptian parliament is a law-making organ, and its members have a certain social influence in Egyptian society. Chinese enterprises should actively understand the responsibilities of the parliamentary committees and the focus and hot issues they are concerned about. Regarding partners, it is a better choice to cooperate with big entrepreneurs who have the status of parliamentarians.

### 8.2 Proper management of relations with trade unions

Trade union organisation in Egypt is weak and exists mainly in state-owned enterprises, and there are no sizeable workers' organisations in private and foreign-owned enterprises. In companies with more than 50 employees, workers have the right to form unions. There have been strikes in a few enterprises demanding higher wages, but they quickly subsided without serious repercussions. Chinese enterprises are basically able to communicate better between labour and management, and the situation of labour disputes is not serious. It is recommended that Chinese enterprises investing in Egypt or participating in Egyptian state-owned enterprises should maintain close communication with local trade union organisations and absorb trade union

leaders to participate in the management of the enterprises; wholly-owned enterprises should keep track of the workers' movements and maintain close communication to keep track of the dynamics of the employees.

### 8.3 Closer relations with the local population

Egyptian society is open to the outside world, Egyptians are warm and hospitable to foreign enterprises, and law-abiding enterprises will win the goodwill of local residents. Chinese personnel should actively learn the local language and culture, respect local customs and religious taboos, avoid talking about religion, government and other sensitive topics in public, behave properly and dress appropriately to avoid unnecessary misunderstandings.

Chinese enterprises can actively participate in the construction of local community welfare undertakings and strengthen their relationship with the community by donating books, sports facilities and medical supplies to schools and communities. During Ramadan and other Islamic festivals, they may raise funds for charitable activities or distribute iftar and food according to the situation of the enterprises. Under the premise of good epidemic prevention and control, Egyptian employees and their families can be invited to participate in Chinese festival celebrations to enhance their understanding of Chinese culture.

【Case】 Since 2015, the Egyptian Chinese Chamber of Commerce, in cooperation with the Egyptian charity organisation (Egyptian Association for Co-Development) has organised charitable activities during Ramadan every year, which has been held for eight consecutive sessions until 2022. During the special period of the epidemic, the Chamber insists on organising Chinese enterprises in Egypt to support Egyptian charities, raise funds and donate Ramadan gift boxes and anti-epidemic materials to the poor people in Egypt, which has been widely praised by the Egyptian government and the local community, and is of great significance in maintaining friendly relations between China and Egypt and strengthening the "people-to-people communication" between the two countries.

#### 8.4 Respect for local customs

Egyptian people are simple and friendly to China. Chinese citizens should pay attention to the following matters in Egypt:

[Respect local religious beliefs] Always pay attention to respecting the religious habits of local Muslims and do not talk about religious content in public. During Ramadan, reasonably arrange the working hours and workload of Egyptian employees, and Chinese employees should not eat or drink in public in the presence of Egyptian employees. As a Muslim country, most Egyptians do not drink alcohol. It is impolite to meet and talk with Egyptians after drinking. Pay special attention to the above requirements during Ramadan.

[Respect for local history and culture] Egyptians have high self-esteem and believe that their country has a long history and is a great power in the Middle East and Africa. Therefore, when communicating with Egyptians, even if Egyptians criticise social problems, Chinese personnel should not casually talk about the shortcomings in Egyptian social development, let alone comment on the Egyptian government and its leaders.

[Attention to business and life etiquette] Egyptians generally wear western-style clothes in the workplace, and it is very impolite to wear casual clothes for meetings with Egyptians. Egyptians do not have a strong sense of time, work appointments should master the rhythm of time, for Egyptians to reserve enough time. In hotels, hotels and other public places should avoid loud noise, enter the tourist attractions to queue. Pay



attention to smoking occasions. Do not ask Egyptians about their income, family and other private matters.

During the month of Ramadan, some Chinese companies organise Iftar meals or celebratory exchange activities for their Chinese and Egyptian employees, reflecting their recognition of local culture and care for local employees.

#### 8.5 Protecting the ecological environment in accordance with the law

Although Egypt is a developing country, it attaches greater importance to environmental protection. Industrial pollution is relatively minor, while domestic pollution is more serious. According to Egyptian environmental protection laws, productive enterprises should carry out environmental impact assessment before obtaining production licences, and the pollution generated in the production of enterprises should be treated, and can only be discharged after the treatment meets the standards. Egyptian residents are very sensitive to industrial pollution, investment in polluting industries, not only to understand the local environmental protection and ecological standards, do a good job in preventing and treating pollution measures, but also to communicate with local residents.

Case 1] The largest cement production line constructed by Sinoma International Chengdu Yard was put into production on schedule, with high environmental protection standards, and six cement production lines.

No visible smoke emissions from the production line.

[Case 2] The Angie's Yeast Phase II yeast extract project has high environmental standards and has become an advanced model for the local circular economy. The European Bank for Reconstruction and Development (EBRD) took the initiative to provide a loan of 52 million euros to it because of its great demonstration role in environmental protection.

#### 8.6 Assumption of necessary social responsibilities

Chinese enterprises carrying out investment and cooperation in Egypt should assume the necessary social responsibility and pay attention to the impact of their development on local resources, labour, environmental protection and safety. Egyptian residents have a strong sense of rights and often resort to law enforcement agencies when they encounter problems.

Chinese enterprises should enhance their awareness of work safety, and all high-risk industries must be equipped with the necessary safety measures in accordance with Egyptian law to avoid work safety accidents. All enterprises should formulate a crisis response mechanism or an emergency plan, so that in the event of a production safety accident, it can be handled appropriately in a timely manner and the negative impact minimized.

Chinese enterprises shall not engage in commercial bribery. Chinese enterprises and personnel should abide by local laws and regulations and social morals; everyone abroad represents the image of the country and does not do anything to damage the national image and the reputation of enterprises.

#### 8.7 Know how to deal with the media

The media has a huge social influence in Egypt. The main print media in Egypt are the Pyramids newspaper, Yediot Ahronot

The Seven Daily Newspapers, etc., with a circulation of more than 1 million copies, and more than 100 television stations, notably Nile TV, ONTV, OSN, etc.

Enterprises should take the initiative and be good at dealing with the media. First of all, we should establish a media circle of the enterprise in a hierarchical way, directly contact with the journalists of the relevant media; establish relationships with the media executives and communicate with them on a daily basis as much as possible, and

make more visits and exchanges; and cooperate with the enterprise's branding to establish contacts with journalists as well as editors. Secondly, you can choose a strong PR company to get in touch with the media indirectly or directly.

The following points should be noted when dealing with the media: First, timely disclosure of information. Enterprises should establish an information disclosure mechanism, and may set up a press spokesperson to release relevant information to the media on a regular basis. Establish a media crisis emergency process, in the face of public opinion pressure or the emergence of rumours, should take the initiative to voice and actively respond. Secondly, take the initiative to invite the media to visit and interview the enterprise to understand the real development situation of the enterprise, and welcome them to publicise and supervise the production and business activities of the enterprise. Actively promote a variety of planning, media trips, media networking and other diverse activities to show the good face of the enterprise. Thirdly, the media required by their own enterprises are divided into core media and general media, the core media to focus on maintaining, for general media, you can choose a long-term co-operation of the public relations company, to ensure that the enterprise media information is accurate and comprehensive placement.

[Case 1] Expanding influence by using media promotion sessions. China-Egypt-TEDA and the Economic and Commercial Section of the Chinese Embassy in Egypt jointly

We held a media conference in Suez Economic and Trade Co-operation Zone and invited participating journalists to visit the construction progress of the zone and published a number of articles, which had a positive impact on the investment promotion and promotion of the zone. The Prime Minister of Egypt inspected the Central Business District project of Egypt's new administrative capital constructed by China Construction Egypt and witnessed the opening and pouring of the foundation slab of the main building of the Sign Tower, which triggered extensive attention from the Egyptian media and society.

[Case 2] Increase CSR publicity. The Egyptian Chinese Chamber of Commerce organised charity activities during Ramadan and invited relevant media to interview them, which had a warm response among the Egyptian people and greatly enhanced the image of Chinese enterprises.

[Case 3] Flexible publicity for excellent cases. For Egyptian fresh oranges and other agricultural products exported to China, the giant glass fibre project and other excellent cases of Sino-Egyptian economic and trade cooperation, the use of vivid ways to increase publicity, to increase the influence of cooperation plays a positive role.

[Case 4] The Chinese Enterprises in Egypt Facebook and Twitter accounts were created to publish first-hand information on Chinese enterprises' economic and trade cooperation, fulfilment of social responsibility, and service to Egypt's economic and social development in Egypt, and relevant enterprises are welcome to pay active attention to and contribute to them.

## 8.8 Learning to deal with law enforcement

Police, tax, customs and other law enforcement officers are the strong administrative force to maintain the security and stability of Egyptian society, and inspections in accordance with the law are the lawful behaviour of law enforcement officers according to Egyptian laws. Chinese enterprises and personnel should be good at dealing with them and actively cooperate with their law enforcement behaviour.

With regard to the implementation of the state of emergency in Egypt and security checks in public places, Chinese personnel should co-operate with the checks as required. Egyptian police generally do not check identity documents temporarily, but Chinese

personnel should try their best to carry valid documents or photocopies when they go out; if they do not carry valid documents, they should not panic or run away, but should explain the situation to the police and ask the company to send someone to liaise with them. If Chinese employees are taken to the police station, they should inform the company and inform the Chinese Embassy in Egypt. Chinese employees should apply for a valid residence permit in Egypt in time.

Chinese enterprises should hire professional lawyers to deal with legal affairs of the company and popularise the relevant laws and regulations among Chinese employees. When Egyptian law enforcement officers inspect the company and its personnel, they should ask them to produce relevant documents and contact the hired lawyers to solve the problem. The situation should be reported to the Chinese Embassy in Egypt in a timely manner. If the documents of Chinese personnel are confiscated by Egyptian law enforcement personnel, they should be asked to produce receipts as evidence; if the documents are torn up, they should bear in mind the names and faces of the personnel concerned in order to lodge a complaint.

#### 8.9 Dissemination of traditional Chinese culture

Chinese traditional culture is profound and profound, and Egyptian people and enterprises have a strong interest in Chinese culture and do not know much about China.

Chinese companies should take the initiative to introduce Chinese culture to Egyptians so that they can better understand the concepts and objectives of Chinese companies. Chinese enterprises should organically combine Chinese culture with "When in Rome, do as the Romans do" and take the initiative to introduce Chinese and Egyptian cultures, so that the Egyptian side can better understand the investment concepts and objectives of Chinese enterprises and reduce misunderstandings. They can also celebrate traditional Chinese festivals with local employees and even the community in an appropriate way to enhance mutual understanding and feelings, and create an environment conducive to the development of enterprises.

Cases] The Egyptian Chinese Chamber of Commerce and other local Chinese associations often sponsor and support various Chinese cultural activities, such as: sponsoring the "Chinese Bridge" competition, discussing with the Confucius Institute at Suez Canal University on Chinese cultural training for Egyptian employees, training on Egyptian customs for Chinese staff, carrying out Sino-Egyptian scientific research co-operation, and organising economic forums, etc., in order to promote economic and cultural exchanges. Economic and cultural exchanges.

#### 8.10 the rest

Egypt is a multi-ethnic country with a complex social structure, and the de facto administrators of some remote tribal neighbourhoods are local tribal chiefs. As a result, when Chinese enterprises do business in these areas, they inevitably have to deal with these tribes. Most of the areas where these tribes live are poor, and some of them have organised private armies. It is recommended that Chinese enterprises, on the one hand, fully respect the customs and beliefs of these tribes and, on the other hand, endeavour to provide employment opportunities for these tribes, so as to enhance mutual trust and establish solid and friendly relations.

[Case] When a Chinese enterprise was constructing a photovoltaic power generation project in the Benban area of Aswan, the construction site was blocked by the local Bedouin tribe, which set up barriers, forcibly collected protection fees, and demanded that priority be given to hiring local workers and leasing local equipment. The enterprise basically met the demands of the local tribe through friendly negotiation,

and the project was able to be carried out normally, but additional costs were incurred and the schedule was affected to a certain extent.

## 9. How Chinese-owned enterprises/personnel can seek help in Egypt

### 9.1 Seeking legal protection

[Knowing and abiding by the law] Enterprises should not only register and operate legally, but also resolve disputes and defend their legitimate rights and interests through legal means when necessary.

Economic cases relating to State-owned enterprises in Egypt are heard by the Egyptian Economic Court, while cases relating to private enterprises are heard by local courts. Enterprises may also settle economic disputes through the Egyptian branch of the International Arbitration Commission (IAC), provided that this is specified in the contract in advance. The Egyptian courts are independent judicial bodies with a two-tier system of final adjudication. Enterprises should not interfere with the administration of justice by any means.

Due to the differences in the legal system and language, Chinese enterprises should hire local lawyers to deal with the legal affairs of the enterprise, and once involved in economic disputes, they can seek legal solutions with the power of lawyers to protect their own interests.

### 9.2 Seek help from local authorities

The Egyptian government attaches great importance to foreign investment. During the process of investment and co-operation in Egypt, Chinese enterprises should establish close contact with the relevant departments of the local government, inform the development of the enterprise in a timely manner, reflect the problems encountered, and support the development of local social undertakings, and seek the support of the local government and community.

[General Authority for Investment] The Egyptian General Authority for Investment and Free Zones (GAFI) is in charge of investment affairs, and has an Investor Service Centre (ISC) to provide one-stop services to investing enterprises. Enterprises can consult this organisation if they encounter difficulties, or contact the relevant person in charge of GAFI through the Chinese Embassy in Egypt to solve the problems.



### 9.3 Obtaining protection from the Chinese Embassy (Consulate) in the locality

[Responsibility for protection] The behaviour of Chinese nationals in the territory of other countries is mainly governed by international law and the local laws of the countries in which they are stationed. In the event that the lawful rights and interests of Chinese nationals (including those of Chinese nationality who have violated local laws) are infringed upon in their places of residence, Chinese embassies and consulates abroad have the responsibility to protect them to the extent permitted by international law and local laws.

Before entering the Egyptian market, Chinese enterprises should consult the Economic and Commercial Affairs Department of the Chinese Embassy in Egypt; after registering their investment in Egypt, they should report to the Economic and Commercial Affairs Department of the Embassy as soon as possible for the record; in their daily work, they should maintain communication and liaison with the Economic and Commercial Affairs Department, and report on the progress of their operations in a timely manner.

[Obey the leadership] In case of major emergencies, you should report to the Embassy in the first instance; when dealing with related matters, you should obey the leadership and coordination of the Embassy.

**【Official agencies】** In case of emergency, please call the police and contact the Chinese Embassy (Consulate) in Egypt. Local police number in Egypt: 00202-122, 126 (English)

Chinese Embassy in Egypt Consular Assistance Tel: 00202-27363556 Consular Affairs Division Tel: 002-02-27367553 ext. 8001

Economic and Commercial Section of the Chinese Embassy in Egypt Email: eg@mofcom.gov.cn; Website: eg.mofcom.gov.cn Consulate General of China in Alexandria Consular Assistance Tel: 002-01274571836

Global Consular Protection and Service Hotline of the Ministry of Foreign Affairs of China: 0086-10-12308 China Consular Service Website: cs.mfa.gov.cn

#### 9.4 Establishment and activation of contingency plans

[Establishment of emergency response plans] Chinese enterprises investing and cooperating in Egypt should pay close attention to the security situation and risk trends in Egypt, and refine and improve security measures in a targeted manner; conduct security education for employees, and strengthen their security awareness; set up special personnel responsible for production safety and daily security; formulate a complete, highly operable, hierarchical and graded set of rules and regulations on safety and security work in the light of the actual situation of the enterprise and the project. Establish and improve the emergency response mechanism for overseas security emergencies, adjust and improve the emergency response plan according to the changing situation, and carry out emergency response drills on a regular basis. Increase the investment in safety and security funds, and equip with all kinds of safety and security equipments and necessary living materials, so as to provide sufficient material protection in the face of emergencies.

[Take emergency measures] In case of natural disasters or emergencies, the emergency plan should be activated in a timely manner in order to minimise the damage. In case of fire or casualties, you should immediately call the local fire alarm (180) and medical aid (123) and report to the Chinese Embassy (Consulate) in Egypt and the domestic headquarters of the

enterprise.

#### 9.5 Other response measures

The Chinese Chamber of Commerce in Egypt has established a joint security mechanism with the Egyptian police, and Chinese enterprises can make full use of this platform. In case of special circumstances such as language barrier, you can hire professional interpreters from travel agencies or translation companies, or seek help from the Chinese and English education faculties of local universities. International SOS, with its global network, can help clients prevent and reduce medical and security risks, and provide assistance in emergencies such as major illnesses, accidents and social unrest, including language translation services.

## 10. Policy measures for the prevention and control

### 10.1 Status of the New Crown Pneumonia Outbreak

#### 10.1.1 Status of the New Crown Pneumonia Outbreak in Egypt

[Cases of infection and vaccination in Egypt] According to the statistics of the World Health Organization, as of 31 December 2022, the cumulative number of new coronavirus infections in Egypt is 515,493 cases, the cumulative number of deaths is 24,801 cases, and 98.69 doses of vaccine were administered to every 100 people, with the rate of full basic immunisation being 39.18% and the rate of booster immunisation being 9.69%.

[Supply and use of vaccines in Egypt] Egypt has successively issued emergency use licences to China National Pharmaceutical Vaccine, AstraZeneca Vaccine, Russia Satellite V Vaccine and China Kexing Vaccine. The Egyptian government has taken many measures in vaccine cooperation. On the one hand, it seeks international cooperation. In September 2020, Egypt recruited 3,000 volunteers to carry out phase III clinical trials of the Sinopharm vaccine, received Sinopharm vaccines and Kexing vaccines one after another through governmental assistance and commercial procurement, and received vaccines one after another under COVAX, the international alliance for vaccines, and cooperated with China's Kexing to become the first country in Africa to have the production capacity of Sinopneumonia vaccine to produce more than 3,200 vaccines by the end of 2021. It will produce more than 32 million doses of the vaccine by the end of 2021, and will consider exporting the vaccine produced to other countries in the region after guaranteeing the needs of the country. On the other hand, Egypt has been actively developing its own vaccines, and a number of vaccines for the new coronavirus have entered the clinical trial stage. Currently, Egypt has a sufficient supply of vaccines to meet the needs of its citizens.

As of February 2021, citizens residing in Egypt, whether nationals or foreign residents, refugees and diplomats, are treated as nationals and may apply for vaccination, with priority given to medical personnel, the chronically ill and older age

groups. As the number of vaccines increased, Egypt opened up the new crown vaccinations to all age groups. As of May 2022, the cumulative number of local New Crown vaccines administered in Egypt is 82.9 million doses, with 34.8 million people (34% of the total population) fully vaccinated and 2.92 million people (2.9% of the total population) receiving booster shots. In order to effectively increase the speed of vaccination, the Egyptian Government opened 193 vaccination centres and set up a vaccination point with a daily capacity of nearly 10,000 at the Cairo International Convention and Exhibition Centre, which is now operational.

As of May 2022, the Government of Egypt had not implemented or joined the Vaccine Mutual Recognition or Vaccine Passport programmes, and no travel facilitation scheme for vaccinated populations was in place.

[China-Egypt cooperation in the fight against the epidemic] During the critical period of China's fight against the epidemic, President Sisi sent a letter of condolence to President Xi Jinping at the first opportunity, and sent Dr Haley, Minister of Health and Population, as the President's special envoy to visit China with supplies for the fight against the epidemic. China returned the favour and became one of the earliest and largest countries to provide assistance to Egypt. As of March 2020, the total amount of material assistance and donations from the Chinese government and all walks of life amounted to about 49.36 million yuan, including respirators, medical masks, protective clothing and other necessary medical supplies. The Chinese side provided the latest version of prevention, control and treatment programmes in the first instance, carried out 10 video exchanges between Chinese and Egyptian experts, and established a mechanism of counterpart cooperative hospitals. China and Egypt jointly built the first production line of medical masks, which significantly increased the production capacity of masks in the Egyptian market. China

Overcoming the difficulties of domestic supply and demand constraints, it has successively provided Egypt with three batches of emergency medical material assistance and four batches of assistance totalling 3 million doses of the new coronavirus vaccine, as well as a commercially procured supply of 15.5 million doses, and 28,000 litres of vaccine stock solution (as of December 2021) available for about 42 million doses. Egypt was the first country to sign the Letter of Intent on Cooperation on Neocoronavirus Vaccine with China, the first country to carry out Phase III clinical trials of the national vaccine, the first country to sign a cooperation agreement on localised sub-assembly and production of Neocoronavirus Vaccine with China, and the first country to cooperate on the production of Chinese vaccines on the African continent; China Science and Technology is also assisting in the construction of a fully-automated cold storage facility in Egypt with a storage capacity of 150 million doses of vaccine, and the project. After the completion of the project, Egypt will become the country with the strongest vaccine storage capacity in Africa.

#### 10.1.2 Impact of the New Crown Pneumonia Outbreak on Local Industry

[Impact on Egypt's key industries] Egypt's key industries have been hit hard by curfews, closure of beaches, hotels, museums, archaeological sites, suspension of international flights and other anti-epidemic measures. First, tourism: Egypt's tourism revenue was \$4 billion in 2020, a plunge of nearly 70% from 2019 (more than \$13 billion); a total of 3.5 million foreign tourists visited Egypt, a drop of 73% from 2019. Hotel occupancy rates reached only 10% of what they were in 2019. Official statements indicate that the Egyptian tourism industry lost at least \$1 billion per month during the travel ban. Secondly, foreign investment: the Central Bank of Egypt (CBE) statistics show that the net inflow of foreign direct investment (FDI) in 2020 was at its lowest level in nearly five years, which was mainly affected by the new crown epidemic. Net FDI in the previous year was about \$5.9bn, down 35 per cent year-on-year. net FDI inflows in the second half of 2020 were about \$3.4bn, down 32.3 per cent year-on-year. The central bank said the reduction in net investment inflows in the oil sector contributed to the decline in FDI. Thirdly, the stock market. The Egyptian Exchange Index (EGX30) fell sharply on 8-9 March 2020, with the stock index approaching the level it was at before the introduction

of the floating exchange rate for the EGP in 2016, and the regulatory authorities activated the melting mechanism. At one point on 16 March, the main stock index of the Egyptian Stock Exchange fell by more than 8 per cent, its biggest decline since 2012. The Egyptian Stock Exchange's main stock index fell by more than 8 per cent, its biggest decline since 2012, and the Egyptian Stock Exchange's main stock index fell by more than 8 per cent.

[Recovery of domestic economic activities] Thanks to Egypt's economic reform programme and timely and effective anti-epidemic measures, the pace of Egypt's post-epidemic economic recovery has further accelerated, and the fundamentals have continued to improve. 2021, Egypt's Suez Canal achieved revenues of \$6.3 billion, a new high in the canal's history, with a total of 20,649 ships passing through the Suez Canal throughout the year. Egypt has made great efforts to open new markets for the export of agricultural products, opening up seven new markets for the export of fruit and vegetable products, including Australia, New Zealand, Mauritius, Indonesia and other countries. Egypt's Central General Authority for Plant Quarantine (CGAP) said that Egypt's exports of grapes, garlic, strawberries and beans have increased by 10-30 per cent. Egypt is expected to achieve \$6 billion in tourism revenue in 2021-2022 as tourism gradually recovers, said Dr Said, Egypt's Minister of Planning and Economic Development. Getting the tourism industry back on track and trying to attract foreign investment back is key to restarting the Egyptian economy.

#### 10.1.3 Resumption of production by local Chinese enterprises and projects

After the outbreak of the epidemic, the Egyptian government took anti-epidemic restrictive measures, which had a certain impact on the production and operation of Chinese enterprises, but the overall control. With the resumption of international flights, the recovery of the Egyptian economy and the normalisation of the epidemic, the production and life of enterprises basically resumed.

( 1 ) The progress of some projects in the feasibility study and market development stage is still relatively slow, but no major changes have occurred in the confirmed cooperation plan, no large-scale stoppage of work or withdrawal of capital has occurred, and the investment and cooperation projects in Egypt basically maintain normal operation. Financial cooperation projects have not been negatively affected by the epidemic for the time being. Economic and trade missions, exhibitions and other economic and trade activities have been cancelled or postponed.

( 2 ) Construction projects in progress are steadily advancing, and the process may slow down. As a result of the epidemic, all major national projects in Egypt scheduled for completion in 2020 will be postponed until 2021, including plans such as the government's relocation to the new administrative capital, which was originally scheduled for 2020. The Egyptian side requires construction companies to strictly implement anti-epidemic measures and ensure the safety of their employees before they can continue construction. Projects assigned by the Egyptian government continue to operate at full capacity. At present, the projects constructed by the Chinese side are continuing construction, the project site epidemic prevention and production of two-pronged, the project progress has not been significantly affected. As for the extension of the construction period caused by the force majeure factor of the epidemic, it is suggested that the two sides resolve the issue through friendly negotiation.

( 3 ) Vaccination in an orderly manner. In compliance with the requirements of the Chinese Embassy in Egypt and the Egyptian Ministry of Health, Chinese-funded enterprises in Egypt have arranged for their Chinese employees to receive vaccination and booster shots in an orderly manner, and encouraged their Egyptian employees to receive vaccination, which has formed an immune barrier to a certain extent, and provided a guarantee for the promotion of the resumption of work and the protection of employees' physical health.



## 10.2 Epidemic prevention and control measures

Since the outbreak of the epidemic, the Egyptian Government has adhered to the **"balance beam"** of preventing and controlling the epidemic and maintaining economic and social life, and has dynamically adjusted its prevention and control measures. In the early days of the epidemic, a high degree of vigilance, amend the existing laws to give the President to close schools, prohibit gatherings, delay the payment of taxes, restrictions on the export of goods and other powers, once taken international flights suspended, the implementation of curfew, restrictions on the export of medical supplies and other measures. 2021, in the face of the third wave of the epidemic, the Egyptian government has strengthened the prevention and control of initiatives to prohibit large-scale gatherings of people, compression of shops, shopping malls, cafes, Restaurants, cinemas and other public places have been curtailed.

In 2022, the Egyptian government gradually liberalised restrictions on shops and places of worship: in April 2022, the Egyptian Ministry of Local Development announced that all public shops (shopping malls, grocery shops, restaurants, cafes, workshops, bakeries and pharmacies) would begin to operate on a summer timetable, with shops, shopping malls, and restaurants staying open for one hour longer than before, and allowing supermarkets, grocery shops, bakeries, and pharmacies to operate 24/7; from 8 May 2022, mosques will reopen nationwide for visits; and Hussein Mosque Square will be open for visits all day long. opening; and from 8 May 2022, mosques will reopen nationwide and Hussein Mosque Square will be open for visits throughout the day. In the run-up to Eid al-Fitr, the Government has allocated a total of 600 outdoor spaces in large mosques across the country for people to perform Eid al-Fitr rituals, ending the ban on outdoor Eid al-Fitr rituals that had been in place since the outbreak.

[Status of Immigration Controls] On 10 April 2022, the Egyptian government announced a series of adjustments to its air port of entry anti-epidemic policies, including the elimination of the completion of paper health declaration forms for travellers, and special disinfection procedures upon arrival of aircraft. However, a vaccination certificate or proof of a negative nucleic acid test within 72 hours will still be required for entry into Egypt, or if this is not possible, a nucleic acid test and quarantine will be required at your own expense. At the same time, health checks, including temperature tests, will still be carried out upon entry.

On 17 June 2022, according to an Egyptian Cabinet release and local media reports, Egypt has lifted all entry restrictions related to CKP, i.e., proof of CKP vaccination or proof of a negative nucleic acid test within 48 hours is no longer required to enter Egypt, and no more rapid nucleic acid tests will be carried out at all Egyptian ports of entry. On the same day, the quarantine department at Cairo International Airport received notification from the Egyptian Ministry of Health and Population of the cancellation of all restrictive measures on the entry of CKP, and EgyptAir cancelled all restrictive measures on the entry of CKP.

### 10.3 Economic policy in the post epidemic period

The Egyptian government introduced a package of economic response measures, including: allocating EGP 100bn (2% of GDP) to respond to the epidemic; providing financial support to the Egyptian Exchange; launching the "Initiative to Help People in Difficulties"; lowering the central bank's interest rate; implementing real estate tax, stamp duty and capital gains tax exemptions; the Ministry of Finance issued new tariff amendments to cut tariffs on industrial inputs by up to 90%; continuing the suspension of agricultural land tax; and starting regular pension adjustments in 2021. concessions; new tariff amendments issued by the Egyptian Ministry of Finance to cut tariffs on industrial inputs by up to 90 per cent; continuation of the moratorium on agricultural land tax; and regular pension increases starting in 2021. In March 2021, the Central Bank of Egypt announced the issuance of EGP 19 billion (US\$1.2 billion) of short-term treasury bills on behalf of the Ministry of Finance.

[Financial and credit policies] Provide financing support to selected real estate

projects, hotels, importers and exporters, etc., by lowering the interest rate on loans to 8 per cent; provide lines of credit to selected enterprises to ensure basic working capital; extend the repayment period for loans to micro, small and medium-sized enterprises; increase the credit line of foreign-funded banks; provide preferential loans to airlines; and provide short-term loans for small-scale projects.

[Industrial Policy] The Egyptian government launched a new real estate financing plan, providing real estate financing at 3% interest rate for up to 30 years; reduced the price of natural gas for industrial use and electricity for heavy industry; formulated a package of facilitation measures for new project applications for medical supplies, pharmaceuticals and foodstuffs in investment zones, granting a 6-month temporary permit to eligible new projects in the investment zones, and renewing the production permits of existing expired projects for another 6 months until the application is approved for renewal; In 2020, the Canal Authority adopted an incentive pricing policy in response to the epidemic, with transit fees for LNG/LPG and oil carriers reduced by 30-75 per cent, which will continue in 2021, but on 1 March 2022, the Suez Canal Authority announced an increase in the tolls for some ships, including LPG ships, chemical carriers and vehicle carriers, among others, by up to 10%. On 1 May 2022, the Suez Canal Authority announced an increase in the tolls for all types of vessels in the Suez Canal by up to 20%.

[International Aid] In May 2020, the World Bank, in its newly established \$6 billion Global Rapid Response to the New Crown Epidemic (GRNCE), launched a new programme to support the development and implementation of the New Crown Epidemic.

Under the Fast Track COVID-19 Facility, \$50 million in emergency assistance funding is being provided to Egypt. On 28 October 2021, the World Bank announced that the Bank's Executive Board had approved a US\$360 million loan to Egypt to support economic reforms and enhance Egypt's prospects for economic sustainability and inclusive growth; and in 2020, the International Monetary Fund (IMF) provided Egypt with a Rapid Financing Instrument (RFI) of US\$2,772 million and a US\$5,200 million "Stand-By Arrangement" (SBA) loan with a 12-month tenor. "Stand-By Arrangement" (SBA) loan.<sup>2021</sup> On 23 June 2021, the IMF's Executive Board approved a US\$1.7 billion loan for Egypt, bringing the total amount of loans received by Egypt to approximately US\$5.4 billion; In February 2022, the Egyptian Ministry of International Cooperation (MIC) stated that the European Bank for Reconstruction and Development (EBRD) had provided a US\$2.7 billion development financing to Egypt's public and private sectors reached EUR 4.9 billion during 2017-2022.

#### 10.4 Specialised anti-epidemic support policies for foreign-invested enterprises

(1) Credit support policy. Financing support to selected real estate development projects, hotels, exporters, reduction in lending rates to 8 per cent; extension of loan repayment period for MSMEs by six months and elimination of penalties and late payment charges.

(2) Tax incentives. Property taxes on factories and tourist facilities can be deferred for three months; stamp duty rates have been reduced and there are plans to exempt immediate stock transactions from stamp duty; and capital gains tax for listed companies has been halved.

(3) Energy incentives. Reduction of the price of natural gas for industrial use to \$4.5 per million BTUs and reduction of the price of electricity for heavy industry.

(4) Special Zone Support Policies. Free zone enterprises will be allowed to sell 50 per cent of their products in the Egyptian market and industrial manufacturers in the free zones will be allowed to sell 20 per cent of their raw material stocks for a period of six months. The renewal of commercial licences will also be suspended for three months, and companies will be allowed to continue their operations subject to confirmation of their intention to renew their licences. A package of facilitation

measures has been developed for new project applications in the investment zone for medical supplies, pharmaceuticals and food products, whereby eligible new projects in the investment zone will be granted a six-month temporary licence, and existing production licences for expired projects will be renewed for a further six months until an application for renewal is approved.

#### 10.5 Special tips for Chinese enterprises

(1) Pay close attention to the epidemic situation. Keep abreast of the developments of the epidemic released by the Egyptian government authorities through the local and international media or the website of the Chinese Embassy in Egypt, grasp the changes in the government's response to the epidemic, and learn about the relevant reminders from the Embassy, and inform the employees of the relevant information in a timely manner. Do not listen to rumours or spread rumours, and seek confirmation from the relevant Egyptian authorities or the Chinese Embassy in Egypt if in doubt.

(2) (c) Doing a good job of self-protection. Require employees to strictly control the risk of external exposure; avoid going to places with poor air circulation; keep an appropriate distance from people; wear masks, gloves, and other protective measures; maintain healthy hygiene habits and enhance

Exercise and keep a good mindset.

(3) (c) Make a good stockpile of materials. Procurement of anti-epidemic items such as medicines, masks, gloves, disinfectant alcohol, etc., in accordance with the number of employees in the enterprise; provision of monitoring supplies such as thermometers; and stockpiling of appropriate quantities of food, oil, rice and flour, etc., and other living materials.

(4) Formulate contingency plans. Specific response measures, division of labour and operational procedures are clearly defined for different emergencies, including contact with local medical care and institutions, so as to ensure that emergencies can be dealt with calmly.

(5) Statistical tracking of personnel. Establishment of a personnel activity register to record in real time the number of Egyptian employees in the enterprise, their arrival and departure from Egypt, the direction of their outings, and detailed information on the people they come into contact with.

(6) Strengthening contact with the Chinese Embassy. Pay close attention to the information and notices issued by the Chinese Embassy; strengthen daily communication with the relevant departments, and contact the Chinese Embassy in the first instance when difficulties or emergencies arise.

## Appendix 1 List of Government Departments and Related Agencies in Egypt

- ( 1 ) Egyptian Government Portal [www.egypt.gov.eg](http://www.egypt.gov.eg)
- ( 2 ) Cabinet, [www.cabinet.gov.eg](http://www.cabinet.gov.eg)
- ( 3 ) Department of Trade and Industry, [www.mti.gov.eg](http://www.mti.gov.eg)
- ( 4 ) Department of Parliamentary Affairs, [www.mpa.gov.eg](http://www.mpa.gov.eg)
- ( 5 ) Department of Military Production, [www.momp.gov.eg](http://www.momp.gov.eg)
- ( 6 ) Ministry of Defence, [www.mod.gov.eg](http://www.mod.gov.eg)
- ( 7 ) Ministry of Religious Endowments, [www.miic.gov.egawkaf.org](http://www.miic.gov.egawkaf.org)
- ( 8 ) Ministry of Electricity and Renewable Energy, [www.moee.gov.eg](http://www.moee.gov.eg)
- ( 9 ) Ministry of Foreign Affairs, [www.mfa.gov.eg](http://www.mfa.gov.eg)
- ( 10 ) Ministry of Petroleum and Mineral Resources, [www.petroleum.gov.eg](http://www.petroleum.gov.eg)
- ( 11 ) Department of Immigration and Emigrants, [www.emigration.gov.eg](http://www.emigration.gov.eg)
- ( 12 ) Ministry of Water Resources and Irrigation, [www.mwri.gov.eg](http://www.mwri.gov.eg)
- ( 13 ) Ministry of Tourism and Heritage, [www.antiquities.gov.eg](http://www.antiquities.gov.eg)
- ( 14 ) Department of Human Resources, [www.manpower.gov.eg](http://www.manpower.gov.eg)
- ( 15 ) Ministry of Supply and Internal Trade, [www.mss.gov.eg](http://www.mss.gov.eg)
- ( 16 ) Ministry of Justice, [www.moj.gov.eg](http://www.moj.gov.eg)
- ( 17 ) Ministry of Education and Technical Education, [www.emoe.org](http://www.emoe.org)
- ( 18 ) Department of Higher Education and Research, [www.moheer.gov.eg](http://www.moheer.gov.eg)
- ( 19 ) Ministry of Planning and Economic Development, [www.mped.gov.eg](http://www.mped.gov.eg)
- ( 20 ) Ministry of Culture, [www.moc.gov.eg](http://www.moc.gov.eg)
- ( 21 ) Ministry of International Cooperation, [www.moic.gov.eg](http://www.moic.gov.eg)
- ( 22 ) Ministry of Finance, [www.mof.gov.eg](http://www.mof.gov.eg)
- ( 23 ) Ministry of Local Development, [www.mld.gov.eg](http://www.mld.gov.eg)
- ( 24 ) Ministry of the Interior, [www.moi.gov.eg](http://www.moi.gov.eg)
- ( 25 ) Ministry of Health and Population, [www.mohp.gov.eg](http://www.mohp.gov.eg)
- ( 26 ) Ministry of Environment, [www.ecaa.gov.eg](http://www.ecaa.gov.eg)
- ( 27 ) Department of Communications and Information Technology, [www.mcit.gov.eg](http://www.mcit.gov.eg)

( 28 ) Department of Youth Sports, [www.emys.gov.eg](http://www.emys.gov.eg)



- ( 29 ) Ministry of State-owned Enterprises, [www.mpbs.gov.eg](http://www.mpbs.gov.eg)
- ( 30 ) Department of Housing and Public Facilities, [www.moh.gov.eg](http://www.moh.gov.eg)
- ( 31 ) Department of Transport, [www.mot.gov.eg](http://www.mot.gov.eg)
- ( 32 ) Department of State for Information, [www.scm.gov.eg](http://www.scm.gov.eg)
- ( 33 ) Ministry of Civil Aviation, [www.civilaviation.gov.eg](http://www.civilaviation.gov.eg)
- ( 34 ) Ministry of Social Solidarity, [www.misa.gov.eg](http://www.misa.gov.eg)
- ( 35 ) Department of Agriculture and Reclamation Land Improvement, [www.agr-egypt.gov.eg](http://www.agr-egypt.gov.eg)
- ( 36 ) General Administration of the Suez Economic Zone, [www.sczone.gov.eg](http://www.sczone.gov.eg)
- ( 37 ) General Directorate of Investment and Free Zones, [www.gafi.gov.eg](http://www.gafi.gov.eg)
- ( 38 ) Central Agency for Public Mobilisation and Statistics, [www.capmas.gov.eg](http://www.capmas.gov.eg)
- ( 39 ) Egyptian National Information Service Centre, [www.sis.gov.eg](http://www.sis.gov.eg)

## Appendix 2 List of Chinese Enterprises Chambers of Commerce, Chinese Associations and Major Chinese Enterprises

### I. Chinese Chamber of Commerce in Egypt (CCCE)

Established in 2004, the Egyptian Chinese Chamber of Commerce is a self-regulatory, non-profit organisation under the guidance of the Economic and Commercial Office of the Chinese Embassy in Egypt, initiated by Chinese enterprises and Chinese institutions in Egypt, and is one of the largest and most influential Chinese chambers of commerce in Egypt. As of June 2022, the membership of the Chamber has grown to 161, including two collective members, the Chinese General Association and the Stone Association. The Chamber has six industry chapters: petroleum, automotive, electricity, manufacturing, contracting, and information industry. In September 2019, the Chamber joined the "Joint Conference of Overseas Chinese Enterprises" initiated by the Ministry of Commerce of the People's Republic of China, and in May 2020, the Chamber joined the "Alliance of Chinese Enterprises in Africa for Social Responsibility".

The Chamber's main services include:

- (1) Facilitating communication and networking among members and organising regular meetings to exchange information on developments in the industry. Starting from 2016, the Report on the Economic Situation in Egypt, the Market Analysis Report for each industry, is published in the first half of each year.
- (2) To organise exchanges and cooperation between members and the Egyptian government, business community and other social groups.
- (3) Provide member units with information on relevant policies, laws and regulations, market conditions, etc., and help member units to expand economic and trade business in Egypt.
- (4) Coordinate business behaviour among member units, promote legal and compliant operation, and advocate a fair competition environment; provide timely feedback to the Economic and Commercial Office of the Chinese Embassy in Egypt on the problems encountered by Chinese-funded enterprises in their operation, and put forward opinions and suggestions.

(5) Guiding members to fulfil their social responsibilities and participate in local public welfare activities, and organising the "Egyptian Ramadan Charity Activity" for eight consecutive years from 2015 to 2022. Fulfilling the responsibilities of the Board of Directors of the Joint Conference of Overseas Chinese-funded Enterprises and the China Alliance for Corporate Social Responsibility in Africa.

(6) Carry out various cultural and sports activities to enhance the cohesion among Chinese enterprises in Egypt.

In recent years, the Chamber has developed rapidly and expanded its influence in the business sector, becoming an important platform for Chinese enterprises to communicate and co-operate.

President: China State Construction

Corporation, Egypt Branch Secretary General:

CCPIT Egypt Representative Office

Tel: 002-01016235518

## II. Major Chinese enterprises in Egypt

serial number	company identification
1	Cairo Representative Office of the National Development Bank
2	China COSCO Shipping Group Egypt
3	CCPIT Representative Office in Egypt
4	Sinopec International Petroleum Exploration and Development Company Limited Egypt
5	China Xidian Egypt
6	China-Sahelian Drilling Company
7	Brilliance Bavaria Automotive AG
8	Sino-Egyptian-TEDA Suez Economic and Trade Co-operation Zone (TESECZ)
9	Jusco Egyptian Fibreglass Co.
10	New Hope Six and Co.
11	Egyptian Chinese Stone Association
12	Egyptian Chinese Association
13	China Electronics Technology Group Corporation Egypt Representative Office
14	China State Construction Corporation Egypt Branch
15	China Electronics Import & Export Corporation Egypt Representative Office
16	China North Industries Corporation Egypt Representative Office
17	Zhenhua Petroleum Egypt NPIC
18	Central Egyptian Drilling Company
19	China Aviation Technology International Holdings Limited Egypt Representative Office
20	ZTE Corporation Egypt Branch
21	China Harbour (Egypt) Engineering Co.
22	Huawei Technologies Egypt Ltd.

23	Zhongman Petroleum Egypt
24	Angie's Yeast (Egypt) Co.
25	Kotex Power Egypt
26	Fengshang Egyptian Industrial Co.
27	China National Technology Import & Export Corporation Egypt Representative Office
28	China Metallurgical Egypt Representative Office

29	China Shipbuilding Industry Trading Corporation Egypt Representative Office
30	China Gezhouba Group Company Limited Egypt Branch
31	China Road and Bridge Engineering Corporation (CREC)
32	Egypt Representative Office of Sinohydro Group International Engineering Co.
33	State Grid-China Power Technology and Equipment Co.
34	China Civil Engineering Corporation Limited
35	Dayun Egypt Locomotive Co.
36	China Export and Credit Insurance Corporation (CECIC) Egypt Representative Office Preparatory Group
37	China National Aero-Technology Import & Export Corporation Egypt Representative Office
38	Egypt Honghua Oil Rig Manufacturing Co.
39	Shengli Bohai Drilling & Wells Egypt Co.
40	Midea Carrier Egypt Joint Venture
41	PetroChina Sunshine International Egypt Co.
42	Chongqing Changan Automobile International Sales & Service Co.
43	Myriad Medical Egypt
44	Egyptian Eel Garden Travel Agency
45	Goldstone Security Limited
46	Egypt China Spinning Machine Nonwoven Fabrics Co.
47	New Asia International Import and Export Trading
48	Red Sun Clothing Co.
49	Egyptian General Industries Co.
50	Shandong Kerui Co., Ltd. Egypt Representative Office
51	China National Petroleum Technology Development Corporation Egypt Representative Office
52	China Energy Construction Group Zhejiang Thermal Power Construction Co.
53	Sinoma International Chengdu Building Materials Industrial Design Institute
54	China Land Overseas Group Limited
55	Jereh Group Egypt Representative Office
56	FAW Africa Investment Company Limited Egypt

	Representative Office
57	Morningstar International Investment Management Egypt Co.
58	China National Heavy Duty Truck Group International Co.
59	China Covey Furniture (Egypt) Co.

60	Chery Automobile Company
61	Sinosteel Equipment Co.
62	Zhejiang Astronergy Co.
63	China Telecom (Africa Middle East) Limited, Egypt Representative Office
64	Hengshi, Egypt
65	Xuzhou Construction Machinery Group Import & Export Co.
66	Dongfang Electric Office in Cairo
67	China Classification Society
68	Shanghai Jishang Lighting Technology Co.
69	Shanghai Electric Group Corporation Egypt
70	Shandong Taikai Electric Power Construction Engineering Co.
71	Zhenbang Technology
72	Jiangsu Hengtong Optoelectronics Co.
73	Sinotrans Egypt
74	China New Era Holdings (Group) Company
75	Egyptian Golden Age Travel
76	Sany Heavy Industry Co.
77	tung shing construction engineering co.
78	Shaanxi One Thirty One Coalfield Geology Co.
79	TBEA Xinjiang New Energy Co.
80	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd. in Egypt
81	Twenty-eighth Research Institute of China Electronics Technology Group (Nanjing Electronic Engineering Research Institute)
82	One Belt One Road (Beijing) International Logistics Co.
83	Silk Flavour Egypt Food & Beverage Co.
84	China Chemical Engineering 16th Construction Co.
85	Zhejiang Geely Automobile International Trading Co.
86	Loncin (Egypt) Power Co.
87	China Five Ring Engineering Co.
88	Harbin Electric International Engineering Co.



89	Sida Times Software Technology Co.
90	China Tianchen Engineering Co.

91	Beijing Zhongchuang Xintai Science and Technology Co.
92	Transocean Holdings Egypt Office
93	Egyptian Integrity Construction Engineering Co.
94	Siyuan Electric Co.
95	Sino-Egyptian Green Vegetable and Food Company
96	China Communications First Public Bureau (CCPB)
97	wah shing engineering company limited
98	Mingchuangyoupin Co.
99	Shanghai Automotive International Trade Co.
100	Xiamen Mingcheng Environmental Technology Co.
101	China Construction Third Bureau Group Limited
102	China Control Intelligence Technology Co.
103	Good Dragon Motorcycle Co.
104	Hangzhou Hikvision Digital Technology Co. Ltd. (Egypt Branch)
105	China State Machine Heavy Industry Group Limited
106	China Energy Construction Group Jiangsu Electric Power Construction First Engineering Co.
107	China Huanqiu Engineering Corporation Limited
108	Van Controls Group Ltd.
109	King's Time Plastic Co.
110	Haier International Intelligent Education
111	Beacon International (Egypt) Trading Company
112	Colour Communications Egyptian Industrial Company
113	Shenzhen Far East International Freight Forwarding Co.
114	Huayu Huibopu
115	Jiangsu-Taiwan
116	Shandong Hongfeng Drilling Technology Co.
117	Shenyang Swo Electric
118	Armas Sanitary Ware Manufacturing Co.
119	Tongfang Nuctech
120	Pan-Arab Network
121	Hainengda Communications Co.

122	Zhejiang Urban Construction Enterprise
123	Zhejiang Dahua Technology Co.
124	China Electric Construction Group Hubei Engineering Co.
125	Hanergy Thin Film Power Group
126	Sichuan Airlines Co.
127	Kanghao Technology Co.
128	Shenzhou High Speed Rail Technology Co.
129	Zhenjiang International Economic and Technical Cooperation Co.
130	Sinomachinery International Engineering Co.
131	China National Chemical Engineering Corporation
132	China Railway Communication Signal Corporation Limited
133	KKK Engineering Industries (Ningbo Wanjia)
134	Lion Group
135	China Railway 20th Bureau Group Co.
136	chiu shek construction engineering limited
137	Zoomlion Heavy Industry Co.
138	Shanghai United Image Medical Technology Co.
139	Poly Technologies (defense manufacturing company)
140	Junqi Trading Co.
141	Kosta International Ltd.
142	TCL Group Limited
143	Haida Egypt Ltd.
144	Fast Tiger Motorcycle Company, Egypt
145	Shaanxi Heavy Duty Vehicle Import & Export Co.
146	new construction engineering limited
147	China Railway Construction International Group Egypt
148	China Energy Construction Group International Engineering Co.
149	Egyptian Project Department, Oriental Geophysical Exploration Company, China National Petroleum Corp.
150	China Railway Wuhan Electrification Bureau Group Co.
151	China Petroleum & Chemical Corporation Africa Representative Office

152

SHINEWING CHINA &amp; EGYPT

153	Sinochem Second Construction Group Egypt Branch
154	China Great Wall Industry Group Limited
155	Nile Textiles
156	Hengtian Egyptian Textile Joint Stock Company - Exclusive Free Zone
157	Netdragon Network Holdings Limited
158	Leader Engineering & Technology Co.
159	China Chemical Engineering Group Pan-African Corporation
160	Shandong Weichai Import & Export Co.
161	TBEA Shandong Luneng Taishan Cable Co.

For contact information of the above companies, please contact the Secretariat of the Chinese Chamber of Commerce in Egypt at 002-01016235518.

### III. Other Chinese Chambers of Commerce and Associations

serial number	Name of the society
1	Egyptian Chinese Friendship Council Egyptian Association for the Promotion of Chinese Peaceful Reunification
2	Egyptian Northeast Chinese Business Association
3	Egypt China Stone Association
4	Egyptian Chinese Association
5	Sino-Egyptian Friendship Promotion Association
6	Egypt-China Cultural Exchange Association
7	Egyptian Chinese Overseas Association
8	Egyptian Hebei Fellowship Association
9	Egyptian Chinese Students and Scholars Association

For contact information of the above associations, please contact the Consular Section of the Chinese Embassy in Egypt at 002-02-27363556.

post  
scrip  
t

The Guide to Countries (Regions) for Outward Investment Co-operation (Egypt) provides an objective introduction to the investment and co-operation environment, which is of common concern to Chinese enterprises, especially small and medium-sized enterprises (SMEs), when they go to Egypt to carry out investment and co-operation business; and it also gives hints on various problems that may arise when Chinese enterprises go to Egypt to carry out business. It is hoped that this Guide will serve as an introductory guide for Chinese enterprises to enter Egypt. However, due to the limited space and the different information required by different investors, the information provided in this Guide is only for the readers' reference, and is not to be taken as a full basis for investment decision-making by enterprises.

The Department of Foreign Investment and Economic Cooperation of the Ministry of Commerce coordinated the preparation of the Guide. The Guide was prepared by the Economic and Commercial Division of the Chinese Embassy in Egypt, and researchers from the Institute of Foreign Investment and Cooperation of the Academy of the Ministry of Commerce made additions, adjustments and revisions to the contents of the Guide, while comrades from the Department of West Asia and Africa of the Ministry of Commerce made valuable comments on the relevant contents of the Guide.

In the process of writing this book, we have referred to the public information of the Ministry of Foreign Affairs of China, China Customs, the Egyptian National Statistics and other government departments and professional institutions, as well as the World Bank, the International Monetary Fund, the World Trade Organisation and other international organisations, and received the help of the Chinese enterprises and Chinese diaspora who have been engaged in long-term investment and business activities in Egypt, and the strong support of the relevant Egyptian authorities, for which we would like to express our gratitude.

Due to the time constraints and our limited level of competence, criticisms and corrections are welcome if there are any improprieties.

author

December 2022