



EGYPT FOR A BRIGHTER FUTURE

GAFI



Ministry of Investment



General Authority for
Investment & Free Zones



Sustainability and Inclusion: To leave no one behind

EGYPT : THE WAY FORWARD

2011 +

In 2011, Egypt started its political transformation triggered by its people calling for social justice parallel with economic development.



REAL GDP GROWTH RATE

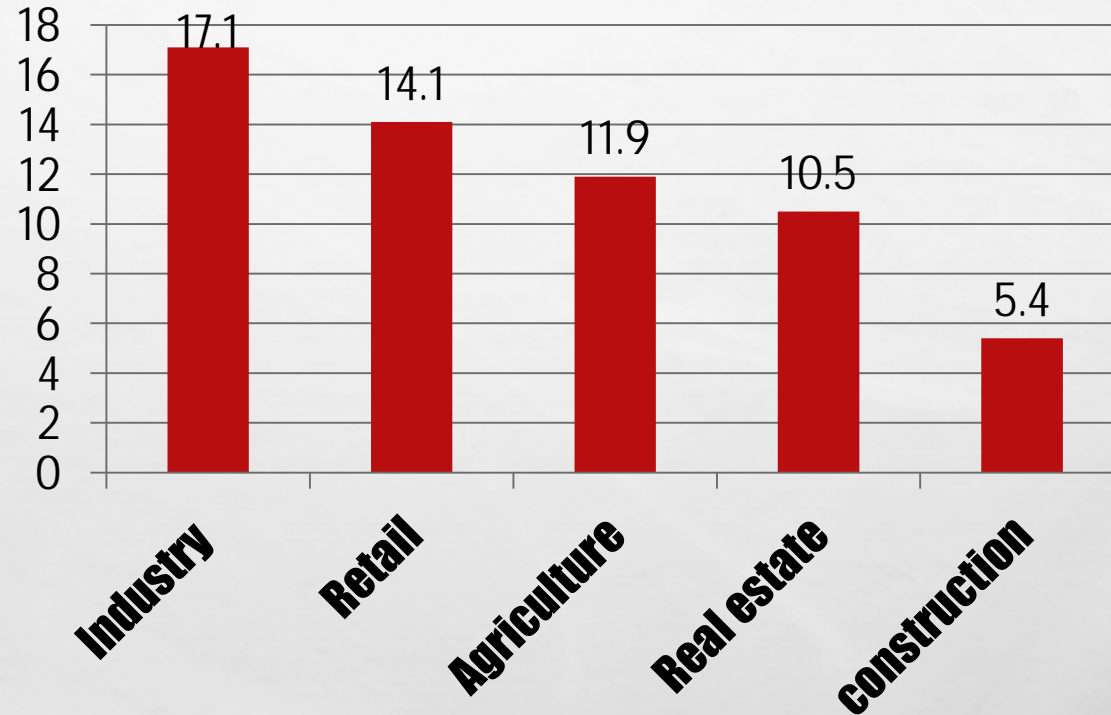
Real GDP Growth Rate from 2010-2016

- 2010/2011: 1.8%
- 2011/2012: 2.2%
- 2012/2013: 2.1%
- 2013/2014: 2.2%
- 2015/2016: 4.3%



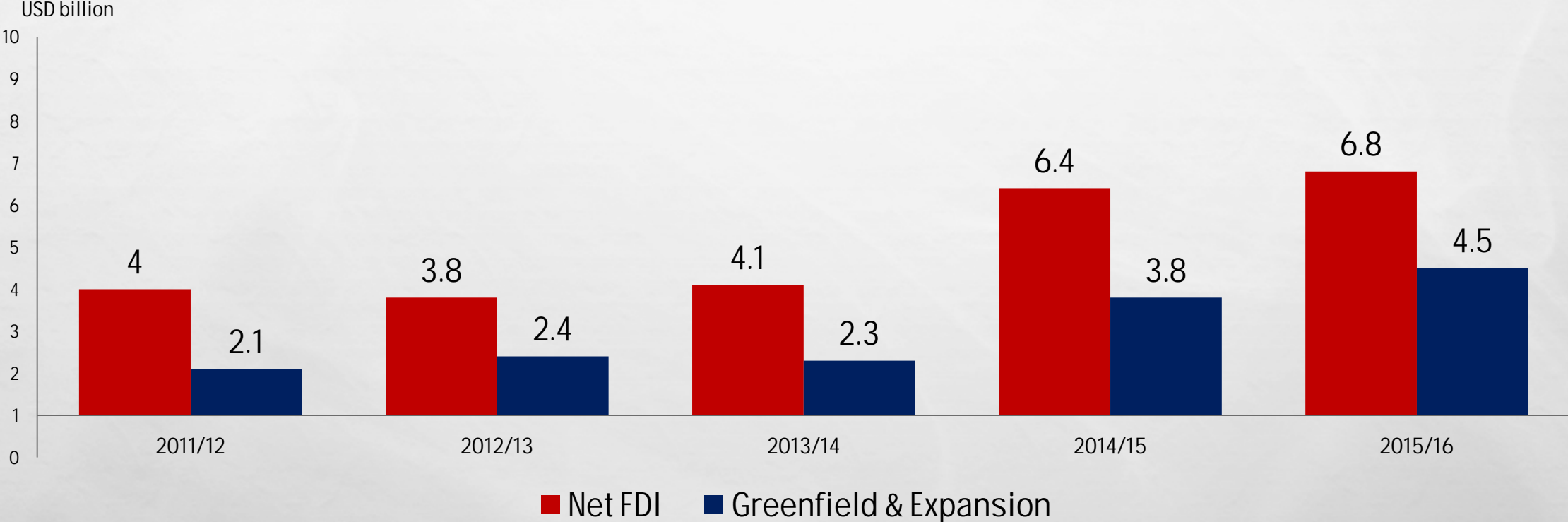
Source: CBE

TOP FIVE BEST PERFORMERS FOR THE FY2015-2016



Source: CBE

NET FDI

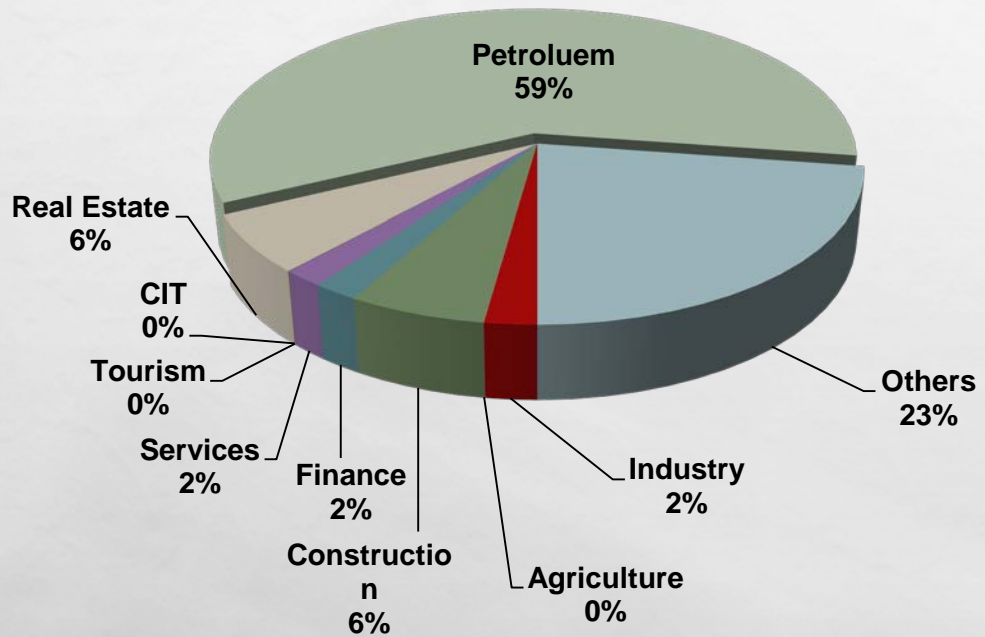


Source: CBE

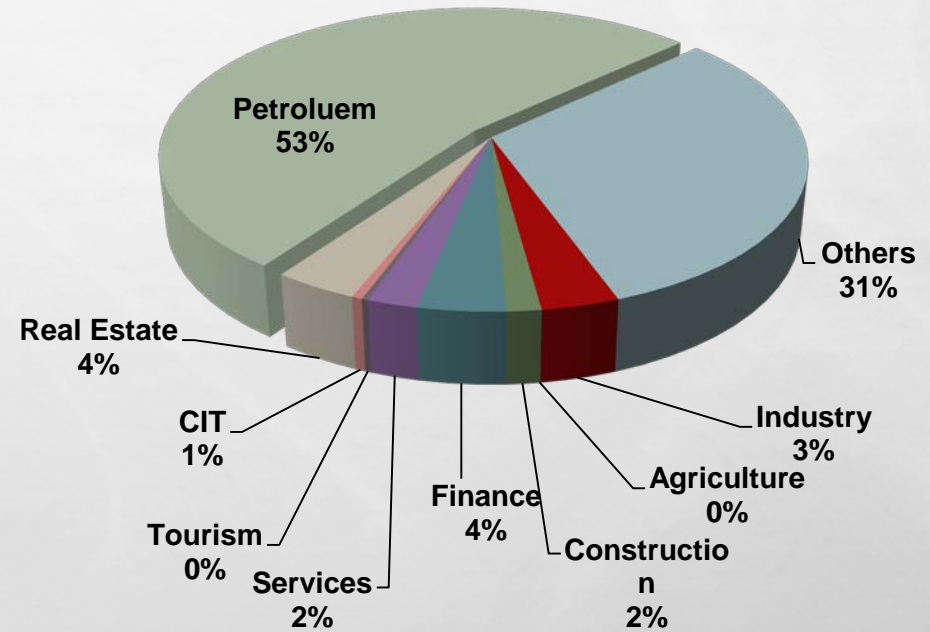
FDI

per region/sector petroleum

**FDI Per Sector
FY 2014/2015**



**FDI Per Sector
FY 2015/2016**

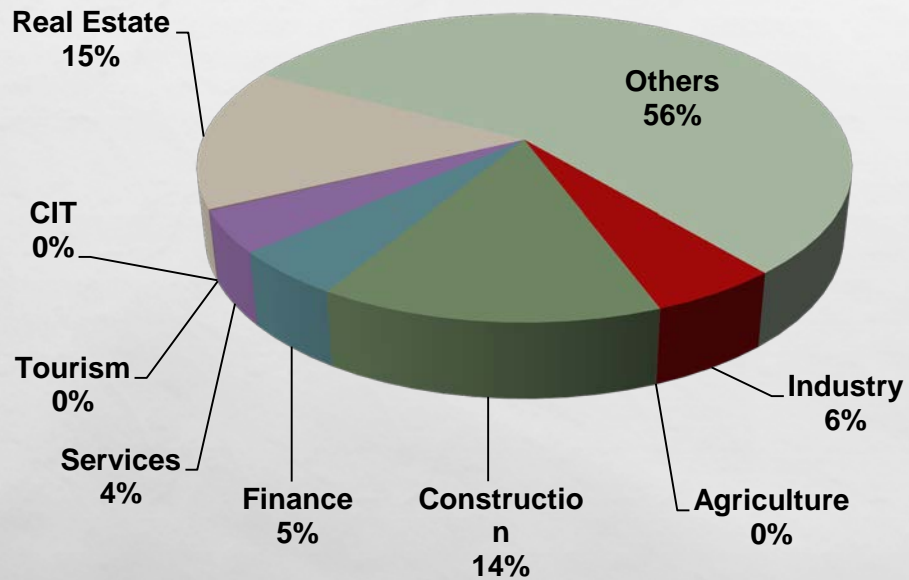


Source: CBE

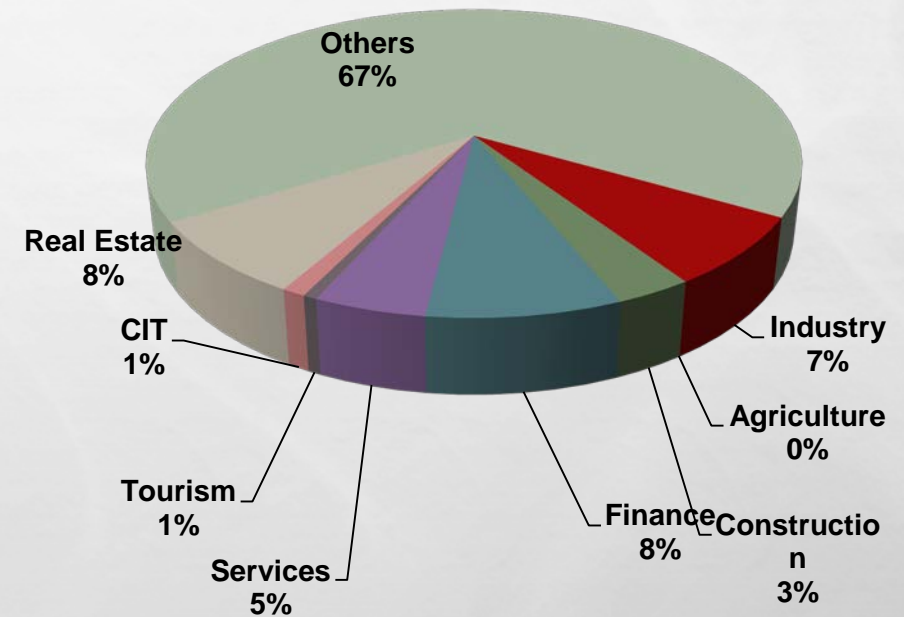
FDI

per region/sector non petroleum

**FDI Per Sector FY 2014/2015
(Non-petroleum Sectors)**



**FDI Per Sector FY 2015/2016
(Non-petroleum Sectors)**



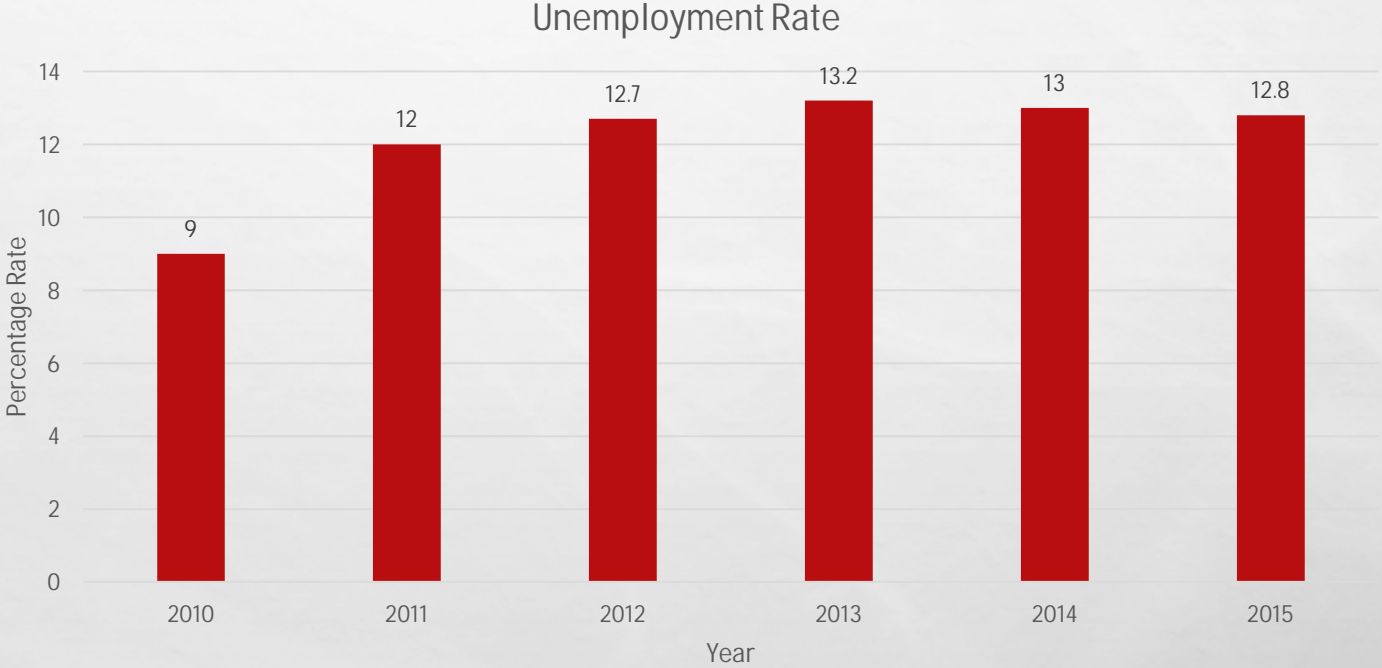
Source: CBE

UNEMPLOYMENT RATE



Unemployment rate from 2010-2015

| | |
|------|------|
| 2010 | 9 |
| 2011 | 12 |
| 2012 | 12.7 |
| 2013 | 13.2 |
| 2014 | 13 |
| 2015 | 12.8 |



Source: CBE

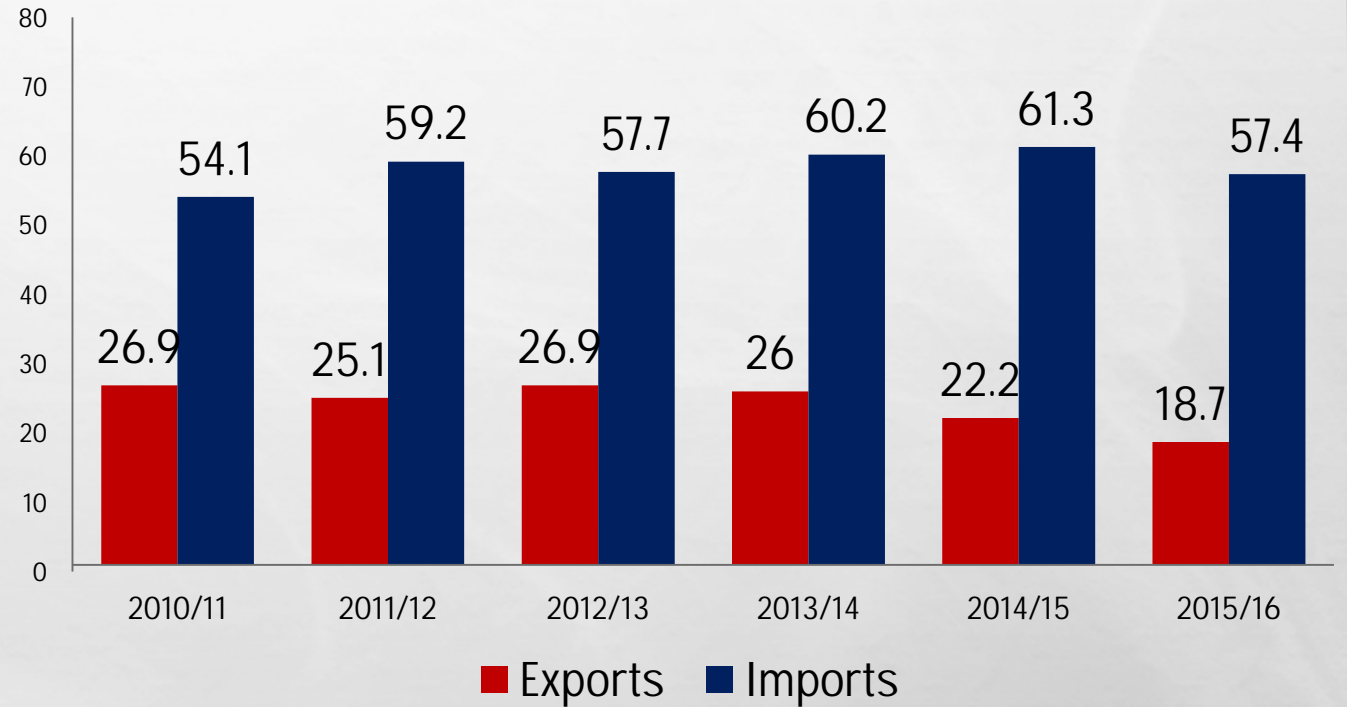
TRADE

Major exports:

Crude oil and petroleum products
Textiles
Metal products
Chemical products
Metal products
Agricultural products

Major imports:

Machinery and equipment's
Auto Parts
Foodstuffs
Chemicals
Plastics
Metal products
Fuels



Source: CBE

EGYPT CREDIT RATING

- **S&P** revised Egypt's sovereign credit outlook from "negative" to "stable" on Nov.11.2016 due to the projected support by the International Monetary Fund (IMF), which already has taken place.
- **Moody's** forecast Egypt's economy to grow by 4.0% and 4.5% in 2017-18

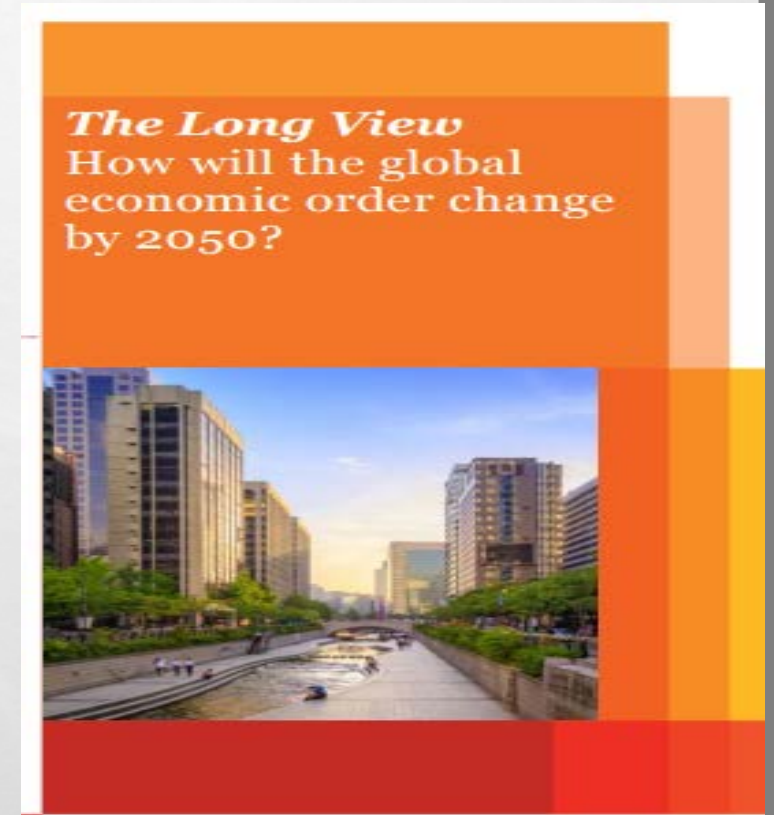
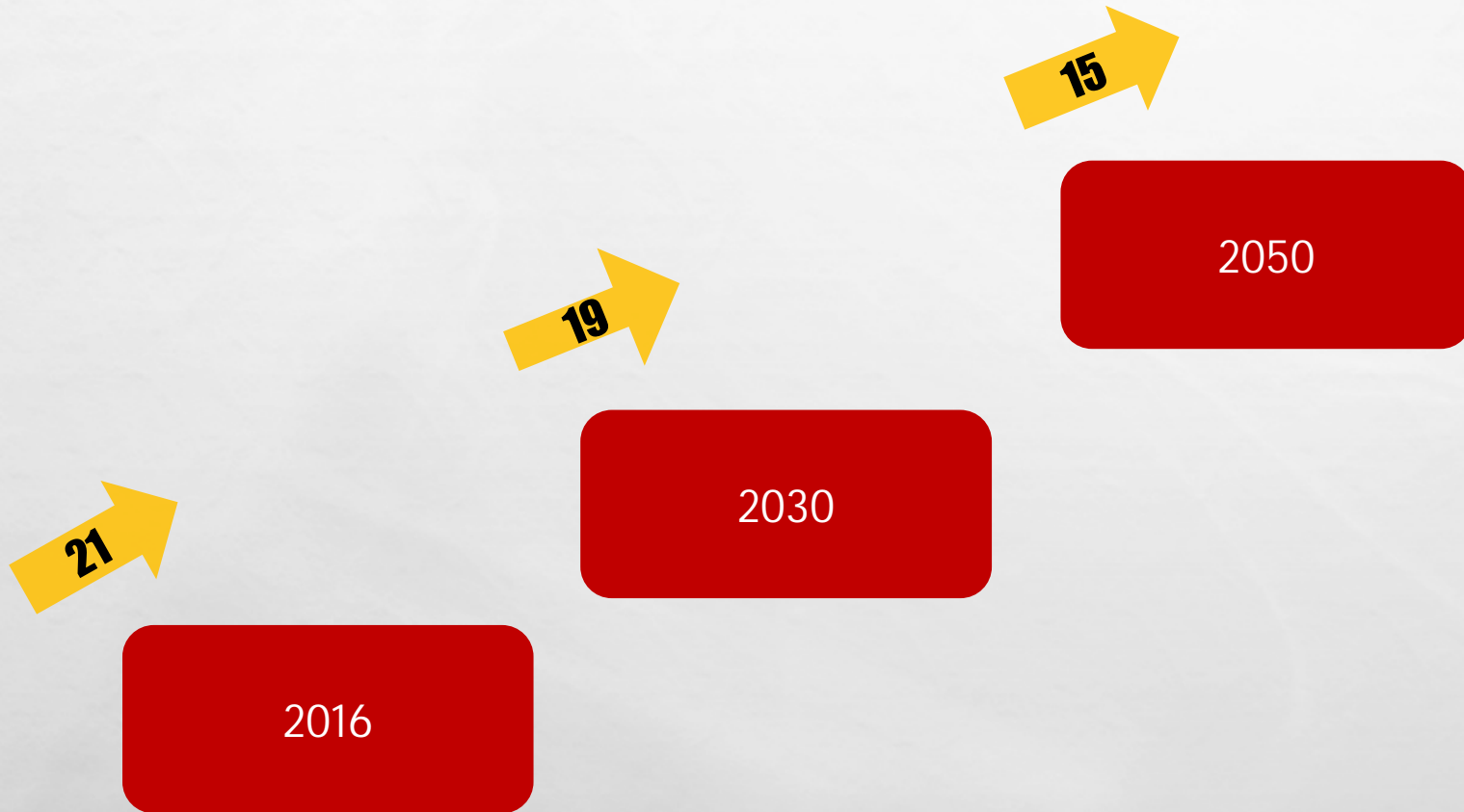
S&P Global Ratings

| Rating | outlook | Date |
|--------|----------|---------------|
| B- | Stable | Nov. 11, 2016 |
| B- | Negative | May 13, 2016 |
| B- | stable | Nov. 13, 2015 |

MOODY'S

| Rating | Outlook | Date |
|--------|---------|-----------------|
| | Stable | Jan. 15, 2017 |
| B3 | Stable | August 19, 2016 |
| B3 | Stable | Apr. 07, 2015 |

HOW BIG ECONOMIES WILL BE...



JAPAN AND EGYPT...

Japan-Egypt relations represent the story of TWO countries whose people share the same eastern cultures, maintain their customs and traditions, and the convergence of families.



ECONOMIC REFORM PROGRAM : 2030 VISION

2030 vision

Egypt's vision is to possess a competitive, balanced and diversified economy, dependent on innovation and knowledge, based on justice, social integrity and participation, characterized by a balanced and diversified ecological collaboration system, investing the ingenuity of place and humans to achieve sustainable development and to improve Egyptians' life quality.

EGYPT'S MEDIUM-TERM STRATEGY AND OUTLOOK 2014/15 -2018/19

The first step to realize the government's 2030 vision of a productive and efficient economy that generates high, sustainable and inclusive growth is the five year macro economic framework and strategy FY2014/15 and FY2018/19.

EGYPT'S MACROECONOMIC TARGETS FY18/19

- Sustainable real GDP growth targeting 6% by the end of the period.
- A faster pace of job creation.
- Greater efficiency in government spending in parallel with a planned reduction of the fiscal deficit to 8 - 8.5% of GDP, and the government debt to within a range of 80 - 85% of GDP.
- Headline Inflation within a 6 - 8% range
- Higher rates of domestic investment
- Improved export performance
- The development of the country's human resources supported by increased spending on health, education and Research and Development (up to at least 10% of GDP) as mandated by the Constitution
- Enhanced productivity on the national level and continued investment in and upgrading of infrastructure.

SUSTAINABILITY FOR FUTURE GENERATIONS TO LEAVE NO ONE BEHIND

**2030 social
dimension vision**



EGYPT'S MEDIUM-TERM STRATEGY AND OUTLOOK

- Encompasses concrete policies, programs and projects to realize a productive and efficient economy that generates high, sustainable and inclusive growth.
- The government continues to work steadily on achieving sound public finances and macroeconomic stability.
- Prudent fiscal and monetary policies constitute the core of the medium-term reform program.
- This policy framework will preserve confidence and encourage economic actors to expand investment activities and consequently consumption, thereby propelling growth.
- The macroeconomic policies are being complemented by measures to modernize the business environment, a large hike in public spending on human capital formation, a focus on revamping and expanding physical infrastructure

THE MAIN REFORM PILLARS

The government is focusing on fiscal consolidation to reduce the debt burden and manage rollover risk over the medium-term

Public debt management and financing strategy

Tax policy and revenue reforms

To widen the tax base and creating a fairer and more equitable system

Public spending priorities and reform measures

To reallocate government expenditures in energy subsidies, wage and interest payments and focus more on growth and social justice areas.

Monetary policy will seek to control and gradually reduce inflation towards the CBE's target of 6-8% in the medium term to improve real incomes and enhance external competitiveness.

Monetary policy

THE INVESTMENT CLIMATE REFORMS



LAWS AND REGULATIONS REFORM

- For creating an attractive, predictable, fair and internationally competitive business environment governed by the rule of law.
- And, enhancing the domestic investment environment as part of its broader macroeconomic strategy prioritizing private investment-led growth.

- Competition Law (Passed)
- Microfinance Law
- Mining Law(Passed)
- Third Party Contract Appeal Law (Passed)
- Commercial Register Law
- Insolvency and debit restructure Law
- Customs Law
- New Investment Law

WHAT HAS BEEN ACHIEVED SO FAR...

Floating the Egyptian pound

The VAT law No. 67/2016 was decreed

Adjusting electricity prices

Partial lifting of subsidies on petroleum products

FEATURES OF THE NEW INVESTMENT LAW

The Investment race for developing the Egyptian business environment between the new investment law and the Supreme Investment Council

The Supreme Investment Council

17 Reform decisions in the first meeting

And more ...

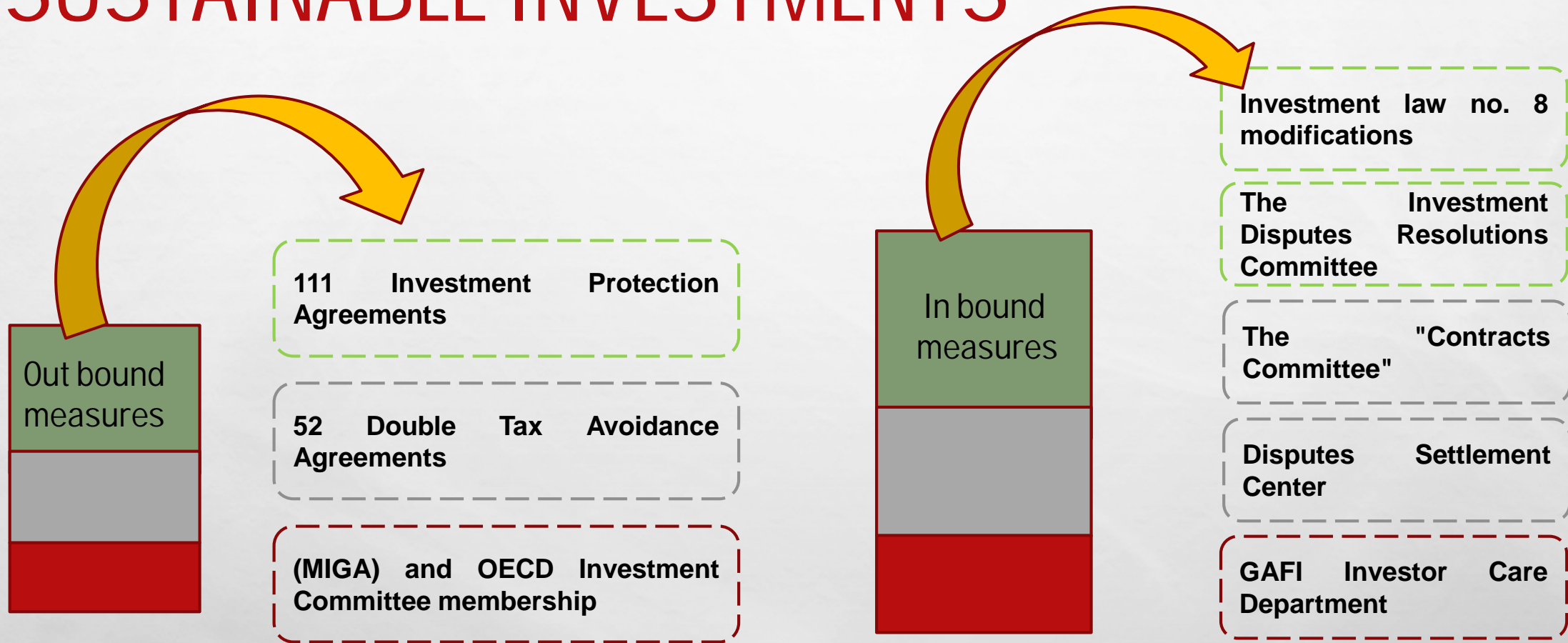
New Investment law

Introducing the **Investment Window** for less time more efficiency in Doing Business Environment

Incentives for Strategic Businesses

And more ...

INVESTOR SUPPORT AND GUARANTEE FOR SUSTAINABLE INVESTMENTS



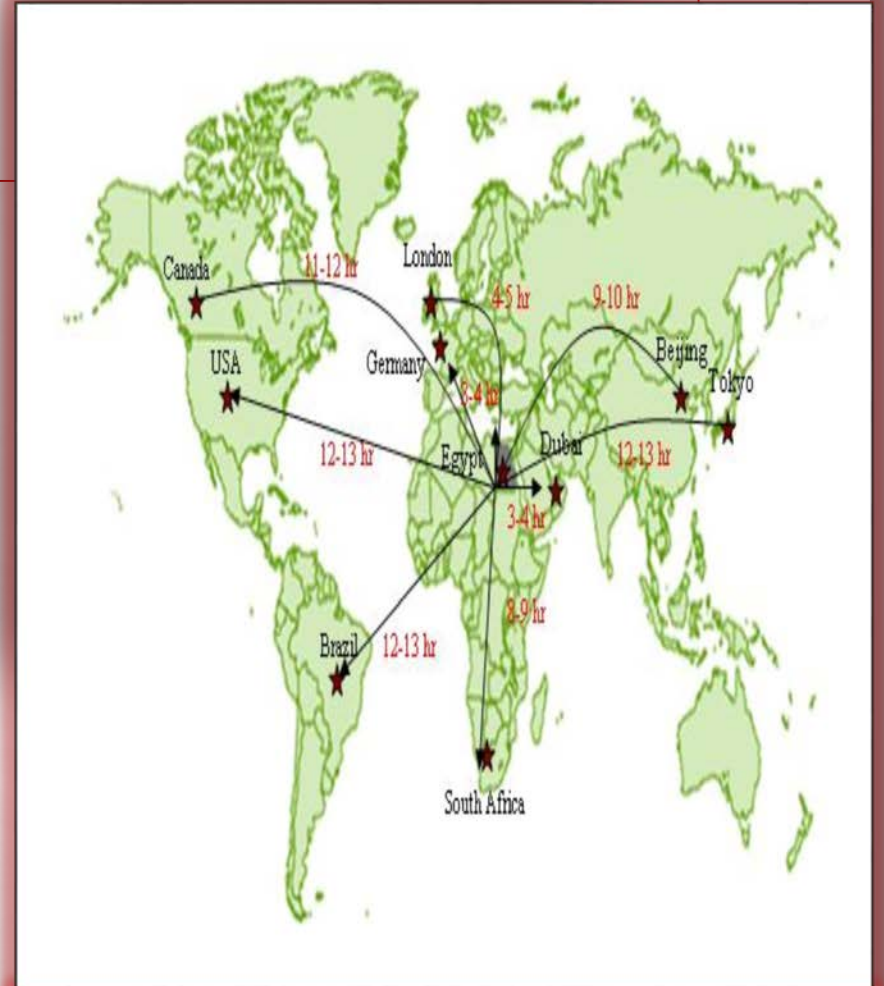
JAPANESE INVESTORS IN EGYPT...

**ELEVEN CASES CURRENTLY IN THE RESOLUTION PHASE
ENDORSED BY GAFI, RANGING FROM OPERATION
LICENSES , TO BRINGING IN EXPATS, AND ISSUES WITH
THE CUSTOMS AUTHORITY, ETC...**

WHY INVEST IN EGYPT



- Central location with strategic trade agreements
- Access to a large consumer base in Egypt and beyond
- IRR-Investment return rate
- Diversified growing economy
- Qualified and competitive labor force
- Improving infrastructure
- Reformist investment climate
- Resilient economy to external and internal shocks
- Dynamic business environment
- Abundance in Natural Resources
- Unparalleled returns and solid financial sector



VOTE OF CONFIDENCE



SECTORS



Agribusiness



Engineering and Electronics



Health care



Logistics



Mining



ICT



Petrochemicals



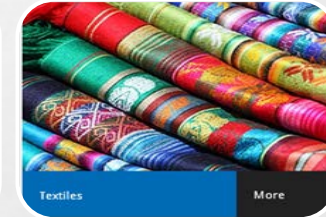
Pharmaceuticals



Real estate and construction



Retail



Textile



Tourism



Renewable energy



Automotive

AMBITIOUS LANDMARK PROJECTS IN EGYPT

THE DEVELOPMENT OF THE SUEZ CANAL REGION



1) The Economic Zone in the Suez Canal

- The Suez Canal is considered the main focus of economic development in Egypt.
- The region has a strategic location on the main roads of international trade and the proximity to Al-Sokhna port.
- Al-Sokhna area is becoming Egypt's gateway to and from the Middle East and Asia, which provides competitiveness, reduces production cost and eases access to markets in the Middle East and the world.

THE DEVELOPMENT OF THE SUEZ CANAL REGION

2)The Economic Zone in East Port Said

- THE PROJECT HAS A UNIQUE INVESTMENT OPPORTUNITY TO ESTABLISH AN INDUSTRIAL AREA IN EASTERN PORT SAID SQUARE.
- THE AREA IS ONE OF THE BEST CURRENT OPPORTUNITIES TO ENGAGE IN AFRICA AND THE MIDDLE EAST, OR TO EXPAND THE BUSINESS IN THOSE MARKETS. THE PROJECT ITSELF IS A POTENTIAL MARKET OF HIS OWN.
- BUILT FOR RENT.



THE DEVELOPMENT OF THE SUEZ CANAL REGION

3) West Qantara area development

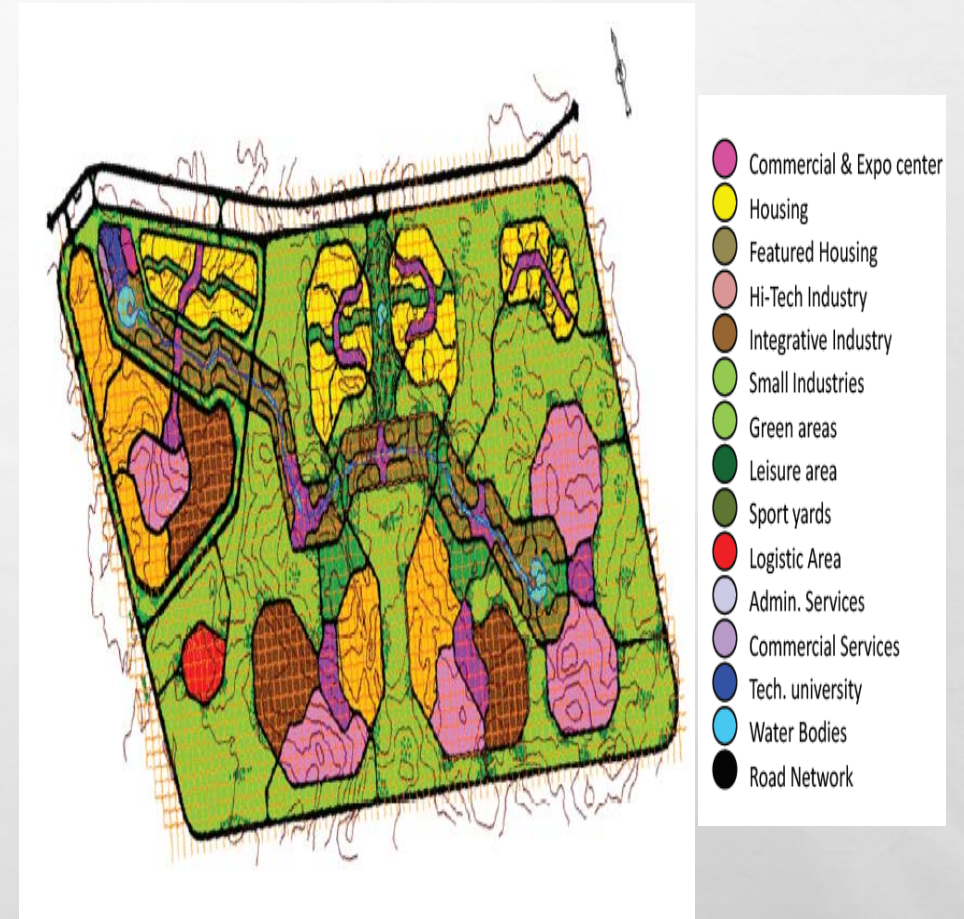
- The project is the administrative center of the area of the Suez Canal, as well as the creation of logistical activities Of food centers and dry ports.
- The project is located on the west side of the northern border of Al-Ismailia governorates.
- The purpose of the project is the development of urban areas in the new city of Qantara and Ismailia to accommodate more than 350,000 people.



THE DEVELOPMENT OF THE SUEZ CANAL REGION

4)The Technological Zone

- The project aims to create a new urban society depends on economic activity resulting from the merger of investment, education and scientific research, based on high-tech industries.
- Total project area 70 square kilometers.



THE NEW ADMINISTRATIVE CAPITAL

- A large scale project located 45 km east of Cairo. Four construction companies have been mandated to execute the infrastructure of the 1st phase with a cost of EGP 4 billion.
- Project utilities has partially finished.
- Doesn't need special approvals.
- Land will be allocated through sale.



DEVELOPMENT OF 1.5 MILLION FEDDAN

- New Valley reclamation project and the development of 1.5 million Feddan.
- Establishing Reef Company for this purpose with a capital estimate of 1 billion dollars.

The Company aims to:

- Develop new integrated societies based on agriculture and agro-processing
- Create value added projects;
- Maximizing the economic return of the water used.



THE GOLDEN TRIANGLE PROJECT

Three main mining anchors generating multiple industrial zones

The main sectors under investigation are:

| | |
|-----------|-------------|
| Mining | Logistics |
| Industry | Urban |
| Transport | Agriculture |
| Energy | Tourism |
| Ports | Utilities |



Approx. 840 thousand feddans

THE CITY OF EL ALAMEIN PROJECT

- The project is on the Northwest coast and represents approximately 12.8% of the total area of Egypt.
- The project will attract investments in the tourism, agriculture, industrial, commercial, and educational sectors.
- The government is currently working on the project`s utilities.



Preliminary plan of new Alamein city

THE FURNITURE CITY IN DAMIETTA

- An industrial project for the establishment and the development of Damietta governorate as furniture city on 333 Feddan, the city to host a cluster of Furniture manufacturing and complimentary industries, R&D center, furniture academy , renewable energy station & hotel.
- The project doesn't need special approvals.



THE LOGISTICS CENTER FOR GRAIN IN DAMIETTA

- The project is on 4 Mn. Sq. meter in Damietta governorate.
- Currently Damietta governorate is the responsible authority but a new development authority is under formation.



LEATHER CITY IN AL-ROBIEKY

- The project purpose is tanning and manufacturing of leather.
- Total project size 1629 feddans.
- The infrastructure of the first phase of the project has been finalized and finance of the second and third phase has been secured.

THE INVESTMENT MAP



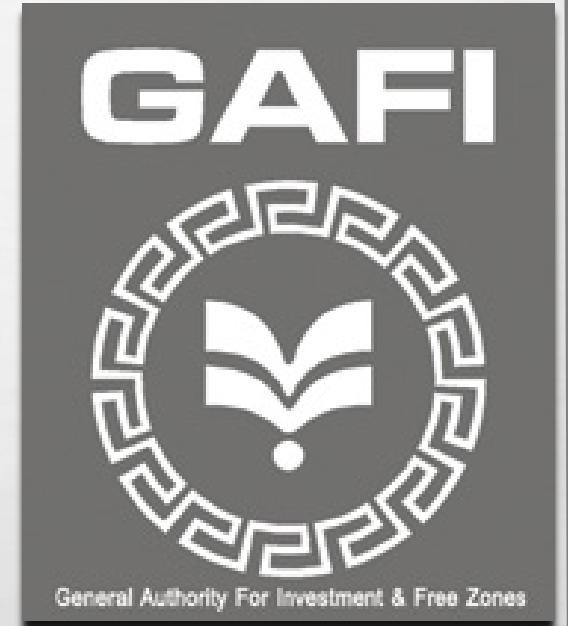
ABOUT GAFI

Proactive investment promotion agency with promotion, facilitation, business matchmaking, Egyptian expatriates, events, investor aftercare, and research and market intelligence functions.

GAFI work is based on five main pillars: .

GAFI is the principal governmental authority concerned with regulating and facilitating investment in Egypt.

- The promotion of Egypt's potential sectors to attract foreign investment, reinvestments and expansions.
- The stimulation of domestic investment.
- The development of investment services.
- The management of free zones and development of investment zones to accelerate the expansion of competitive strategic clusters.
- Institutional development support to entrepreneur-ship and stimulating the development of innovation.



THE MISSION STATEMENT

MISSION
STATEMENT



"To enable and sustain Egypt's economic growth through investment promotion, facilitation, efficient business services and advocacy of investor friendly policies"

THE ONE STOP SHOP FOR INVESTMENT

Services Offered Through the O.S.S:

Establishment Services

After Establishment Services:

- Legal Services.
- Technical Services.
- Governmental Services.
- Publication in Investment Gazette.
- Tax Exemption Services.
- Establishment Services.

Main functions

- Facilitate the procurement of business licenses.
- Offer technical advice and information to clients planning.
- Introduce a transparent and reasonable fee structure
- Improve the quality and timeliness of government related processes.

*THANK YOU FOR YOUR
ATTENTION*