



General Authority for Investment
GAFI



Arab Republic of Egypt



Who We Are?





Who We Are

Vision

- Advanced governmental authority that provides outstanding services for investors and attracts major investments to Egypt to achieve Sustainable Development.

Mission

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

Framework

- GAFI's operation is based on six main pillars, as follows:

GAFI Framework





Investment Strategy

In order to ensure Egypt's strong investment momentum continues to spearhead multifaceted economic growth, a comprehensive investment strategy has been put in place. This strategy aims to catalyze on Egypt's investment potential by tapping into new and diverse sources of growth, expand industrial production and increase exports, as well as create quality jobs to accommodate the growing labor force. The Ministry's policies are designed to establish a competitive and attractive business environment and a supportive regulatory framework through eliminating constraints to productivity and growth. To achieve these objectives, Egypt's investment policy is based on three main axes

Building an integrated and modern legislative system that ensures the conducive investment environment in Egypt that ensures harmony among the regulatory framework and avoids negatively impacting privileges granted to existing projects.

Establishing clear mechanisms and strategies to promote investment and highlight the available opportunities, and identify the most promising sectors to attract foreign investments. A full-fledged investment map with all available opportunities and rerelevant information is available to all investors.

Streamlining procedures for establishing companies and obtaining licenses through:
i) automating incorporation procedures; ii) simplifying the procedures for obtaining land and licenses; iii) providing several dispute resolution mechanisms; iv) dedicated full-fledged investor service center.



Egypt at a glance

	2015/2016	2016/2017	2017/2018
Real GDP growth rate	4.3%	4.2%	5.3%
Inflation rate (CPI urban)	8.38% (Jan 2015)	14% (Jan 2016)	14.2 % (Aug. 2018)
Population	89 Mn (Jul 2015)	91 Mn (Jul 2016)	97.6Mn (Sep. 2018)
Net FDI (USD bn)	6.9	7.9	6.0 (Jul. – Mar.2017/18)
International Reserves (USD bn)	17.5 (Jun. 2015)	31.3 (Jun. 2016)	44.4 (Aug.2018)
Unemployment Rate (%)	12.8 (2015)	12.5 (2016)	11.8 (2017) 9.9 (Q2 2018)
Newly established companies (No. of Companies) (GAFI data)	12081	15358	19865
Doing Business Rank	126 (2016)	122 (2017)	128(2018)
Global Competitiveness Report Rank		115	100



Why Egypt?



Why Egypt?

Central location & proximity to the global market •

Access to a large consumer base in Egypt and beyond •

Large pool of trained and skilled labor •

Revamped infrastructure base •

Abundance in natural resources •

Competitive tax rates •

Growing economy •



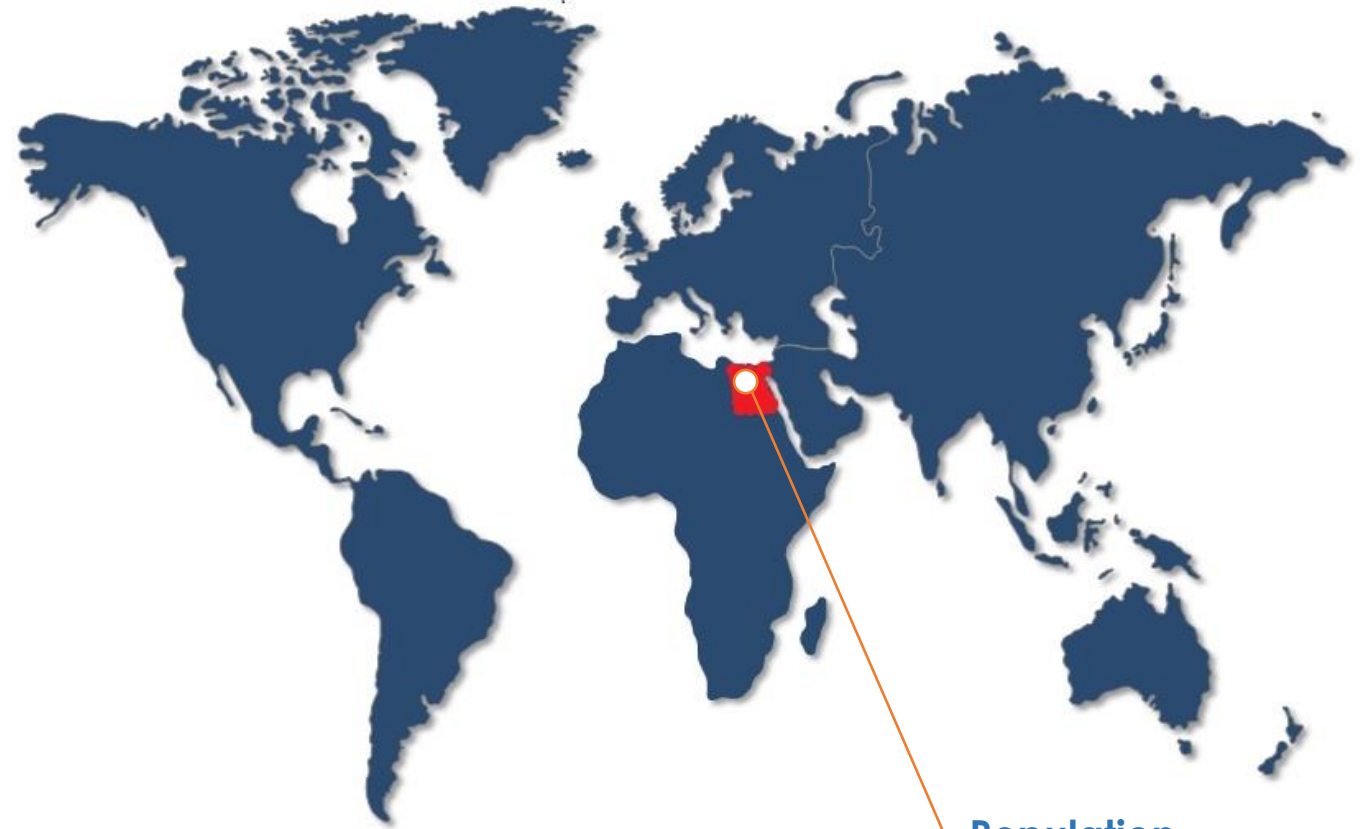
Location

- Gate to Africa & the Middle East
- Center of the World



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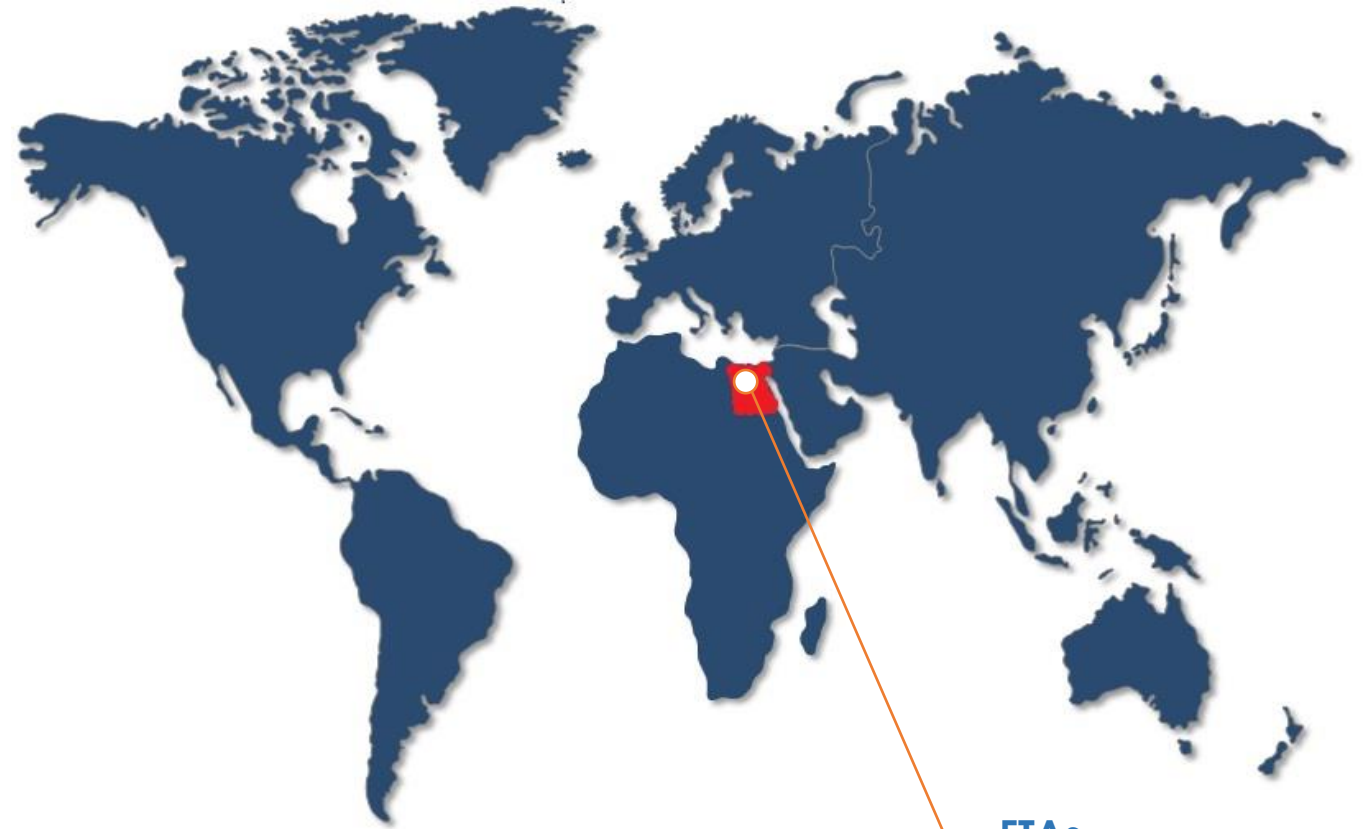
Population

97.6million



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FTAs

- COMESA
- GAFTA
- EU Egypt
- QIZ
- Aghadir
- EFTA
- Egypt Mercosur
- Egypt Turkey FTA



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Labor Force

- Over **29** million
- **60%** under **30**
- Competitive wages



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Access to a large consumer base in Egypt and beyond ■

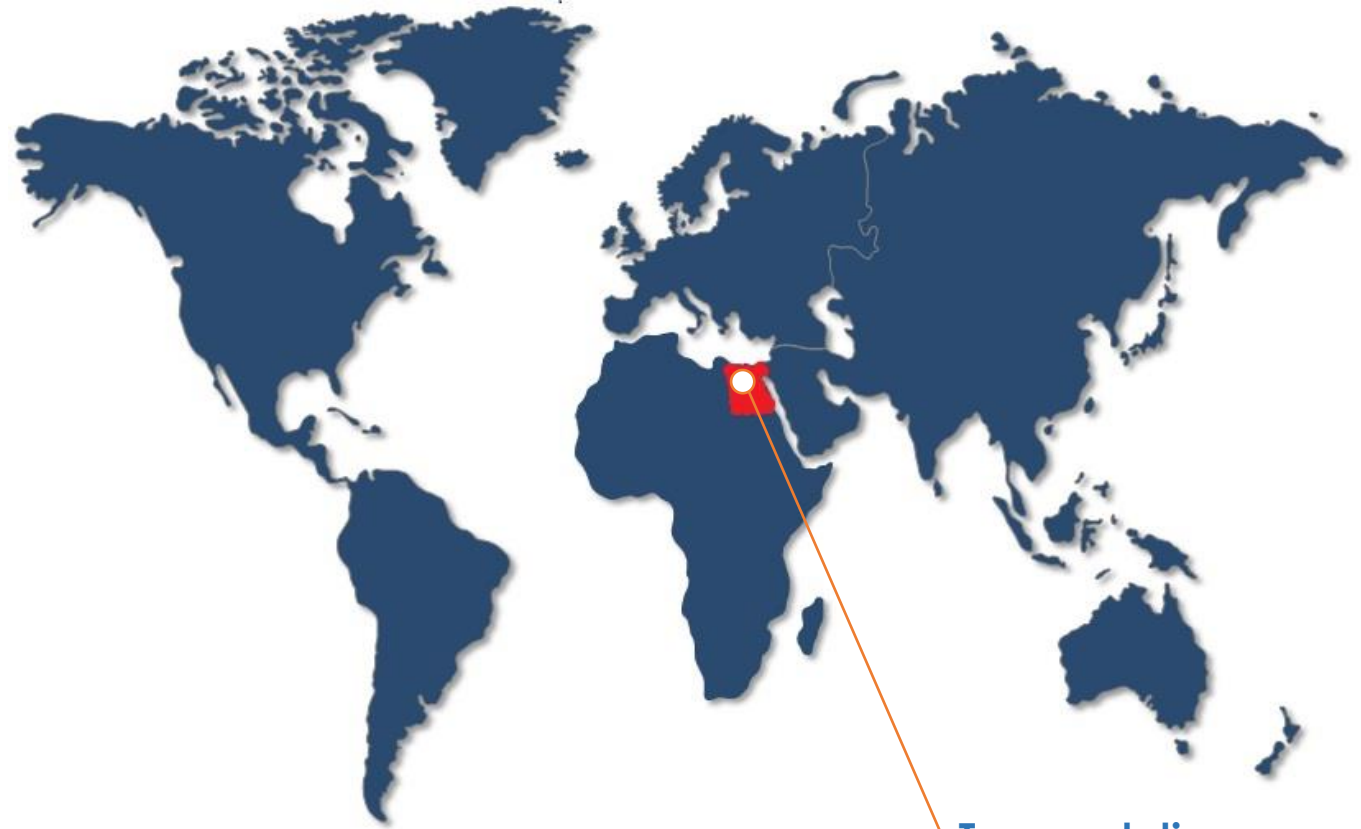
Large pool of trained and skilled labor ■

Revamped infrastructure base ■

Abundance in natural resources ■

Competitive tax rates ■

Growing economy ■



Transportation

- 20 Airports
- 191 Railway stations
- 15 Seaports & Suez Canal
- Subway network



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Central location & proximity to the global market ▪

Access to a large consumer base in Egypt and beyond ▪

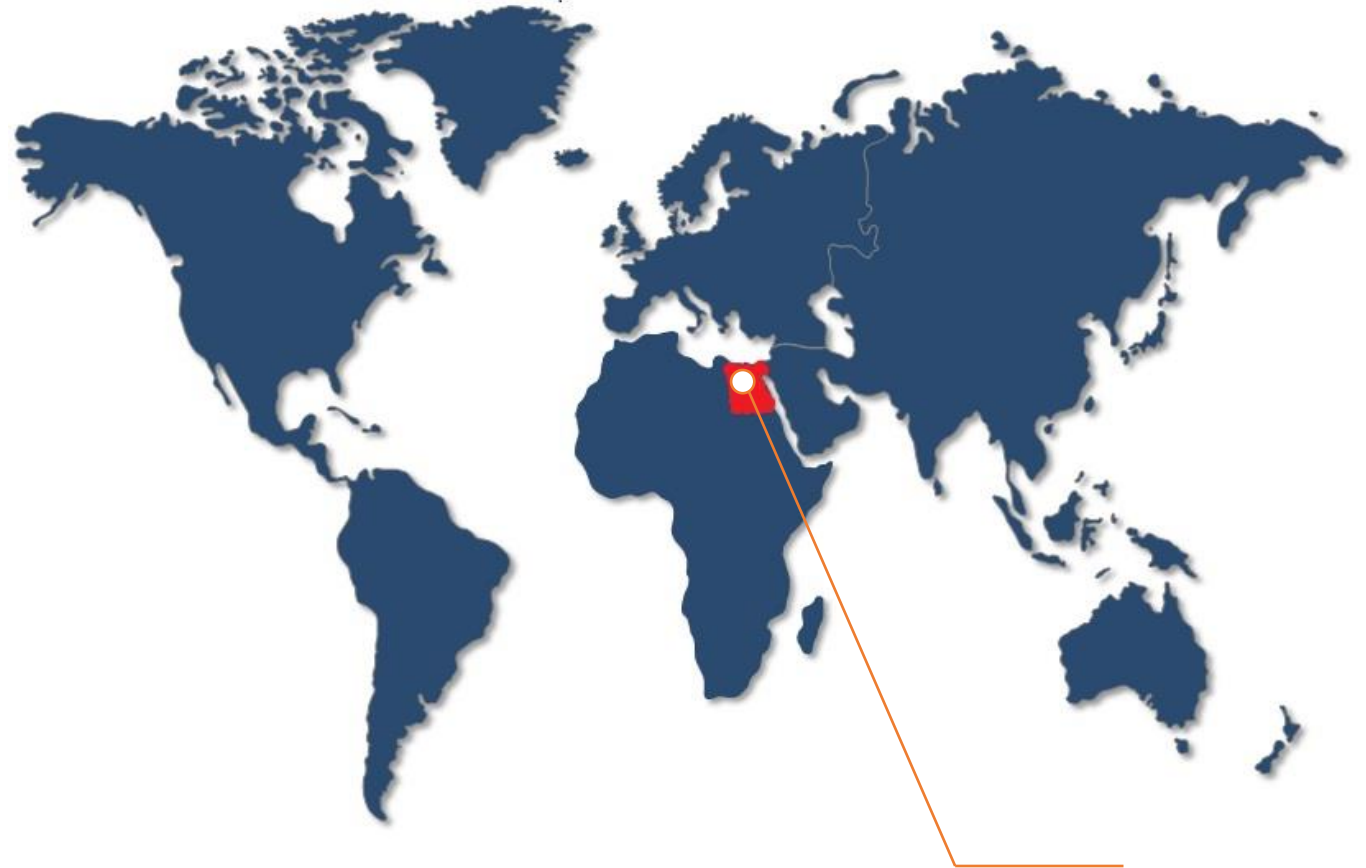
Large pool of trained and skilled labor ▪

Revamped infrastructure base ▪

Abundance in natural resources ▪

Competitive tax rates ▪

Growing economy ▪

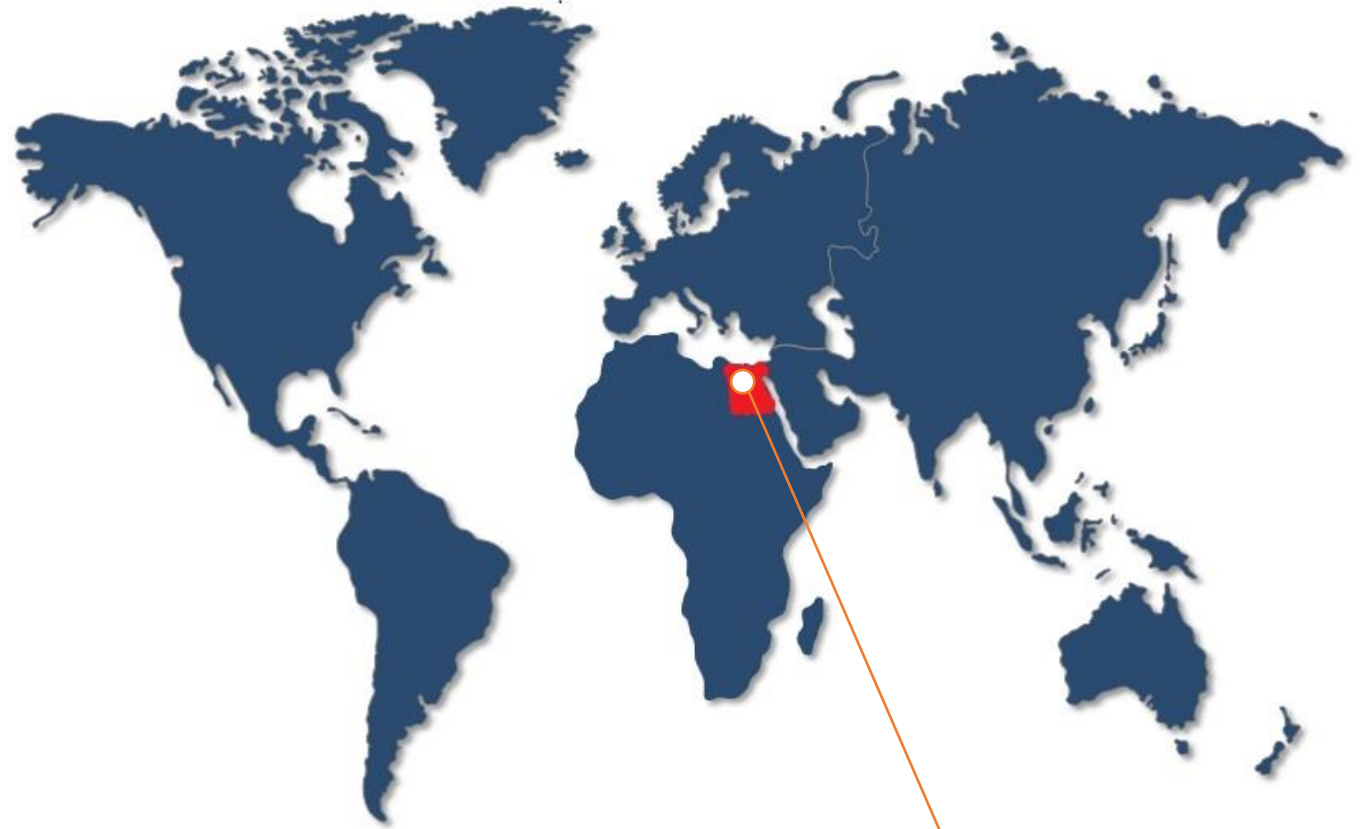


- **174.6 km Road Network**
- **Communication Networks**



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- Abundance in natural resources**
- Competitive tax rates
- Growing economy

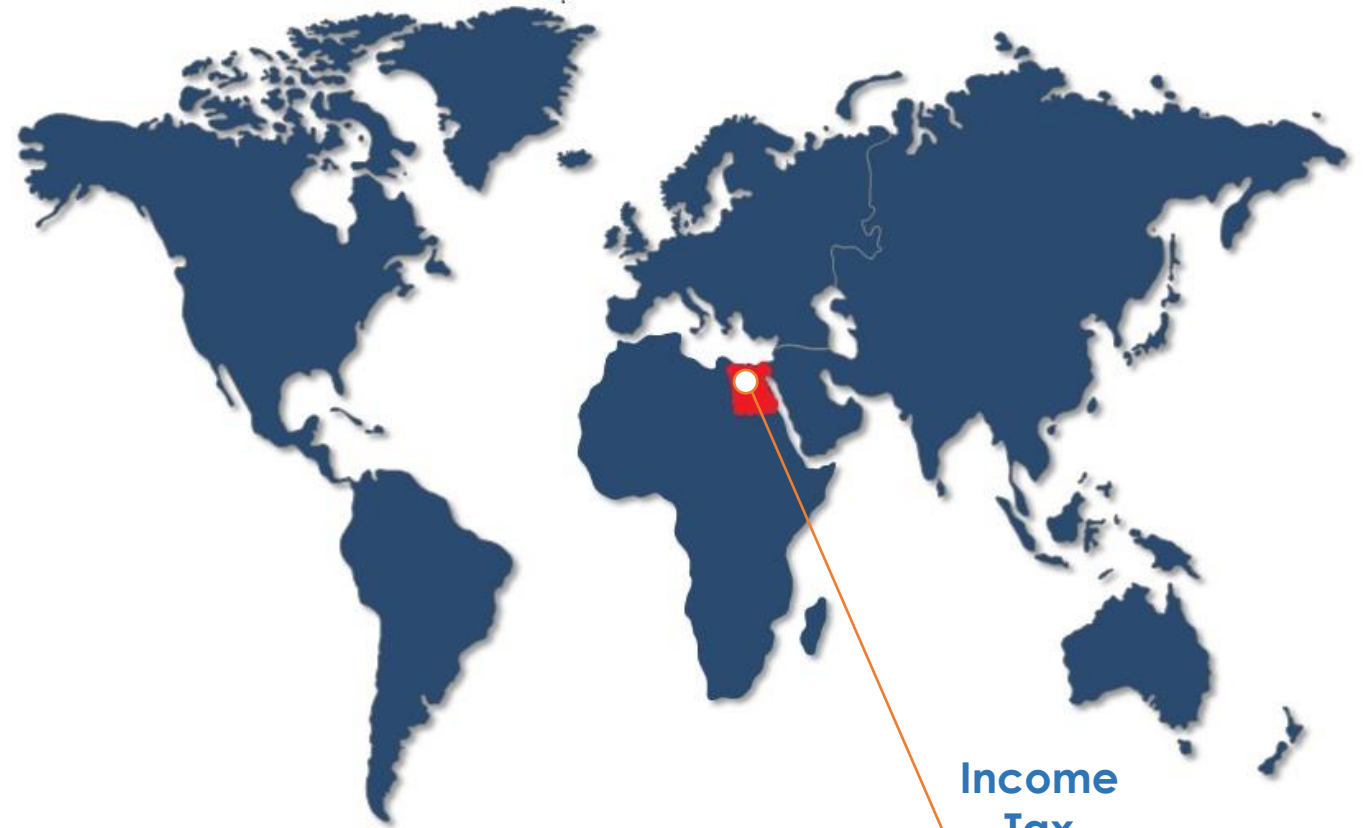


**Mineral & Renewable
Resources**



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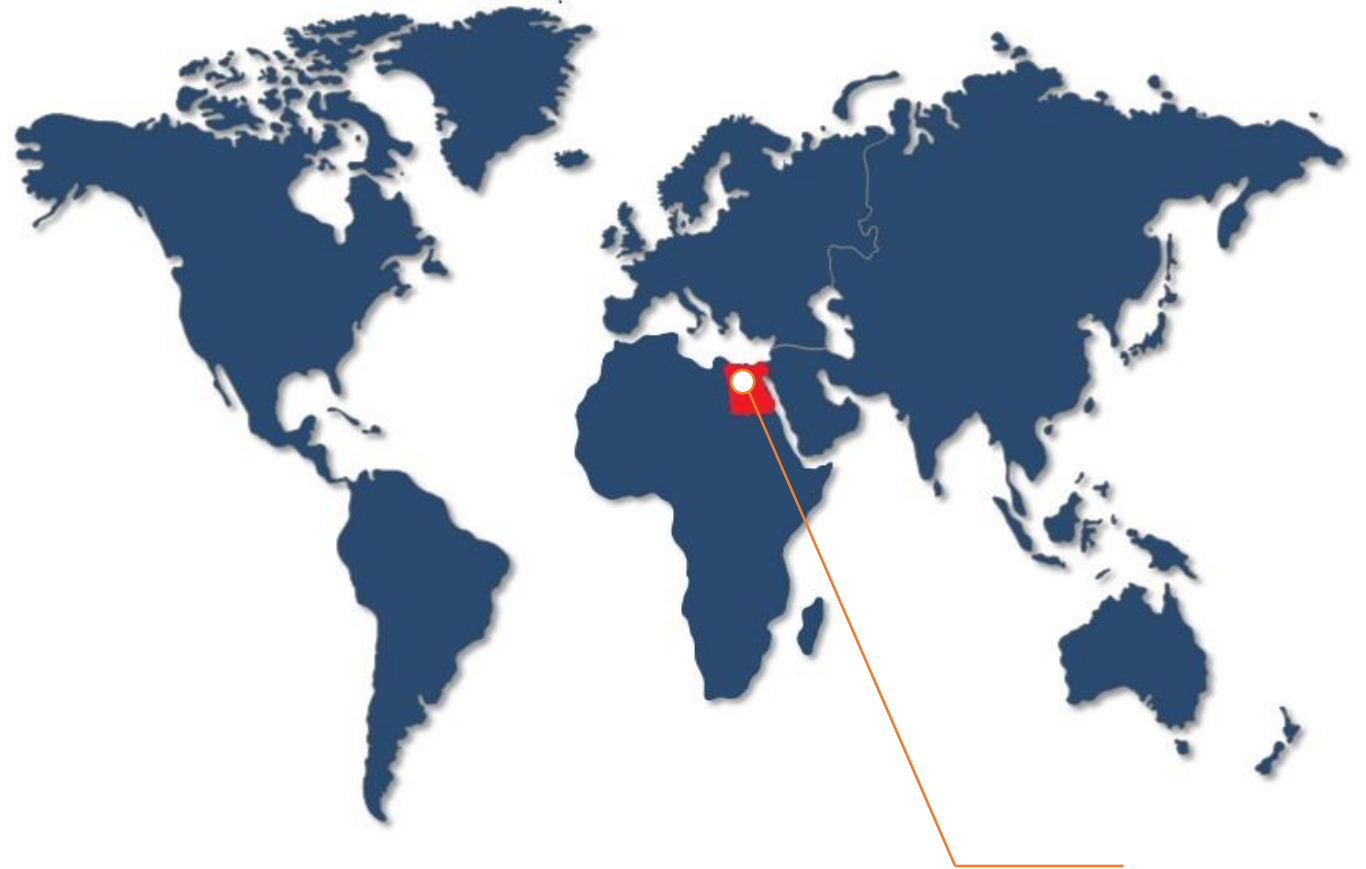
Income
Tax

22.5%



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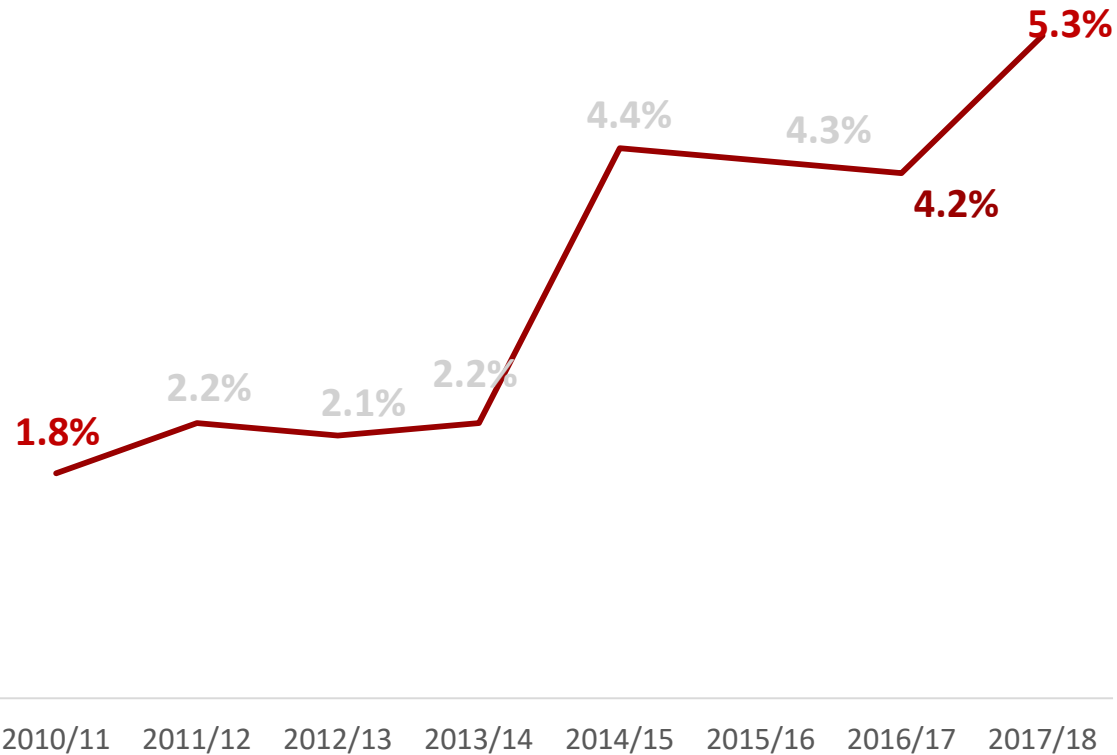


- Economic Indicators
- International Ranking

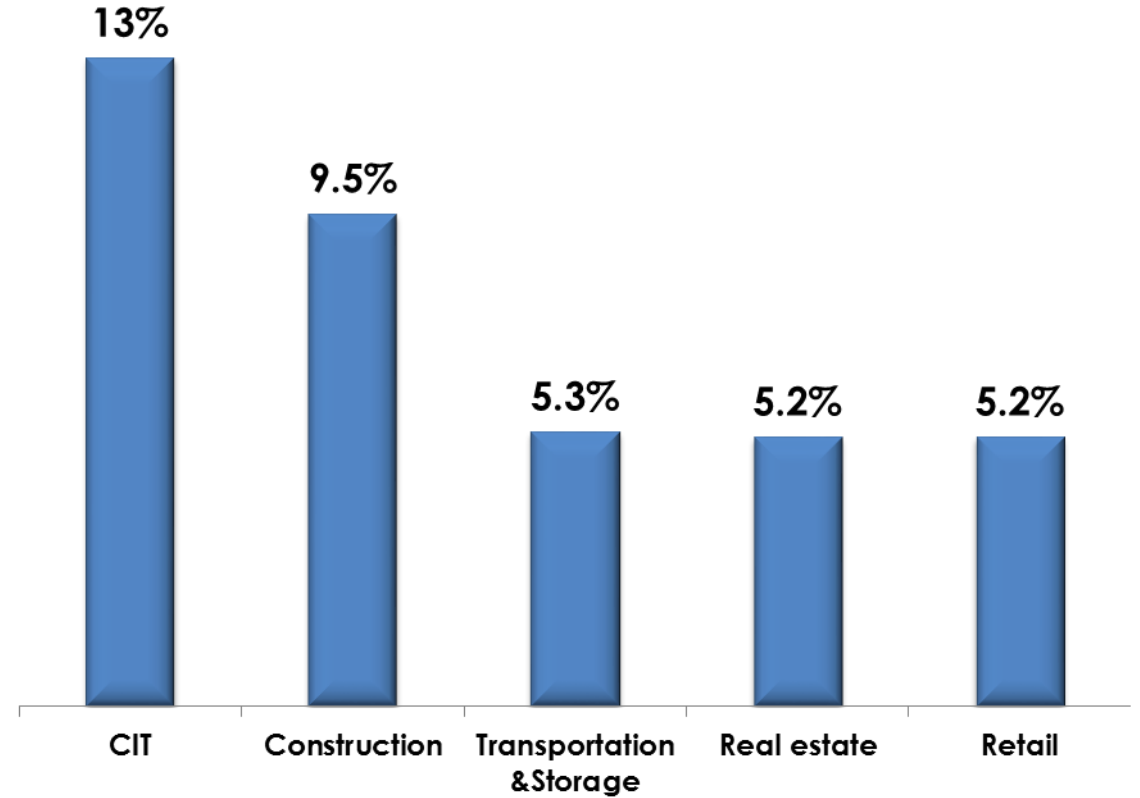
Economic Indicators



GDP Growth Rate



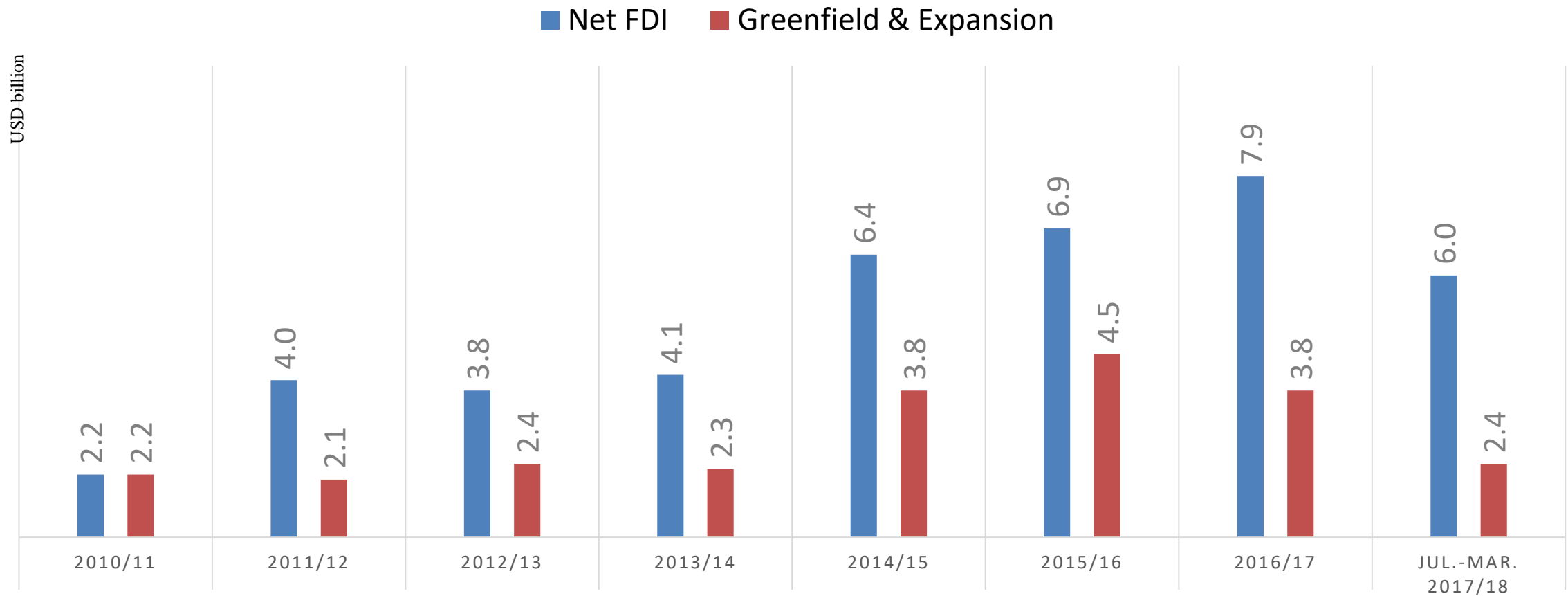
Sectoral Contribution to GDP (2016/17)





14.5 % increase in FDI inflows...

- The Net FDI in Egypt rose by 14.5% to USD 7.9 billion,, mainly driven by the increase in net inflows for oil sector investments by USD 1.8 billion to USD 4.0 billion.





Sovereign Credit Rating

S&P Global
Ratings

Revised Egypt's Sovereign Credit outlook being
"Positive" in Nov. 2016 & *"Stable"* in May 2018



- Forecasts Egypt's economy to grow by 6.0 % in 2018-19
- Rated Egypt as *"Positive"* in Aug. 2018

FitchRatings

Last rated Egypt's Sovereign Credit outlook in 2018 as
"Positive"



Greece-Egypt Relation

Greece Investments in Egypt

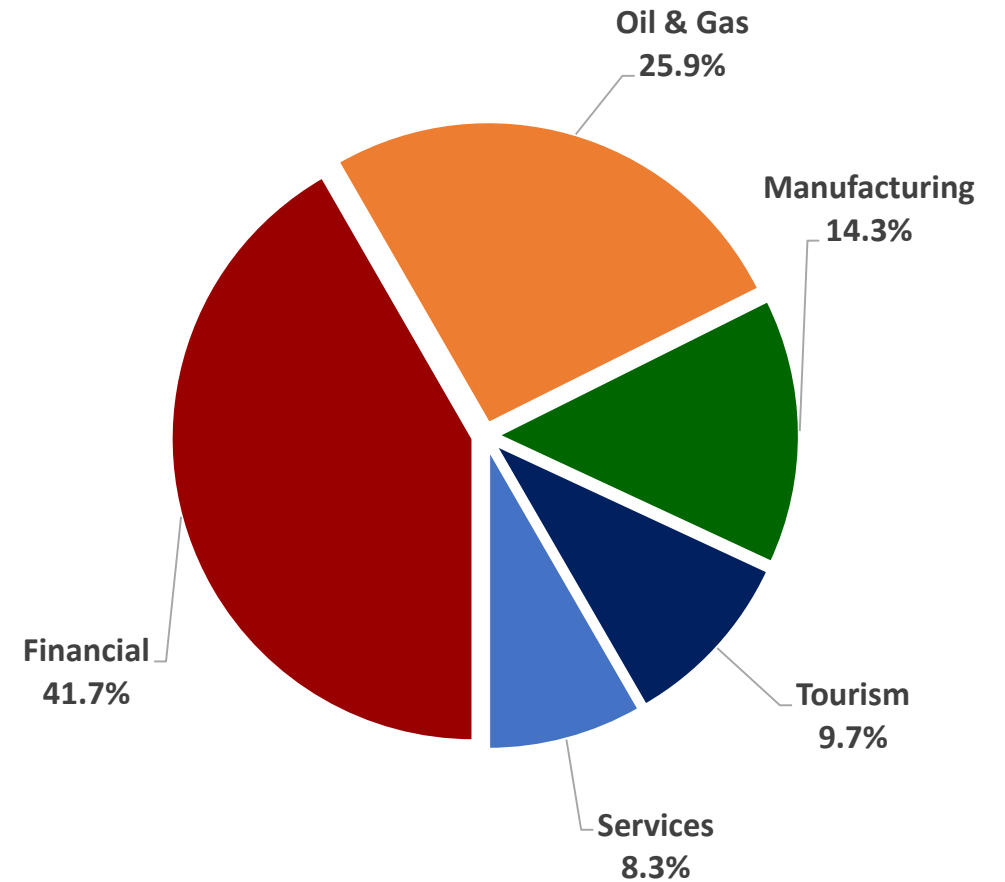
Total Greece FDI Inflows in Egypt

Trade Volume between Egypt and Greece



Greek Investments in Egypt

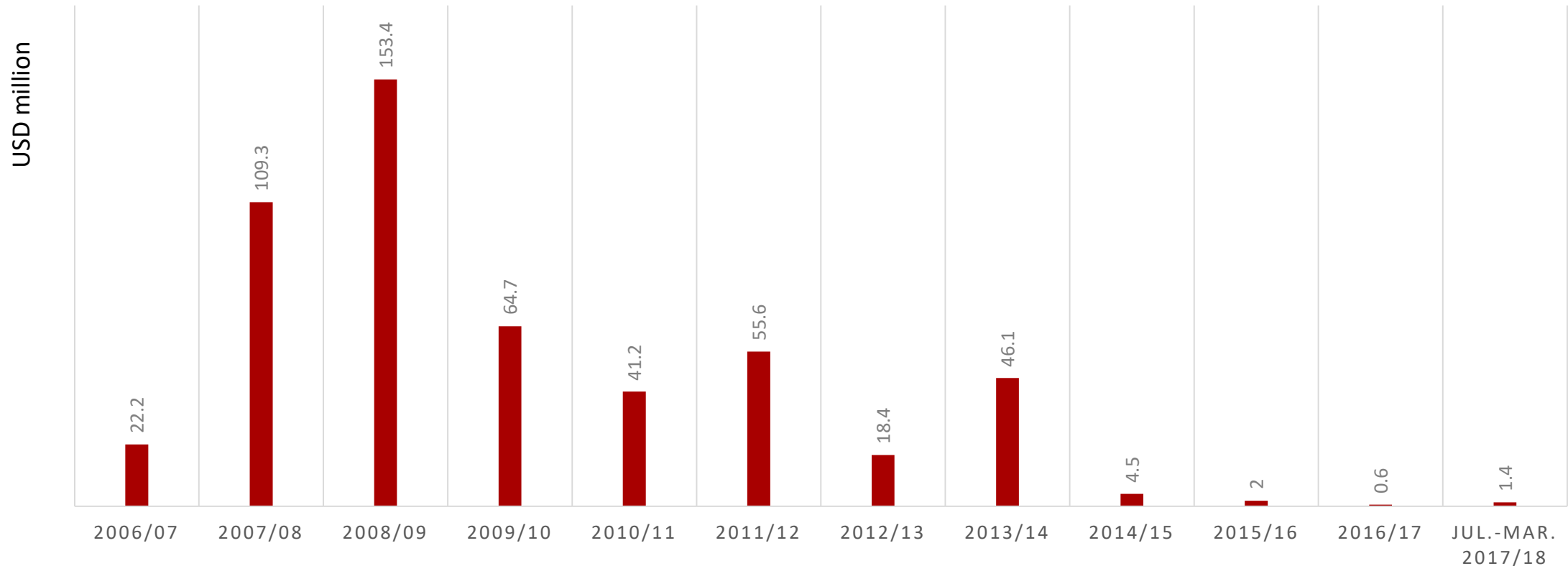
- Greece came in the 42nd rank of FDI stock in Egypt as per June 30, 2017.
- 194 companies in Egypt include 287 Greek investors. Out of the 194 companies, there are 8 Greek representative offices in Egypt.
- TOTAL Greek investment from inception until June 2018 is about 1.7 billion EGP.





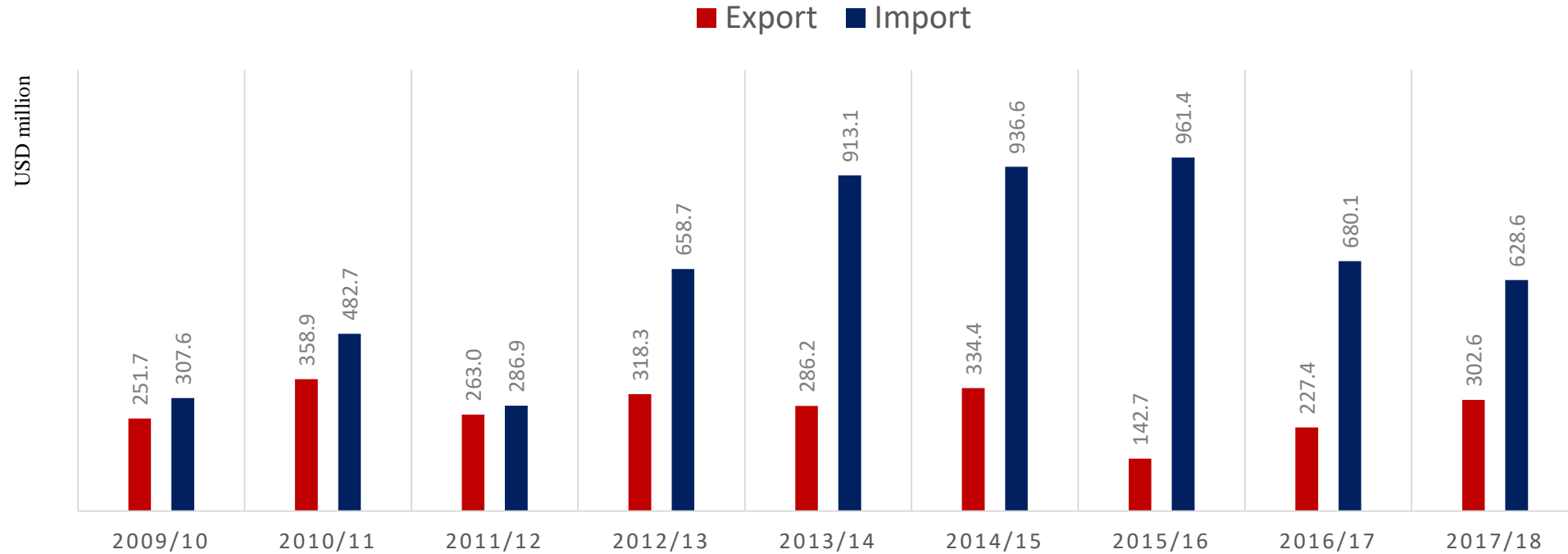
Total Greek FDI Inflows in Egypt

The total Greek FDI inflows in Egypt reached about USD 519.4 million between FY 2006/2007 and July/March 2017/18



Trade Volume between Egypt and Greece

Trade Development (2008/2009 –2017/2018)



Top Exports

- Crude Oil
- Fruits & Vegetables
- Textiles.
- Chemicals.
- Plastic Products

Top Imports

- Liquefied gas
- Cotton
- Fruits
- Paper
- Tobacco



Investment Climate Reforms



Reforms are underpinned by actions aimed at improving the legislative framework of investment...

Legal / Regulatory Reforms

- Private sector is the key engine of economic growth, with private sector-led investment and technology expected to play a critical role in increasing the Egyptian economy's level of competitiveness.
- A New Supreme Investment Council was established to design future investment policies and prioritizing the economic activities and sectors in the Egyptian investment market according to the state's development 2030 vision.
- Legislative Reform :
 - New Investment Law.
 - Insolvency & Debt restructuring law.
 - Sole Partnership Companies.
 - Commercial Registry Law.
 - Commercial Companies Law.
 - Real Estate Registration Law and Capital Market's Law.
 - Bankruptcy law.

Highlight of the new Investment Law

Investment Protection Guarantees

Tax and Non-Tax Incentives

Facilitated Licensing Procedures

Transparent Rules for Allocation of State- owned Land

Out-of-courts Forums to Settle Investor- state Disputes.

Investment Guarantee

Fair and equitable treatment

- Government will treat foreign investors in a similar way as national investors.
- Preferential treatment may be considered for foreign investors on a reciprocal basis.

No nationalization nor expropriation

- Expropriation is allowed only for public interest and against fair market value compensation to be paid in advance and without delay.

No Seizure of money

- Seizure of money is only by a court judgment, except tax and social insurance contribution dues.

No cancellation of licenses or withdrawal of land/property

- Licenses to allocated state-owned land/property may not be withdrawn without:
 - Prior notice.
 - Grace period.
 - GAFI approval.

No restriction on receiving or repatriating foreign fund

- Investors are guaranteed to repatriate profits outside Egypt and receive foreign funds to finance the project without restriction.

Facilitated Exit Procedures

- Facilitating liquidation procedure to be finalized within 120 days.

No importation or exportation license

- Importation of machines, equipment, raw materials needed for the purpose of establishing, expanding or operating the investment project does not require obtaining an importation license.
- A project can export its production also without an exportation license.

Residence permit

- Foreign investors will be given a residence permit throughout the term of their investment project.

Hiring Expats

- Expats can be employed up to 10% of the total employees. Can increase to 20% if locals do not have required qualifications.
- Exemptions are allowed for strategic projects.
- Expats can repatriate all their money outside Egypt.

Investment Incentives

General Incentives

- All investment projects, except free zone projects, shall enjoy the following general incentives for a **period of 5 years**:
- Exemption from Stamp Duty Tax and Notary Public Fees on:
 - Registration of the constitutional documents of a company.
 - Loan agreements.
 - Pledge contracts.
 - Exemption from Land Registration Fees.
- Unified Flat Customs Duty Rate of 2% on equipment and machines required for operation.

Special Incentives

- Only projects approved by Cabinet.
- Incentives include:
 - Project to have its own customs gates.
 - Government to share part of cost of attaching utilities to allocated land and the employees technical training.
 - Allocating free land for specific strategic projects.

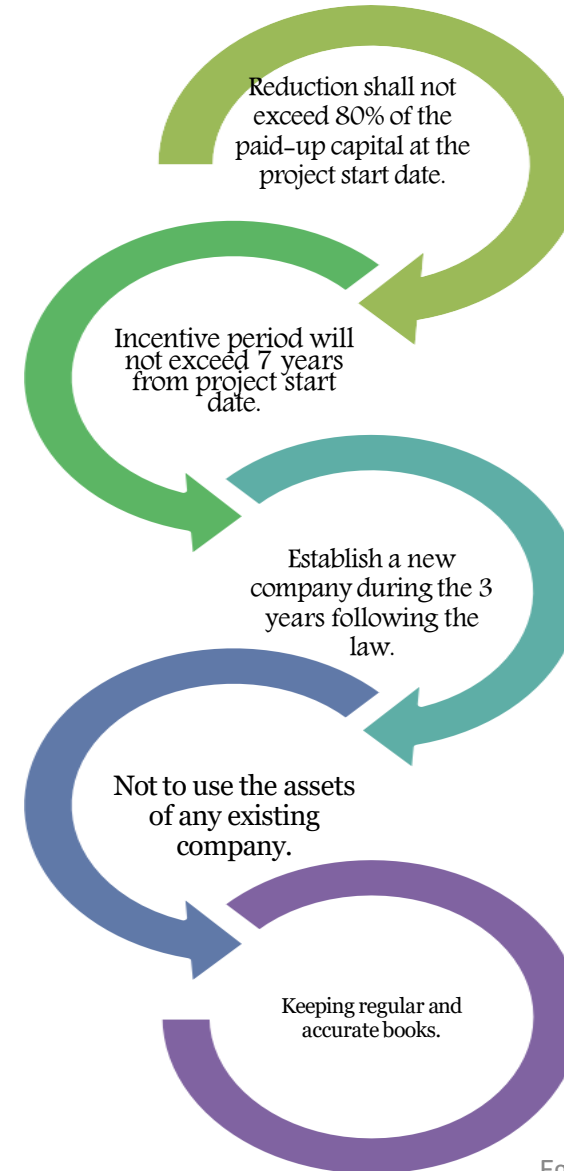
Investment Incentives – Continued

Zone A- Tax Deduction of 50%

- Only projects locating in the areas that are in most need for development (underdeveloped locations).
- The Central Agency for Public Mobilization and Statistics (CAPMS) shall decide such areas.
- The 50% shall be calculated as of the cost of setting up a project.
- The 50% will be deducted from the taxable net profit.
- Executive regulations shall clarify which investment sectors can benefit from this 50% tax reduction.

Zone B- Tax Deduction of 30%

- All other areas in the rest of the country.
- 30% of the investment cost of setting-up the project.
- Working in one of the following sectors:
 - Labor-intensive projects.
 - SMEs
 - Renewable energy projects.
 - Strategic projects as specified by the SIC.
 - Tourism projects as specified by the SIC.
 - Electricity projects specified by the SIC.
 - Projects exporting their products outside Egypt.
 - Vehicle and related feeders industry projects.
 - Wood, furniture, printing, packaging and chemical industries.
 - Antibiotic, cancer treatment and cosmetics.
 - Food and agricultural products as well as agricultural waste projects.
 - Engineering, mineral, textile and leather projects.



Streamlining Investment Procedures



Investor Service Center

Special 'Investor State Center' in GAFI to function as a one-stop-shop.

Establish/liquidate companies

Ratify BoD, OGM and EGM

Issue all kind of licenses
Capital increase/reduction.

Representatives from relevant authorities will exist in this center, and will have powers to issue approvals.

The Law provides for the automation of such services ASAP.



Accreditation Offices

Private sector service providers licensed by GAFI to assist investors to review and apply for project's licenses and permits.

It will issue certificate that investor is financially and technically compliant.

GAFI will accept the certificate and issue required license within 60 days.

Non-reply will be considered an implied approval.



Golden License

Strategic projects and PPP project in infrastructure, renewable energy, transportation or ports can be established and operated by virtue of a single license to be issued by the Cabinet.



Facilitating Exit Procedures

120 day from receiving liquidation request.

Concerned authorities are required to advise of any liabilities which are due.

If no such notification has been received then the company is discharged of any liabilities

Investors Service Center

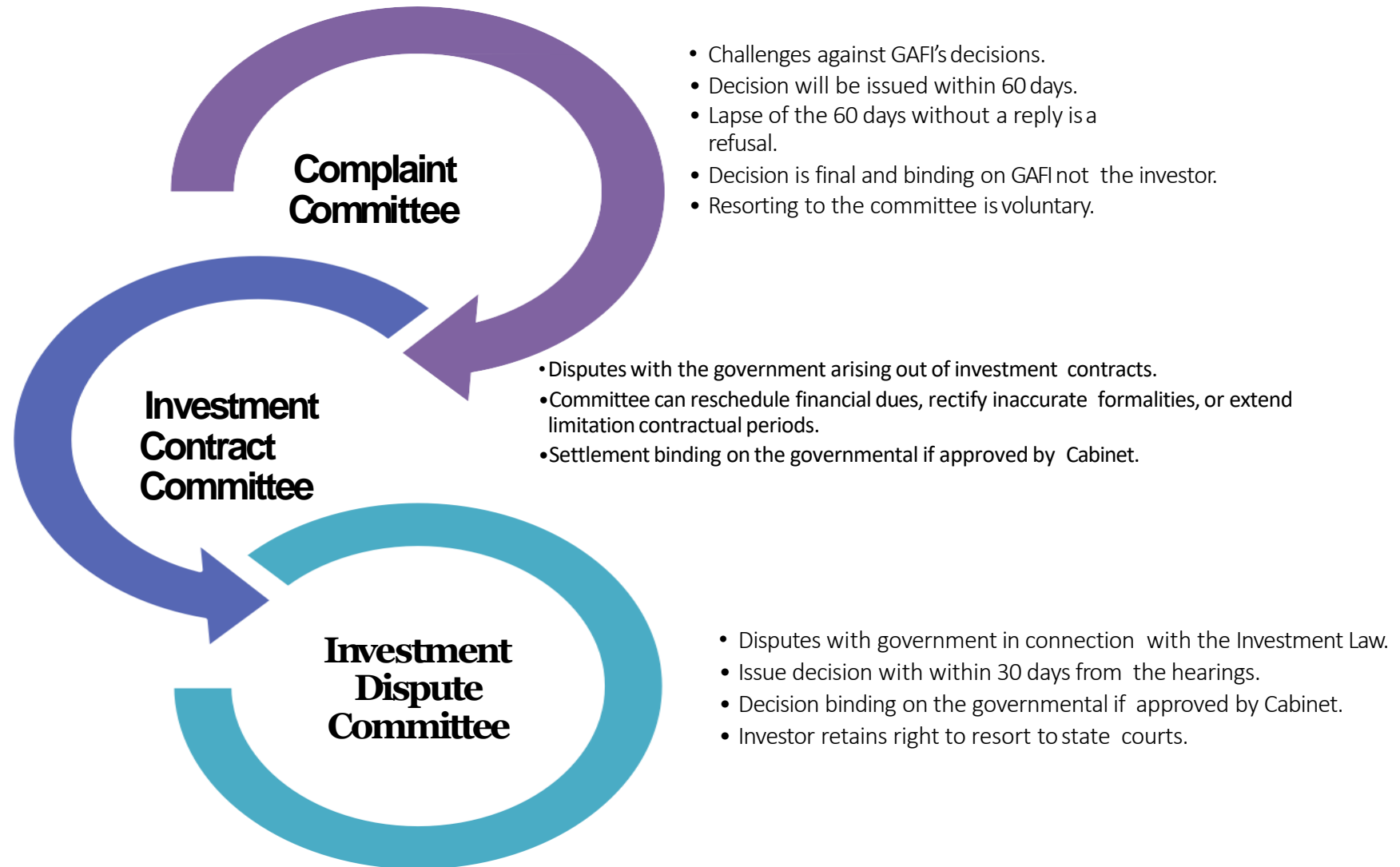
As part of Egypt's Investment Law's new reformist measures to cut red tape and improve the ease of doing business. The Investor Service Center operates as a resource hub that offers a complete package of consultations, advice and information about available investment opportunities in Egypt.

ISC services include:

- **Company Establishment Services:** The ISC provides services related to establishing companies and their branches, approving the minutes of their boards of directors and their general assemblies, issuing approvals and permits, and allocating the necessary real estate for the establishment of projects.
- **Government Relations:** The ISC will act as a liaison between entrepreneurs and governmental entities providing resources, advice and procedural assistance to start-ups.
- **Legal Services:** The ISC provides legal advice and notary services for investors.



Alternative Dispute Resolution





Investment Regimes

Investment Regimes



Investment Landscape

- The new Law grants the establishment of investment zones, private free zones, as well as technology and specialized economic zones by Cabinet decree.



Free Zones

Private free zones are business clusters managed by GAFI. The rationale behind promoting the free zones is to encourage economic activities and increase exports by adopting a multi-sectoral development approach, focusing on linking lagging regions with both domestic and foreign markets.



Investment Zones

Investment zones are integrated clusters in the different fields and sectors, where investors are granted legal rights to provide integrated services to serve the local market.



Technology Zones

Technology zones can be created for specialized activities in the fields of industry, logistics, and information and communications.

Free Zone Projects

Projects in Public Free Zones

Subject to a fee of 2% of the value of goods imported by storage projects on CIF basis.

1% of the goods exported by manufacturing and assembling projects on FOB basis.

A fee of 1% of the total revenue of projects not exporting or importing products.

Public + Private Free Zones

Projects in both, public free zones and private free zones shall pay an annual service fee to GAFI equivalent to 0.001% of its share capital with a maximum of EGP 100,000

Projects in Private Free Zones

A fee of 1% of the total revenue achieved from exporting its products outside Egypt for manufacturing and assembling projects, and 2% in case of exporting these products inside Egypt.

A fee of 2% of the total revenue of projects working in projects other than manufacturing and assembling.

Key Sectors



Agribusiness



Engineering and Electronics



Health Care



Logistics



Mining



ICT



Petrochemicals



Pharmaceuticals



Real Estate & Construction



Retail



Textile



Tourism



Renewable Energy



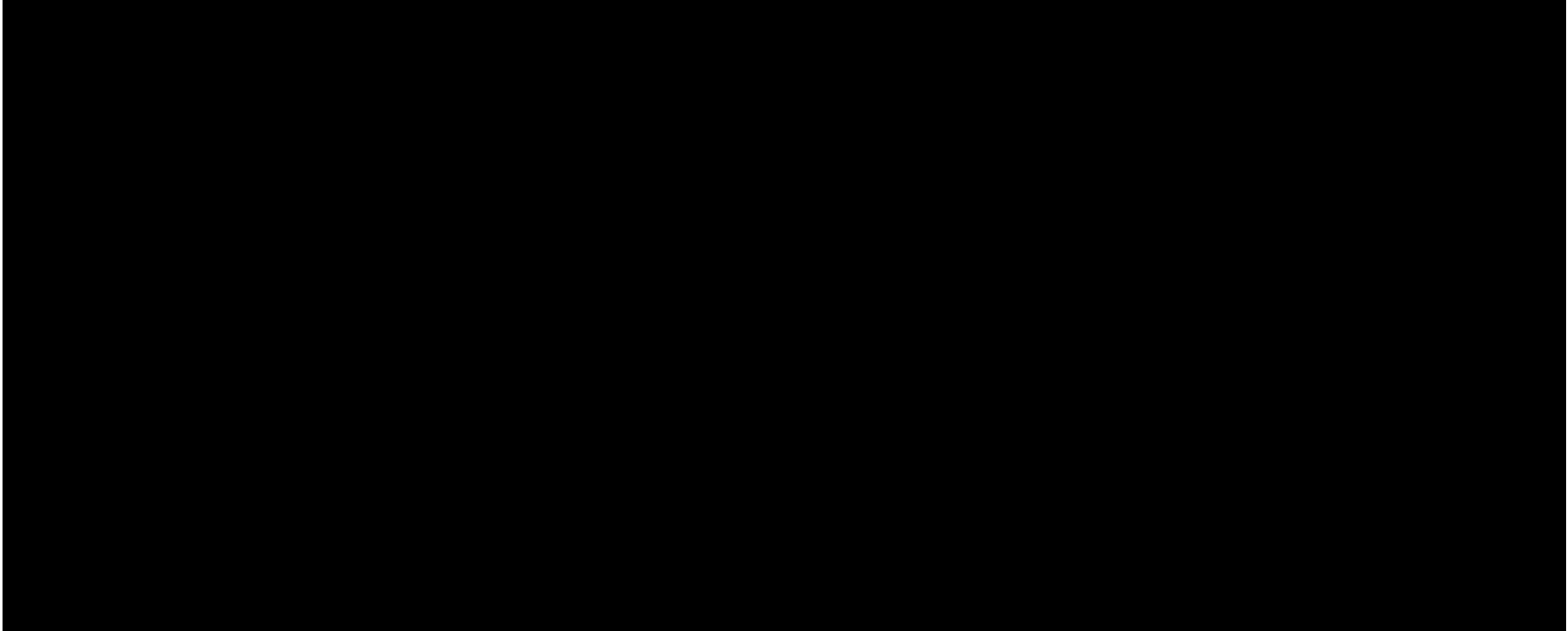
Automotive



- 360-degree view on the investment climate and investment opportunities in Egypt
- Present public and private investment opportunities in Egypt
- Link investments with developmental opportunities
- Integrative view on available infrastructure, governmental services, logistics and other services
- Present overall investment climate in Egypt
- Present existing investments and highlight success stories



Invest in Egypt LG





Talk to GAFI first!

Our mandate: As an affiliate of the Ministry of Investment & International Cooperation, GAFI is the principal governmental body promoting, facilitating and regulating investment in Egypt, in line with Egypt's vision 2030 goals and in accordance with the government of Egypt's political and economic policy directives and targets.



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