الهيئة العامة للاستثمار والمناطق الحرة
General Authority for Investment & Free Zones

Snapshot of Egypt

Sixth Edition

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Arab Republic of EGYPT

language: Arabic

GMT +2 hrs

Population:
105.9 million
(Jan. 2024)

Surface area:
1.002 million km^2

Egypt`s unique and strategic location positions it as a major global trade hub and deems it the best option to access global markets. Moreover, Egypt has a distinguished location on international logistics services route, along with the Suez Canal, which is the most important maritime waterway in the world connecting the East and the West.

23
International & Domestic airports

18
Commercial ports

174.8
thousand Km
Total road network
(2024)

705 *Stations*
9570 *km*
Railway network length

3 *Metro lines*
94 *Metro stations*

2 *Monorail lines*
35 *Stations*

19 Light electric railway stations

22 High speed electric railway stations

EGP **13.9** *trillion*
GDP at current prices
(FY2023/24)

2.4%
Economic growth rate
(FY2023/24)

EGP **700** *billion*
Private investments
(FY2023/24)

USD **46.1** *billion*
Net Foreign Direct Investment (FY2023/24)

28.3%
Inflation rate
(2024)

6.8%
Unemployment rate
(FY2023/24)

Average Exchange Rate in FY2023/24: 35.57 EGP/USD

217.5
(Billion K.W/h)
Generated and purchased energy
(FY2023/24)

28
Million tons
Production of crude oil and condensate
(2023)

45
Million tons
Natural Gas production
(2023)

1
Million tons
Butane gas production
(2023)

New Administrative Capital


Egypt provides
a conducive business
environment
in order to attract
more of
domestic & foreign
investments.
Mega Projects
Developed Infrastructure
A Large Trained Labor Force
Encouraging Legislative Environment
Stabilizing macroeconomic Indicators & Sustainable Growth
Competitive Tax Rates
Political Stability
Proximity to Global Markets
large Consumer Market
Reformist Climate
Diversified Economy

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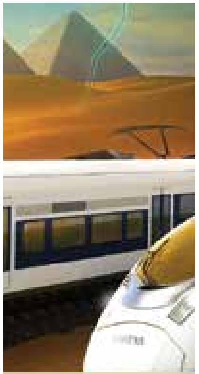

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Introduction

The Egyptian government through adopting a two-phases economic reform program seeks to create an appropriate and attractive climate for investment. The first phase of economic reform aimed to inspire economic growth, rebuild international reserves, reduce the budget deficit, and enhance the role of the private sector.

Through a successful implementation of the first phase of the program, Egypt managed to overcome the negative repercussion of overlapping global crises and geopolitical challenges.

Thanks to the positive results achieved in the first phase, the government started the second phase of the economic reform program, which is based on a set of structural reforms to support solid and sustainable economic growth by focusing on a number of priority sectors namely; agriculture, industry and ICT. Furthermore, this phase aims to improve the business environment, develop the role of the private sector, boost efficiency of the labor market, diversify the productive structure of the Egyptian economy and develop the human capital, thus leading finally to encourage and attract more local and foreign investments to different economic sectors, particularly the sectors which are supported and promoted by the government.

In this context, the State enhances the role of the private sector in order to lead economy during the coming stage and take contribution of the private investments in the implemented investments up to 65% during the next few years. This comes through providing an integrated system to support the investment climate in cooperation and coordination among all parties concerned in order to enable local and foreign investors to do business, establish new companies or expand existing projects at the lowest time and cost.

After finalization of the basic legislative amendments, the State is currently sustaining adoption of the steps needed to simplify and facilitate procedures before all investors, particularly on the level of granting special incentives stipulated by the investment law, granting the Golden License in accordance with the law and resolutions applicable in this regard, simplifying allocation of land and properties, shortening the period of time and issuing the licenses necessary to establish the investment projects and start the activity. In addition to providing the basic utilities of electricity, water and natural gas in different governorates and geographical areas, especially where the Egyptian State is paying due attention to support and develop the infrastructure projects, which contributed significantly in enhancing efforts of preparing the investment and business climate. An integrated network of new roads and axes can easily connect the production zones to the areas of commercial and industrial activities, the ports and airports in order to facilitate the trade exchange and enhance efforts to attract foreign direct investments.

This report shows the key indicators of the Egyptian economy as compared to the regional and emerging countries. It also deals with all basic axes related to investors including utilities, infrastructure, services, lands and properties, as well as the fees of services to investors against establishment of new projects or expansion of existing ones with the aim of highlighting competitiveness of the Egyptian economy, the investment and business climate in Egypt. This, however, contributes in attracting more local and foreign investments thus benefiting from the promising investment opportunities available in the Egyptian market, which is currently classified as one of the fastest growing economies in the world.

First Pillar:

The Egyptian Economy

The Egyptian Government seeks to boost flexibility and diversification of the economy, increase its productivity, and achieve comprehensive and sustainable growth. In this context, Egypt began in November 2016 to implement a comprehensive national program for economic and social reform. The first phase of which was aimed at achieving economic reform, followed by a program of structural reforms as a second phase to ensure building on the positive results of the first phase.

Despite the regional and global instability and the unprecedented challenges they imposed, Egypt succeeded in achieving essential steps towards economic reform, achieving positive growth rates and reducing unemployment rates. In this regard, the Egyptian government is persistent on implementing its home-grown reform agenda and staying on the reform pathway while working to avoid imposing any additional burdens on citizens and focusing on the services that citizens actually need.

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National Economic Reform Program

First Phase

Encouraging private sector-led growth, rebuilding international reserves, and reducing public deficit. Its objectives include:

- *Achieving macroeconomic stability*
- *Implementing structural reforms to the business environment*
- *Adopting social programs to protect the vulnerable and low-income population*

Second Phase

Keeping the gains of the fiscal and monetary policy reforms that began in 2016 till present, strengthening social protection, reforming the subsidy system, and focusing on the economic reforms carried out in the first phase. Its objectives include:

- *Furthering the Egyptian economy's resilience by resorting sectoral diversity*
- *Raising its ability to absorb external and internal shocks*
- *Transforming towards to a productive economy with competitive advantages*

Reform program encompasses a package of policies that affect productivity levels. The main seven policies are to:

- *Reform the structure of the economy*
- *Restructure the labor market*
- *Trade Liberalization*
- *Localize products and deepen local industrialization*
- *Reform the vocational training system*
- *Develop the education sector*
- *Develop capital markets*

The National Structural Reform Program aims to enhance flexibility and competitiveness of the Egyptian economy, as follows:

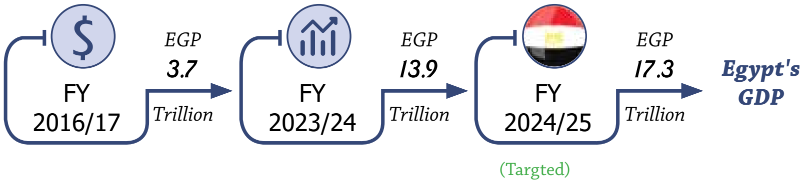
- Targeting the real sector through comprehensive and purpose-driven structural reforms.
- Increased relative weight of the main sectors of the economy, namely industry, agriculture, communications and information technology, and tourism.
- Augmenting private sector engagement and addressing recent global economic shifts.
- Transformative impact of structural reforms in aligning with sustainable development goals nationwide.
- Facilitating the transition to a greener, more competitive Egyptian economy.
- Fortifying economic resilience to withstand external and internal shocks.
- Increase exports by 20% annually until reaching EGP 145 billion in 2030.

Economic Growth Rate:

The State continues its path towards adopting many structural reforms in support of growth and employment, foremost of which is the further encouragement of the private sector, which culminated in the launch of the State Ownership Policy Document with the aim of increasing the participation of the private sector in output, employment, investments and exports. This enabled the Egyptian economy to withstand the crises witnessed by the global economy, and contributed in enhancing the performance of the Egyptian economy. Over the past few years, it has shown great ability in facing these crises, to be ranked among the few economies in the world that have witnessed a significant increase in GDP levels in this atmosphere, and recorded growth rates of 4.3% on average during the period (2020-2023).

The Egyptian state has worked to set its priorities and strategic directions during the period (2024-2030), through which it aims to achieve strong, comprehensive, sustainable and balanced economic growth, amid a greater focus on the quality of economic growth, by enhancing the contribution of both investments and exports to the structure of GDP to about 50%, and focusing on the pace of economic growth that supports employment, to provide between 7-8 million job opportunities during that period.

Egypt's GDP has grown from EGP 3.7 trillion in FY2016/17, to reach about EGP 13.9 trillion during FY2023/24, and it targeted to reach about EGP 17.3 trillion during FY2024/25.



Source: Ministry of Planning & International Cooperation

VIP Desk in ISC at GAFI

- The second phase of the reform program aims to enhance the efficiency of several economic domains that bolster the resilience of the Egyptian economy, predominately the fields of agriculture, industry, communications, and information technology. The ultimate goal is to elevate their GDP contribution to 50% by 2030 from the current levels of 30 to 35%.

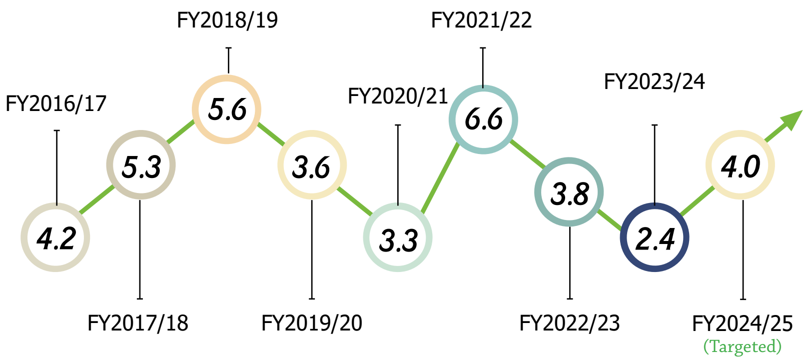
- Structural reforms also focused on enhancing the role of the private sector and its contribution to the economic growth process, as it is targeted to increase the proportion of private sector investments in the total investments implemented to about 65% by 2030.

"The government continues its efforts to attract more investments and support the private sector with the purpose of increasing job opportunities and achieving sustainable economic growth, while focusing on the neediest groups and alleviating burdens on citizens."

"Remarkable positive results have been achieved with regard to fiscal discipline and revenue generation procedures, as well as proceeding on the implementation of the State Ownership Policy Document"

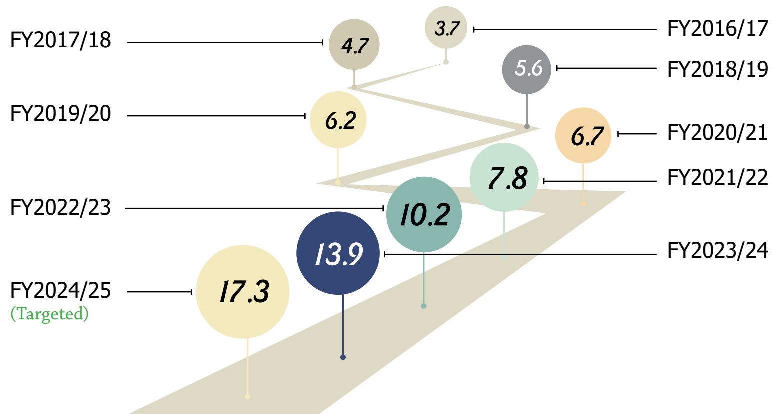
"Egypt's remarkable progress in implementing the economic reform program has been reflected in the positive perception of international credit rating institutions and the increase in foreign investments"

GDP Growth Rate (%)



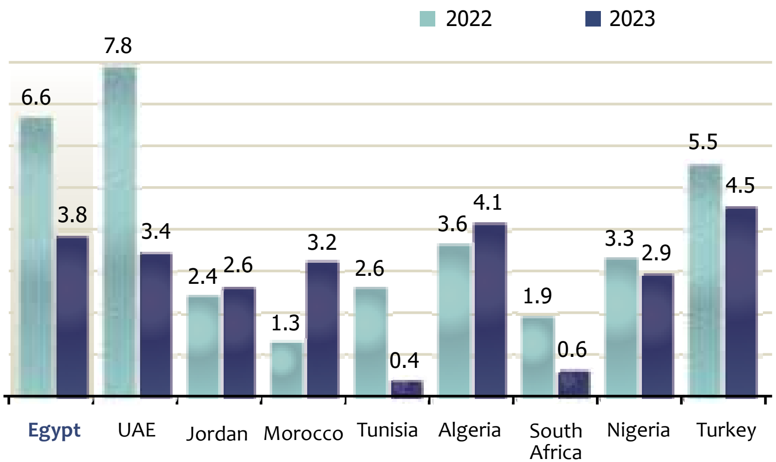
Source: Ministry of Planning & International Cooperation

GDP (EGP Trillion - at current prices)



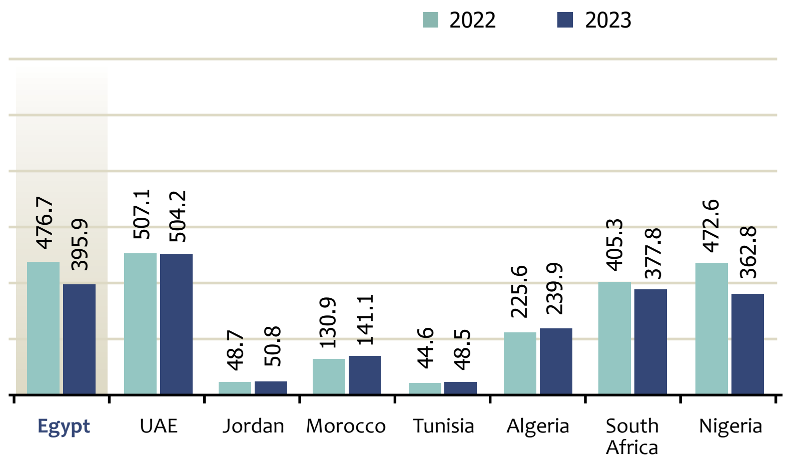
Source: Ministry of Planning & International Cooperation

Comparison of Economic Growth Rate in Egypt VS. some of Regional and Emerging Countries (%)



Source: World Bank

Comparison of GDP in Egypt VS. some of Regional and Emerging Countries (USD billion)



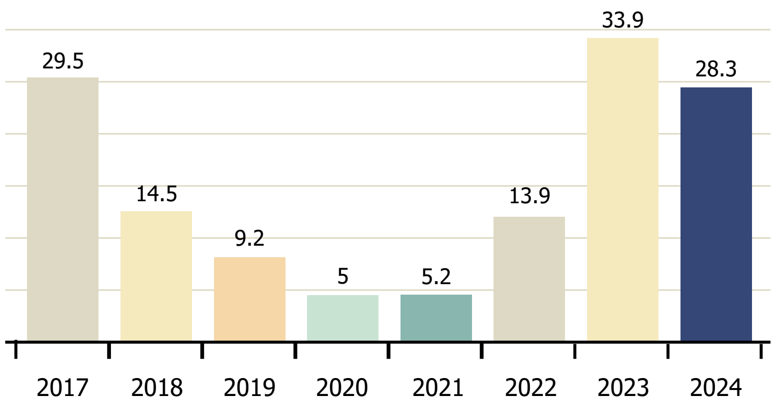
Source: World Bank

Inflation Rate:

Reducing the inflation rate was one of the main objectives of the monetary policy adopted by the State due to the part it plays in attracting domestic and foreign investments. The first phase of the economic reform program succeeded in controlling inflationary pressures and reducing the inflation rate (Urban) from 29.5% in 2017 to about 5% and 5.2% in 2020 and 2021, respectively, but the inflation rate rose again since 2022 as a result of the negative repercussions of multiple global shocks and geopolitical challenges, reaching about 13.9% and 33.9% in 2022 and 2023, respectively.

- The relative increase in the inflation rate in Egypt during 2022 and 2023 came as a result of supply shocks resulting from the rise in international prices of food commodities, especially those imported by Egypt such as wheat and edible oils, and the rise in global prices of energy and raw materials.
- The government has worked to take many procedures and initiatives to anchor inflation expectations, which the CBE hiked key policy rates in March 2024. In tandem, the government announced social mitigation packages, including scaling-up cash transfers, hiking the minimum wage, among the other measures to partially shield the most marginalised people . These procedures succeeded in reducing the inflation rate to 28.3% in 2024.

Inflation Rate (Urban) (%)



Source: Central Agency for Public Mobilization and Statistics (CAPMAS)

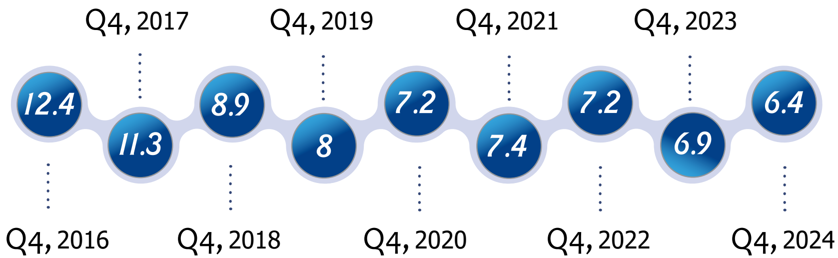
Unemployment Rate:

- A prominent result of the first phase of the Economic Reform Program was the success in significantly reducing unemployment rates down to about 7% in 2023 compared to about 12.6% in 2016 as a result to the steady growth of the Egyptian economy and the surge in investments.
- The unemployment rate dropped to about 6.4% in Q4 of 2024, compared to about 12.4% in the same quarter of 2016.
- Comparing the unemployment rate in Egypt to some of regional and emerging countries in 2023, we find that Egypt has achieved a lower unemployment rate compared to those of other countries like Jordan, Tunisia, Morocco, Algeria, Turkey, South Africa, and Nigeria according to indicators issued by the International Labor Organization.

"The 2030 Sustainable Development Strategy (SDS) has set a goal to annually reduce unemployment rates in Egypt by no less than 1% or 1.5%, a goal the state already successfully accomplished".

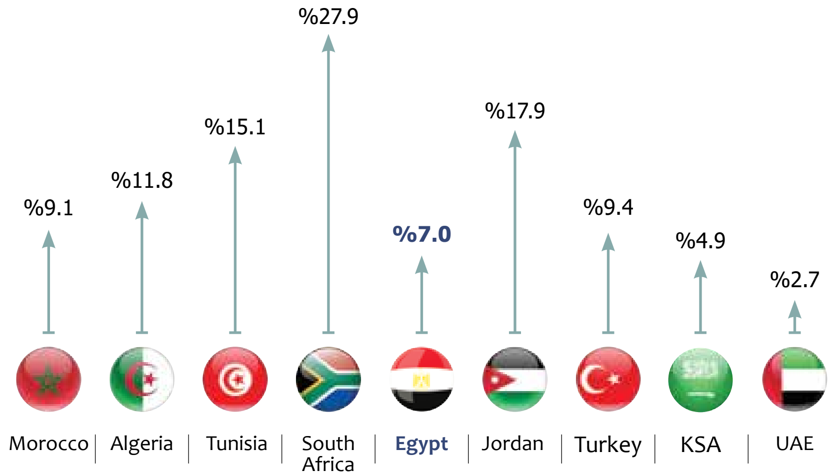
"The Egyptian government has succeeded in reducing the unemployment rate to its lowest level, at around 6.5%, while continuing to work on creating more job opportunities for young people commensurate with the latest developments and modern requirements.".

Unemployment Rate in Egypt (Q4 2016 - Q4 2024) (%)



Source: Central Agency for Public mobilization and statistics (CAPMAS)

Comparison of the Unemployment Rate in Egypt vs. Regional and Emerging Countries in 2023



Source: WORLD BANK - CAPMAS

Net International Reserves:

- The first phase of economic reform was aimed to rebuild international reserves, at which Egypt has already succeeded. Egypt was able to raise net international reserves from USD 24.26 billion by the end of December 2016 to USD 47.11 billion by the end of December 2024, despite the negative impacts of the multiple global shocks and geopolitical challenges. The net international reserves covering merchandise imports reached about 6.9 months by the end of October 2024.

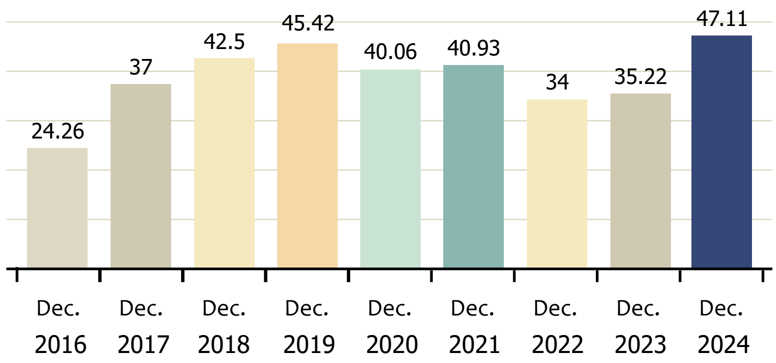
- Egypt received a total remittances of Egyptian working abroad USD 21.9 billion FY2023/24 compared to USD 21.8 billion in FY2016/17.

Remittances of Egyptians Working Abroad

Suez Canal Dues

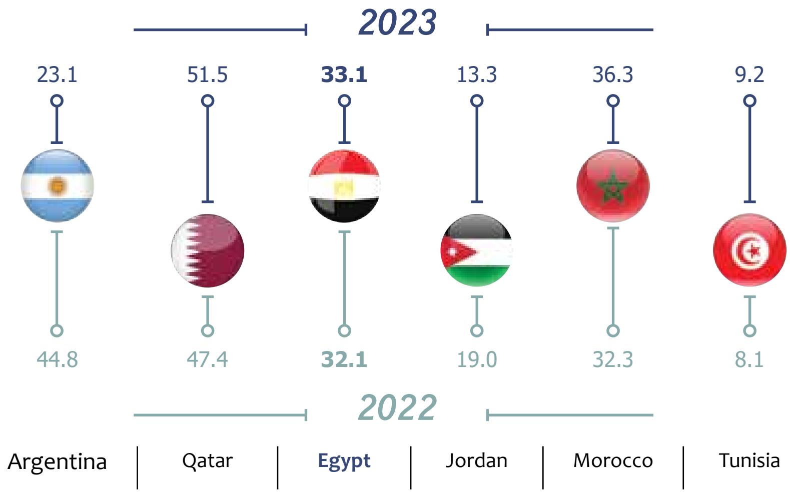
Source: Centeral Bank of Egypt (CBE)

Net International Reserves (USD billion)



Source: Centeral Bank of Egypt (CBE)

Comparison of International Reserves in Egypt vs. some of Regional and Emerging Countries (USD billion)

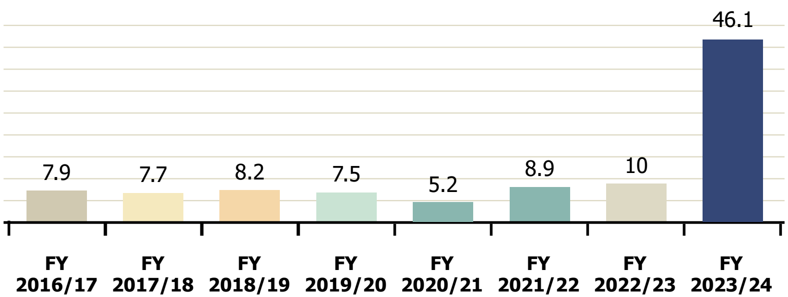


Source: The World Bank

Foreign Direct Investment (FDI):

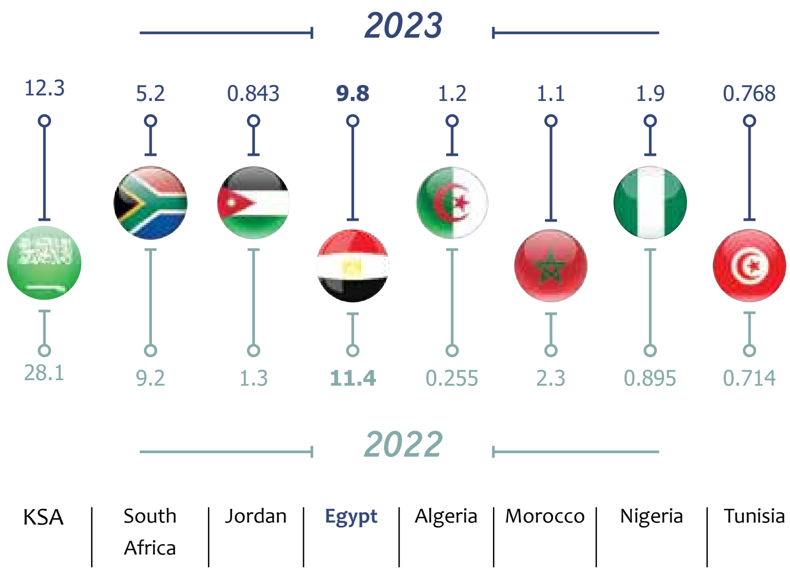
- Egypt exerts tangible efforts to create a favorable climate for investment through implementing legislative and procedural reforms, and promoting FDI in various economic sectors including: industry, construction and building, agriculture, communications, technology, financial services, education, and health, within the framework of implementing the strategy of GAFI to promote targeted investments.
- Net FDI Inflows in Egypt amounted to about USD 46.1 billion during FY2023/24. This is compared to about USD 10 billion during FY2022/23. The increase in FDI flows during FY2023/24 is mainly due to inflows during the second half of this fiscal year as part of the Ras Al-Hikma deal..

Net FDI (USD billion)



Source: Central Bank of Egypt (CBE)

Net FDI Flows in Egypt vs. some of Regional and Emerging Countries (USD billion)



Source: UNCTAD - World Investment Report 2024

- Despite the negative repercussions of the concurrent global crisis according to World Investment Report 2024 issued by United Nations Conference on Trade and Development (UNCTAD), Egypt has been the first recipient of FDI in Africa for the second year respectarily.

- The UNCTAD report indicated that Egypt has emerged as an investment destination in Africa for many multinational companies in automotive, electronics, and pharmaceutical sectors. The report highlighted Egypt's ongoing efforts to improve the investment environment through legislative and institutional reforms, developing fiscal and monetary policies, and strengthening the role of the private sector, which contributed to enhance the resilience of the Egyptian economy and its attractiveness to foreign investments.

- The UNCTAD report also monitored Egypt's global ranking in attracting FDI since 2014, ranking 32nd in 2023, 34th in 2022, 50th in 2021, 35th in 2020, 38th in 2019, 35th in 2018, 38th in 2017, 41st in 2016, 37th in 2015 and 45th in 2014.

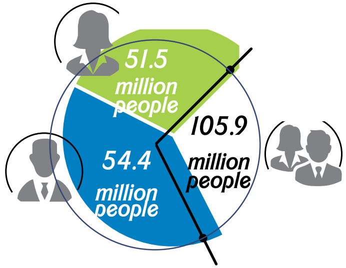
Source: UNCTAD

Second Pillar:

Population

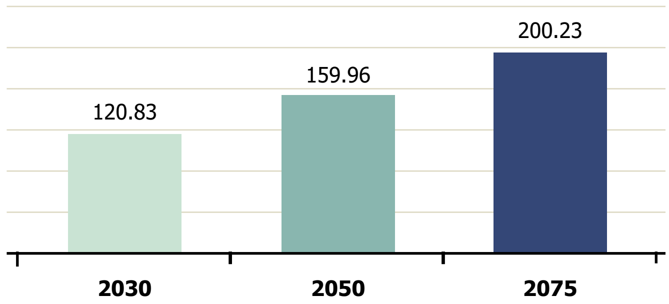
Egypt is the most populous country in the Arab world and the third densely populated country in Africa after Nigeria and Ethiopia. Companies operating in Egypt benefit from the advantage of the high proportion of the labor force lying in the target age group compared to other segments in the availability of work force in various economic sectors, and this feature support market attractiveness regarding labor-intensive projects on the long term. The steady population growth in Egypt is the main driver of sustainable economic growth, as it represents a large and growing consumer base and provides high resilience for economic activity in crisis times.

- Total population in Egypt reached about 105.9 million in 2024. The number of males reached about 54.4 million and the total number of females reached about 51.5 million. The proportion of urban population reached about 42.9% of the total population, while the proportion of rural population reached about 57.1%.



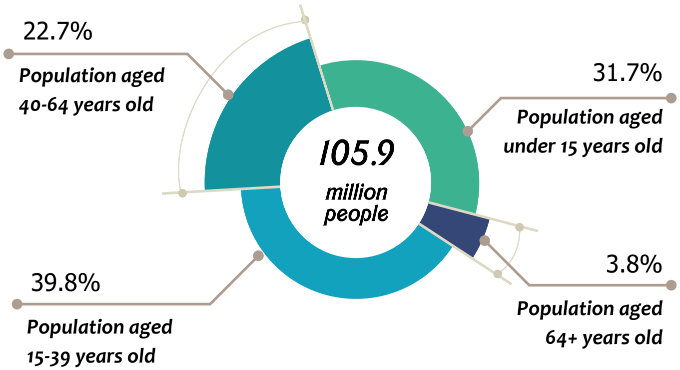
- Regarding the geographical distribution of the population, Cairo governorate comes at the first place in terms of population that reached about 10 million, followed by Giza governorate with a population of 9.5 million, then Sharkia governorate with 7.9 million people, Dakahlia with 7 million people, and Beheira with 6.9 million people.
- The age groups (15-39 years) and (40-64 years) represent the largest segments of the total population in Egypt with rates of 39.8% and 22.7%, respectively, which reflects the high percentage of young people who are able to work, and gives Egypt a competitive advantage to provide human resources and manpower in the various economic sectors.
- The World Population Prospects report issued by United Nations in 2019 indicate that the population will rise to about 120.8 million, 159.9 million, and 200.2 million people during 2030, 2050 and 2075, respectively. The report also expected an increase in the average age of the population during 2030, 2050 and 2075 to about 25.6 years, 29.7 years and 34.8 years, respectively, which clarifies the state's interest in population health care programs.
- The previous report also indicates that the population increase rate amounted to about 2% between 2015 and 2020 and this rate is expected to decline to about 1.6% between 2025 and 2030 and about 1.2% between 2045 and 2050.

Population Growth Prospects Age in Egypt (million people)



Source: United Nations – World Population Prospects 2019

Distribution of Population Age Groups



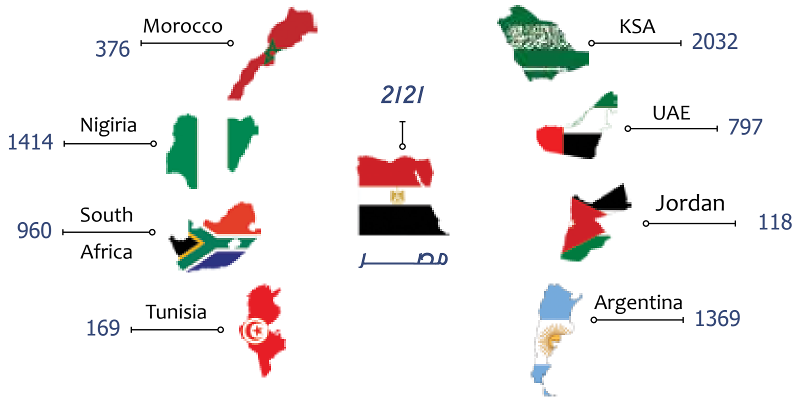
Source: CAPMAS

- Within framework of the Egyptian state's endeavor to achieve a balance between economic and population growth rates, the state is currently implementing the "National Project to Develop the Egyptian Family" and improve the quality of people life and not only achieve population control while addressing the basic social issues of the Egyptian family. The project also includes many pillars, including economic, service, cultural, legislative, media, and awareness, in addition to the digital transformation file. The project's geographical scope includes the whole Republic, to be implemented over the next three years.
- Excellence in the field of manpower, the increase of population, which exceeded 100 million people, and the doubling of income per capita are among the most important factors that contributed to make Egypt a huge consumer market that increases annually to keep Egypt at the forefront of consuming countries in the Middle East. Hence Egypt witnessed a remarkable rise in retail market sales and new international investments in Egypt.

"GDP per capita reached about EGP 131 thousand in FY2023/24"

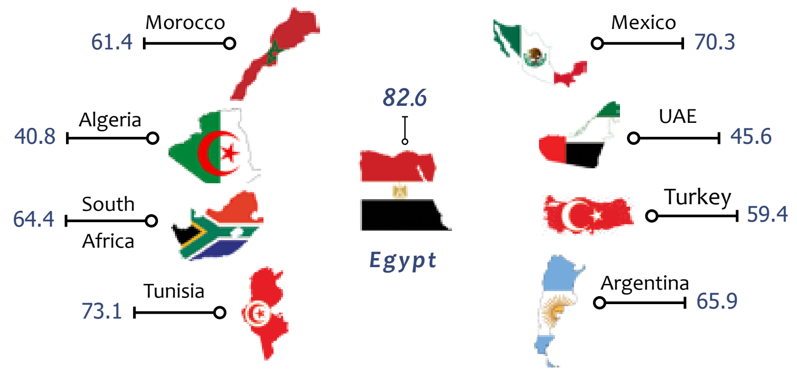
"The percentage of household consumption at current prices to GDP in FY2023/24 has reached 87.6%"

Egypt's GDP (Valued by Purchasing Power Parity - PPP) vs. some of Emerging and Regional Economies in 2023 (USD billon)



Source: World Bank

Egypt's rank in the Private consumption index as a percentage of GDP during 2023, Compared to group of Regional & Emerging Countries



Source: World Bank

Shopping Mall

Third Pillar:

Education and Technical Skills

Egypt has an educational system that outperforms all the others in North Africa in terms of the ability to enroll in all levels of education powered with technical and financial support from the state. The Egyptian government is carrying out reforms to improve the education system in Egypt, especially in rural areas, by strengthening decentralization, raising the capacities of local institutions, and implementing skills development programs for experts working in general and technical education

• President Abdel Fattah El-Sisi's initiative "Investment in Human Capital" is considered a paradigm shift in Egypt. The initiative encompasses the development of youth skills and the provision, in coordination with the private sector, of trainings based on the needs of the labor market, as well as the development of education, health care and community-based protection networks.

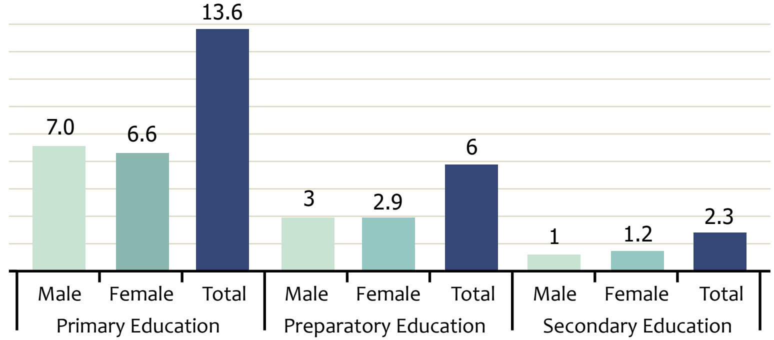
• The total number of students enrolled in primary education in the academic year 2023/24 reached about 13.6 million students, while the total number of students enrolled in preparatory and secondary education reached about 6 and 2.3 million students, respectively, whereas the total number of students enrolled in public universities and Al-Azhar, reached about 2.7 million students, and the total number of students enrolled in private universities reached about 371.5 thousand.

• The total number of public universities graduates during 2023 reached 522.5 thousand, while the total number of private universities graduates reached about 42.5 thousand.

"Egyptian universities entered the Times Higher Education Interdisciplinary ranking for the first time, with 27 universities included in the classification. Four universities were ranked among the top 100 globally, and 7 universities ranked among the top 200 worldwide."

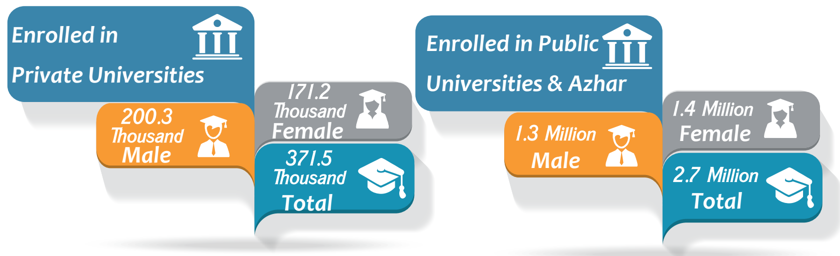
"A total of 53 Egyptian universities were included in the latest 2024 edition of the Times Higher Education (THE) World University Rankings. Additionally, seven Egyptian universities were ranked among the top 1,000 universities globally, and four Egyptian universities appeared in the rankings for the first time this year."

The Total Number of Students Enrolled in Educational Stages in 2023/24 (million student)

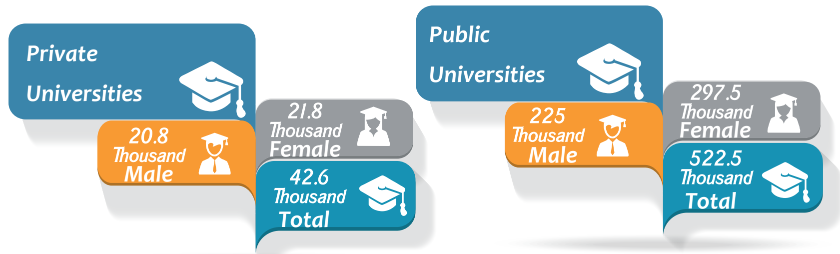


Source: CAPMAS

Enrolled in Universities during 2023/24



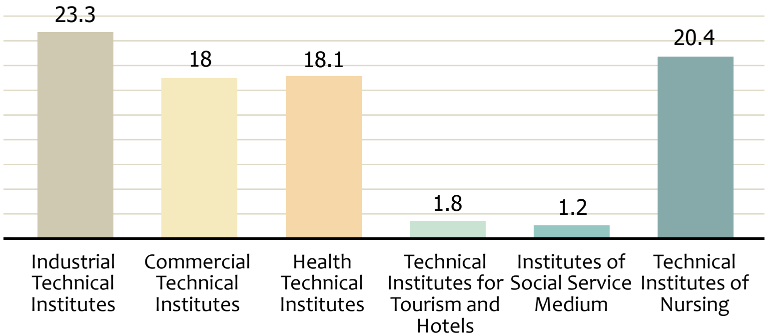
Universities Graduates during 2023



Source: CAPMAS

The number of graduates in 2023/24 from technical institutes above intermediate reached 82.8 thousand.

Total Number of Graduates in Technical Institutes above intermediate (2023/24) (Thousand)



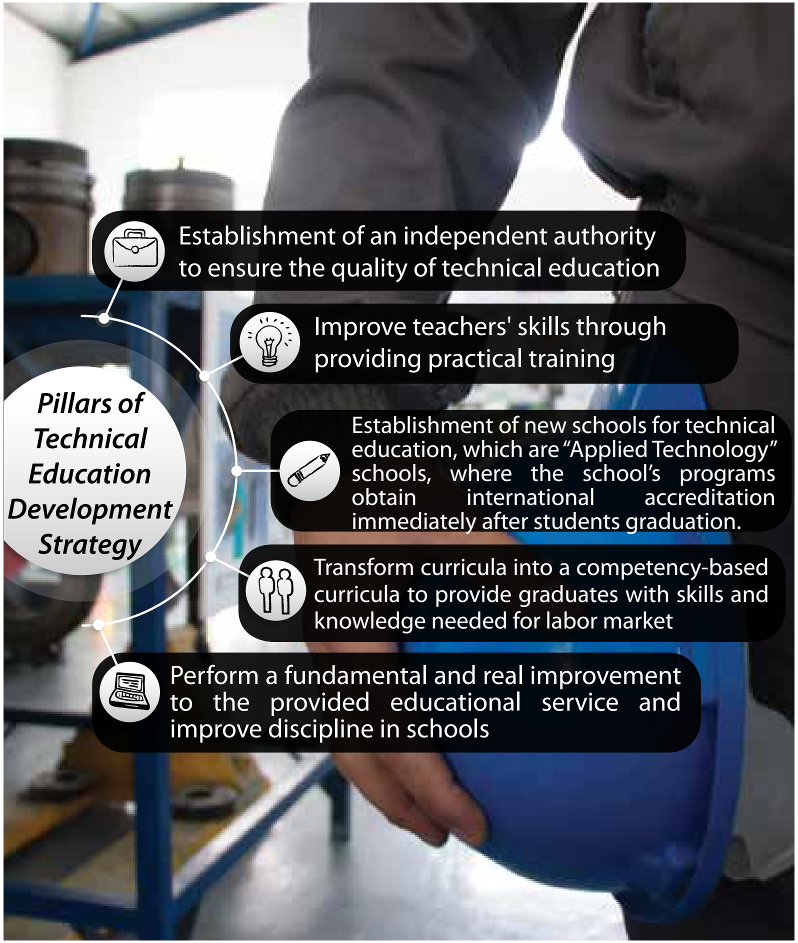
Source: CAPMAS

"Year 2023 witnessed the expansion of technological and applied schools affiliated with the technical education sector, 52 schools of applied technology and about 10 universities of technological universities."

"The technical education plan until 2030 aims to increase the enrollment rate to 20% and raising the percentage of graduates working in their specializations to 80%."

"Egypt advanced in the "Technical Education" index issued by the United Nations Development Program, ranking 46th globally in 2023, compared to 81st in 2022."

Since 2018, the government has started to adopt a clear strategy to reform and develop technical education based on 5 main pillars:



Galala University

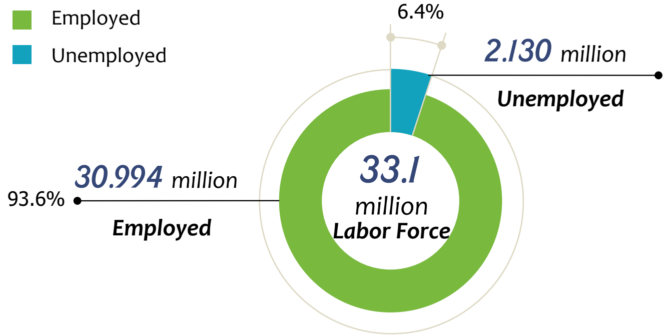
Fourth Pillar:

Labor Force Competitiveness

Increasing number of population in Egypt and the high proportion of labor force age group are factors that positively affect the size of the labor force. The labor market is characterized by flexibility and efficiency, which ensures the allocation of labor in the most effective sectors in the economy. Egypt`s competitiveness in human resources is proven by skilled and trained labor force in various fields. Moreover, competitiveness of wages is higher than their counterparts worldwide.

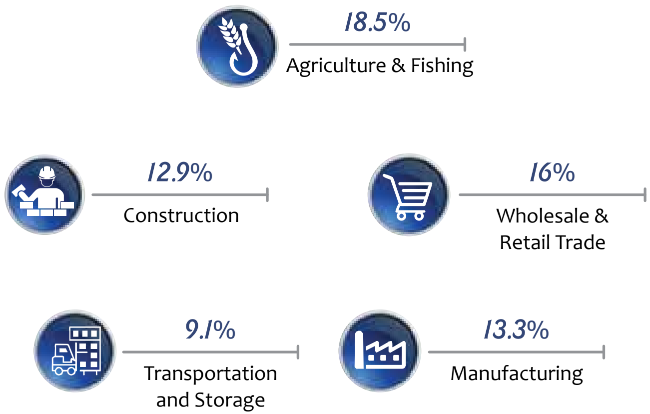
- The labor force in Egypt, estimated at 33.1 million in Q4 of 2024, has been among the most skilled workers in the Middle East for several decades. Egypt is the main regional source of skilled workers in several sectors, such as communications and information technology sector, financial services, and tourism.
- The efforts and measures taken by the state and the national projects that are being implemented have succeeded to provide more job opportunities and increase employment rates, despite the negative effects of the crisis of the spread of COVID-19 and Russian-Ukrainian war crises.
- The state takes many measures to achieve labor market efficiency with skilled and trained cadres experts of keeping pace with technological developments in all sectors and economic fields, which encourages major companies to set up their projects in Egypt and benefit from these trained technical cadres.

labor Force, Employed and Unemployed Force in Egypt



Source: CAPMAS - Q4 2024

Relative Distribution of Workers According in some of the Economic Activities

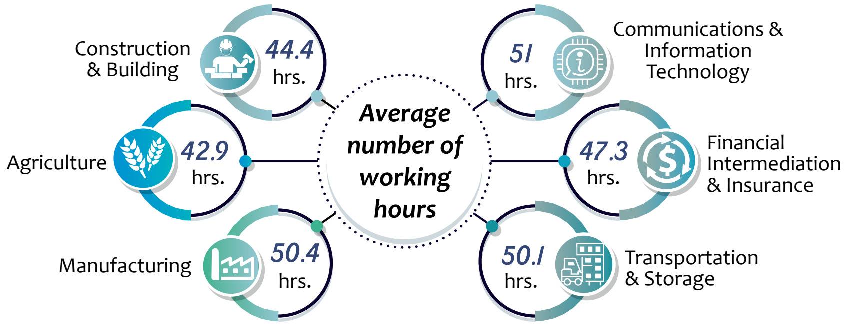


Source: CAPMAS – Q4 2024

- Egyptian Labor Law regulates the rights of workers and determines working and rest hours and vacations in order to provide a safe environment for employes and preserve their rights. Subject to the law regulating the employment of workers at industrial establishments, the worker shall not be employed in actual work for more than 8 hours a day, or 48 hours a week, not including the appropriated meal and rest hours.
- Subject to the law regulating the weekly rest, the work in the facility shall be regulated so that each worker shall get a weekly rest of not less than twenty-four full hours after six consecutive workdays at most, and in all cases the weekly rest shall be paid.

- The average weekly working hours in Egypt is competitive compared to many other emerging and regional economies.

Average Number of Weekly Working Hours Distributed by Sector (hours)



Source: CAPMAS - Q3 2024

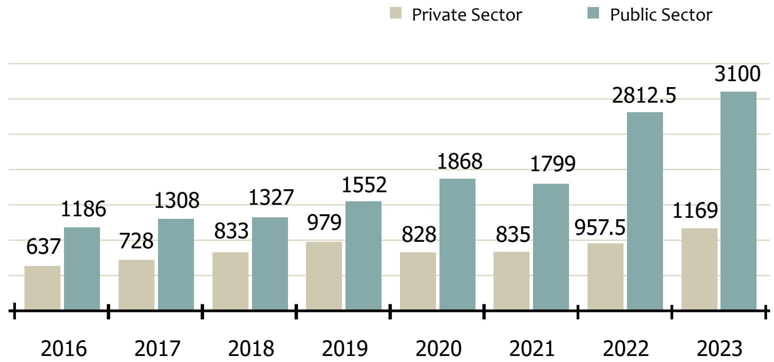
Average Weekly Working Hours in Egypt vs. some of Emerging and Regional Economies (hours)

Source: ILO - Jan 2024

- The minimum wage for workers in the private sector was raised to 7,000 EGP starting from March 2025, within the framework of the state's keenness to preserve workers' gains, provide them with a decent life, and achieve the highest productivity to serve the development process.

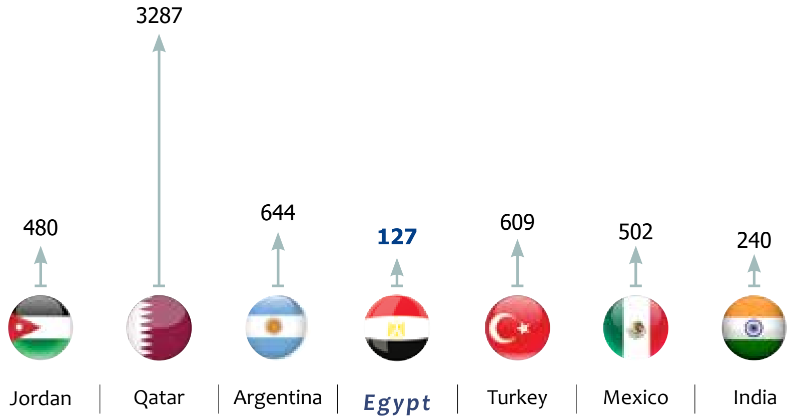
- Egypt is also distinguished by the competitiveness of wages compared to many countries. The average weekly cash wage in the Public Sector, during 2023 amounted to about 3,100 EGP/week, and about 1,169 EGP/week in private sector.
- According to the indicators of the International Labor Organization, the average monthly cash wage in Egypt, which is about 127 USD/month during 2023, is low, compared to other emerging countries such as Turkey, Mexico, Jordan and India.
- The State is also keen to provide the appropriate conditions to achieve maximum benefit from the competitive advantages it has in manpower, through achieving stability for the workforce and providing various benefits such as social and medical insurance, which induces more work and production in various economic sectors.

Average Weekly Cash Wage in Public Sector and Private Sector (EGP/week)



Source: CAPMAS

Average Cash Wage in Egypt vs. some of Emerging Countries (USD/month)



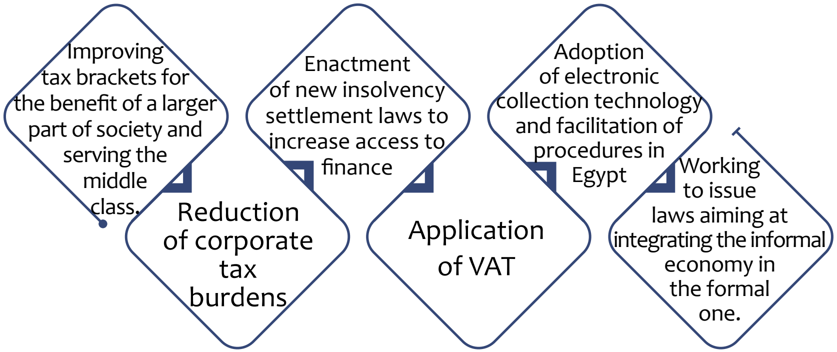
Source: ILO - 2023

Fifth Pillar:

Tax Rates

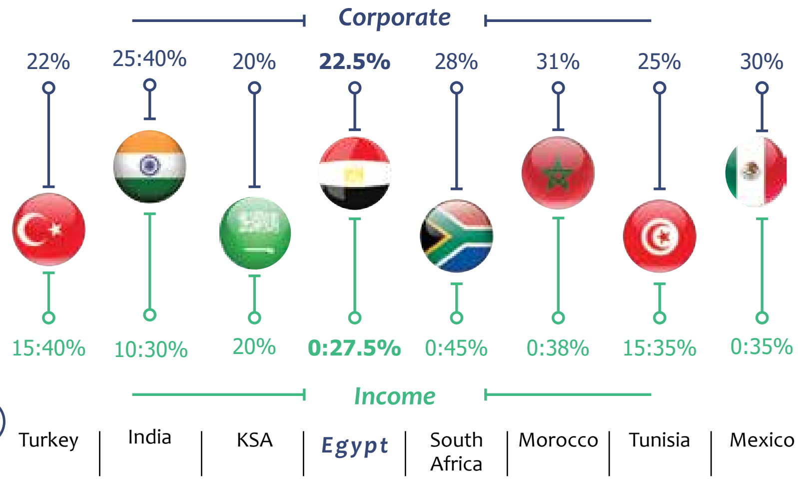
Tax framework in Egypt has witnessed a remarkable development in the past few years, with the aim of keeping pace with global developments in tax procedures and raising the efficiency of tax administration, through simplifying procedures for financiers and providing the latest advanced digital technology in tax business.

- Companies operating in Egypt are subject to a tax on their profits at a rate of 22.5%, which is a low rate compared to other emerging countries such as India, Mexico, Morocco, South Africa and Tunisia.
- Individuals working in Egypt are subject to income tax ranging from 0:27.5%, which are low rates compared to other emerging countries such as India, Mexico, Morocco, South Africa, Tunisia, and Turkey.



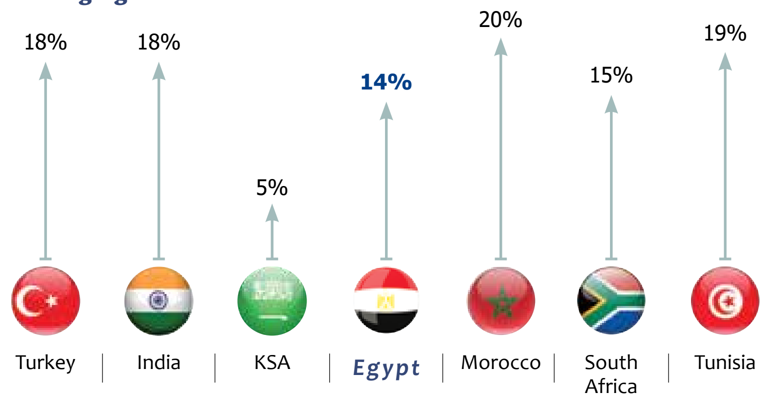
- In Egypt, a value-added tax (VAT) of 14% is applied, which is a low rate compared to other emerging countries such as India, Mexico, Morocco, South Africa, Tunisia, and Turkey.
- Egypt is also keen to implement international tax obligations through agreements concluded with different countries, which achieves the national interest and ensures the maximum possible benefit. In such context, 130 countries, including Egypt, recently reached a historic agreement related to international taxes; on how to distribute taxes related to multinational companies. Such countries also agreed to set new tax rules; through applying a minimum tax rate of no less than 15%, to prevent multinational companies from avoiding paying their fair share of taxes in the various countries of the world in which they operate.

Tax rates on Corporate Profits & Income in 2024



Source: Worldwide-tax - Ministry of Finance

Comparison of VAT Rate in Egypt vs. some of Regional & Emerging Countries in 2024



Source: Worldwide-tax

- The Egyptian Parliament has approved, in January 2025, an integrated tax regime tailored for SMEs, startups, entrepreneurs, and professionals with annual revenues not exceeding EGP 20 million. The new tax regime offers current and new registered taxpayers exemptions and simplifications across various taxes, including income tax, value-added tax, stamp duty, and development fees, to achieve the following:
  - Reduce tax burdens for all small taxpayers, including startups, professionals and entrepreneurs.
  - Exemption from stamp duty, development fees, registration fees, capital gains tax, dividend distributions.
  - Businesses will benefit from proportional tax rates based on annual revenue, eliminating the need to calculate net profits.
  - Simplify and facilitate procedures to reduce tax liabilities on small taxpayers.
  - Simplified annual income tax and wage tax declarations.
  - Quarterly VAT filings instead of monthly ones for eligible businesses, and a simplified registers, ledgers and documents system.
  - First tax inspection only after five years.
  - Exemption from deduction under tax provision or advance payments system.
  - Taxpayers will be able to submit or amend their tax returns for 2020-2024 without facing penalties.
  - Accelerating the process for resolving tax disputes to create an attractive and consistent investment environment.
  - Resolving disputes arising from the discretionary tax inspection during taxable periods before 2020 in return for paying a percentage of the tax.
  - Tax resulting from resolving disputes shall be paid in quarterly installments over a period of one year without charging delinquent taxes fees.
  - Allowing taxpayers to resolve disputes arising from the inspection of ledgers and accounts for the years up to 2020, with a 100% exemption of the delay fees, tax and additional amounts.
  - Allowing taxpayers to resolve disputes arising about real estate transfer tax and unlisted stocks dividends, with a 100% exemption of the delay fees.
  - Exemption from 100% of the delay fees for taxpayers requesting the collection of real estate transfer tax and unlisted stocks dividends tax.
  - Failing to account for real estate transfer tax and unlisted stocks dividends tax after 5 years of disposal in return for delay or additional tax, would not exceed the tax asset.
  - Updated and simplified mechanisms for reconciliation of tax offences not related to due tax
  - Composition for dues shall be applied regarding deduction under tax provision system in return of paying half the prescribed fines.

Steel Factory

Sixth Pillar:

Infrastructure and Utilities Prices

The Egyptian State has adopted Vision 2030 with the aim of placing Egypt among the developed countries world wide through the implementation of a set of major national projects such as transportion and main road projects, new cities, agricultural reclamation, giant electric power plants, seawater desalination plants and sewage and agricultural wastewater treatment.

Electricity and Energy

- The political leadership in Egypt gives great importance to the file of diversifying electrical energy sources to meet all development and service needs. Within the framework of a new strategy, that guarantees supply and sustainability, many reform measures and policies have been taken in the Energy Sector. Thus, the available electrical power generation capabilities became sufficient to meet the requirements of investors all over Egypt.

- According to the report of the International Energy Agency, Egypt has been able to provide electricity to about 100% of the population. Egypt also aims to diversify the sources of electrical energy production (thermal - hydro - wind - solar - biomass - nuclear) to reduce dependence on conventional thermal sources.

- The Integrated Sustainable Energy Strategy (ISES) 2035 aims to contribute by 42% of new and renewable energy to the total energy capacity by 2035 through the implementation of joint ventures with local and international organizations.

- The total generated and purchased energy during FY2022/23 increased to about 216.3 billion KWh compared to 213 billion KWh during FY2021/22.

Electricity Prices in Egypt (Piasters/ k.w.h) *

Households *Consumption (k.w.h/month)*	0:50	51:100	0:200	201:350	351:650	From 0 to less than 1000	From 0 to more than 1000
Price *(Piaster/K.W.h)*	68	78	95	155	195	210	223

Commercial Use *Consumption (k.w.h/month)*	0:100	0:250	0:600	601:1000	From 0 to more than 1000
Price *(Piaster/K.W.h)*	85	168	220	227	233

Industrial Uses	High Voltage	Medium Voltage	Low Voltage
Price *(Piaster/K.W.h)*	174	194	234

* Electristy Tarrif starting from consumbtion of August 2024

Users Connection Voltage to the Grid	Extra High Volage	High Voltage	Medium Voltage
Average Price ** *(PT/K.W.h)*	7.25	16.66	19.09

** Transmission Fees Starting From 1 September 2024

Source: Egyptian Electric Utility and Consumer Protection

• On the level of international cooperation, Egypt actively participates in all regional electrical interconnection projects, since Egypt is electrically connected with neighboring countries to the east (with Jordan), to the west (with Libya), and to the south (with Sudan). A study is currently being conducted to raise the capacity of the electrical interconnection with the eastern and western countries, and a preliminary feasibility study for the electrical interconnection between Egypt, Cyprus and Greece has been completed, in which Egypt will be an energy bridge between Africa and Europe.

Electricity Prices in Egypt vs. some of Emerging Countries (USD/ kWh) - (March 2024)

	Turkey	Jordan	KSA	UAE	**Egypt**	South Africa	Morocco	Tunisia	Algeria
Domestic Use	0.047	0.09	0.053	0.08	**0.018**	0.185	0.117	0.067	0.04
Commercial Use	0.125	0.094	0.068	0.11	**0.028**	0.089	0.107	0.112	0.035

Source: Global Petrol Prices.com

Oil and Natural Gas

In 2016, the Petroleum Sector began implementing an ambitious development and modernization program with the aim of increasing the Sector's contribution to achieving the comprehensive development of Egypt, through working more efficiently to attract more investments and improve human cadres. The last few years this sector witnessed achievements, the most important of which are:

- Completion and launching of "Egypt Upstream Gateway", which is a unified platform to promote zones in Egypt regions globally.

- Achievement of total stability of the local market for the during 2021, as all the needs of citizens and the various sectors of the State for petroleum products and natural gas were satisfied.

74 million tons Equivalent Total (2023)	28 million tons Crude Oil	45 million tons Natural Gas	1 million tons Butane

- The total production of petroleum during 2023 reached about 74 million tons, with about 28 million tons of crude oil and condensates and about 45 million tons of natural gas.

Gasoline and Diesel Prices in Egypt vs. some of Regional and Emerging Countries (USD/liter) (December 2024)

	Turkey	Jordan	KSA	UAE	**Egypt**	South Africa	Morocco	Tunisia	Algeria
Gasoline	1.208	1.558	0.681	0.877	**0.337**	1.184	1.306	0.801	0.344
Diesel	1.242	1.959	0.73	0.836	**0.268**	1.225	1.126	0.699	0.217

Source: www.GlobalPetrolPrices.com

Water

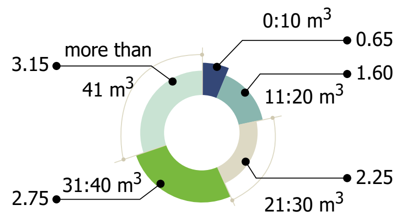
- The volume of available water resources is about 60 billion m³/year, the most of it from the River Nile, in addition to few quantities from rains and ground water.

60 Billion m³/Year Total (2022)	55.5 Billion m³/Year River Nile	1.3 Billion m³/Year Rains	2 Billion m³/Year Ground water

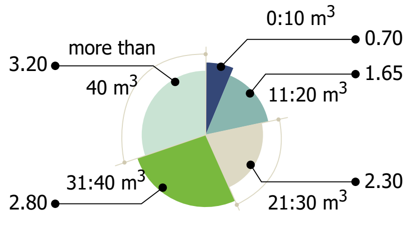
- A strategy for water resources 2050 has been prepared, and the National Water Resources Plan (NWRP) 2037 has been drawn up based on four objectives: enhance management of water use, improve water quality, enhance availability of freshwater resources and improve the enabling environment of IWRM, planning and implementation.

- In the context of benefiting from renewable energy in the field of water desalination, a strategic plan for water desalination (2020-2050) was prepared in cooperation with the ministries of (Housing - Water Resources - Electricity).

Water Prices in Egypt as per Consumption in 2024 (EGP/m³)



Household use



Commercial Use

Source: Holding Company for Water & Wastewater (HCWW)

Seventh Pillar:

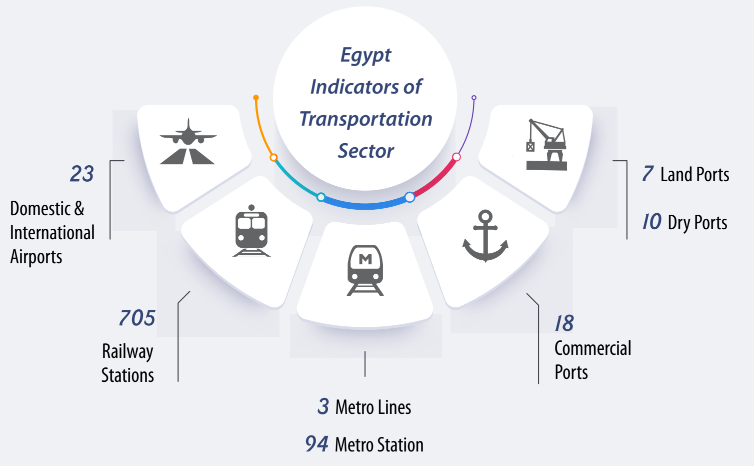
Transportation Sector

Transportation Sector is one of the most vital service sectors in Egypt, which is directly linked to all other economic and social sectors. Transportation networks are the main core on which development programs are based. The sustainable development plan in Egypt pays great attention to transportation sector, where economic sectors and growth rates are greatly affected by the efficiency of the means of transportation network.

- The Sustainable Development Strategy (Egypt Vision 2030) aims to provide a transportation system that is fundamentally linked with the requirements of future national economic needs including all sub-sectors (roads and bridges, railways, subways, maritime transport, river transport, dry ports and logistics, and air transport). Such strategy is compatible with Egypt Vision 2030, and achieves interdependence and integration, with the development of specific proper and accurate mechanisms to follow up on implementation.

- The new transportation system is achieved through the expansion of means of transportation to connect Egypt with its regional and international surroundings through the development of maritime ports, land connection roads with neighboring African and Arab countries, and the introduction of modern transportation systems.

- Flexible and advanced policies are being pursued to develop the transport sector, including the expansion of transportation means to link Egypt with its regional and international surroundings through the development of sea ports and land and rail links with neighboring Arab and African countries. In addition to provide the highest rates of safety and security on transport networks and means, and reach sustainable and environmentally friendly solutions.



Source: Ministry of Transportation

"Egypt ranked 57 th out of 139 countries in 2023 in the Logistics Performance Index, compared to 67 th out of 160 countries in 2018. It also ranked 7 th among Arab countries according to the same index."

"Egypt advanced in the Agility Emerging Markets Logistics Index, coming in the 20 th place as the best promising emerging logistics market out of 50 countries in 2024, compared to the 21st out of 50 countries in 2023.It also ranked 7 th among Arab countries in 2024."

- The Egyptian government has adopted an integrated plan to transform Egypt into a global logistics and trade hub, taking advantage of its location on the Red Sea and the Mediterranean, as well as its key role in linking global supply chains.
- The Egyptian Government Agenda (2024-2027) aims to establish a Supreme Logistics Council and a logistics regulatory body to strengthen the competitiveness of local industries, by improving logistics services to facilitate export and import operations and further attract domestic and foreign investment.

Maritime Transportation

- Egypt comprises strategic and commercial importance to the marine sector worldwide, Egypt has succeeded in fulfilling all its obligations related to marine safety, enhancing maritime security, and preserving lives. Egypt has an integrated system spread along the Egyptian coast to assist in search and rescue operations and is managed by the Egyptian Search and Rescue Center, which is one of the first centers established in the Middle East and Africa.
- Transform Egypt into a center for global trade and logistics by establishing transport and logistics hubs linking sea ports, dry ports and logistics centers. The development plan depends on achieving integration between Egyptian ports, and establishing and developing the infrastructure and superstructure of seaports in accordance with market economics and international standards.
- Working to develop and support the Egyptian maritime commercial fleet, enabling it to transport 25% of the volume of Egypt's foreign trade, in addition to supporting the development of maritime tourism.
- The Egyptian coasts are 3,000 km long (1,000 km on the Mediterranean and 2,000 km on the Red Sea).

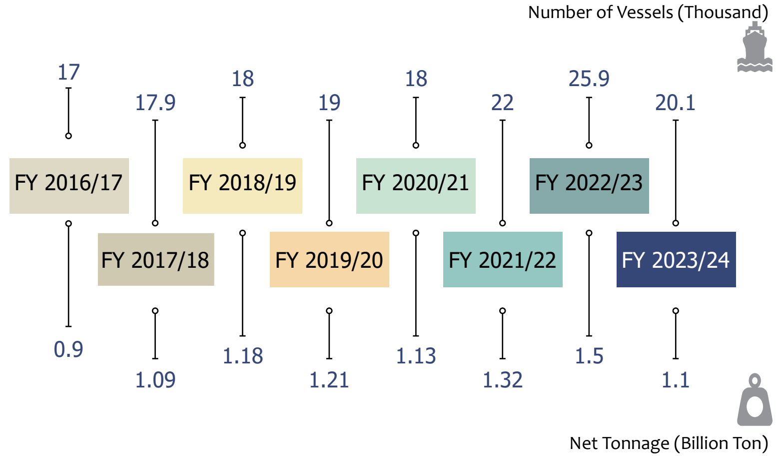
- Egypt possessed 55 ports (18 commercial ports - 37 specialized port) in 2023. The number of vessels frequenting Egyptian ports was about 14409, TEUs handling amounted to 8.4 million containers, total cargo handling reached 181 million tons and total number of passengers was about 781 thousand passengers.

- Within the framework of the Egypt vision 2030, the sector plans to reach an annual capacity of (400 million tons of cargo - 40 million containers - 10 million transit containers - 4 million passengers - 30 thousand giant ships).

- The Suez Canal is considered one of the most important corridors world wide. Linking east and west of the world, therefore, there is no sea passage can compete with the canal in saving time and shortening distances for merchant ships, especially those operating on the world's most important shipping lines linking Asia on the one hand, and Europe and America on the other.

SUEZ CANAL

Number& Net Tonnage Trafic in Suez Canal



Source: Suez Canal Authority

- Suez Canal contributes significantly to the Egyptian economy, as it plays an important role in increasing the national income through fees collected from ships transiting through the canal, as more than 8% of the world's shipping vessels cross it every year. Suez Canal saves a lot of distance, time and shipping costs for ships that pass through it from east to west or vice versa, especially after the implementation of the new Suez Canal project.

Suez Canal Dues

6.6 | USD billion

(FY2023/24)

Public Transportation Development

High Speed Railway (HSR): It represents an integrated network of lines that would connect all parts of Egypt together: represented in the ports and their industrial zones, and the new developed areas and the Administrative Capital. LRT's speed is 250 km/h, and the first line would connect El Ain El-Soukhna, the New Administrative Capital, Cairo, Giza, October, Alexandria, and New Alamein, while the other line would connect the main ports on the Red Sea with the Mediterranean ports, passing through passenger stations and goods loading stations.

Metro: An integrated plan has been drawn up to develop the metro (first and second lines), which is the backbone of land transport in Cairo. The metro transports more than 3.6 million passengers daily, being the fastest and most affordable means in Egypt. This is in addition to the third metro line, which would become the longest metro line in the Middle East (41.2 km) and would connect all areas of Cairo to each other in order to facilitate the citizens' transportation.

Railways: Egypt National Railways Restructuring Project aims to improve the efficiency of railway services and ensure their safety through updating signaling systems, renewing railways, developing stations and level crossings, and promoting management and operating practices.

Light Rail Train (LRT): The electric light rail project links the New Administrative Capital with the governorates of Cairo and Giza and the downtown area to facilitate transporting passengers using a safe and non-polluting means of transport, as the line will transport about 500 thousand passengers per day. It also provides an exchange service with Cairo Metro Line 3 (Adly Mansour/Cairo University) at Adly Mansour Station, allowing the exchange of service between 5 different means of transportation.

Monorail: The project includes 35 stations and represents a leap and a transformation in the means of transportation in Egypt. It would contribute to saving fuel consumption and environmental pollution rates. The Project encompasses the New Administrative Capital monorail project, which is being implemented with a length of 56.5 km and 22 stations; and 6th of October City monorail project, which is being implemented with a length of 42 km and 19 stations.

Air Transportation

- Egypt is keen on upgrading the air transport system, as the government has accelerated its efforts to implement projects to improve infrastructure, and to expand and develop existing airports. In addition to establishing new airports to the highest international standards through an ambitious strategic vision based on the use of modern technology, the modernization of air navigation systems. The Egyptian government`s goal in such air transport development is to contribute significantly to improving operational efficiency, enhance the services provided to passengers and achieve the highest levels of safety and speed, which in turn reflected Egypt's progress in the international air transport indexes. .

- Egypt has increased its airport capacity by 28.5%, accommodating 66.2 million passengers in 2023, up from 51.5 million in 2014. The addition of four new travel facilities has further bolstered this growth, so the number of airports increased from 19 airports in 2014 to 23 airports in 2024.

- The Egyptian government had earmarked EPG 31.3 billion for projects aimed at enhancing civil aviation sector from July 2024 to June 2027. The most prominent of these projects is; developing and upgrading airports performance efficiency worth up to EGP 4.1 billion, developing and upgrading navigation system efficiency worth up to EGP 3.2 billion, in addition to developing and upgrading the efficiency of airport security and safety system worth up to EGP 3 billion.

- Egypt advances 36 positions in the Air Transport Infrastructure Index, reaching 27th place globally in 2024, compared to 23rd in 2021, 41st in 2019, 59th in 2017 and 63rd in 2015.

The Grand Egyptian Museum

Eighth Pillar:

Communications and Information Technology

The sector plays a key role in accelerating the pace of economic growth by providing modern means of knowledge economy and green solutions that stimulate investment and support economic and social aspects.

- The objectives of the government's agenda for the ICT sector encompass boosting employment rates and human development, building a sustainable future based on the knowledge economy, and improving performance across various sectors. The pillars of the Digital Egypt citizen-centric strategy include, facilitating citizens' access to digital government services, providing efficient digital infrastructure for widespread Internet connectivity, empowering citizens to secure jobs in the digital economy, and supporting entrepreneurship and digital innovation. During 2024, the Ministry of Communications and Information Technology made great strides and this was reflected in the rise in the ICT sector's indicators.

National Telecommunication Regulatory Authority (NTRA)

Main Indicators in CIT Sector:

- *Growth rate during FY2023/24:* 14.4%
- *ICT contribution to GDP (current prices):* EGP 236.3 billion representing about 2.5% in FY2023/24.
- *The ICT sector's revenue reached EGP 315 billion in FY2022/23 with about 75% growth rate.*
- *Digital exports USD 6.2 billion during FY2022/23, representing about 26% in 2023.*
- *Employment Rate:* The number of employees in the ICT sector in 2023 was about 221.8 thousand, representing 0.8% of the total number of employees.
- *Net FDI flows of the ICT sector during Q2 of FY2023/24 reached USD 158.5 million, up from USD 136.4 million in Q1 of the same year.*
- *Mobile Phone Subscribers:* 111.8 million lines (August 2024).
- *Mobile Phone Penetration Rate:* 103.1% (August 2024).
- *Landline Subscribers:* 12.79 million subscribers (August 2024).
- *Telecommunications Service Centers:* 1,676 centers (August 2024).
- *Creativa Innovation Hub:* 20 hubs.
- *Applied Technology Schools:* 12 schools.
- *Post Offices:* 4,527 post offices (2023).

Supportive Official Procedures and Initiatives to the ICT Sector:

- The government grants special investment incentives to the ICT sector in accordance with Decree No. 104 of 2022. Offshoring activities and related human development, as well as electronics design, development and manufacturing activities, ICT-related industries, software design and development activities enjoy special incentives in sector (a) and sector (b).
- Launching of Digital Egypt Strategy for Offshoring Industry (2022-2026). The strategy aims to triple export revenue from digitally enabled offshoring services and products through offering a range of new incentives to attract more investments and encourage the expansion of existing industry players and investors, empowering local companies and encouraging the creation of new businesses. In addition to increasing Egypt's competitiveness in R&D and high-value services to accelerate the growth of knowledge economy.
- As part of Digital Egypt Strategy for Offshoring Industry, the Egyptian ICT sector was able to develop the local offshoring industry; agreements have been inked with 74 local and global offshoring companies since November 2022 to establish and increase the business of 85 offshoring centers and appoint 60,000 specialists over three years. These companies included 24 hubs opening to provide offshoring services for the first time in Egypt and 50 others expanding their business by exporting digital services from Egypt.
- The National Telecommunications Regulatory Authority of Egypt (NTRA) launched the "eSIM" technology in Egypt's market. It also aligns with NTRA's objectives pursuant particularly in keeping abreast of scientific, technical, and technological advancements in telecommunications, and its commitment to providing advanced technical solutions that contribute to developing telecom market and supporting digital transformation. The "eSIM" is a modern technology used instead of traditional mobile SIM cards.
- Phase one of the Knowledge City in the New Administrative Capital has been established.
- Imhotep Center was established in the Knowledge City, the New Administrative Capital, featuring various advanced labs and hosting 22 local and global companies specializing in electronics design.
- The first Industry Innovation Center (IIC) was established in the Middle East in cooperation with Siemens.

Key international indicators about the Egyptian ICT Sector:

- Egypt moves up 28 spots in "the ITU ICT Regulatory Tracker", ranking 53rd out of 192 countries, compared to 81st in 2021.
- Egypt ranked first regionally and continentally, and ranked fifteenth globally in providing outsourcing services, according to the Kearney Index issued by "Global Service Centers".
- Egypt was placed at the forefront of African countries in the median fixed broadband speed, with an average speed of 64.5 Mbps in November 2023, according to Ookla®, the global leader in network intelligence and connectivity insights.

- Egypt moves up 3 places on the Government AI Readiness Index 2023 issued by Oxford Insights to occupy the 62nd rank compared to the 65th in 2022.
- Egypt moved up 16 scores in "the Mobile Connectivity Index (MCI)" issued by the Global System for Mobile Communications Association (GSMA) tracking mobile Internet adoption and measuring connectivity worldwide to become in the advanced performance category, reaching 79th compared to 95th in the previous year.
- Egypt ranked second in the Middle East and North Africa (MENA) in terms of the number of investments in startups, according to a MAGNiTT report.
- Egypt ranked 1st in fintech in the Middle East, according to the report issued by "Blink".

Ninth Pillar:

Land Allocation in Egypt

Egypt is competitive worldwide in terms of land prices and real estate investment, which contributes to attracting more foreign investments, especially in light of the facilities and incentives provided by the country.

Land and Properties Allocation and Industrial, and Administrative Rents:

Lands needed for establishing investment projects are allocated in accordance with Investment Law No. 72 of 2017 and its Executive Regulations, as follows:

1- Land and Properities Allocation:

A. Inland Investment Regime:

- An Investor has the right to obtain the land required for starting up or expanding his activity, whatever percentage of partnership or shares in capital such investor holds, subject to the investment-related laws and regulations of the geographic areas where the land is located.
- The administrative authority provides the General Authority for Investment and Free Zones within ninety days with detailed and specific maps of all the real estate under its jurisdiction and available for investment, in addition to the location, square, heights, and estimated price, and the obligation to update data every 6 months or whenever the Authority requests.
- Disposition of real estate, falling within the private-domain property of the State or of other public juridical persons, to Investors have to be for the purpose of Investment in accordance with the provisions, controls and procedures stipulated in the Investment Law and its Executive Regulations. Investors have to comply with the submitted schedule in respect of the implementation of the investment project approved by the concerned entity, so long as entities have fulfilled its obligations toward investors. Moreover, investors should not do any sort of modification to their investment projects at the beginning of setting up their business, unless they are done with their written approval of the concerned entities for such a start.
- Real Estate required for carrying on or expanding the investment projects can be allocated by selling, renting, rent-to-own, usufruct licensing.
- In case of competing Investors' applications for acquiring the real estate required to set up the investment projects - whether by sale, lease, lease-to-own or usufruct licensing - the order of preference among those who satisfy the technical and financial conditions required for Investment will be upon a system of points based on foundations agreed upon with the bodies of competent jurisdiction over the properties.

- Jurisdiction entity has to assess the applications of land allocation submitted by investors and provide GAFI with its technical opinion on such applications, substantiated by the reasons of rejection or acceptance. Such opinion must be made within one week from the date of receiving the application or from the time limit specified in the announcement.
- The relevant administrative bodies can rescind the contract concluded with the Investor only after obtaining the approval of the Board of Directors of GAFI.
- Committee has been formed with the task of allocating lands immediately, and the Industrial Development Authority issues one license within a maximum of 20 working days so that the investor obtains the license from the authority, provided that the authority obtains approvals from the rest of the other concerned authorities.
- The industrial lands should always have utilities, and the principle in pricing lands is the price of utilities, and two mechanisms were identified, with the aim of encouraging the existing industrial sector that wants to expand access to lands directly.
- Upon Investment Project becoming operational, payment, whether in whole or in part, by the State for the expense incurred by Investor in course of providing utilities to the premises of Investment Project.
- Allocation of lands free of charge to some strategic activities in accordance with the legally prescribed rules in this respect.
- Refund at fifty percent (50%) of the value of the land allocated for the industrial projects, should production start within two (2) years from the date on which the land was handed over.
- Exemption from usufruct fees imposed against the lands allocated to set up Investment Project for a period up to ten (10) years as of operations start date.
- By a decree of Council of Ministers the projects referred to in Article (11) and Article (11 bis.) of Investment Law, be exempted from contributing to the cost of constructing the infrastructure and providing the utilities, provided such exemption may not exceed fifty percent (50%) of the total cost of such infrastructure and utilities.
- The Public Treasury may pay up to 50% of the value of the utilities consumption bills for a period not exceeding ten (10) years, subject to the rules to be decreed by the SCI in this regard.
- The investment project shall stick to the purpose based on which the real state property was disposed of, and such purpose may not be changed expect upon the written consent of the administrative authority with the jurisdiction and the application for changing of the purpose shall not be accepted before the lapse of one year from the date of production or activity start up.

Allocating lands and real estate required for setting up investment projects is made as per the Investment Law as amended (including Law 160/2023) and its Executive Regulations. Disposing of lands either by way of transferring title deeds in sale agreements or leasing them in return for usufruct fees is subject to the following rules:

A. Ownership:

The pricing of industrial lands is determined by the square meter cost of utilities associated with each plot of land. The price of the plot is paid as per one of the following payment plans:

Plan (1): Upon signing the sale agreement, the investor will make an initial payment of 25% of the total land price. Subsequently, the investor will settle the remaining amount in three annual installments, each subject to a 10% annual interest rate. Concurrent with these payments, the investor must adhere to the project schedule and obtain the license-to-operate within three years from the land handover date.

Plan (2): Upon singing the sale agreement, the investor will make an initial payment of 10% of the total land price. As of the initial payment date, the investor will have a two-year grace period during which the investor must establish the factory and obtain the license-to operate. The investor must also pay the remainder of the land price in four equal installments per year for a period of four years plus a 10% annual interest rate applicable to each installment.

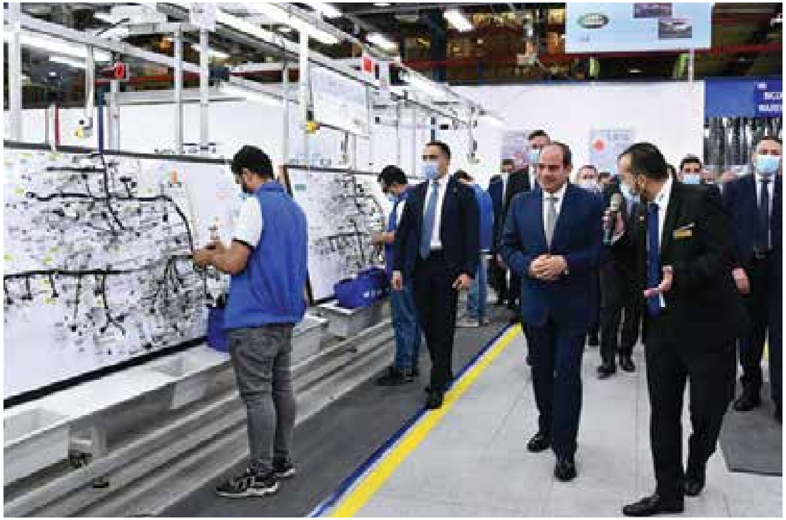
B. Usufruct:

- The usufruct right will be granted on a year-by-year basis. The usufruct fee will be 5% of the declared square meter price in the sale agreement.
- As for the initial four years of the lease agreement, the usufruct fee will remain unchanged. However, in the fifth year, the usufruct fee will be subject to a cumulative increase of 7%. From the sixth year onwards until the termination of the lease agreement, the usufruct fee will experience a cumulative increase of 10% per year.
- The annual usufruct period will be determined by the relevant governmental authority, provided that it be for a maximum of 50 years that may be renewed.

Pricing industrial lands under ownership or usufruct system, in line with prices specified in law No.1670 of 2024.

The Ministry of Industry has launched on "Made in Egypt" platform the eighth phase of utilities-installed industrial plots through the industrial investment map. These land plots are distributed across Egypt and could be utilized in various activities. This launching is part of the Strategy of the Ministry of Industry to accelerate production, deepen domestic manufacturing, increase exports, and meet the industrial investments` unending need for utilities-installed lands. This is achieved by continuously providing utilities-installed industrial plots for investors through launching new investment opportunities to encourage domestic and foreign industrial investment.

B. Free Zones:



President El-Sisi Inspects Nasr City Public Free Zone

- Allocation of real property required for setting up the investment projects within the Public Free Zone System is made by usufruct licensing in accordance with the rules and provisions set out by the Executive Regulations of the Investment Law. Investor has to communicate with the Public Free Zone management, within (30) days from the date on which Investor has been notified of the approval on setting up the investment project, in order to receive the land allocated for implementing the investment project, as well as signing the usufruct contract and paying the prescribed fees.

- The investor has to demonstrate seriousness in implementing the project within (90) days from the date on which Investor has been served a notice to receive the land in accordance with the terms and conditions agreed upon in the usufruct contract. Such period may be extended for another in light of the justifications provided by Investor.

- The investor shall hand over the land allocated for him to the zone management upon the termination of the project or nullification of the approval issued for the project and the land shall be cleaned of any occupancies.

Usufruct Prices in Public Free Zones - Annually

Zones	Activity	Price
Cairo – Giza – Alexandria – Menofia – Suez – Portsaid – Ismailia – Damietta	Industrial Activity	8.05 USD/m²
	Storage or Services Activity	12.65 USD/m²
Qeft in Qena Governrate	Industrial Activity	1.75 USD/m²
	Storage or Services Activity	3.5 USD/m²

Source: GAFI - Jan. 2025

2- Administrative offices, retail stores & the industrial rents:

Administrative Office Rents:

- According to the real state in Egypt Report issued by Fitch Solutions, the monthly average rental rates for administrative offices in 2023 in Cairo reached 23.60 USD/ m^2, and 13.84 USD/m^2 in Giza, and 13.51 USD/m^2 in Alexandria. It is expected to reach about 21.78 USD/ m^2, 12.67 USD/ m^2, and 12.78 USD/ m^2 in Cairo, Giza, and Alexandria respectively in 2024.

Retail Stores Rents:

- According to Fitch Solution Report Cairo ranked among the highest governates in terms of rent monthly in 2023, where the monthly average of retail store rent amounted about 43.14 USD/ m^2, and it is expected to reach about 41.11 USD/m^2 in 2024, Then Alexandria by about 31.74 USD/m^2 in 2023 and it is expected to reach about 29.44 in 2024.

Industrial Units Rents:

- According to Fitch Solutions, the monthly average for industrial rents in Cairo reached 2.26 USD/m^2, and 2.56 USD/m^2 in Giza, and 2.64 USD/m^2 in Alexandria. It is expected to reach about 2.06 USD/m^2, 2.26 USD/m^2, and 2.39 USD/m^2 in Cairo, Giza and Alexandria respectively in 2024.

Tenth Pillar:

Conducive Reformist Business Environment

The Egyptian government has carried out some legislative reforms to improve the investment climate and simplify procedures for investors. In this context, GAFI has provided online services through automation and integration with the concerned governmental entities and implementing work systems supported electronically within the framework of digital transformation.

The investment climate in Egypt, especially in the past few years, has witnessed many legislative and institutional reforms aimed at facilitating and streamlining procedures for investors. This has contributed to achieving positive outcomes related to the required time, cost, and number of procedures to incorporate a company and start a business, as follows:

1. The Supreme Investment Council approved during its meeting headed by President Abdel Fattah El-Sisi, 22 decrees aimed at achieving a quantum leap in reducing the cost of establishing companies, and the time period for obtaining the necessary approvals to start the activity, expanding procedures of the Golden License issuance, facilitating the import of production requirements, in addition to providing an integrated competitive package of incentives and facilities in the sectors of agriculture, industry, and energy with regard to green hydrogen production.

Incentive Decrees Issued by the Supreme Investment Council for Investment:

- Allowing licensing for industries projects based on natural gas as one of the production inputs to operate under the free zones system (manufacture - liquefaction - transportation). As well as oil refining projects - fertilizer industry - iron and steel). (A law passed by the Egyptian parliament).
- First time, to allow service companies to operate as private offshore.
- Lifting restrictions on the foreign ownership of real-estate.
- Allowing the foreign investor to register in the Importers Register for a period of 10 years.
- Launching a unified electronic platform for the establishment, operation and liquidation of projects in cooperation with all concerned parties.
- Speedy resolution of commercial disputes pending before the courts
- Establishing a permanent unit in the Council of Ministers for emerging companies.
- Company incorporation in one day. And granting investors residency immediately after the establishment of the project.
- Shrinking the timeline for security clearance to 10 days.
- Simplifying the requirements and controls for the establishment of private free zones by canceling the capital requirement, investment costs, and the location of the project activity.
- Resilient legal framework JSC – LLC – sole proprietorships – Offshore.
- Widening the scope of issuing the golden license to include more projects' spectrum.
- Reducing the financial or procedural burdens related to the project's establishment or operation.
- Cancellation of exemptions granted to state entities in investment and economic activities

2. The President of the Republic issued a Republican Decree issuing Law No. 160 of 2023 regarding amending of some provisions of the Investment Law No. 72 of 2017. These amendments aim to enjoy all the Investment Projects governed by the provisions of this Law whether they have been incorporated before or after this Law has come into force and irrespective of the legal framework governing same, enjoy the general incentives stipulated in this law exception being made for Investment Projects set up under the Free Zone Framework, and expanding the granting of special incentives and the golden license.

3. General Authority for Investment and Free zones has expanded the e-services it provides through GAFI'S digital platform, which include the main following services.

4. Forming the Golden License Unit, which grants companies incorporated to launch strategic or national projects contributing to development a comprehensive approval (Golden License) encompassing all permits and licenses required for setting up, operating, and managing the company's project.

5. Granting foreign investors, a five-year residence visa that may be renewed so as to facilitate their residence in Egypt, and streamlining investor-related-security- clearance procedures.

6. Launching an updated version of Investment Map website, the website has been redesigned to give an easier access to investment opportunities. A new integrated system encompassing offerings/tenders has been launched to give investors an opportunity to submit and follow up on their proposals electronically, and adopts the concept of promoting private sector opportunities through its promotional platforms.

7. Activating the Incentives accorded by the Investment Law 72/2017 and its Executive Regulations many general, special and additional guarantees and incentives. many decrees have been passed with the purpose of adding new sectors and business activities to, and implementing, the incentive system stipulated in the Investment Law. Among the incentives accorded under the Law comes the Golden License that has already been granted to a large number of companies incorporated to set up strategic or national projects aimed at development.

Main Guarantees and Investment Incentives

Investment Guarantees

- The state permits all cash transfers in Foreign currencies
- The state will grant non- Egyptian investors residence in Egypt
- The project have the right to export its products without the need to be register in the in the register of exports
- **10- 20%** Foreign Workers of total workers in the project

General Incentives

- Exemption from the stamp tax and documentation fees for contracts of registration of lands.
- **2%** Unified Customs Duty of the imported Machinery, Equipments, and devices required for formation of companies, or establishments
- **5** Years Exemptions From the stamp tax, and documentation fees for contracts of establishments, and credit facility and pledge contracts pertaining to the business

Special Incentives

- **50%** Of the investment costs to be deducted from the tax base net profit (for sector A) (Maximum 7 years - maximum 80% of paid-in capital)
- **30%** Of the investment costs to be deducted from the tax base net profit (for sector B) (Maximum 7 years - maximum 80% of paid-in capital)
- **35 : 55%** Cash investment incentive out of the paid tax to be granted to investment projects or their expansions in specific industries

Additional Incentives

50%

- Of basic utility consumption cost can be covered by public treasury up to 10 years
- Of land cost is refunded if production starts within 2 years
- Exemption from infrastructure cost
- **10** Years Exemption from land usufruct charges

8. The government has developed clear and motivating policies for the investment and trade to alleviate the procedural and non-tax financial burdens on investors, whereas a plan has been developed to implement these policies in two stages. The first (current) stage includes, addressing the most prominent financial deductions applied to companies on a periodical basis as the fund percentage of financing training and rehabilitation was reduced from 1% from profits to 0.25% of the minimum insurance wage. Along with addressing the retroactive effect in coordination with the Ministry of Labor, amending the tax on solidarity contribution to be calculated on profits instead of revenues. Coordination is currently conducted with all concerned authorities in this regard. The second stage will focus on analyzing each sector separately in coordination with all entities.

9. Establishing an emerging entrepreneurship unit at the General Authority for Investment and Free Zones, and a special electronic platform for the unit that specializes in communicating with leading entrepreneurs regarding the challenges and proposing their ideas to develop the entrepreneurship environment in Egypt.

10. Decree No. 1203 of 2024 was issued to amend some provisions of the executive regulations of the Investment Law issued by Prime Minister Decree No. 2310 of 2017. These amendments include; companies referred to in article (20) of the Investment Law shall, by a decree of the Cabinet, be granted a comprehensive approval whereby such projects could be set up, operated and managed. Said comprehensive approval shall also encompass the granting of building permits and the allocation of necessary real property to the aforementioned projects. Such comprehensive approval shall be self-executing without having to take any other action. The criteria and fields of national and strategic

projects shall be determined under a decree of the Cabinet, upon a mutual proposal of the Appropriate Minister and the Concerned Minister. These criteria and fields should be periodically modified and updated according to the economic development plan of the State. GAFI shall oversee to which extent the companies are compliant to project setup, operation, and management terms and conditions set under the applicable laws and regulations, in collaboration with the Appropriate Bodies. GAFI shall do so through a committee designated for that purpose.

11. GAFI expands the range of investment e-services provided to the Egyptians abroad. These services include company incorporation, corporate expansions, and electronic ratification of board meeting minutes, targeting bolstering the participation of Egyptians abroad in the economic development. The investment e-services offer technical support, investment consultation, and information on the various investment frameworks, incentives, and guarantees provided under the Egyptian Investment Law. It also highlights investment opportunities across various sectors and facilitates access to the services provided by GAFI.

12. GAFI has signed a cooperation protocol with Exlnt. D&N Communications, subsidiary of United Media Services, to carry out an investment awareness, marketing and promotion strategy in Egypt. The Protocol implies the cooperation of both parties in order to highlight the ongoing efforts GAFI exerts to improve the business and investment environment in Egypt. As well as raising awareness, promote and market the business and investment environment locally, regionally and internationally to support the competitiveness of the Egyptian economy global wise.

13. The establishment of a joint committee of GAFI and the Egyptian Governorates to cooperate in identifying and promoting investment opportunities in those governorates, with a view to updating Egypt's investment map with the available investment opportunities and the utilities-installed land for all investment purposes. GAFI provides its technical and promotional capabilities for the governorates to attract investors and motivate them to invest in these investment opportunities.

14. The Egyptian Cabinet has established the "Permanent Unit for Solving Investors' Complaints" tasked to coordinate between ministries and concerned authorities to tackle the obstacles that investors may face and their complaints to overcome investment constraints, along with working to solve them prior being escalated.

GAFI

Time and Cost Needed to Startup Business in Egypt*

One working day*

Time Required to Establish a Company

20 Business day**

Time Required to Issue Project's Permits

Minimum Capital

Joint Stock Companies, Partnerships Limited by Shares:

Issued Capital EGP 250 Thousand, of which 10% is deposited upon corporation

Single- Member Companies: **

Minimum Capital EGP 1000 upon incorporation.

limited liability companies:

There is No Minimum Capital

* According to Investment Law No.72 of 2017.

** According to Prime Minister Decree No.982 of 2022

*** According to Prime Minister Decree No.2928 of 2022

Source: GAFI - 2024

East Portsaid Port

Eleventh Pillar:

Welfare and Cost of Living in Egypt

Egypt is one of the unique and historical destinations in the MENA region where ancient civilizations and traditions converge with modern life. The country is distinguished by its cultural and historical diversity, providing a unique ambience for residents and visitors in various domains, Egypt has been investing in infrastructure projects to improve the living conditions for its people and develop the infrastructure for investors and the private sector, through the implementation of an integrated network of modern roads and means of transport that keep pace with the qualitative leap and progress witnessed by the new republic. aiming to link all governorates. The Egyptian government has taken interest in the creation of smart and 4G cities, which contributed to attracting foreign direct investments and changing Egypt's urban map.

Egypt ranked 34 out of 87 in 2023 compared to 40 in 2019 as stated in US. News and World Report for the best countries in the world. The rankings are based on how global perceptions define countries in terms of a number of qualitative characteristics – impressions that have the potential to drive trade, travel and investment, and can directly affect national economies. The following is the most important developments taking place in Egypt and international classifications in the most important sectors that contribute quality of life in Egypt:

Education:

- Egypt's public education system consists of three stages: primary stage, preparatory stage and high school, and thereafter higher education. Egypt has universities both public and private, as well as the German and American University. New universities has opened in the Administrative Capital such as the Canadian International College, University of Prince Edward Island, Ryerson University and Coventry University.

Health Care :

- The concept of health care extends to the concept of maintaining public health as well as providing diagnostic, therapeutic and rehabilitation services to different individuals. Health care is based on specific bases; accessible, efficient and affordable to all citizens wherever they live or work. In addition to working to improve the quality of primary and secondary health care services, which contributes to improving the overall health services and keeping pace with global health care standards, especially with applying the new health insurance system.

- Egypt's health care sector includes a variety of public and private health care providers. Egypt has public and private hospitals and health care centers covering the entire country and providing top ranking health services. This is in addition to establishing medical and research cities, which provide comprehensive medical services by medical and health expertise, medical experts and equipment in one place so that the patient receives the service with the highest quality standards.

Heritage and Culture :

- Egypt is famous for its diverse culture and civilization, as it possesses several unique historical and archaeological sites and its culture and heritage embrace different civilizations. Egypt, with its distinct location and ancient history, has been a beacon for culture and civilization since the dawn of history and an intersection for cultures and people.
- Egypt advanced 7 positions in Brand Finance's Global Soft Power Index 2022 coming in 31st place compared to 38th in 2020. The Index is based on basic categories including heritage, culture, education, science, governance and trade.

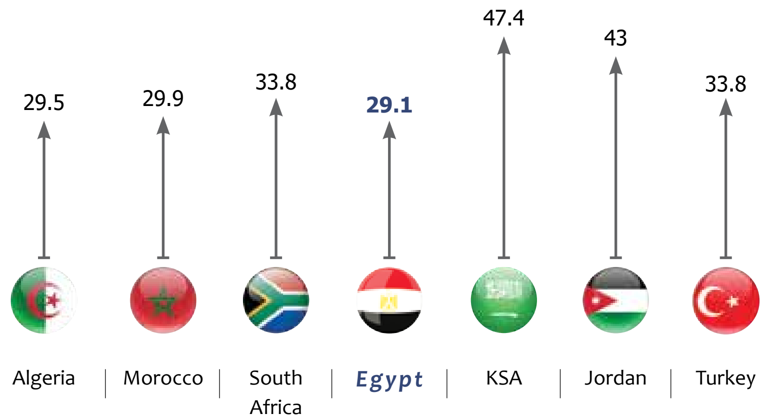
Safety and Security :

- Egypt has advanced 20 places in the InterNations Expat Safety and Security Index, which measures personal safety and security as part of quality of life in countries. Egypt came in 42nd place in 2022 compared to 62nd place in 2016.
- Global Finance magazine issued the Safest Country Index Score, where Egypt ranked 65 out of 134 countries in 2024 compared to 103 out of 128 in 2019 in the "Top 100 Safest Countries in the World". The magazine's safest country index factors in the risks facing individuals such as natural disasters, violent crimes, terrorism and war to present a well-rounded analysis of overall societal safety

Cost of Living :

- According to Numbeo, a crowd-sourced global database of quality of life data, Egypt was among the three lowest Arab countries in terms of cost of living in 2024, with a score of 29.1 points. It is worth noting that the index scale compares the cost of living to the base city, which is New York City, at 100 points.

The Cost of Living Index in Egypt vs. some of Emerging and Regional Countries during 2023



Source: Numbeo - 2023

New El-Alamein City

Twelfth Pillar:

Egypt in International Reports

Testimonials from international institutions reflect the ability of the Egyptian economy to face global challenges and crises in light of the adoption of the economic reform program in its first and second phases, which resulted in high economic growth rates for Egypt to become among the highest rates among many Arab countries, in addition to the increase in net foreign direct investment flows, and lower unemployment rates.

Fitch Solutions predicts Egypt's current account deficit to decline to 4.8% of GDP in FY2023/24:

Fitch Solutions has forecasted Egypt's current account deficit to narrow from 6.8% of GDP in FY2023/24 to 4.8% in FY2024/25, driven by a significant recovery in remittance inflows. This will mask a wider trade deficit and a collapse in Suez Canal receipts. Looking ahead, the deficit is expected to further narrow to 3.8% in FY2025/26 largely due to a recovery in Suez Canal receipts, in line with Fitch Solutions` view that the wars in the Levant and Red Sea disruption will be resolved by then.

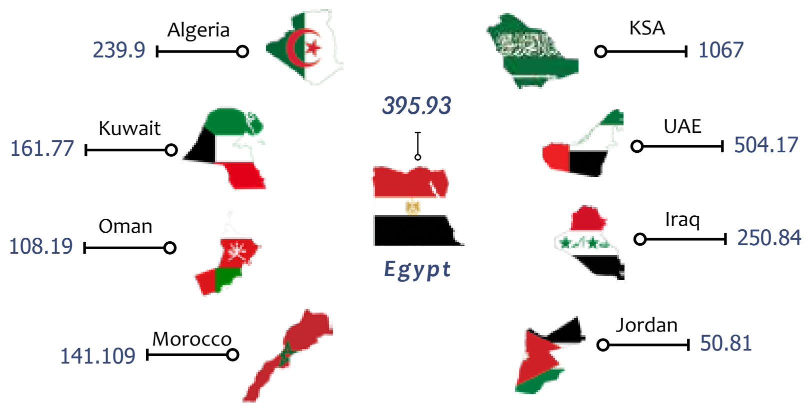
Moody's forecasts 5% economic growth rate in Egypt for the FY2026/27:

Credit ratings agency Moody's has expressed optimism about Egypt's economic trajectory, projecting a 5% growth rate for the upcoming FY2026/27. However, it down graded its growth forecast for FY2024/25 to around 4%. The credit rating agency also anticipates a significant decline in inflation, from approximately 27.5% in FY2024/25 to around 16% in FY2025/26, before further declining to 13% in FY2026/27.

World Bank: Egypt is the third largest economy amongst Arab countries in terms of GDP in 2023:

Egypt ranked third amongst the Arab countries in terms of GDP in 2023, according to the World Bank`s "Growth in the Middle East and North Africa region" report issued in October 2024, as Egypt's GDP amounted to about USD 395.93 billion by the end of 2023, while Saudi Arabia ranked first and the UAE ranked second. Despite the diversity of the Egyptian economy, the World Bank has lowered its forecast for the growth rate for the third time during the current FY2024/25 by 0.7%, recording 3.5% compared to about 4.2% in previous expectations.

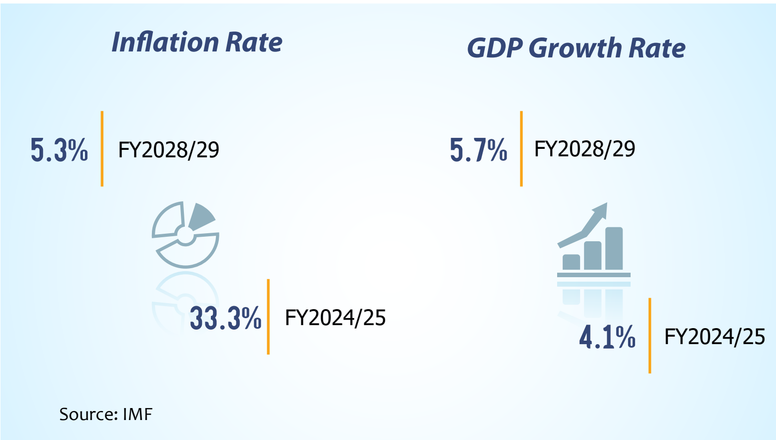
GDP in 2023 (USD billion)



Source: World Bank

The International Monetary Fund (IMF) projects Egypt's economy to grow by approximately 4.1% during FY2024/25, with a continued slowdown in inflation rates:

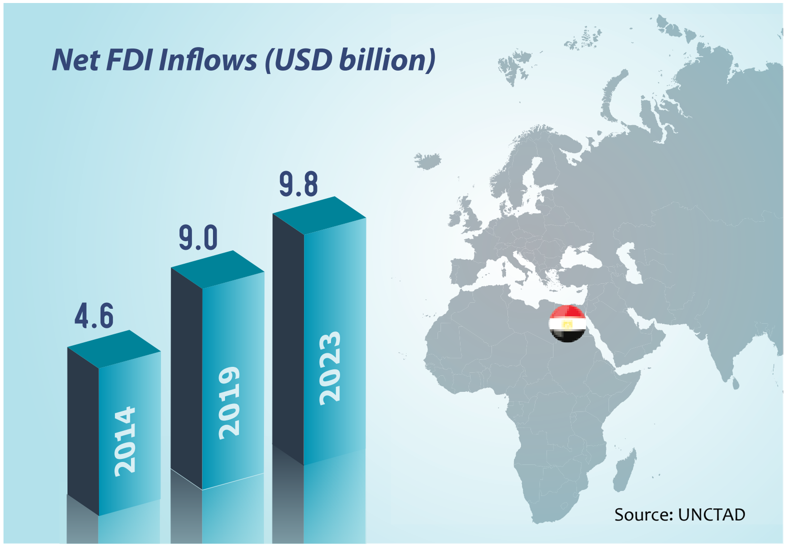
The International Monetary Fund (IMF) projects Egypt's economy to grow by approximately 4.1% during FY2024/25, according to its "World Economic Outlook" report. The IMF also expects Egypt's economic growth to continue rising, reaching about 5.7% by FY2028/29. Additionally, the IMF anticipates a significant slowdown in Egypt's inflation rates, declining from 33.3% during FY2024/25 to 21.2% in FY2025/26, and further dropping to 5.3% by FY2028/29.The report also forecasts Egypt's current account deficit to reach 6.6% during FY2024/25, 6.4% during FY2025/26, and then decrease to 4.1% by FY2028/29.



UNCTAD: Egypt is the top investment destination in Africa for the second year in a row:

According to the investment report issued by UNCTAD, Egypt accounted for approximately 18.6% of total foreign direct investment (FDI) in Africa, which amounted to about USD 52.6 billion in 2023.

The report highlighted an increase in investment inflows since 2014, despite successive crises, with Egypt recording around USD 9.8 billion in 2023, compared to approximately USD 9 billion in 2019 and USD 4.6 billion in 2014.



Snapshot of

Egypt

Sixth Edition

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