



#EGYPT
IS READY

EGYPT

FDI OUTLOOK



- Egypt Achieved The Highest Rate of FDI Growth Over The Last 15 Years
- "The 1st Largest Recipient of FDI in Africa 2022"
- "The 2nd Largest Recipient of FDI in Middle East 2022"

SOURCE: UNCTAD WIR 2023

- Egypt enjoys competitive edge in producing green hydrogen



GDP growth rate

4.2% (2023/2024)



Net Foreign Direct Investment (FDI) Flows in Egypt

10.04\$bn (2022/2023)



Growth Rate of Net FDI Flows (2022/2023) Compared to Previous FY (2021/2022)

12.3%



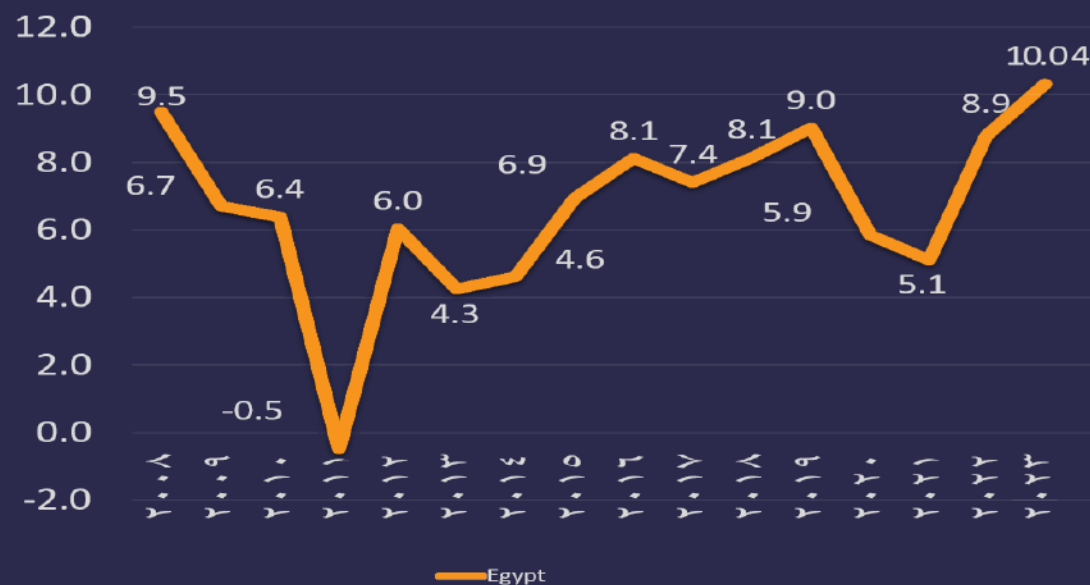
Net FDI in The Non-Oil Sectors

11.02\$bn

- Inflows 23,05\$bn

- Outflows 13,01\$bn

NET FOREIGN DIRECT INVESTMENT



THE EGYPTIAN ECONOMY

Objectives of Economic and Social Development Plan for 2025/2024



%4.2

Economic Growth Rate



%13

Investment Rate



%48

Private Sector's Share in Total
Fixed Capital Investments



363\$bn

Gross Domestic Product
(GDP) at Current Prices



47.2\$bn

Total Planned Investments



20.7\$bn

Private Sector Investments
in Fixed Capital Assets

Competitive Advantages & Developed Infrastructure

A Large Trained Labor Force
Over **29** million skilled workers



Average Monthly Salaries
\$150 - \$400

Diversified Economy
Various sectors contributing to GDP



Services
%54.3



Industry
%15.7



Agriculture
%11.5

Developed Infrastructure

28th

Road
Quality Index



39th

Marine
Infrastructure
Index



32nd

Airport
Infrastructure
Index



Favorable Trade Agreements



Free trade agreements
with over **70 Countries**
facilitating trade

Streamlined Processes for Investors



Digitization Investment Services
Customs - Tax collection

Strategic Geographical Location



Access to markets with
a combined GDP of
7\$ Trillion

Competitive Tax Rates



Tax incentives for investments,
with a corporate tax rate of
%22.5

Attractive Investment Schemes



- Free zones
- Technological Zones
- Investment Parks
- Special Economic Zones

Stabilizing Macroeconomic Indicators



World Bank expects
growth rate to reach
%4.2 in 2024/2025

INVESTMENT SCHEMES

Free Zones Scheme



0%

Taxes Customs



80%

Export



Public Free Zones

9 Public free Zones
953 Project

1162 Project



Private Free Zones

209 Project

Technology Zones Scheme



0%

Customes Tax on Machinery
Fields of Technology

6

Zones



Investment Zones/Parks

Investment Zones



18

11 Existing
7 Under Construction

Project



10K

Developed Area



176
million m²

Governorates



7

Direct &
Indirect Jobs



300K



Obtains all needed approvals
and licenses, deals with all
relevant entities on behalf of
the investor.

Suez Canal Economic Zone

0%



Customs
Taxes



VAT

50%



Tax Credit



4

Industrial Zones

6

Ports



Premier Services and Trade
hub with Investment opp. in
different sectors at unique
strategic location.

[www. SEZONE.eg](http://www.SEZONE.eg)



Main Guarantees



**Equal Treatment
Between Foreign and
Local Investors**



**Repatriation of
Dividends**

European Guarantee Fund (EGF)



- The European Guarantee Fund (EGF) is a financial instrument established by the European Union (EU) to support the recovery and resilience of EU member states and partner countries. It aims to facilitate access to finance for businesses, especially small and medium-sized enterprises (SMEs), which are crucial for economic growth and job creation. EGF serves as a form of assurance extended to the European Investment Bank to bolster support for the private sector among banks.
- The involvement of the EU Guarantee Fund in Egypt typically revolves around supporting projects that align with EU priorities and objectives, such as sustainable development, infrastructure improvement, and economic growth. This could include financing initiatives related to renewable energy, water management, transportation, and SME development. The fund may provide guarantees or other forms of financial support to facilitate investments in these areas, helping to attract private sector capital and stimulate economic development in Egypt.

Investment Incentives in Egypt



General Incentives

20%

Unified Customs Duty

The same tax also applies to machinery and equipment imported by public utility projects

5 Years

Exemptions

For incorporation contracts, credit facilities and mortgage contracts related to corporate business. From the stamp tax and documentation fees, since the date of registration in the commercial register

Special Incentives

50%

**Need more
Development**

Of the investment costs to be deducted from the Tax base (net profit) over **7 years** maximum

30%

Rest of the country

Exemptions from the stamp tax and documentation fees for land's registration contracts required for setting up companies and establishments

Additional incentives

- The state will bear the value of connecting the utilities for the project or part thereof, after operating.
- The state bears part of the technical training cost for workers.
- Half of the value of the land allocated for industrial projects shall be refunded in the event that production begins within two years from the date of handing over the land.
- Allocating pieces of land free of charge for some strategic activities in accordance with the regulations prescribed by law in this regard.
- Exemption from usufruct of the projects lands for a maximum period of 10 years, starting from the date of operation.

Investment Incentives in Egypt



The incentive is not due if it is proven that any of the tangible assets of a company existing at the time the provisions of the decision were contributed to establishing the project, or that the shareholders have liquidated the company to establish a new project for the purpose of enjoying the incentive.

Cash Incentive

35%

If the fund that transferred from abroad is (%50 - %75) of the project's fund

45%

If the fund that transferred from abroad is (%75 - %90) of the project's fund

55%

If the fund that transferred from abroad is %90 of the project's fund

From the value paid of the project income tax or his expansions

Terms

- The project must be established in one of the areas of Sector (A), or one of the remote areas determined by a decision of the Council of Ministers. Or industrial zones, investment zones, new urban communities, or technological zones.
- The financing of the project or its expansion (until the start of practicing the activity) must be in foreign exchange from abroad by no less than %50. of project's funds.
- Conducting the activity within 6 years From the effective date of Law 160/2023 On 2023/25/7 - it may be extended for another 6 years by decision of the Council of Ministers. The date of starting the activity is determined in accordance with Article 13 of the Executive Regulations.
- The Council of Ministers issued a decision on 2023/28/12 that included the industries that enjoy the incentive and the duration of granting the incentive not to exceed 10 years, as well as the conditions, rules and categories of granting the incentive and disbursement mechanisms.

INCENTIVES PACKAGES FOR TARGETED SECTORS



Health



Green
Hydrogen



Tourism



Waste
Management



Real State



Automotive



ICT



Small & Medium
Enterprises



Incentives for **GREEN HYDROGEN** Projects and Its Derivatives



The provisions of this law shall apply to **Green hydrogen projects** production and its derivatives carried out within **5 years** from the date of entry into force of this law.



Projects enjoy incentives prescribed for the duration of the validity of the projects' expansions agreements, **7 years** from its commercial startup date.

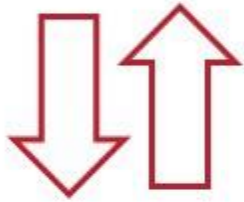


To enjoy incentives, The project must begin commercial operation Within **5 years** from the date of its conventions contracts.

Incentives for **Green Hydrogen Projects** and Its Derivatives



Cash Incentive **Not less than 35%** **Not more than 55%** From the value paid of the project income tax or its expansions.



The project is allowed to import itself or through others for what they need to establish and expand without the need to be registered in the importers register. and to export its products by itself or through others without A license and without the need to register with the Exporters Register.



Equipment, tools, machinery Equipment, raw materials, supplies, transportation required for green hydrogen projects and its derivatives except for passenger cars, are exempted from value added tax.



Incentives for **Green Hydrogen Projects** and Its Derivatives



The Public Treasury Bears Tax on real estate buildings of green hydrogen projects and its derivatives. Stamp tax, documentation fees, and declaration of articles of incorporation, credit facilities contracts, mortgages, and land registration contracts. The customs tax due on imports necessary for the establishment of projects, with the exception of passenger cars.



One approval is granted for green hydrogen projects and its derivatives and their expansions subject to the provisions of this law.



Paid by the Ministry of Finance **day 45** During From the end date of submitting the tax file, otherwise, the ministry will be charged for the delay.



Incentives for **Green Hydrogen Projects** and Its Derivatives

- 1 30% foreign workers are allowed during the first 10 years.
- 2 Allowing the establishment of special customs departments.
- 3 Granting a 30% reduction of fees, usufruct and services in the Egyptian sea ports.
- 4 A reduction of 25% of the value of the usufruct of industrial lands, and a 20% reduction of the usufruct of storage warehouse lands in ports.
- 5 A grace period for payment of the right to use industrial and storage lands, starting from the date of commercial operation, without fines.



Conditions for Green Hydrogen Projects



The project or its expansions in financing must depend on foreign exchange financed from abroad by a rate of not less than **70%** of its investment cost.



And that the project is committed to using local components whenever they are available in the local market, with a minimum of **20%** of the project components.



And to contribute to the localization of modern technology and techniques, while providing training programs for Egyptian workers.



Developing the local areas in which the project operates through the rules of social responsibility in accordance with the provisions of Article 15 of the Investment Law.



Facilities for Green Hydrogen Projects



Desalinated water production factories allocating a certain percentage of their production to the production of green hydrogen and its derivatives.



Stations producing electric power from renewable energy sources, at a rate of not less than **95%** of their production, to feed green hydrogen factories and its derivatives.



Projects for transporting, storing or distributing green hydrogen and its derivatives produced inside Egypt.



Projects for manufacturing or storing production inputs necessary for factories, by a decree of the Cabinet.





Incentive Scheme for Industry Sector

Automotive, Textile, Food, Engineering and Pharmaceutical industries

Automotive Sector

Companies are eligible for a production incentive based on meeting specific targets in four areas:



Local Value Added



Annual Production
Volume



Investment Volume



Emission Levels

- To qualify for the incentive, companies must achieve a local value added of at least %45.
- The incentive is paid in the form of coupons that can be used to settle financial obligations owed to the government.



Science, Technology and Innovation Incentives

Exempting higher education and scientific research bodies from customs duties and taxes, including value-added tax, on imported tools, devices, and materials necessary for the implementation of research projects.

Funding for scientific research projects is deducted from the net income subject to income tax, and this funding is calculated among the expenses and costs of those companies when calculating the tax base of industrial and commercial profits tax.

Exemption of research teams' rewards for approved scientific research and development projects from all types of taxes and fees if the project was funded by external grants (according to the applicable rules).



Incentives for Waste Management Activities

Companies whose main objective is to carry out integrated waste management operations shall enjoy the benefits, guarantees, exemptions and incentives stipulated in the Investment Law.



A deduction of no more than %10 of the net annual profits of establishments, companies or persons licensed to practice the activity is made in order to support and enhance the integrated waste management system.

Health Sector Incentives

Categories of investment incentive for hospitals & medical institutions according to the scoring system

Category (A) if he achieves a percentage of points

- General guarantees and incentives.
- Special incentives. **%100 - %85**
- Golden license.
- Exemption from the usufruct fee for the lands allocated for establishing the project for a period of 10 years.
- The state bears %50 of the cost of connecting facilities to the project after the project is operational.
- The state bears %50 of the cost of technical training for workers.

Category (B) if he achieves a percentage of points

- General guarantees and incentives.
- Special incentives. **%85 - %75**
- Golden license.
- Exemption from the usufruct fee for the lands allocated for establishing the project for a period of 5 years.
- The state bears %25 of the cost of connecting facilities to the project after the project is operational.
- The state bears %30 of the cost of technical training for workers.

Health Sector Incentives

Categories of investment incentive for hospitals & medical institutions according to the scoring system

Category (C) if he achieves a percentage of points

- General guarantees and incentives.
- Special incentives. **%75 - %65**
- Golden license.
- Exemption from the usufruct fee for the lands allocated for establishing the project for a period of 3 years.
- The state bears %10 of the cost of connecting facilities to the project after the project is operational.
- The state bears %15 of the cost of technical training for workers.

Category (D) if he achieves a percentage of points

- General guarantees and incentives.
- Special incentives. **%65 - %50**
- Golden license.
- Exemption from the usufruct fee for the lands allocated for establishing the project for a period of 2 years.
- The state bears %5 of the cost of connecting facilities to the project after the project is operational.
- The state bears %5 of the cost of technical training for workers.

Social Responsibility Incentives and Export Incentives

Social Responsibility Incentive
Deduction of expenses incurred by
the project at a maximum

10%

of the annual profits of the project for
which it will be held accountable

- 1- Allocating a percentage of the project's profits for the sustainable development goals.
- 2- Improving and protecting the environment.
- 3- Providing services in health, social, cultural or other services.
- 4- Supporting technical education or financing research, studies, and awareness campaigns aimed at developing production in coordination with the universities or scientific research institutions.
- 5- Training and scientific research.

Export Incentives

Export reimbursement program

- For companies working in chemicals - Fertilizers - Building materials - Refractories - Metal industries - Construction - Agricultural crops - Printing and packaging - Medical industries - Leather sector - Furniture - Craft and handicraft industries - Information and communications technology companies - Food industries - Textile - Ready-made clothing - Home furnishings - Engineering industries - Automobile industries - Ceramics - Electronic devices.
- %50 support for exports destined for the African market, and a discount of up to %80 on freight charges.
 - An %50 of the basic support rate for Upper Egypt, the border governorates, the city of Al-Rubiki, and the Furniture City in Damietta.
 - %2 subsidy for exports that have an Egyptian trademark.
 - SCZone projects.

The export subsidy program is included in all related programs and incentives

GAFI as a Business Partner

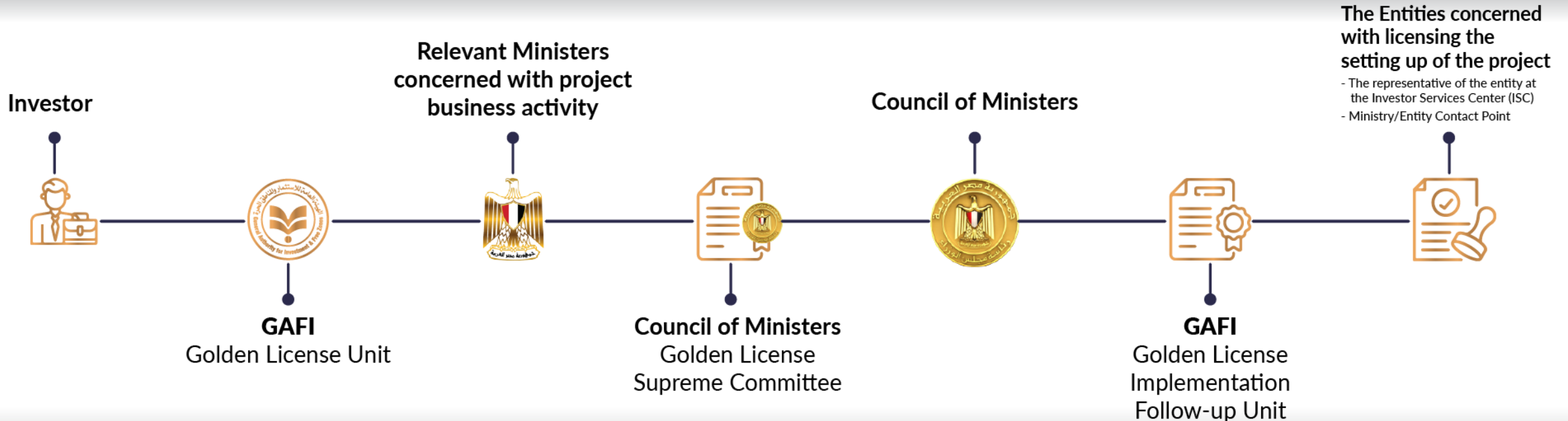
GOLDEN LICENSE

- 1- The GOLDEN LICENSE is a single license granted to national and strategic projects.
- 2- A comprehensive approval on the setup, operation and management of the project.
- 3- Approvals includes all needed licenses within **20 days** with no need to deal with any other entity.



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Golden Licenses



INVESTMENT JOURNEY



01

Meet with
GAFI Officials

02



Investment Map

Offer opportunity to
the investor **1200+**

Public
Opportunities

Private
Opportunities



investinegypt.gov.eg

03



within **2hrs**
E-establishment
of the company



14

Through Investor
Service Centers (ISC)

04



21
days

Land Allocation

the land will be allocated
through GAFI

05



Follow up

After care follow up
through lifetime of
the project



www.gafi.gov.eg





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THANK YOU