



Free Zones (Public – Private – Offshore)

The General Authority for Investment and Free Zones

Promotion Department

2024



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 - ✓ Overview of public free zones (Indicators - Fees).
 - ✓ Overview of private free zones (Indicators - Fees).
 - ✓ Overview of the private service free zones (Regulations - steps for establishing the project).



Free Zones Objectives



Exportation

Enhancing
competitiveness
in foreign markets

Maximizing the
state's foreign
exchange
collection

Attracting and
localizing modern
technology



I: Public Free Zones

Public Free Zones



Public free zone fees

Industrial and assembly activity

- 1% on the value of the item at checkout based on the FOB value.
- 2% on the value of the item upon entry.
- 1% of the operating value of industrial or complementary operations conducted on goods and materials operated in free zones on behalf of others.
- Half a thousand in exchange for services from the issued capital (a maximum of 100,000 EGP to be paid in convertible foreign currency).
- 1% of the investment costs for guarantee (up to a maximum of \$75,000).

Storage activity

- 2% on the value of the goods at the port of arrival (CIF) or the customs valuation (whichever is greater), upon entry into the free zone.
- One per thousand in exchange for services from the issued capital (a maximum of 100,000 EGP paid in convertible foreign currency).
- 2% of investment costs, up to a maximum of 125,000 USD.

Service activity

- 1% on the total revenues generated.
- One per thousand in exchange for services from the issued capital.
- 2% of investment costs, up to a maximum of \$125,000.

Fees for use of public free zones

Existing projects

- Industrial project lands \$5.75/m.
- Lands for service and storage projects \$10.35/m.
- Lands for projects that engage in used car activity \$20.7/m²
- For prefabricated buildings \$32.2/m

New projects (vacant spaces)

- Industrial project lands: \$8.05/m².
- Lands for service and storage projects: \$12.65/m².
- Lands for projects that engage in used car activity \$23/m².
- For prefabricated buildings \$34.5/m.

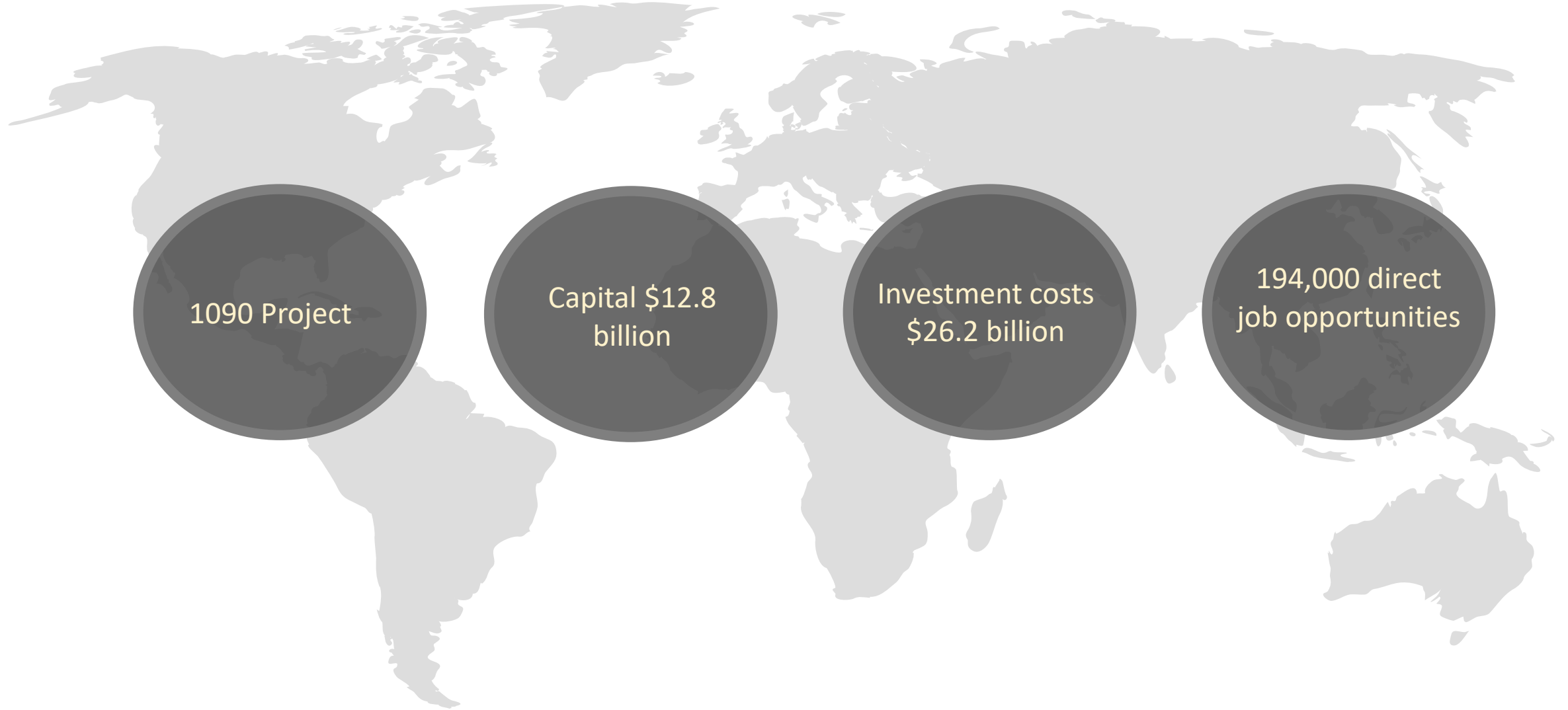
Qaft Free Zone

- For industrial project lands, \$1.75/m².
- For lands for service and storage projects, \$3.5/m².

In addition to 50 cents/m² annually for the development of the public free zone.



Public free zone indicators



1090 Project

Capital \$12.8 billion

Investment costs \$26.2 billion

194,000 direct job opportunities



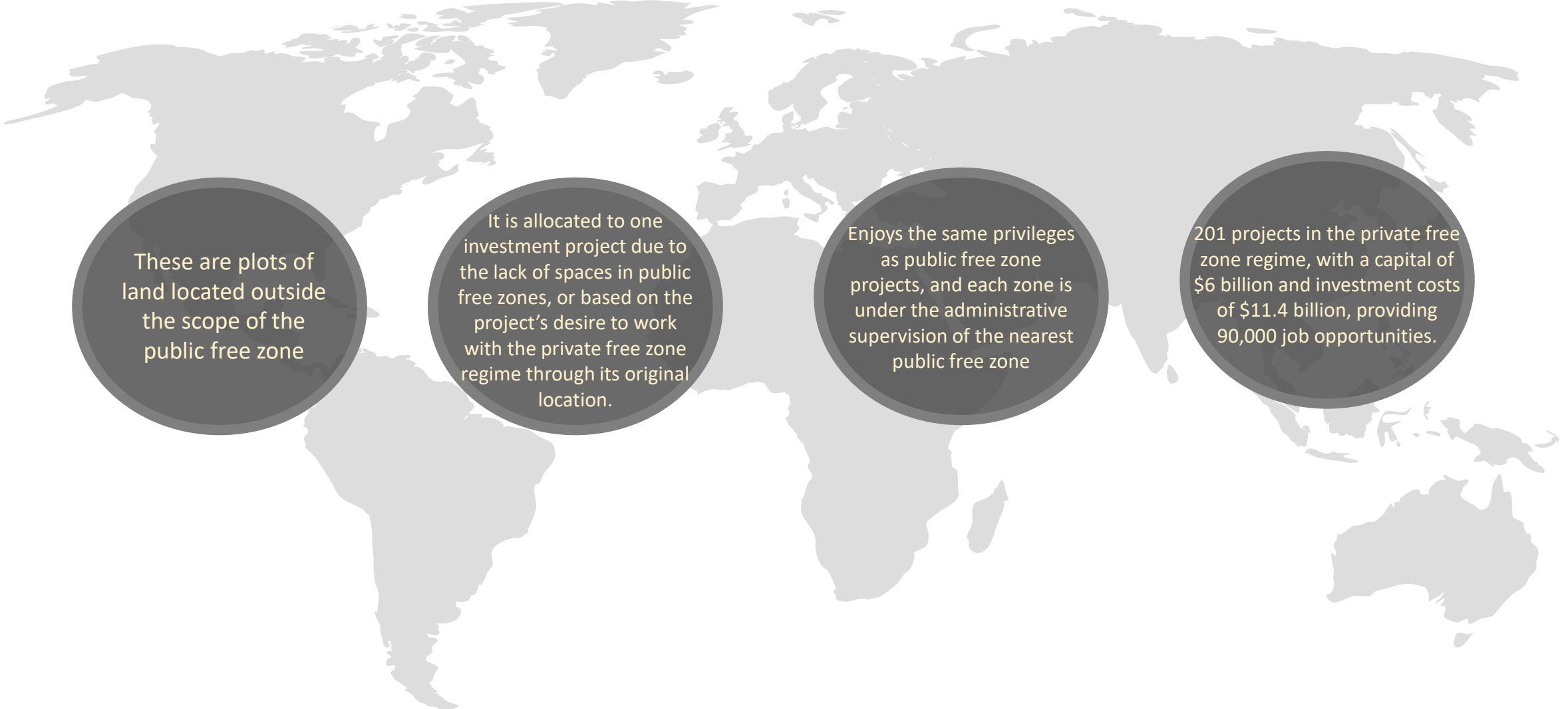
Public free zone indicators

Governorate	Free zone	Area in Acres	Number of Projects	Capital (Value in Million Dollars)	Investment Costs (Value in Million Dollars)	Jobs Chances In a Thousand	Available Areas for Investment in 1,000 M2	Occupancy Rate	Jurisdictions
Alexandria	Amreiya	1353	393	4633	10294	49	126.7	% 96.8	GAFI
Port Said	Port Said	191	83	997	2431.4	34	39.9	% 92.3	GAFI
Cairo	Nasr City	180	206	3840	6868.8	71.8	12.2	% 97.1	GAFI
Suez	3 (Port Tawfiq / Adabiya / Ataqā)	290	185	1404	3275.6	8.5	286.4	% 64.8	GAFI – with the exception of Ataqā, the state of the Northern Gulf of Suez Development Authority
Ismailia	Ismailia	170	99	711	1507.0	18.4	19.8	% 96.5	Ismailia Governorate
Damietta	Damietta	190	23	59.9	266.8	3.3	0	% 100	New Damietta City Reconstruction Authority
Menoufia	Shbeen El Koom	23	19	19.2	49.7	1.8	1.5	% 98	Misr Shebin El-Kom Spinning and Weaving Company
Giza	Media	580	71	1043.7	1481.4	6.0	ذات طبيعة خاصة	ذات طبيعة خاصة	Infrastructure companies (Media Production City – Nilesat)
Qena	Qeft	219	11	65.9	70.3	0.025	490	% 27.5	Qena Governorate
Total		3196	1090	12774	26244.8	194	976.5	% 86.5	-



II: Private Free Zones

Private Free Zone



These are plots of land located outside the scope of the public free zone

It is allocated to one investment project due to the lack of spaces in public free zones, or based on the project's desire to work with the private free zone regime through its original location.

Enjoys the same privileges as public free zone projects, and each zone is under the administrative supervision of the nearest public free zone

201 projects in the private free zone regime, with a capital of \$6 billion and investment costs of \$11.4 billion, providing 90,000 job opportunities.

Private free zone fees

- 1% of the total revenues achieved for manufacturing and assembly projects when exporting goods outside the country based on the customs document proof.
- 2% of the total revenues of industrial projects when goods enter the country based on the sales invoice.
- 1% of the operating value of industrial or supplementary operations conducted on goods and materials operated in free zones on behalf of others.
- 2% of the total revenues achieved for storage projects when exporting goods from the sales invoice.
- 2% of the total revenues it achieves, without deducting any charges in exchange for obtaining these revenues, for service projects.
- 2% of the total revenues achieved in direct supply cases.



III: Private Services **Free Zones** (Offshore)

Targeted service activities

GAFI is working to achieve success for the **Offshore Companies** in Egypt and expand it during the coming period. Primary service activities will be targeted, such as:



Regional offices



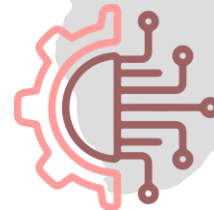
Representative offices



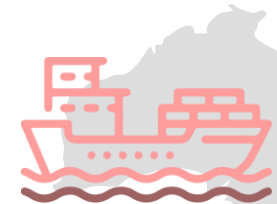
Financial services
Branches of foreign banks



Consulting services offices



Technology companies



Shipping companies

Main service project responsibilities

The main service project undertakes the following:

- Developing the private free zone to be established by providing its infrastructure and equipping it with all the necessary facilities to begin operation.
- Providing the necessary services for existing projects (sub-leased), marketing and promoting them within the private free zone, as well as carrying out development and periodic maintenance of the zone's infrastructure and related services.

Regulations of contracts between main and subsidiary service projects

- The Authority is not a party between the leasing company and the renting company regarding the contract concluded between them.
- The leasing company has the freedom to contract with projects that are established within the private free zone, provided that the contract is made with a legal entity and not individuals.
- The Authority will be provided with a copy of the contract concluded between the two parties.
- Linking the duration of the license to practice the activity issued for the leased project to the period specified in the contract concluded between the two parties, and it is renewed successively with the approval of GAFI, provided that the duration of the contract does not exceed the remaining period of the license period for the main project.
- Taking into account the spatial separation between projects to achieve independence between them.
- The Authority shall be notified one month before canceling the contract between the two parties or not renewing the contract to take the necessary action regarding the leased project.



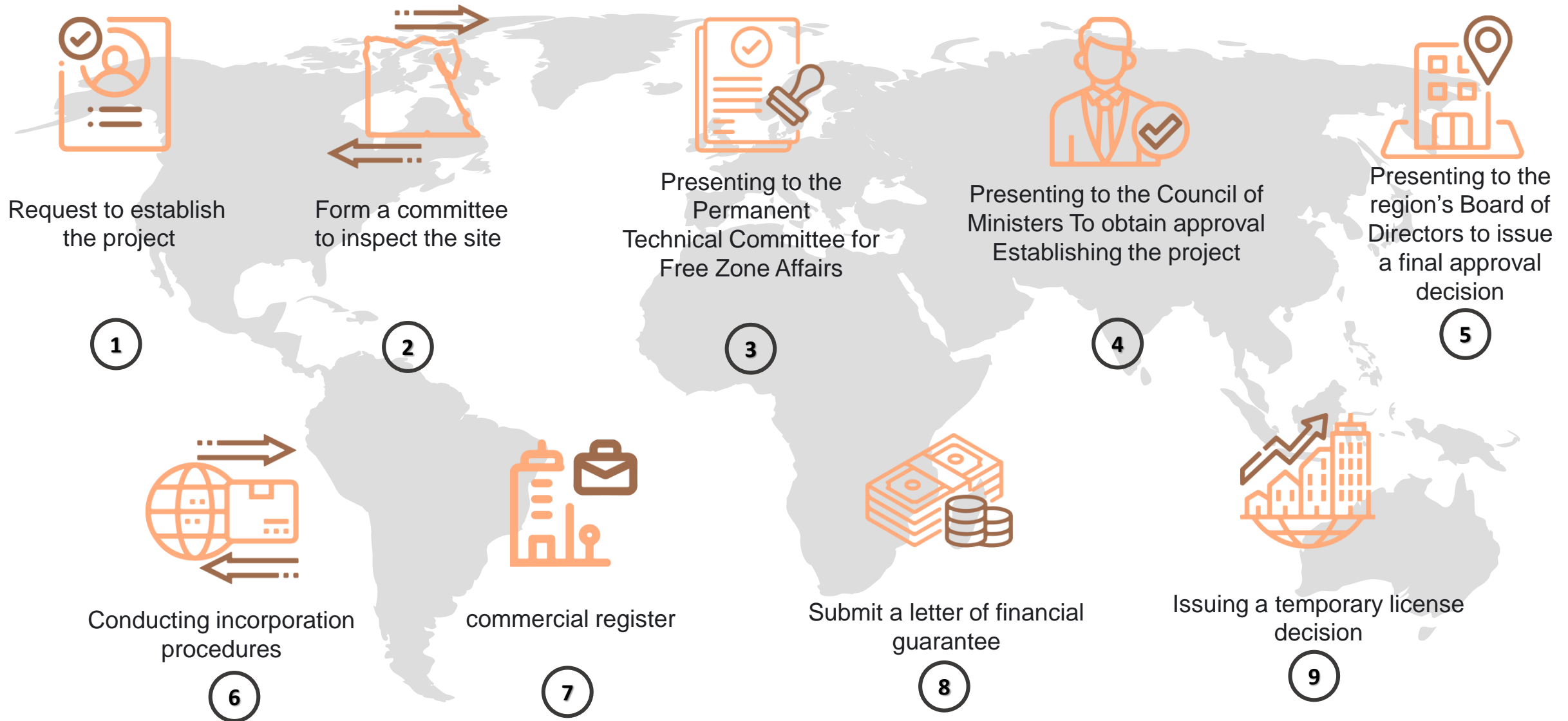
**Steps for establishing major service projects
and the documents required for them**

Documents required to establish service projects (main)

The (main) service project is obligated to submit a request for notification of establishing the project, accompanied by the following:

- A possession document for the project site, accompanied by a general vision of the private free zone, a plan of the infrastructure, the units to be established, borders, and coordinates.
- An initial feasibility study explaining the project's needs, the economic return, the number of companies to be established, the investment costs, the size of employment, and the proposed service activities that will be practiced within the private free zone.
- A timetable for starting the activity, explaining the stages of establishing the project, the investment return, and an overview of the shareholders.
- Fill out the security inquiry form and receive acceptable results for the project's foreign shareholders and partners - if any.
- Certificate of non-ambiguity in the name of the project (for financial companies).
- Providing the financial solvency of the stakeholders and business history - if any.
- Submitting a letter of financial guarantee not to exceed 2% of the investment costs and not to exceed 125 thousand US dollars, specifying the name of the project's legal representative and his representative in the event of his absence.

Procedures for establishing a service project (main)





Steps for establishing sub-service projects and the documents required for them

Documents required to establish service projects (subsidiary)

The (Sub) service project is obligated to submit a request for notification of establishing the project, accompanied by the following:

- A possession document for the project site, accompanied by a general vision of the private free zone.
- An initial feasibility study explaining the project's needs, the economic return, the investment costs, the size of employment, and the proposed service activities that will be practiced within the private free zone.
- A timetable for starting the activity, explaining the stages of establishing the project, the investment return, and an overview of the shareholders.
- Fill out the security inquiry form and receive acceptable results for the project's foreign shareholders and partners - if any.
- Certificate of non-ambiguity in the name of the project (for financial companies).
- Providing the financial solvency of the stakeholders and business history - if any.
- Submitting a letter of financial guarantee not to exceed 2% of the investment costs and not to exceed 125 thousand US dollars, specifying the name of the project's legal representative and his representative in the event of his absence.

Procedures for establishing a service project (subsidiary)





Thank you

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