



EGYPT ECONOMIC DEVELOPMENT CONFERENCE  
مؤتمر دعم و تنمية الاقتصاد المصري

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## Why Invest in Egypt?



EGYPT THE FUTURE  
مصر المستقبل



## A LETTER FROM THE PRESIDENT TO INTERNATIONAL INVESTORS

### **Egypt's blueprint for stability, investment and growth**

On behalf of the Egyptian people, I welcome the international investment community to the Egypt Economic Development Conference.

This is an opportune time for the global financial community to come to Egypt to witness firsthand the changes that the country has made over the past year to fundamentally reform the economy and unleash its productive capacity. Our government is committed to pursuing policies aimed at achieving high and sustainable rates of growth and creating an attractive, predictable, fair and internationally competitive business environment. We know that we face many challenges ahead on both a macro and micro level before we can fully realize these objectives, but Egypt is on the right track. This country is turning the corner on its recent unusual period of political strife and uncertainty, and a positive momentum has already begun. As we now look ahead to fulfilling Egypt's potential, we invite both domestic and foreign investors to take part actively in the re-invigoration of the Egyptian economy.

Egypt not only boasts considerable human resources, but also significant natural resources, a diverse economic base and a geo-strategically important position straddling Asia and Africa.

We have an unparalleled tourism product that has never been fully tapped, even before the 2011 revolution; it will inevitably recover and again become an important venue for investment and catalyst for growth. Light manufacturing should take off in this country given the advantages that Egypt offers in terms of its relatively low costs, large labor pool and accessibility to markets in Europe, the GCC and Asia. Another dynamic area of opportunity is information and communications technology, which we see poised for take-off. The energy sector will also revive as the energy subsidies are overhauled, leading to renewed exploration and production. Other sectors include transportation, housing, agriculture, and mining. The ambitious Suez Canal Regional Development project, the flagship of the government's investment recovery program, will provide many opportunities for investors as it sets the stage to enlarge and cement Egypt's role as a global trading and logistics hub.

In the past, companies have hesitated to do business in Egypt due to antiquated and unfair legal practices. The government is determined to remove these constraints in order to create a welcoming climate for all investors. Alongside reforms to stabilize Egypt's fiscal position we are making new efforts to tackle the regulatory and bureaucratic obstacles that stand in the way of private sector and foreign investors, as well as policies to ensure a level playing field for all investors where transparency and the rule of law prevail: We have introduced amendments to the competition and anti-monopoly laws. We have removed legal hurdles and will soon introduce a new uniform investment law that will further streamline the path for foreign investment.

This is essential to maintain political stability, and will also help the business community. With a sensible macroeconomic policy framework, persistent structural reform, the full and welcome participation of the investor community, and the hard work and persistence of the Egyptian people. Egypt's renewed blueprint for stability, investment and growth will no doubt be realized

*President of the Arab Republic of Egypt,  
Abdel Fattah El Sisi*



## Overview of key sectors

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## WHY INVEST IN EGYPT?

### **1/ A large and young population**

Egypt is one of the highest population densities and ranked 15 internationally and third in Africa. At January 2015, Egypt's population reached 88 million according. Meanwhile the estimated number of Egyptian abroad is 8 million according to figures released by the Ministry of Foreign Affairs.

### **2/ A Large consumer market with a strategic location**

Egypt has emerged as a consumer market of significant importance in the MENA region, as witnessed by the arrival of dozens of global brands and the sharp expansion of retail sales in the past years. This is partly due to the sheer size of Egypt's population that puts it as the most populated country in Africa and the Middle East, as well as the fact that 50% of Egyptians are between the age 15 and 44. Egypt has access to large key markets through various multilateral and bilateral trade agreements with the USA, European Union, Middle Eastern and African countries; which secure benefits to Egyptian-based producers supplying these markets.

Key global markets in Europe, the Middle East, Africa and the Indian Subcontinent are all readily accessible from Egypt. Closer to the European and North American markets than other major exporters including India, China and the Philippines, Egypt is also located on key international logistics routes.

Egypt benefits from the Suez Canal, which is considered to be the shortest link between the east and the west due to its unique geographic location. Approximately 8% of the world's maritime shipping passes through the Suez Canal each year.

### **3/ A Large, Trained Labor Force**

At about 27 million, Egypt's labor pool is the largest in the region. For decades, Egypt has had a reputation as a net regional exporter of educated, skilled labor. However, as domestic demand for skilled labor rises, young people are increasingly choosing to pursue opportunities at home. Complementing world-class universities and technical schools, a new national industrial training program is training workers to fill some 500,000 new jobs in manufacturing. Each year, around 300,000 Egyptians obtain university degrees, of whom 20,000 are trained engineers and 15,000 have degrees in science and technology. Skills-intensive and service-based sectors such as ICT, financial services and tourism are among Egypt's economic leaders. Wages in these sectors are very competitive.

### **4/ An already well developed infrastructure base**

Egypt boasts a world class infrastructure base. Three independent mobile (cellular) phone networks cover nearly 100% of the country's inhabited land. Wire line broadband is readily available in urban areas.

The country's 15 commercial ports serve the nation's exporters and importers alike, while an expanding, upgrading airport network caters to both passengers and cargo traffic, Egypt's Air Cargo Airport currently has three cargo terminals, dealing with textiles, vegetables and many industrial products. The country has also a well-established network of railways and roads.

### **5/ Restored Political Stability**

The Arab Republic of Egypt is an independent united sovereign country and does not accept division. It adopts a democratic system. Sovereignty is for the people; they practice and protect it and safeguard their national unity. The people are the source of authority. Egypt adopts a republican presidential system where the Egyptian president is the actual head of state and head of executive authority.

## 1. AGRIBUSINESS

With a growing population of more than 87 million, Egypt represents one of the largest markets in the MENA region.

In terms of output, agriculture contributed to around 14.5% of Egypt's GDP in 2012/2013 (CAPMAS figures).

There are more than 6000 companies operating in the Agribusiness space in Egypt with total capital reaching EGP 50 billion and manpower of 5 million (4 million indirect employment and 1 million direct employment).

Total exports of agriculture (raw and manufactured) products during FY 2013/14 reached EGP 15 billion representing 8.6% of total exports.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Agricultural product cultivation, infrastructure projects, mega farms, production and exports.
<b>Diversity</b>	A wide range of fruits and vegetables are already being grown in the country and the foundation is being laid for expansion.
<b>Climate</b>	Egypt's climate - which allows for extended and extra growing seasons - and significant groundwater resources make it particularly conducive to agribusiness projects. Especially beneficial to the sector is the ability to cultivate winter crops from November to May, when agricultural production becomes very limited in Europe and northern Asia.
<b>Preferential Access</b>	Egyptian agriculture and food exports enjoy preferential access to important markets including the European Union and the Arab world.
<b>Location</b>	Straddling Africa and Asia, situated on the Mediterranean, and midway between East and West, Egypt is ideally located for exporting agricultural products to all major consumer markets. The country's geographic location makes exporting to Europe and the Gulf fast and painless.
<b>A Robust Infrastructure</b>	Several years' planning for mega-farm projects in North Sinai and the Toshka region of Upper Egypt have resulted in extensive infrastructure and the means to export rapidly to international markets. Area-specific investments will target dedicated corridors to reach the closest airport which will greatly reduce the start-up time needed to prepare future projects.
<b>A Large and Growing International Consumer Base</b>	With a total cultivated area of 2.86 million hectares, Egypt is one-of-a-kind in the region. Gulf Cooperation Council countries have a strong desire for products they cannot produce locally and that carry familiar brand names. In fact, the Gulf region is the main market for Egyptian processed food exports, accounting for more than 50% of total exports, followed by the EU, North Africa and the USA.
<b>A Large Local Workforce</b>	Egypt has the largest agribusiness workforce in the region, with an estimated 6 million employees, representing 30.2% of the country's total labor force.
<b>High Export Potential</b>	Egypt is ranked among the top five exporters of vegetable and fruit juices in the Mediterranean region, and number eight among the top olive producers worldwide.
<b>Critical Mass</b>	Egypt has emerged as a destination of choice for multinationals looking to establish cost-effective production and export of agricultural products. Multinationals have experienced the advantage of working with local farmers and the government to turn the Egyptian agribusiness sector into a worldwide producer and exporter.
<b>Feeder Companies Abound</b>	No one knows the local agribusiness sector better than the Egyptian companies already operating in it. Partnerships would enjoy an established infrastructure and workforce, as well as knowledge of the ins and outs of the local business climate. Makers of packaging supplies and marketing materials as well as service companies catering to the industry are abundant.

## 2. TOURISM

Egypt's tourism industry is among the most diverse and vibrant in the world. Beyond the pristine beaches and year-round sunshine, Egypt's long and varied history, rich cultural heritage and unique geographic features make it a popular destination for adventure, eco, sailing, diving, health and cultural tourism and for religious tourism to sites of importance to Christians and Muslims alike.

Although well-served by five-star properties, there is considerable room for investment in the three and four star hospitality segments.

Other highly promising sectors include niche experiences as residential tourism, health and medical tourism, therapeutic tours, providing nature and desert safaris, eco-tourism, and adventures travel.

In 2013/2014, tourism income for Egypt was USD 5.7 billion. Total number of tourist arrivals reached 7.96 million. Total number of tourist nights: 72.9 million. Average number of nights 9.2 per tourist. The tourism industry consisted of more than 6000 companies operating inland with total investments of USD 26.4 billion (in 2013).

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Hotels, residential tourism, therapeutic tours, nature/desert safari, eco-tourism adventures, medical/health tourism.
<b>Natural Variety and Climate</b>	The diverse nature of Egypt's terrain, which includes beaches, oases, world-famous deserts, mountains, both the Mediterranean and Red seas (with a coastline that resembles that of Southern Italy and Spain) and the Nile River Valley, creates a significant draw. The country's mild climate allows for tourism 12 months out of the year and makes it a particularly popular winter destination for tourists from cold-weather locales including Russia and Northern Europe.
<b>History, Culture and Religion</b>	Egypt is home to countless well-preserved historical, cultural and religious sites. These sites span all corners of the country. Popular stops include sites along the path that was followed by the Holy Family, as well as ancient Pharaonic, Roman, Greek, Coptic and Muslim monuments.
<b>Infrastructure</b>	The country's well-developed physical infrastructure includes major roadways, railways, river navigation, and ports, as well as a network of world-class airports in all major urban centers. The airport network provides ease of travel within country, and ready access to major European cities.
<b>Labor Force</b>	Egypt has a large and educated labor force. Annually, more than 22,000 students graduate from Egyptian universities with European language skills, including English, French, German, Italian and Spanish. Many of these students have studied their second language since primary school. Further, the Egyptian accent is neutral and easy to understand.

### Tourism Destinations

<b>Eco Sites</b>	Egypt has striking natural sites in addition to sunny beaches, including desert landscapes, oases, canyons and falls. Egypt's unique Eastern and Western deserts offer some of the most popular desert safari excursions in the world, while treks through the sands and mountains of Sinai are a chance to explore wildlife and unique eco sites.
<b>Health and Rejuvenation</b>	Egypt provides the best medical tourism location with the healthy and natural materials in Safaga and the luxury of restorative oases at Siwa and Dakhla. Just a few hours from the bustle of Cairo is the relaxing atmosphere of Siwa, where rivers and quiet gardens mix



	with traditional local culture.
<b>Beaches and Resorts</b>	Celebrated for its year-long sunny weather, Egypt also boasts a vibrant undersea life, with the closest coral reefs to Europe located off the Sinai Peninsula in the Red Sea. The North Coast attracts both Arab and European tourists with an environment resembling Southern Italy and Spain. From the resort towns along the Red Sea coastline to diving and snorkeling excursions off the shores of the Gulf of Aqaba, Egypt provides tourists a unique selection of vacation destinations.
<b>Historical Sites</b>	The remnants of Egypt's long and varied past can still be visited today along the banks of the Nile River, from Upper Egypt at Abu Simbel near the Sudanese border, through the Greater Cairo Area and on to Alexandria. Sites in Upper Egypt, including Abu Simbel, Aswan and Luxor, serve as links to Egypt's Pharaonic past. In Greater Cairo, tourists may visit Egypt's most iconic destination: the pyramids of Giza and the Sphinx.



### 3. PETROCHEMICALS

As of 2013, the petrochemical industry consisted of 91 companies operating inland with total investments of USD 4.65 billion, and 14 companies operating in free zones areas with total investments of USD 182.64 million.

Total Exports of Manufactured Fuels reached EGP 19.4 billions during 2013/2014 representing 11% of total exports.

The prime mover in petrochemicals in the country is Egyptian Petrochemicals Holding (ECHEM), a state owned enterprise under the supervision of the Ministry of Petroleum.

The company was created in 2002, during a period of economic reform and modernization, and has multiple mandates as an investor and participant in the sector with minority stakes in some of the country's main production facilities.

It is also in charge of marketing the sector abroad and long-term planning.

#### Competitive Strengths and Capabilities

<b>A wide variety of products</b>	Plastics, fertilizers and acrylics are already being produced in the country. Egypt exports organic and inorganic chemicals, plastics and fertilizers.
<b>Increase in Global Demand</b>	Demand for urea fertilizer is expected to rise globally due to population increases. Manufacturing and exporting fertilizer from Egypt allows producers to benefit from discounted feedstock prices. Moreover demand for ethylene is expected to grow.
<b>Competitive Production Costs</b>	The production of petrochemicals is migrating towards countries with lower natural gas costs, such as Egypt.
<b>Exports</b>	Egypt supplies petrochemical products to about 50 countries worldwide, with Europe being the largest market for Egyptian exports.





#### 4. REAL ESTATE

Egypt is home to the largest population and market in the Middle East, this implies a steady – if not growing – need for residential and commercial property. Real estate is one of the most important sectors contributing to economic growth and affecting more than 90 industries related to construction. It is considered a labor-intensive sector as it accommodates at least 8% of the total labor force.

There is a great demand for residential construction in Egypt where there is a high population growth rate and a high urbanization rate, such demand is mainly driven by the demand for low and middle income housing; a gap that is yet to be satisfied.

The private sector plays an important role in the construction sector growth.

In 2013, the real estate industry consisted of 9,759 companies operating inland with total investments of USD 26.58 billion, of which 302 companies with total investments of USD 1.48 billion in housing, 4152 companies with total investments of USD 10.5 billion in contracting and 5305 companies with total investments of USD 14.58 billion in urban development.

#### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Residential, compounds, commercial, industrial, hospitality, administrative, cultural and educational buildings in addition to hospitals and other real estate.
<b>Large consumer market</b>	Egypt's large population makes it an attractive market for residential construction. It is important to know that 29% of the population is under 40 years old and almost half the Egyptian population is under 19 years old implying a growing demand.
<b>Investment haven</b>	Egypt appeared to be a safe-haven from the international turmoil in the property market, thanks to restricted mortgage and lending practices. However, prices started stabilizing as the price increase curve drops, even though demand continues to exceed supply.

## 5. LOGISTICS AND TRANSPORTATION

The transportation sector is the main pillar of economic growth, as transportation networks are considered the arteries which economic and social activities flow through, where all sectors of the national economy depend on the services and facilities of this sector to link both production and consumption markets together, besides having the access to the needs of raw materials and services and operating.

Egypt has potential to become a global logistics hub and is opening up opportunities for foreign investment across the sector. Industrial free zones are often located at or very near major ports.

8% of the world's maritime shipping passes through the Suez Canal.

Transportation, storage and Suez canal sector represents 4% of GDP according to CAPMAS in 2012/2013.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Road terminals and transit points, rail line expansion, connections and terminals (road, rail), value-added services around ports and dry ports, airport infrastructure.
<b>Unique Geographic Position</b>	Located at the crossroads of international trade between Europe, the Middle East, Africa and Asia, Egypt is positioning itself to become a major global logistics hub. Businesses are increasingly seeking to base themselves in Egypt as a springboard to Europe and booming regional markets.
<b>Rising Domestic Demand</b>	A growing domestic demand for imports and a rapid rise in export-oriented businesses are creating strong demand for logistics and transportation services in a market that is far from saturated.
<b>Greenfield Opportunities</b>	Greenfield opportunities exist in subsectors such as the road network, which is the most used means of transporting freight but currently has no logistics provider with a consistent distribution infrastructure. Almost all areas have reached capacity ceilings, providing rich opportunities for investment from infrastructure to specialized value-added services.



## 6. COMMUNICATIONS & INFORMATION TECHNOLOGY

Egypt's communications and information technology sector is a leading global outsourcing destination. Egypt is the leader in the MENA region and 10th worldwide on A.T. Kearney's 2014 Global Services Location Index(GSLI). This puts Egypt ahead of competitors in the region.

Egypt, one of the highest-growth potential IT markets in the Middle East, is receiving increasing attention from tier-one vendors and distributors, most of which are already very familiar with the market. Given the huge population, rising economy and relatively low PC penetration, the country will continue to be an important market over the forecast period.

Leading global players ranging Intel and Oracle to Orange and Vodafone have established product development divisions and call centers serving global operations. Home-grown players are making their marks nationally, regionally and globally.

In 2013, the ICT industry consisted of 5450 companies operating inland with total investments of USD 10.78 billion, and 38 companies operating in free zones areas with total investments of USD 100.95 million.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Business process outsourcing, key-process outsourcing, call centers, localization and Arabic-language development.
<b>A Pro-Business Government and Regulatory Body</b>	Egypt's Ministry of Communications and Information Technology is widely credited with having created the conditions allowing the sector to flourish. The National Telecommunications Regulatory Authority promotes competition in broadband, fixed-line and mobile telecommunications. And the Information Technology Development Authority helps IT players based in Egypt become more globally competitive.
<b>A Robust Infrastructure</b>	Egypt is served by three mobile networks (Vodafone, Mobinil and Etisalat). Competition between the 3 operating is positively reflected on the cost of services, introducing the 3G network, spreading mobile database services and mobile phones applications as well as preparing for accessing the 4G network. Telecom Egypt (TE), The nation's fixed-line player, served 8.63 million subscribers 2013. Wireless and wireline broadband cover every major urban centre in Egypt.
<b>A Large and Growing Domestic Consumer Base</b>	More than 33.34 million Egyptians regularly surf the internet - more than the population of many European countries of which over 2.31 million subscriber has ADSL line.
<b>A Skilled Multilingual Workforce</b>	Egypt generates tens of thousands of university graduates each year that have strong commands of foreign languages and neutral, easy-to-comprehend accents. University graduates entering the workforce are about 40,000 to receive professional ICT training. Egypt had more than 217,000 working in the ICT sector in Q1 2013.
<b>Critical Mass</b>	Egypt has emerged as a destination of choice for multinationals looking to establish cost-effective product developments and call centers. Developments such as Smart Village, the premiere technology park in the Middle East and North Africa, create key industry clusters providing high-tech Telecom and IT infrastructure.
<b>Feeder Companies Abound</b>	Major global and Egyptian companies based in Egypt can call on the expertise of thousands of proven Egyptian niche players.



## 7. RETAIL

The key factors behind Egypt's forecasted growth in retail sales are an extremely large and youthful population, the emergence of a more affluent middle class, a vibrant tourism industry and the growing acceptance of modern retail concepts.

Factors such as more women entering the workforce and Egyptians having increasingly busy lifestyles are likely to see the value of the retail segment increase very strongly in the near future.

Booming retail sub-sectors include autos, over-the-counter (OTC) pharmaceuticals and consumer electronics.

The value of the retail segment was forecasted by BMI to grow by 63.4% in local currency terms, from an expected EGP 223.82 billion (USD 41.22 billion) in 2013 to EGP 365.73 billion (USD 67.35 billion) by 2017.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Large shopping centers, modern grocery distribution, hypermarkets, supermarkets, retail and mixed-use real estate development.
<b>Growing Domestic Market</b>	with the population increasing to a forecast 88.2 million people by 2015.
<b>Retail Greenfield</b>	Still populated by micro enterprises, the Egyptian retail sector is a Greenfield for investors. 70% of the grocery retail sales were from non organized and independent enterprises in 2007; this number is expected to fall by 7% in 2017. The top five retail players hold only 1.8% of total market share, leaving plenty of space for new market entrants, while regional centers outside of Cairo and Alexandria are virtually untouched markets with millions of under-served consumers.
<b>Growth Potential</b>	The global retail development index ranks Egypt 15th in the world in terms of growth potential and second in terms of low market saturation. And with the retail market increasingly saturated in previous key growth countries such as China and Russia, retailers are turning to the Middle East for new opportunities.
<b>Location</b>	Egypt's location is good for trade as it has access to the Mediterranean and the Red Sea, not to mention the Suez Canal that connects Europe with Asia.
<b>Low Cost Base</b>	The Egyptian labor force is internationally recognized for its high-skills and low-cost. Every year, more than 324,000 university graduates enter the workforce, manual labor is in abundant supply, and high school graduates speak European languages. The domestic building materials industry - including cement and steel producers - are amongst the world's cheapest suppliers, making retail space affordable.



## 8. AUTOMOTIVE

Industry in Egypt dated back to 1951, when Ford Motor Company established an assembly factory in Alexandria. The earliest beginnings of the Egyptian automotive industry date back to the year 1960. During the socialist era, the government pledged to transform the country from an agricultural economy to an industrial one, and the first completely Egyptian car was produced.

Egypt's large population makes it an attractive market for manufactured goods given robust consumer demand, which is set to increase with the pace of expansion in the overall economy and per-capita income levels.

The automotive sector is one of the most important and critical sectors of the Egyptian economy. If one places it on the MENA map, Egypt has a long way to go compared to Turkey, however compared to Morocco, Egypt has a market double the size though very similar in its characteristics.

In 2013, Egypt was the third largest car-producing market in Africa, after South Africa and Morocco.

The same year, automotive industry consisted of 509 companies operating inland with total investments of USD 1.3 billion, and 19 companies operating in free zones areas with total investments of USD 45.88 million.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Passenger Cars, Local parts supply, Buses, Trucks, Commercial Vehicles, Motorcycles.
<b>Largest Trained Workforce in the Region</b>	The labor pool is expanding, as Egypt possesses a large skilled labor force of 18.5 thousand engineers and technicians that graduate every year.
<b>Preferential access to Key Global Markets</b>	Egypt has access to large key markets through various multilateral and bilateral trade agreements with the USA, European, Middle Eastern and African countries; which secures benefits to Egyptian-based producers supplying these markets.
<b>Large consumer market</b>	Egypt's large population makes it an attractive market for manufactured goods given robust consumer demand, which is set to increase with the pace of expansion in the overall economy and per capita income levels.
<b>Feeder Companies Abound</b>	Around 30 assembly plants churn out models from international brands such as Germany's BMW, Korea's Daewoo, the US's Jeep and France's Citroen to meet rapidly increasing domestic demand. In addition, local subsidiaries of brands such as Nissan and BMW are expanding their operations to better use Egypt's competitive advantages as an export location.

## 9. HEALTHCARE

Egypt has a long history in healthcare and medical practice, which dates back to Pharaonic times. In recent decades, the country has achieved several improvements both in health indicators and healthcare provision. The healthcare system in Egypt is dynamic and involves great complexity which incorporates both the public and private sectors of the health insurance market. Healthcare services are provided by three main sectors, the government, the public sector, and the private sector.

The Egyptian government has undertaken an ambitious reform of the national healthcare system, to build on a reputation as an excellent source of healthcare in the region and as a major destination for both health tourism and investment. As a result the government pledged to involve the private sector in every aspect of the economic reform process, the healthcare sector is well positioned for a healthy expansion.

As of June 2013, the healthcare industry consisted of 2062 companies operating inland with total investments of USD 1.86 billion.

Total Exports of pharmaceutical and healthcare products represent 2% of total exports.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Private hospitals, health tourism, elective procedures, pharmaceuticals, continuing education programs, platforms and software, rural healthcare.
<b>Largest Trained Workforce in the Region</b>	With an annual average of 10,000 graduates from medical schools, Egypt produces more doctors and pharmacists than any other country in the Middle East. Egypt's workforce is the largest in the Arab world and the second largest in the MENA region, after Iran.
<b>Ongoing Training and Networking</b>	Egypt's healthcare workforce has an excellent reputation in the region for high quality standards and experience. Medical personnel have access to state-of-the-art training programs from such companies as Intel and Microsoft, while networking and chat sites allow knowledge sharing. Additionally, Egypt's doctors have access to online medical journals, allowing them to keep up-to-date on the latest medical innovations.
<b>High Doctor to Patient Ratio</b>	In 2012, Egypt recorded 8.0 physicians and 14.2 nursing staff, in addition to 1.4 dentists, and 2.6 pharmacists per ten thousand citizen.
<b>Upgrade of the National Healthcare System</b>	The government's plan to overhaul the national universal healthcare system will drive new traffic to more than 1,607 hospitals and will create additional opportunities for investment, particularly through the PPP program.

## 10. TEXTILES

Egypt is home to the only fully vertically integrated textiles industry in the Middle East, with the entire production process - from the cultivation of cotton to the production of yarns, fabrics and ready-made garments - carried out domestically. The sector plays an extremely central role in the Egyptian economy.

There is great potential to boost exports to the European garment market by moving up the quality ladder in garments, vertically integrating the garment production value chain (e.g., use local extra long staple (ELS) cotton, improve design and pattern making offering) and defending leadership in low-end garmenting by establishing strong brands at both country and supplier levels.

Also on the agenda is restructuring the domestic textile industry by privatizing mills and leveraging on low cost and provided labor in addition to a large domestic supply of high-quality cotton.

Textiles and RMG sector employ about 30% of local employment.

Total exports of textiles and RMG represent 14% of non petroleum exports. The EU countries represented 46.8% of Egypt exports of home textiles, 25% to USA and 16.7% to Arab countries. The United States represents 55.9% of Egypt exports of ready-made garments, having the largest share of Egypt exports, about 32.9% to EU countries and 4% to Arab countries.

There are more than 7295 textile-related companies registered with the Industrial Development Authority, with total investment EGP 44.68 billion.

As of July 2013, the textiles industry consisted of 4136 companies, of which 3,937 companies operating inland and 199 companies operating in free zones with total investments of USD 5.69 billion.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Cotton production, yarn making, spinning, weaving, knitting, dyeing and ready-made garments.
<b>High Quality Raw Materials</b>	Egypt's cotton is internationally prized and valued for its quality.
<b>Competitively Priced Skilled Labor</b>	The textile industry is labor-intensive, and human resource costs can be a heavy burden on a large company. Wages in Egypt are among the most competitive and stable in the region. Additionally, training programs and government initiatives continuously upgrade the skills of Egyptian laborers, improving their usefulness to textile manufacturers.
<b>Strategic Location</b>	The country's geographic location facilitates export to Asia, Africa and Europe; Egypt is also closer to the US than its competitors such as India and Indonesia. Egypt has 15 commercial ports to facilitate exports.
<b>Free Trade Agreements</b>	In addition to Free-Trade agreements with the EU, COMESA, MERCOSUR Agreement and the Arab World, Egypt's QIZ agreement with Israel and the United States gives local manufacturers both tariff and quota-free access to the US market on certain conditions.
<b>Feeder Industries</b>	Egypt has numerous feeder industries to serve the textiles industry. The established and growing agricultural industry is capable of supplying high-quality raw materials needed for textiles production. Numerous domestic manufacturers of such inputs as dyes, buttons, zippers and packaging (not to mention the textiles themselves) facilitate production in the RMG industry.

## 11. BUILDING MATERIAL

The construction and building material industry is considered one of the most dynamic sectors in the Egyptian Economy, and has been growing rapidly since the eighties. The sector continues to encourage related industries such as cement, iron, and ceramic industry.

The growth in the construction sector is expected to be driven by the government plan to boost investments in infrastructure projects, as well as low income housing and industrial development projects, in addition to the improvement of under developed areas in Egypt. Furthermore, the private sector investments in the residential, commercial and hospitality real estate segments are expected to support the construction sector, as well.

The sector maintains the lead in the value of exports, total exports of building materials represent 24% of total exports of the country.

Construction is one of the most active sectors of the Egyptian economy, the sector accounts for 4.6% of national GDP.

As of July 2013, the total number of companies working in the building material sector as well as Iron and Steel fabrication were 2,293 Companies, of which 2,288 companies operating inland and 5 companies operating in free zones, with total investment of USD 7.8 billion.

### Competitive Strengths and Capabilities

<b>Core Areas for Investment</b>	Strong future domestic demand, where the strong demand for housing and increasing population as well as urbanization have resulted in the government undertaking major urban planning programmes.
<b>Competitive Production cost</b>	Availability of local raw materials at reasonable prices. One of the Egyptian's cement competitive advantage is represented in the abundant quantities of the necessary raw materials (limestone - clay) throughout Egypt at a very high quality which have the major advantage of existing above soil level thereby reducing the cost of extraction.
<b>Increase in global demand</b>	The demand for the building materials is expected to rise globally due to the increase of population, manufacturing and exporting of cement, steel and other building materials from Egypt allows construction companies worldwide to benefits from discount feedstock prices.
<b>A wide variety of products</b>	Strong domestic companies that work in the build- ing materials (Steel, Cement, Marble & Granite, Pipe, Sanitary tools and Ceramics), with high level of technical ability.
<b>Largest trained workforce in the region</b>	At about 27 million, Egypt's labor pool is the largest in the region.