



EGYPT: MACROECONOMIC OUTLOOK & BUSINESS OPPORTUNITIES

Suhail El Obeid, Senior Consultant Africa, Middle East, Iran & Turkey

SWITZERLAND GLOBAL ENTERPRISE - FOCUS ON "EXPORT PROMOTION"



We are...



Private Association

- Non-Profit
- Established in 1927
- 2'274 Members
- 80 employees in Switzerland / 85 abroad
- 3 offices in Switzerland



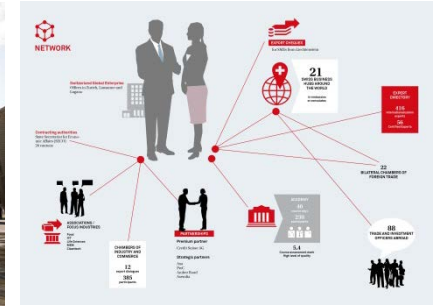
SME focussed

- 800 consulting-projects per year
- Over 200 SME at Swiss Pavilions
- 2'200 personal meetings with SME per year
- Appr. 4'500 supported SMEs 2017



Official Export promoter

- On behalf of SECO for Export and Invest Promotion
- Presence in Swiss Embassies und Consulates



International Network

- 22 Swiss Business Hubs and 5 Trade Points Worldwide
- Swiss Embassies
- appr. 300 Experts
- Strong co-operation with Swiss Chambers of Commerce

GLOBAL NETWORK

Swiss Business Hubs

- 1 United Kingdom / London (Ireland)
- 2 Spain / Madrid
- 3 France / Paris
- 4 Germany / Stuttgart
- 5 Italy / Milan
- 6 Austria / Vienna
- 7 Poland / Warsaw
- 8 Russia / Moscow
- 9 Turkey / Istanbul
- 10 Southern Africa / Pretoria (Botswana, Lesotho, Mauritius, Namibia, South Africa, Swaziland)
- 11 Middle East / Dubai (Countries from the Gulf Cooperation Council (GCC): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE)
- 12 India / Mumbai
- 13 Hong Kong
- 14 China / Beijing
- 15 South Korea / Seoul
- 16 Japan / Tokyo
- 17 ASEAN / Singapore (Malaysia, Vietnam)
- 18 Indonesia / Jakarta
- 19 Canada / Montreal
- 20 USA / New York City

Additional Offices

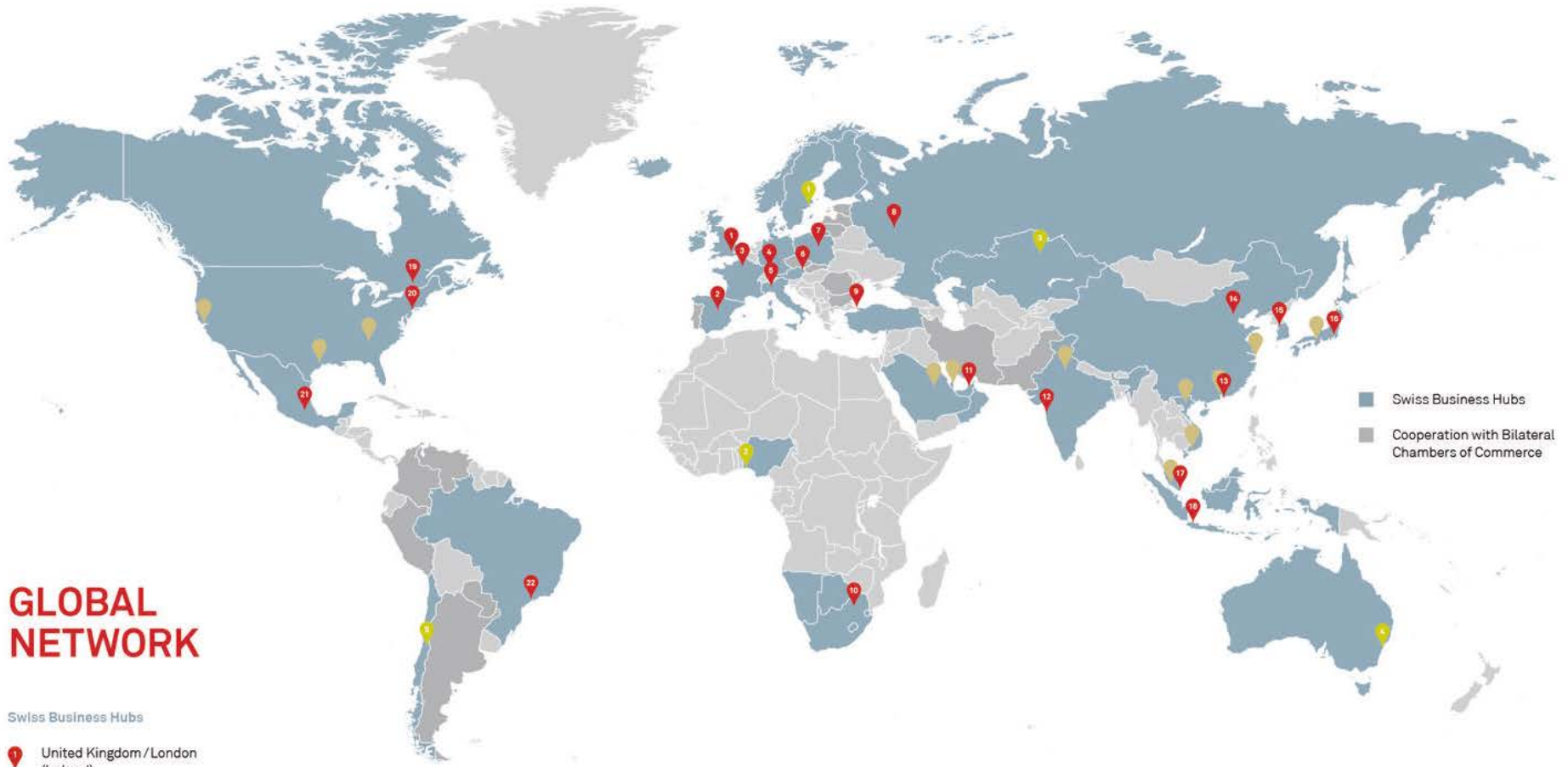
- Riyadh
- Doha
- New Delhi
- Shanghai
- Guangzhou
- Osaka

Hanoi

- Ho Chi Minh City
- Kuala Lumpur
- San Francisco
- Atlanta
- Houston

Trade Points

- Nordics / Stockholm (Denmark, Finland, Iceland, Norway, Sweden)
- Nigeria / Lagos
- Kazakhstan / Astana
- Australia / Sydney
- Chile / Santiago



Individual and targeted consultancy



Your current situation in your expansion ?

- ExportHelp-Line
- First consulting (free of charge)
- www.s-ge.com
- Events
- Export-News



Your needed market information to get on?

- Target market search "market finder"
- Individual country and market analysis
- Legal clarifications



Your needed contacts in the target country?

- Search of clients or partners (i.e. distribution partners / agents)
- Fact Finding Missions



Your way to set up your local presence?

- Legal clarification
- Marketing support
- Human resources services
- Operations
- Trade fair participation

Go Global



Information about specific markets and industries

Online



- Website <http://www.s-ge.com/en>
- Online Tools (Customs Database, Export Digital etc.)
- App «S-GE»
- Export.News

Events / Webinars



- Industries
- Countries
- Themes/Subjects

Events

Personally



ExportHelp:

Tollfree Hotline for issues such as VAT, Customs, FTA etc.

0844 811 812

exporthelp@s-ge.com

ExportHelp on s-ge.com

EGYPT: MACROECONOMIC OUTLOOK



Egypt at a glance



Area:	997'739 km2 (only 5% is cultivated)
Population/ growth:	90.2 Mio. (2016) / 1.3 % (2015)
Swiss colony in Egypt:	1'543 (Dec. 2016)
Egyptian colony in CH:	2'121 (Dec. 2016)
Nominal GDP	332.3 bln. USD (2016)
GDP per capita	3'685 USD (2016)
Real GDP growth	4.3% (2016)
Inflation	21.3% (2018)
Unemployment rate	11.5% (2018)
Language:	Arabic
Religion:	Sunnite muslims, copts

Source: SECO report dd. 11.12.2017

Foreign Trade 2016

Import partners (in mio. USD) -> Imports from EGY			
Total		56'706	100%
1.	European Union	18'822	33.2%
2.	China	4'534	8.0%
3.	UAE	3'222	5.7%
4.	United States	2'892	5.1%
5.	Saudi Arabia	2'610	4.6%
6.	Russia	2'307	4.1%
7.	Turkey	2'016	3.6%
8.	Switzerland	2'004	3.5%
9.	India	1'346	2.4%
10.	Brazil	1'259	2.2%

Export Partners (in mio. USD) -> Export to EGY			
Total		20'021	100%
1.	European Union	6'092	30.4%
2.	UAE	2'985	14.9%
3.	United States	1'392	7.0%
4.	Saudi Arabia	1'082	5.4%
5.	Switzerland	832	4.2%
6.	Turkey	787	3.9%
7.	India	741	3.7%
8.	Lebanon	614	3.1%
9.	Canada	449	2.2%
10.	Jordan	349	1.7%

Source: SECO report dd. 11.12.2017

Swiss Exports to Egypt 2017

Nature of goods	Value (CHF)	Value +/- %
01 - Forestry and agricultural products, fisheries	15'389'878	-55.1
02 - Energy source	1'131'689	22.7
03 - Textiles, clothing, shoes	1'379'611	-54
04 - Paper, articles of paper and products of the printing industry	797'363	-42.2
05 - Leather, rubber, plastics	3'089'844	-20.8
→ 06 - Products of the chemical and pharmaceutical industry	690'464'920	6.8
07 - Stones and earth	1'030'509	-33.3
08 - Metals	13'395'682	8.2
→ 09 - Machines, appliances, electronics	84'113'784	-23
10 - Vehicles	508'718	-68.1
→ 11 - Precision instruments, clocks and watches and jewellery	56'080'613	6.3
12 - Various goods such as music instruments, home furnishings, toys, sports equipment, etc.	1'380'455	22.4
TOTAL	891'778'808	2.7

Source: Swiss Federal Customs Administration (FCA), provisional data



Gold, Textile, Food

FDI

Switzerland is the 12th biggest Investor in Egypt

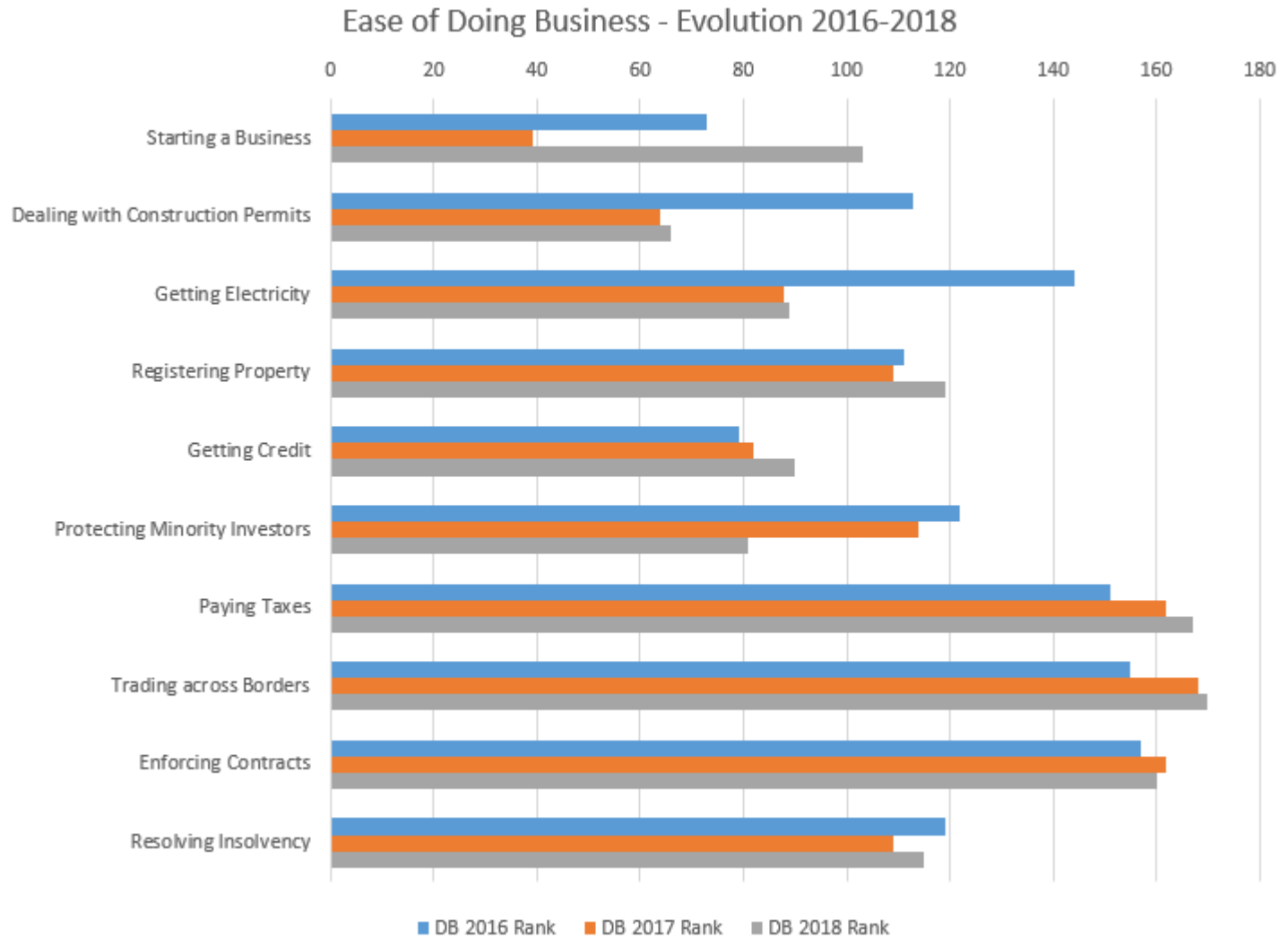
The logo for ABB, consisting of the letters 'ABB' in a bold, red, sans-serif font.The logo for Heró, featuring the word 'Heró' in white, sans-serif font inside a blue oval.The logo for FRANKE, consisting of the word 'FRANKE' in white, bold, sans-serif font inside a red rectangle.The logo for Givaudan, featuring the word 'Givaudan' in a red, serif font with a small red circle containing a white 'G' to the right.The logo for LafargeHolcim, featuring a stylized 'LH' in a dark grey font above the text 'LafargeHolcim' in a dark grey, sans-serif font.The logo for Sika, featuring the word 'Sika' in a yellow, sans-serif font inside a red triangle.The logo for NOVARTIS, featuring a stylized 'N' in blue and orange to the left of the word 'NOVARTIS' in a blue, serif font.The logo for Nestlé, featuring a blue line-art illustration of a bird's nest with three birds above the word 'Nestlé' in a blue, serif font.

Indicators and indexes for Egypt

International Rankings	Switzerland	Egypt
Global Competitiveness Index 2017-2018 (WEF)	5.86 Rank #1 (=)	3.90 Rank #100 (↑ 115)
Global Innovation Index (2017) (INSEAD)	67.69 Rank #1 (=)	32.69 Rank #106 (↑107)
Ease of doing Business 2018 (World Bank Report)	75.92 Rank #33 (↓31)	56.22 Rank #128 (↓122)
Corruption Perception Index 2016 (Transparency International)	86 Rank #5 (↑6)	34 Rank #108 (↓88)
Index of Economic Freedom 2018 (The Heritage Foundation)	81.7 Rank #4 (=)	53.4 Rank #139 (↑144)

Regulatory Environment

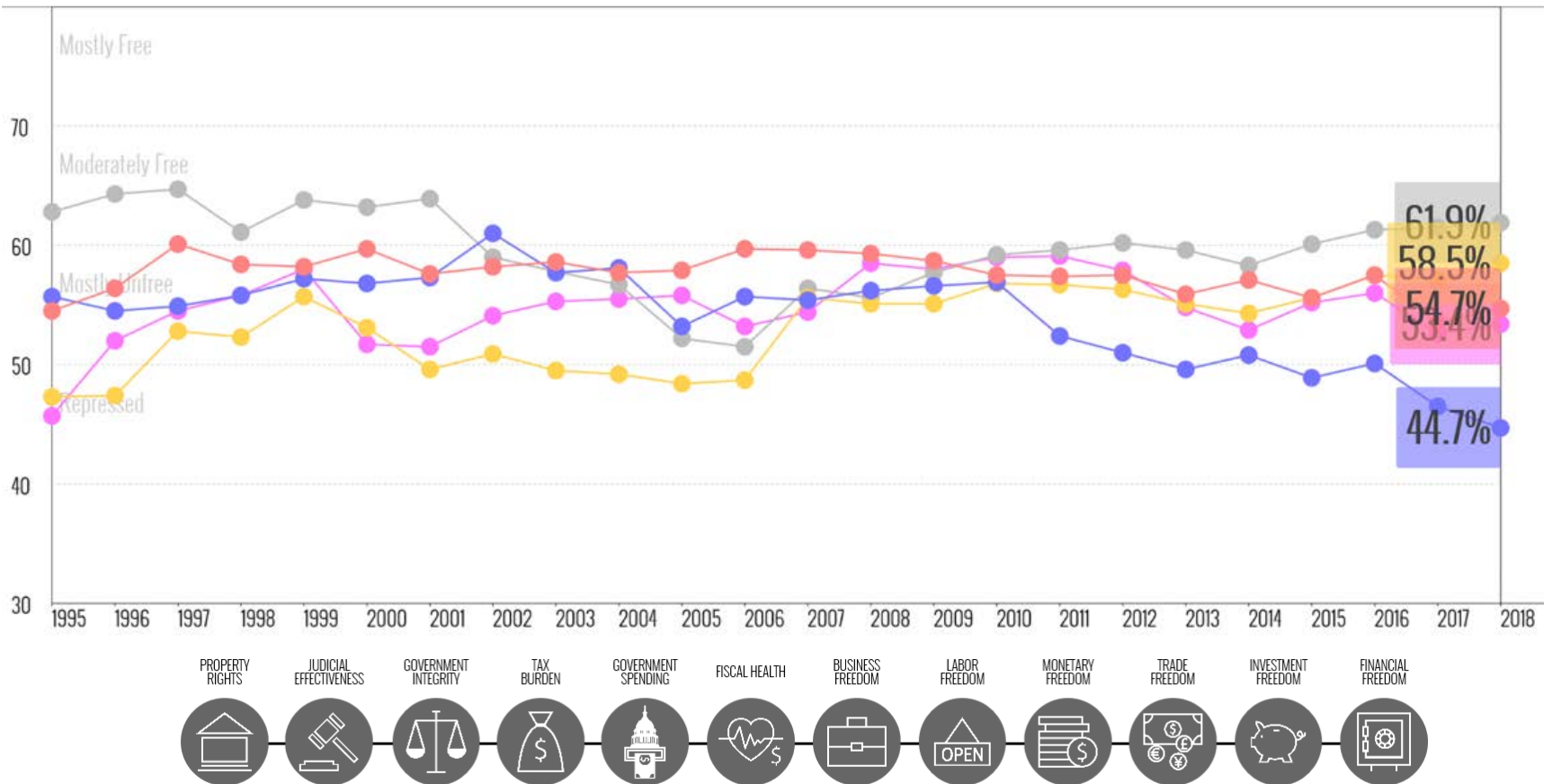
Ease of Doing Business: 2016-2018



Source: Doing Business Reports (World Bank Group), S-GE own chart

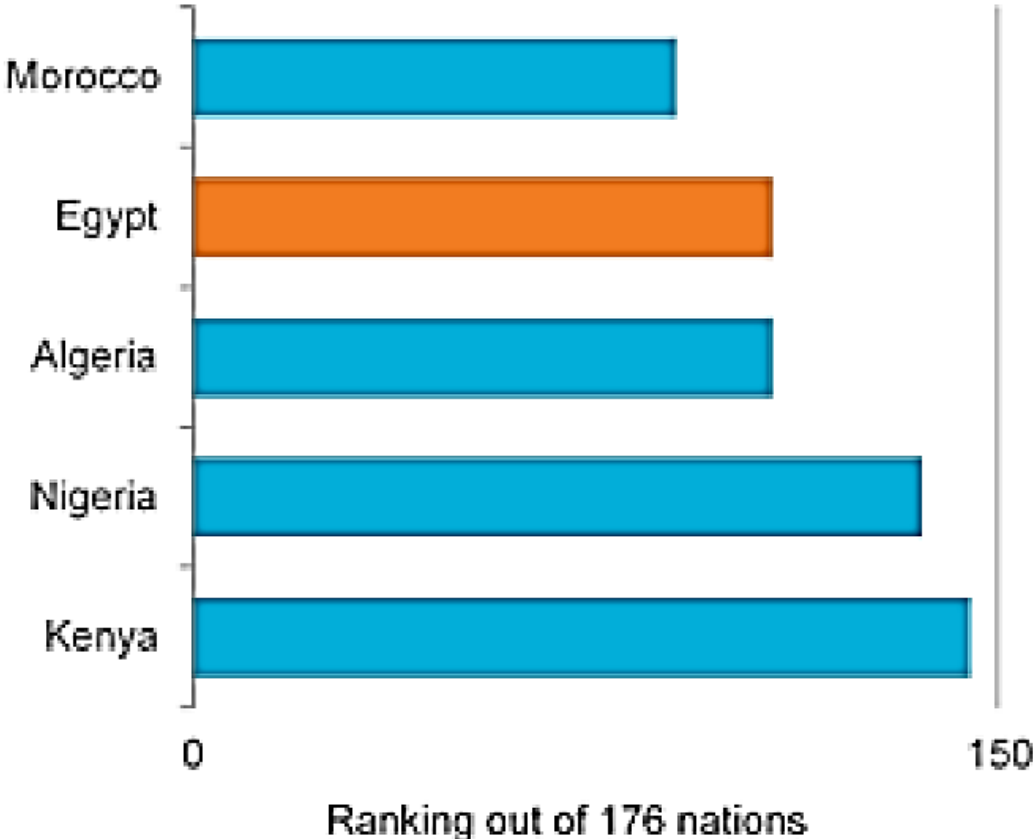
Regulatory Environment Index of Economic Freedom – Comparison 1995-2018 with Kenya, Algeria, Nigeria and Morocco (out of 180 nations)

OVERALL SCORE



Source: The Heritage Foundation

Operating Risks Corruption Perception Ranking

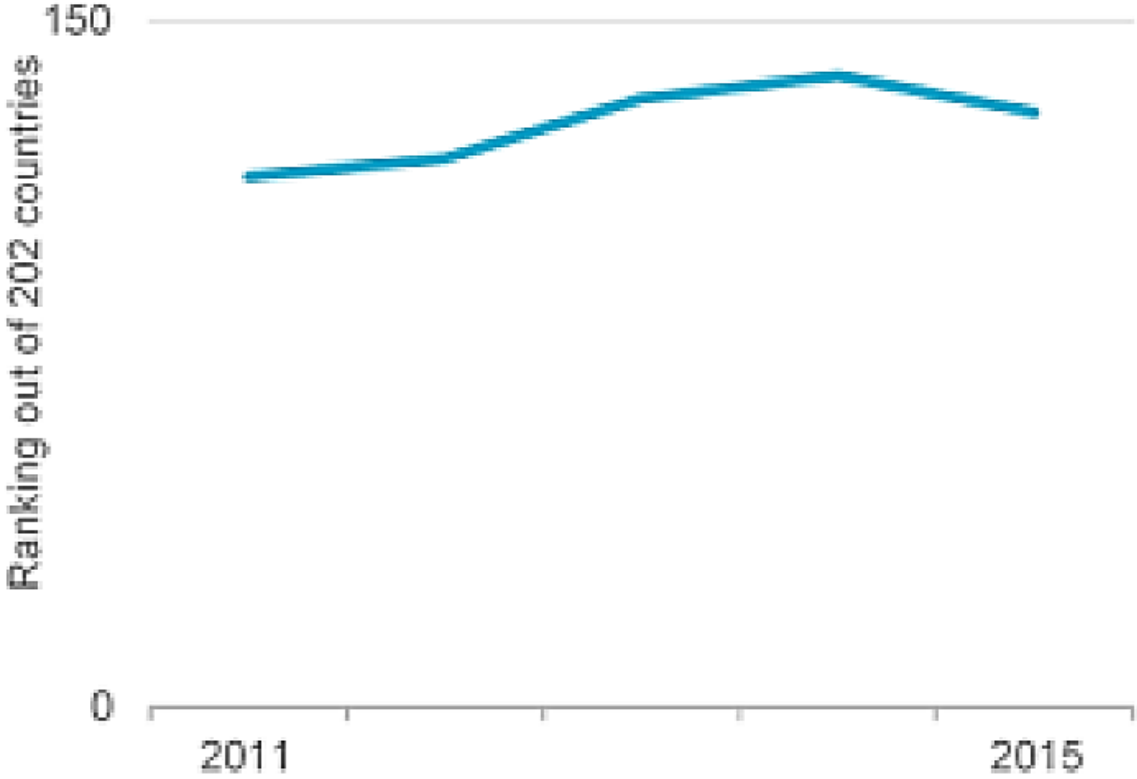


Source: Euromonitor

Operating Risks
Rule of Law



Rule of Law Ranking for Egypt:
2011-2015



Source: Euromonitor

Operating Risks Terrorism

- Egypt faces severe terrorist threats especially from extremist outfits such as Daesh-Sinai
- Bombing of a Russian Passenger Plane and Mexican Tourists
- In December 2016, a church close to the Orthodox Cathedral in Abbaseya, Cairo, was attacked in an instance of suicide bombing that killed 29 people
- Many more things happen...

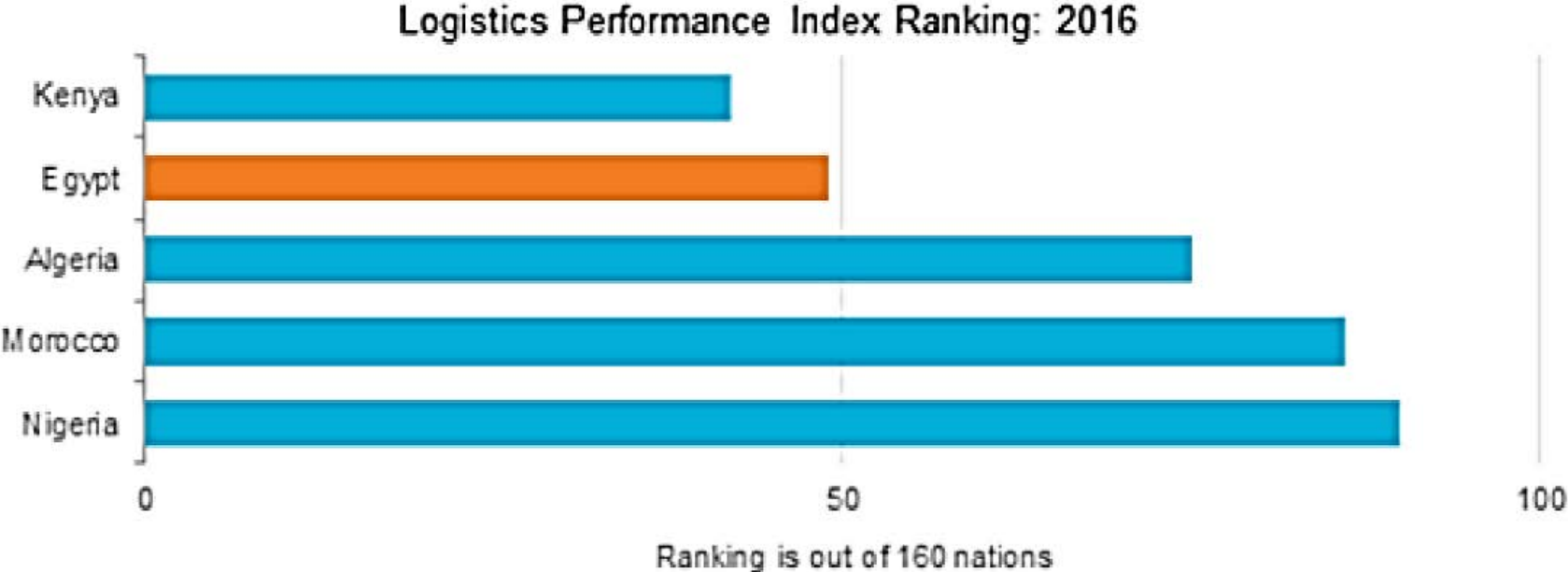


EGYPT ACHIEVED A SCORE OF **7.3** OUT OF 10 IN THE GLOBAL TERRORISM INDEX 2016, INDICATING THAT ACTS OF TERRORISM ARE A MAJOR PROBLEM FOR THE COUNTRY

Source: Euromonitor

Operating Risks

Transport and Infrastructure



Source: ICAO/World Bank/national statistics/IRF/International Union of Railways (UIC)/Eurostat

Communications

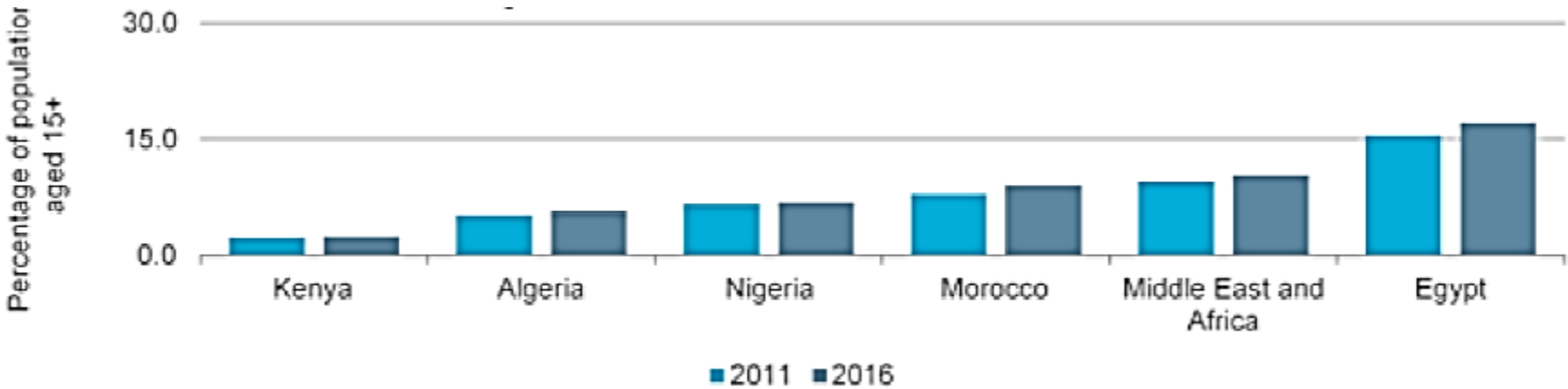
- less than 50% of population have access to internet (2016)
- The country's National ICT strategy targets coverage of fixed internet services for 90% of the households by 2021
- Internet usage among businesses is on the rise

Source: Euromonitor



Education and Skills

Higher Education Rates 2011 and 2016

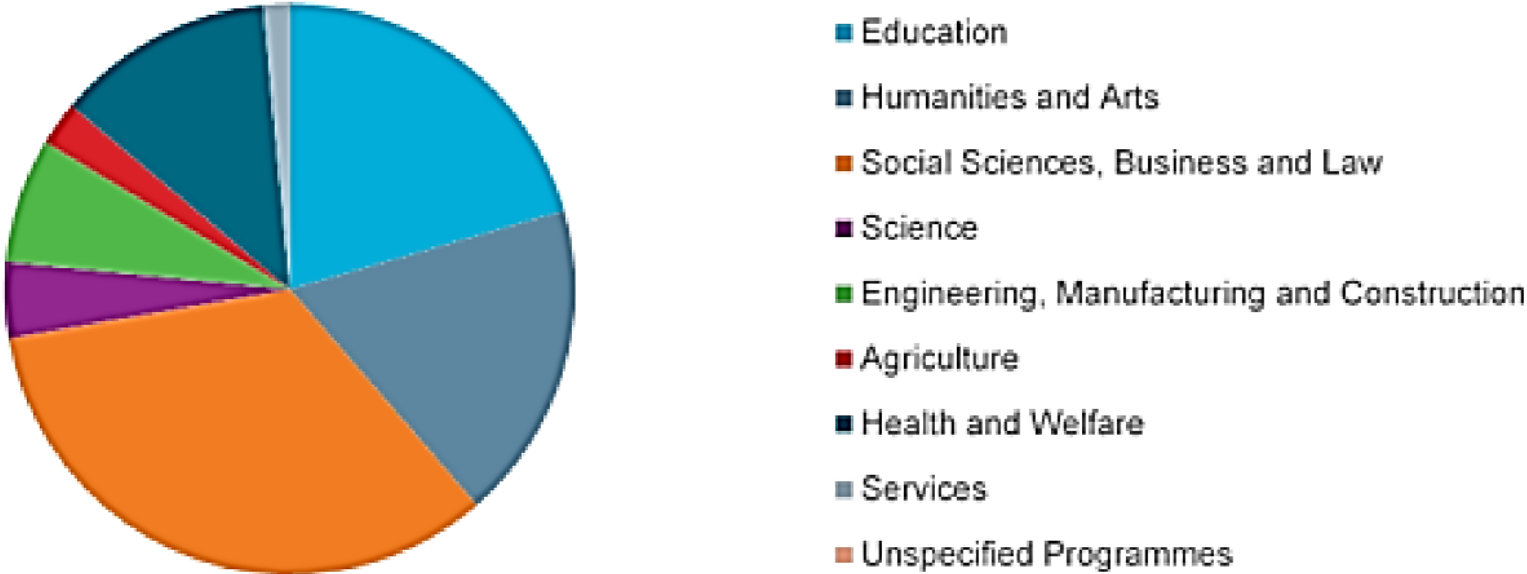


Source: Euromonitor

Education and Skills

Graduates by Discipline 2016

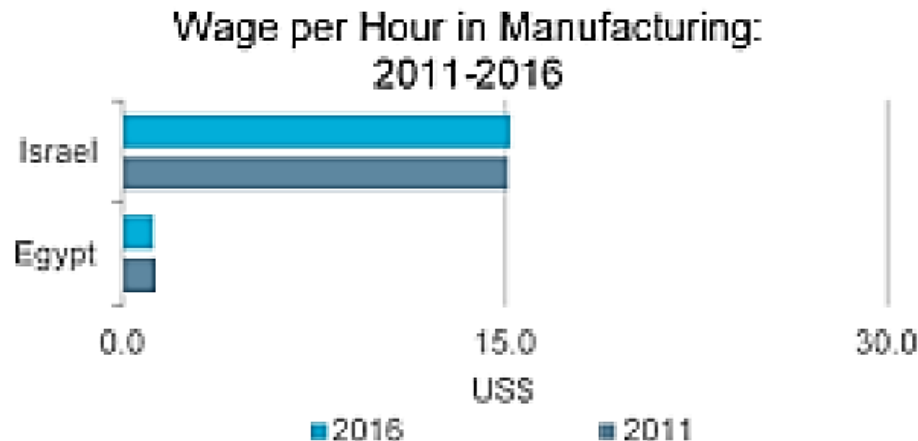
Graduates by Discipline in Egypt: 2016
% of total graduates



Source: Euromonitor

Employment and Labour Costs

- Both the unemployment and youth unemployment rate have increased between 2011 and 2017 (11.5%). The country's new economic plan targets at bringing down the unemployment rate to 10.9% by end of 2018 and subsequently to less than 9% by mid-2020;
- The wage per hour in manufacturing has declined between 2015 and 2016 and was the lowest within the region.



Source: ILO/Eurostat/national statistics/World Bank

Business opportunities

Opportunities for Swiss Companies in Egypt

Logistics:

Strategic geographic location (Africa, Asia, Middle East, Suez Channel)



Source: ILO/Eurostat/national statistics/World Bank

Opportunities for Swiss Companies in Egypt

Construction and infrastructure:

New Capital, logistical zone at Suez Channel, Infrastructural projects in railway, road construction and power supply, Zohr Gas field)



Opportunities for Swiss Companies in Egypt

Manufacturing Industry/Machines:

Focus on textile industry



Source: ILO/Eurostat/national statistics/World Bank

Opportunities for Swiss Companies in Egypt

Local Production:

Size of market (100 mio.), cheap labour vs. tendency to protect from imports and high inflation rate



Source: ILO/Eurostat/national statistics/World Bank

Opportunities for Swiss Companies in Egypt

The Egyptian market has great potential, which, however, still cannot be fully exploited

Source: ILO/Eurostat/national statistics/World Bank

Thank you for your attention!

Switzerland Global Enterprise
Stampfenbachstrasse 85
CH – 8006 Zürich

Telefon +41 44 365 51 51

Fax +41 44 365 52 21

Email contact@s-ge.com

Webseite s-ge.com



[@SGE](#)



s-ge.com/LinkedIn