



AMBASSADE
DE LA
REPUBLIQUE ARABE D'EGYPTE

MISSION COMMERCIALE

Paris, le 16/10/2023

Ref N° : 319/2023

Madame, Monsieur,

J'ai le plaisir de vous faire parvenir, ci-joint, une présentation du GAFI (General Authority for Investment and Free Zones) ainsi que les nouvelles réglementations et critères concernant les investissements pour la création d'un projet de zone franche privée.

Je vous saurai gré si vous pouviez avoir la gentillesse de diffuser ces informations à toutes les entreprises françaises qui pourraient s'intéresser à investir en Egypte.

Je vous invite à consulter les sites web suivants : www.gafi.gov.eg

Investment map: www.investinegypt.gov.eg

Email : info@gafinet.org

Tel : +20 2 240 55 452

Ou nous contacter directement : paris@ecs.gov.eg

Tel : 01 87 44 71 61

La Mission Commerciale reste à votre disposition pour plus de renseignements.

Je vous prie de croire, Madame, Monsieur, en l'assurance de ma très haute considération.

Sayed FOUAD

Ministre plénipotentiaire
Chef de la Mission Commerciale & Economique

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Regulations and criteria for setting up a Private Free Zone projects (PFZ)*

First: - Activities that are allowed

- 1- Services associated with logistics and ports development.
- 2- Specialized petroleum industries and services.
- 3- Specific enormous industries which distinguished by intensive labor and high added value.

Second: - Conditions required for setting up industrial projects.

- 1- No appropriate location for the project inside the PFZ**.
 - Required location for the project should be the most important and effective factor for project economies, such as (the closer of project to raw materials or to a specific ports.....etc)
- 2- There are two legal forms available for the project whether corporation (S.A.E) or limited liability.
- 3- Paid capital or issued and investment costs should not be less than 10 million US dollar and 20 million US dollar respectively or other equivalent currencies. The total capital should be paid during 3 years begin from the date of starting license.
- 4- Permanent labor should not be less than 500 workers at the end of the first operational year and (a commitment should be provided).
- 5- The percentage of exported products should not be less than 75 %.
 - In textile industry the percentage of export should not be less than 95%.

- The percentage of strategic and mining industries will be determined according to a decision from authorized minister.

6- Land acquisition documents should be provided and the area should not be less than 20 thousand square meter

7- The percentage of local components should not be less than 20% with the exclusion of mining projects.

8- Proposed time schedule of the project should be provided. (GAFI should approve in case of breaking the determined period).

9- Getting the approval of the Industrial Development Authority and Environmental affairs Agency for setting up the project, the approval of all competent authorities should be fulfilled according to the activity of the project such as (Maritime Ministry, Petroleum Ministry) before issuing the license of practicing activity.

10- Contracts of energy required for the projects should be provided and commitment to all decisions of Supreme Council of Energy.

11- Security investigation about foreign partners and shareholders should be provided if they exist.

12- Special requirements for buildings: -

- Complete locational and financial separation between the location of the project and any other activities can be undertaken by the project.
- The height of surrounding fences should not be less than 3 meters and 3 meters around all dimensions of the building should be left.
- There are two gates for a projects one for individual and goods and the other for emergency.
- Preparing an appropriate room for GAFI and customs representatives near the main gate of the location.
- Loading, uploading, downloading of equipments and goods should be inside the private free zone.
- Project should be committed to applied conditions of industrial safety, civil defense and fire fighting.

- Existence of a medical clinic inside the project.

Third: - Requirements for setting up services projects.

- 1- The issued capital should not be less than 5 million US dollar.
- 2- The projects of marine transport should begin with possessing or hiring the ships. Practicing services activities and navigation agencies should be confined to possessed ships according to the requirements and the regulations of marine transport sector within Transportation Ministry
- 3- Getting the approval of the following competent authorities:
 - Marine transport sector within the Transportation Ministry.
 - Civil Aviation Ministry – Holding Company for Airport.
 - (EGPC)***.
- 4- Security investigation about foreign partners or shareholders should be provided.
- 5- Land acquisition documents should be provided in case of necessity.
 - Administrative office for the project do not enjoy exemptions and the privileges of free zone (except marine services projects in case of practicing the activity from that building
 - PFZ* Petroleum services projects should deal with companies outside Egypt or FZ projects or exempted companies working under supervision of (EGPC)***.

*Private free zone.

**Public free zone.

***General Egyptian Petroleum Corporation.



EGYPT

Strong Past and
Bright Future



GAFI Scope of Work

Investment Promotion Agency

Promoting & Facilitating investment opportunities

Free Zones & SEZ

Establishing, managing & developing
Free Zones, Investment & Technology
Parks



Company Registrar

Company Incorporation –
Company After Care

Investors Conflicts Resolution and Mediation Center

Settling investors disputes and problems



GAFI Scope of Work



**Electronic
Establishment**



**Electronic Land
Bidding**



Electronic Signature





GAFI Scope of Work



**INCORPORATION
OF COMPANIES**



**EXPATRIATES
RESIDENCY
PERMITS**



E-SIGNATURE



WORK PERMITS



**COMPANIES
GENERAL ASSEMBLIES**



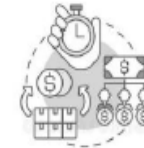
**COMPANIES MERGER
AND SPLIT UP**



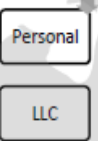
**COMPANIES
BRANCHES**



**IMPORT AND EXPORT
PERMITS**



**COMPANIES
LIQUIDATION**



**LEGAL STRUCTURE
AMENDMENTS**



EGYPT

FDI OUTLOOK

- Egypt Achieved The Highest Rate of FDI Growth Over The Last Ten Years
- “The 1st Largest Recipient of FDI in North Africa”
- “The main reason behind such leap was the large inflows in net FDI in the non-oil sectors”



GDP growth rate
6.6% (2022)



Growth Rate Compared to
The Previous Fiscal Year
71.4 %



FDIs inflow in Egypt
USD **22.2bn** (2022)

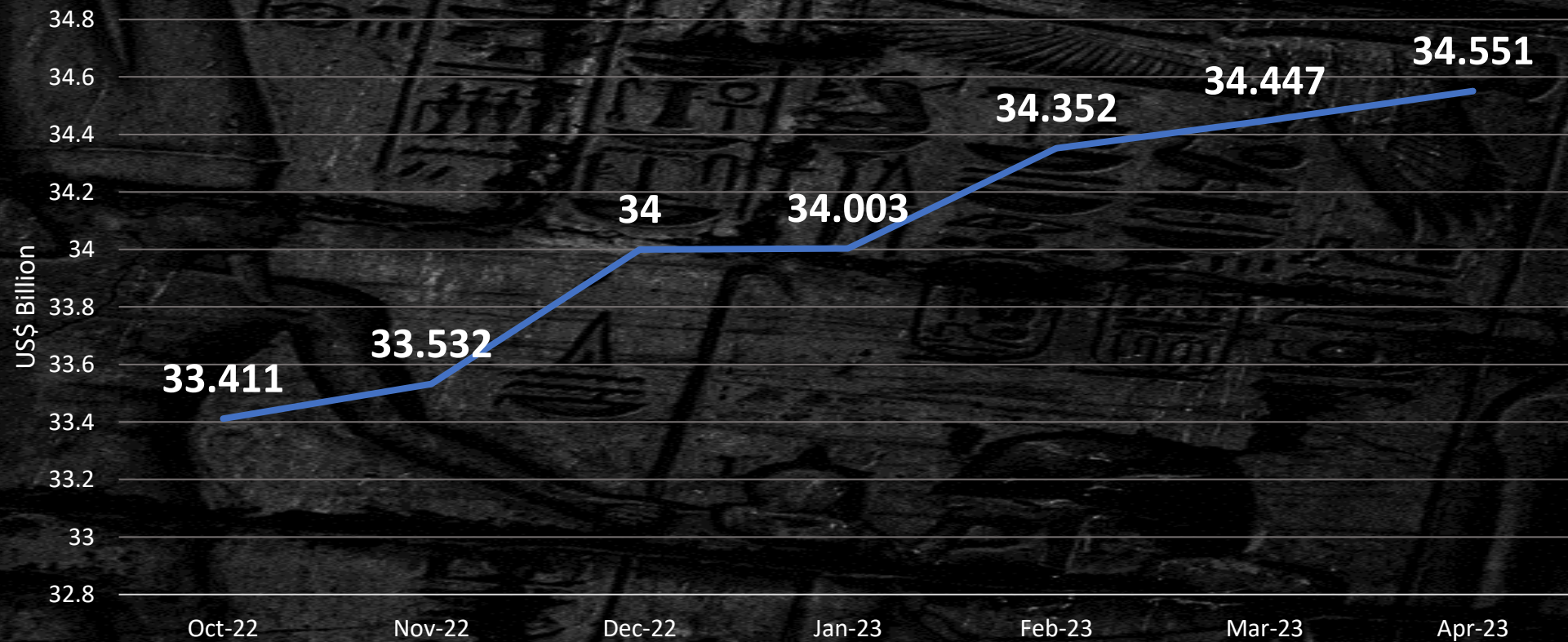


FDIs outflow in Egypt
USD **13bn** (2022)



Growth Rate of Net FDI in The
Non-Oil Sectors Compared to The
Previous Fiscal Year
81.3%

Egypt Foreign Exchange Reserves



Source: CBE

Egypt's Economy at a Glance



Egypt the
**largest oil
producer**
in Africa- outside OPEC

&
**the 2nd largest
producer**
of natural Gas in Africa

Egypt is an important
transit route for oil and
liquified natural gas (LNG).

Developed Infrastructure



Egypt's National Roads
Project has developed
7000 KM
of new roads in the country.

total length of the railway
network in 2020 reached

9,570 km

and it is planned to reach

11,530 km

in 2030





15

**commercial ports to
increase the volume of
trade between Egypt and
the world**

27

**international and domestic
airports**



Competitive Advantages



**A Large, Trained,
Competitively Priced
Labor Force**

Ranks 14th

Population

120 Million

**(Including 13 million
foreign residents)**

In 2022



Competitive Advantages

Access to Markets (TRADE AGREEMENTS)

Egypt's multiple free trade agreements provides access to

**1.5 billion
consumers**

With

12% of world trade

passing through
the Suez Canal.



Access to Markets through FTA's

Strategic geopolitical location gives an ideal advantage.





Guarantees granted for Investors

- **Equal treatment of foreign and local Investors.**
- **Protecting the project from nationalization, guardianship, and seizure.**
- **The right in transferring the profit, dividends, and liquidation output.**
- **Free pricing of the products.**
- **Exemption from registration in the importer's registrar for the importation of equipment, raw materials, and machinery required for establishing, expanding, or operating the project.**

Incentives for new or existing investors

Tax Incentives:

Places much in
need for
development

Area (A)

50%

of the investment
costs to be
deducted from

Rest of the
country.

Area (B)

30%

the Tax base (net
profit) over 7
years maximum.

Custom incentives:

2%

fixed custom fees on all
machinery and equipment
required for the set up.

Incentives for new or existing investors

Additional Incentives



Special customs ports of entry for the investment project importations or exportations will be established, in agreement with Minister of Finance.



Upon the investment project becoming operational, the State pays, whether in whole or in part, the expenses incurred by the investor in course of providing utilities to the premises of the investment project.



The State pays a part of the expenses incurred in course of providing personnel technical training.



Fifty percent (50%) of the value of the land allocated for the industrial projects will be refunded, if production starts within two (2) years from the date on which the land is handed over.



Incentives for new or existing investors

Golden licenses:

One Single process license

For Investors in **strategic projects** granted **by the cabinet** includes the incorporation, building license, all required permits & approvals and land allocation.

The prime Minister issued a resolution in 2020 to constitute a committee for the Golden license chaired by the CEO of GAFI.



Golden licenses

Investment Schemes

Free Zones Scheme



0%
Taxes Customs



80%
Export




**Public
Free Zones**
9 Zones
1089 Projects



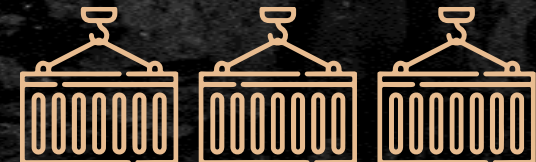
**Private
Free Zones**
204 Projects

Technology Zones Scheme



0%
Customs Tax on Machinery
Fields of Technology

3
Zones



OUR ONE STOP SHOP MECHANISM

Investment Zones/Parks

Investment Zones



11
Zones

Project



1269
Project

No

Export
Limitation



Obtains all needed approvals and licenses, deals with all relevant entitles 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.

National Mega Projects

New Administrative Capital (NAC)

Government administrative district

For government ministries, parliament, and institutions.

Business district

it will contain several international banks and stock exchange companies



National Mega Projects

The Knowledge City for creativity and innovation centers specialized in advanced technologies, such as Artificial Intelligence (AI), Internet of Things (IoT), embedded systems, and others.

Arts and Culture City which will includes theatres, cinemas, libraries, museums and largest Opera House in the Middle East



National Mega Projects

Galala City and Resort

a magnificent resort that has an altitude of 700 m above sea level, it was built based on European luxury resorts models in the heart of Mount El Galala

The Project Includes:

- International Galala City
- El-Galala Resort
- King Abdullah Bin Abdel Aziz University
- Ain El-Sokhna – Zafarana Road Industrial Zone





Successful Investments in Egypt

Many of largest companies in the world have been operating in Egypt for decades.





**Thank
you**

