



# Doing Business in the Arab World

The economic and trade relations between Greece and Egypt

The prospects for an enhanced bilateral cooperation

Arab-Hellenic Chamber of Commerce & Development  
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# مصر أم الدنيا

Egypt: Gateway to Africa and the Middle East



- Strategic position in the Mediterranean
- Strategic position in the Middle East and Africa
- The largest market in the Arab world
- The most stable country in the region
- Gateway of Greece to the wider region

# EGYPTIAN ECONOMY

GDP 398,4 bil.\$

GDP per capita 3.513 \$

GDP growth 2.7% (2023/24), *forecast 2024/25: 3,5%*

Inflation 24,1% (Dec. 2024) *IMF forecast 2024/25: 16%*

Unemployment 6,5%

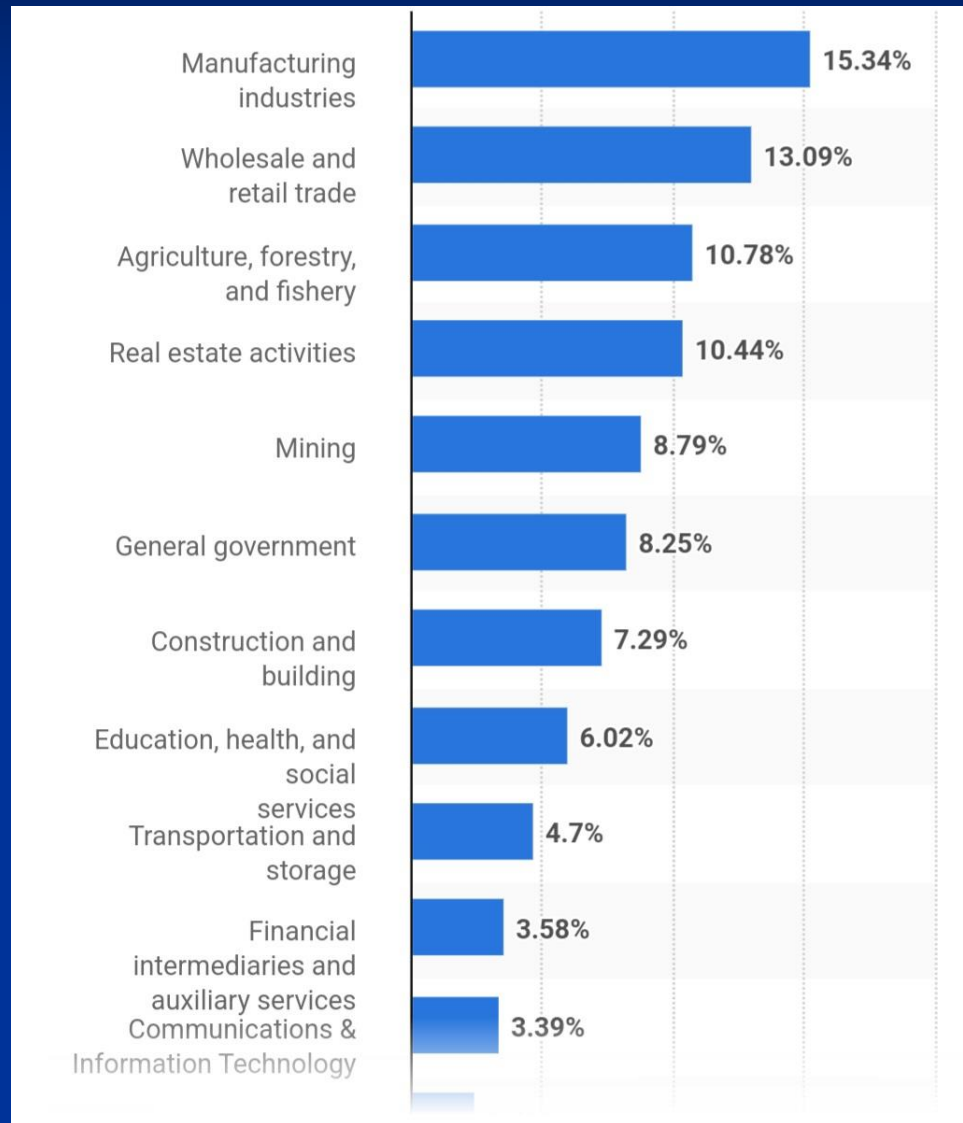
Public debt 42% of GDP

Fiscal deficit: 3,5% of GDP

Exports: 42.5 bil. \$

Imports: 83.1 bil. \$

# Distribution of GDP by sector







# Egypt's Major Export Markets (January- June 2024)



التمثيل التجاري المصري  
Egyptian Commercial Service



Saudi Arabia  
USD 1.58 billion



Turkey  
USD 1.46 billion



UAE  
USD 1.43 billion



Italy  
USD 1.13 billion



USA  
USD 1.11 billion



5 Markets received around **34.1%** (USD 6.71 billion)

of Egypt's exports



## Egypt's Major Import Partners (January-June 2024)



التمثيل التجاري المصري  
Egyptian Commercial Service



China  
USD 6.41 billion



Russian Federation  
USD 2.95 billion



USA  
USD 2.02 billion



Germany  
USD 2.02 billion



Ukraine  
USD 1.51 billion



**5** Markets supplied **41.9%** (USD 14.91 billion)

of Egypt's Imports



# Key Developments in the Egyptian Economy in 2024

## ■ Currency Devaluation & IMF Program

The Government devalued the Egyptian pound, allowing it to float freely as a part of Egypt's commitment to the IMF program, securing \$5 billion in funding to stabilize the economy. Approval of the 4<sup>th</sup> tranche (1.2 bil. \$)

## ■ Inflation decline

Inflation remained one of the main concerns, peaking at 38% in mid-2024 before declining to 24% forecast : 16%

## ■ Foreign Direct Investment & Gulf Cooperation

\$35 billion investment package from the UAE on real estate, tourism and infrastructure projects in Ras El-Hekma



## ■ **Reduction of external debt – Increase of Foreign Reserves**

Egypt reduced its external debt from \$170 billion to \$154 billion, thanks to repayments and investment inflows. Increase foreign currency reserves to \$46 billion

## ■ **Suez Canal Crisis & Revenue Decline**

The Red Sea crisis caused a significant drop in Suez Canal revenues. 7 bil. \$ losses.

## ■ **Privatization & Economic Reforms**

The Government accelerated its privatization program, selling stakes in state-owned companies to foreign investors in banking, oil & gas, and manufacturing.

## ■ **Energy**

Normalization of the energy market after the power cuts crisis. Arrear payments to foreign oil companies, new explorations and discoveries.

# Sectors with high growth rates

- Renewable Energy : Solar and Wind Energy  
Egypt's Vision 2030 : 42% renewable energy by 2035.  
Green Hydrogen
- Tourism :  
Cultural tourism (Grand Egyptian Museum) and Red Sea resorts.  
Target: 30 million tourists annually by 2028.
- Real Estate, Construction, Infrastructure  
Mega-projects : New Administrative Capital, New Alamein City , Ras Al Hekma
- Information and Communication Technology (ICT):  
"Digital Egypt" initiatives promote tech start ups, fintech, and e-commerce.
- Financial Services and Fintech  
Rapid growth in mobile payments and digital banking Fintech startups a booming ecosystem.

- Healthcare and Pharmaceuticals:  
180 new hospitals by 2030.
- AgriTech and Export-Oriented Agriculture:  
Vertical farming and drip irrigation .  
Agricultural exports : focus on high-value crops (citrus).
- Manufacturing:  
textiles, automotive , electronics.
- Logistics and Transportation
- Education and Vocational Training:  
Private universities and technical education . Partnerships with international institutions
- Water Management and Desalination:  
Desalination plants and Nile conservation projects to address water scarcity.



# Drivers and Challenges

- Drivers: Government initiatives (Vision 2030), young qualified population, strategic location, global energy demands.
- Challenges : currency volatility and inflation persist but are mitigated by sectorial reforms and FDI inflows.

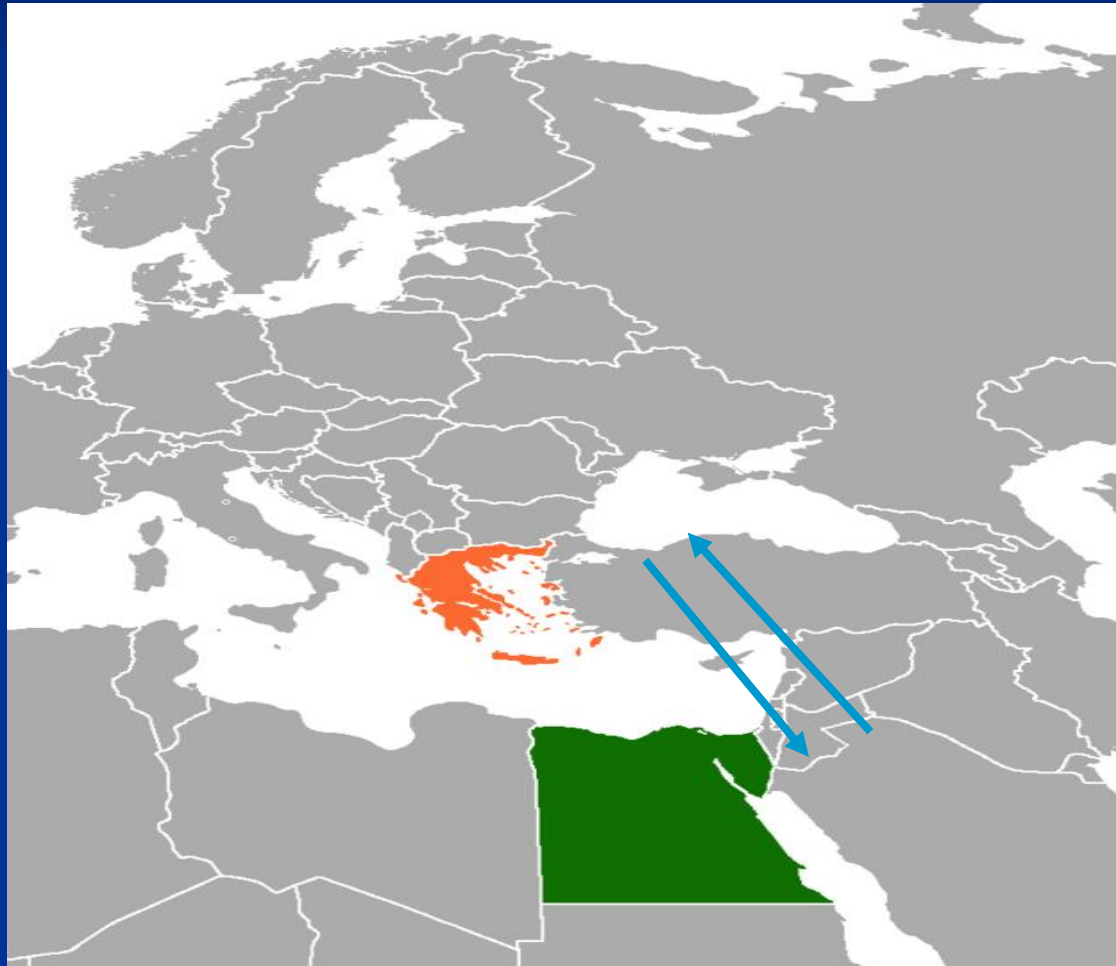


# IMF and World Bank forecasts for the Egyptian economy in 2025

- 4-5% growth in 2025 as a result of the Government's economic reforms
- increase in foreign investment, higher private consumption as a result also of the reduction in inflation and the increase in remittances from workers abroad.
- development projects
- the weakening of geopolitical pressures in the second half of the 2024/2025
- 2025-2029 average growth 5%, due to the implementation of structural reforms and improvement of the business climate.



# Egypt as Greece's business partner



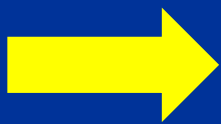


- Egypt: One of the most important economic and trade partners of Greece in the Arab World
- A vibrant Greek community fully integrated to Egyptian reality
- A country with crucial additional advantages: geographic proximity, cultural similarities, a large and fast growing economy, an improving business , political stability.
- Entrance gate for the Greek products and services, to the wider area of Middle East, the Arab World and Africa.
- Egypt constitutes a leading presence among African nations, aspiring to lead them to the road of development, especially in the field of infrastructure.
- Vice versa : Greece as an entrance gate of Egyptian business interests to European markets and the wider area of South East Europe



Association Agreement with EU: vast majority of merchandises are exempted from customs duties

# Bilateral trade



Trade volume: 2 bil. euros

# Bilateral trade *Jan-Nov 2024*

<i>value in mil. €</i>	<i>2024</i>	<i>2023</i>	<i>2024/23</i>
	<i>Jan-Nov</i>	<i>Jan-Nov</i>	<i>% change</i>
<i>Exports</i>	833,3	466,8	78,5%
<i>Imports</i>	1.175,5	1.333,2	-11,8%
<i>Trade Balance</i>	-342,2	-759,2	
<i>Trade Volume</i>	1.564,3	1.504,6	4%



# Greece's exports to Egypt

<b>PRORUCTS</b>	<b>Value in 000 euro</b>	<b>share%</b>
Mineral fuels, mineral oils and products of their distillation	250.262	49,5%
Cotton	119.462	23,6%
Tobacco and manufactured tobacco substitutes	22.307	4,4%
Miscellaneous chemical products	15.083	3,0%
machinery and mechanical appliances	13.298	2,6%
Edible fruit and nuts	12.143	2,4%
Aluminium and articles	8.233	1,6%
Salt; sulphur; earths and stone; plastering materials, lime and cement	6.472	1,3%
Animal, vegetable or microbial fats and oils	6.350	1,3%
Plastics and articles	5.752	1,1%
Preparations of vegetables, fruit, nuts	4.241	0,8%
Articles of iron or steel	4.104	0,8%
Miscellaneous manufactured articles	3.259	0,6%
Furniture	2.839	0,6%
Miscellaneous articles of base metal	2.650	0,5%
Electrical machinery and equipment	2.240	0,4%
Copper and articles thereof	2.174	0,4%
Tanning or dyeing extracts	2.023	0,4%
Iron and steel	1.851	0,4%
Beverages, spirits and vinegar	1.646	0,3%
<b>Total</b>	<b>505.512</b>	<b>100,0%</b>

# Greece's imports from Egypt

PRORUCTS	Value in 000 euro	share%
Mineral fuels, mineral oils and products of their distillation	1.049.021	73,9%
Edible vegetables	66.106	4,7%
Fertilisers	61.088	4,3%
Iron and steel	41.653	2,9%
Plastics and articles	38.747	2,7%
Inorganic chemicals; organic or inorganic compounds of precious metals	25.361	1,8%
Salt; sulphur; earths and stone; plastering materials, lime and cement	16.184	1,1%
Preparations of vegetables, fruit, nuts	14.087	1,0%
Lead and articles	11.933	0,8%
Copper and articles	11.642	0,8%
Paper and paperboard	10.679	0,8%
Organic chemicals	9.715	0,7%
Articles of iron or steel	6.564	0,5%
Articles of apparel and clothing accessories	6.171	0,4%
Edible fruit and nuts	6.095	0,4%
Glass and glassware	6.049	0,4%
Miscellaneous chemical products	3.971	0,3%
Wood and articles of wood; wood charcoal	3.653	0,3%
Aluminium and articles	2.932	0,2%
Electrical machinery and equipment	2.849	0,2%
<b>Total</b>	<b>1.419.231</b>	<b>100,0%</b>

# Import duty rates

- Basic Food Items: 0-5%
- Processed and High-Value Food Products: 30% to 40%.
- Raw Materials & Capital Goods: 0%–5%
- Intermediate Goods & Spare Parts: 5%–20%.
- Consumer Goods: 30%–60% (luxury goods may be taxed higher).
- Vehicles: Less than 1600cc: 40%, 1600cc–2000cc: 135%, Electric Cars: 0%
- Alcoholic Beverages: Up to 300% (for tourism sector)
- Meat and poultry products: Halal certification

# Taxation

- Corporate Income Tax (CIT)

22.5% on net taxable profits .

**Oil & Gas Companies: 40.55%**

- Value-Added Tax (VAT)

Standard Rate: 14% on most goods and services.

Exemptions: healthcare, education, financial services are exempted.

Reduced Rate: machinery and equipment used for production (often 5%).

- Withholding Tax (WHT)

Dividends: 10% (5% for listed companies).

Interest & Royalties: 20% withholding tax applies to non-residents (may be reduced under tax treaties).

Service Payments: 20% on payments to non-residents for services provided in Egypt.

- Tax Incentives & Free Zones

Tax incentives in Special Economic Zones (SEZs) and Free Zones, where businesses may benefit from reduced or exempt tax rates.

Renewable energy and tech startups, may qualify for reduced rates.

# INVESTMENT

Investment law 72/2017



*GAFI : The General Authority for Investment and Free Zones*

<https://www.gafi.gov.eg/>





# General Investment Incentives

## ■ 2% Unified Customs duty

For imported machinery production lines, equipment and devices necessary for the project. It 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.

## ■ Other Exemptions

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

## ■ Zero Customs

For industrial investment projects' imports of casts, molds and other similar production requirements. For the projects that are subject to the provisions of the investment law. (In order to use it for a temporary period to manufacture its products and then reexport it abroad).

# Special Investment Incentives

## Tax Incentives for new or existing investors

### ■ 50% Area A *Areas designated as most in need of development*

SCZONE & Border governorates, including the Red Sea Governorate and South of Safaga, South of Giza Governorate, Upper Egypt, New Capital Zone, Suez Canal Governorates (East Bank), Golden Triangle's Economic Zone.

### ■ 30% Area B *Rest of the Country*

### ■ Sectors

Labor intensive projects, Wood industries, printing and packaging, and chemical industries, Electricity production and distribution projects, Food industries, agricultural crops and agricultural waste recycling, Mega and strategic projects, Manufacture of antibiotics, oncology drugs and cosmetics, Automotive industry and its feeding industries, Projects depending on or produce new and renewable energy, export projects (at least 50%), Tourism projects specified, Engineering, metal, textile and leather industries.

# Main Trade Fairs 2025

- **EGYPES** (energy) 17-19 February  
[www.egypes.com](http://www.egypes.com)
- **BIG 5** (Building material) 15-19 June  
[www.big5constructegypt.com](http://www.big5constructegypt.com)
- **SAHARA** (agricultural) 14-16 September  
[www.saharaexpo.com](http://www.saharaexpo.com)
- **EGYMEDICA** (medicines, cosmetics, equipment) 7-9 October  
[www.egymedica.com](http://www.egymedica.com)
- **EDEX DEFENCE EXPO** 1-4 December
- **FOOD AFRICA** (Food) 9-12 December  
[www.agrofood.com.eg/](http://www.agrofood.com.eg/)



➔ *National pavilion 2025* : EGPYES, BIG5, EDEX, FOOD AFRICA

# Greek Investment Activity in Egypt

- Cement manufacturing
- Construction- technical works
- Building materials and paints manufacturing
- Irrigation systems
- Paper industry
- Food industry ( manufacturing of biological orange juices)
- Sea & Air transportation
- Training services
- Aluminum production , distribution, logistics
- Oil and gas
- Environmental management, dredging works





# Major energy project GREGY

Electrical Interconnection of the Egyptian with the Hellenic & the European Power Systems



# Sectors of the Egyptian economy with prospects for Greek products and services

- Renewable energy
- Construction – technical works
- Environmental management and protection
- Water resources management, processing of liquid and solid waste
- Industrial equipment
- Digital services
- Real estate services
- Personal Hygiene items – special medical disposables
- Agriculture and agricultural equipment
- Food & Beverage Industry
- Security systems for companies, individuals, public sector
- Franchising

# Information – updating

*<https://agora.mfa.gr/ta-grafeia-oikonomikon-emporikon-upotheseon/office/811>*



**Market researches** : construction, building materials, energy, pharmaceuticals

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