

📍 CAPITAL CITY: CAIRO

Key Facts



POPULATION

112.8 million (2023)



CURRENT GDP

US\$ 476.7 billion (2022)



UPCOMING ELECTIONS

February 2024



PRIMARY EXPORT

Refined Petroleum
US\$ 4.8 billion (2021)

CFC COUNTRY FACTSHEET: Egypt

One of the world's oldest civilizations, Egypt has long been central to the development of the region and has built an extensive international trade network, benefiting from its location at the crossroads of Europe, Africa and Asia.

Egypt's robust fundamentals – supported by a diversified economy, sustained levels of consumer spending and a large workforce – has created a dynamic business climate and helped further develop the economy. It overtook South Africa to become the second largest economy in Africa after Nigeria with a GDP of around US\$477 billion in 2022.



INTERESTS & CURRENCY

Lending rate : 19.25%

Currency :
Egyptian pound (E£ or م.ج./EGP)

EXCHANGE RATES

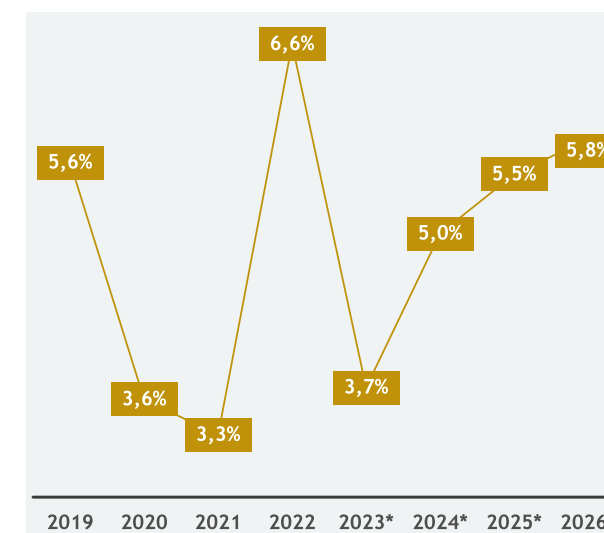
USD 1 = EGP 30.90

EUR 1 = EGP 34.06

Central Bank of Egypt, July 2023



GDP GROWTH



Source : World Bank data, IMF, Reuters

35.9%

Inflation (June 2023)

7%

Unemployment rate (2023)

1.6%

Demographic growth (2022)

-1.3%

Current account (2022)

US\$ 11.4 billion

FDI (Net Inflows) (2022)

72 years

Life expectancy (2023)

US\$ 4295

GDP per capita (2022)


73%

Literacy Rate (2021)


Source : World Bank data, IMF

Attractive Industries in Egypt

Several industries in Egypt are considered attractive for investors and businesses including:


Agriculture: Egypt's fertile land and access to the Nile River present opportunities in agriculture and agribusiness.


Manufacturing: Egypt's strategic location and access to international markets make it an attractive destination for manufacturing and export-oriented industries.


Renewable Energy: Egypt has been making efforts to diversify its energy sources and reduce its dependency on fossil fuels. The country has vast solar and wind energy potential, making the renewable energy sector attractive for investment.

Egypt's International Memberships & Agreements

- Memberships:**
- African Union (**AU**)
 - Arab League
 - Group of 77
 - United Nations (**UN**)
 - World Trade Organization

- Agreements:**
- African Continental Free Trade Area (**AfCFTA**)
 - General Agreement on Tariffs and Trade (**GATT**)
 - General Agreement on Trade in Services (**GATS**)
 - European Union-Egypt Free Trade Agreement (**Association Agreement**)
 - Free Trade Agreement with EFTA States
 - Turkey-Egypt Free Trade Agreement
 - Greater Arab Free Trade Area Agreement (**GAFTA**)
 - Agadir Free Trade Agreement among Egypt, Morocco, Tunisia and Jordan
 - Egyptian-European Mediterranean Partnership Agreement
 - Common Market for Eastern and Southern Africa (**COMESA**)
 - Pan Arab Free Trade Area (**PAFTA**)
 - MERCOSUR free trade agreement



Leading Companies in Egypt

1. Commercial International Bank (CIB) (Banking)
2. Abu Qir Fertilizers (Basic Materials)
3. Misr Fertilizers Production Company (Basic Materials)
4. Telecom Egypt (Telecom)
5. Elsewedy Electric (Industrials)

What is the tax regime in Egypt?

Corporate income tax rate:

- The standard rate of corporate tax in Egypt is **22.5%**, and **40.55%** for companies engaged in the exploration and production of oil and gas. .
- The Suez Canal Authority, the Egyptian General Petroleum Authority, and the Central Bank of Egypt are taxed at **40%**.
- Branches of foreign companies are taxed at the same corporate rate as domestic companies.

Withholding tax (WHT):

| Type of income | Rate for Resident | Rate for Non Resident |
|----------------|-------------------|-----------------------|
| Dividends | 5%/10% | 5%/10% |
| Interest | 0%/20% | 0%/20% |
| Royalties | 3% | 20% |

Personal income tax rate:

Individual income tax is levied at progressive rates from **0%** up to **25%** for both residents and non-residents for work performed in Egypt. Resident employees who derive income from a second employer are subject to tax on that income at a flat rate of **10%**.

Value Added Tax:

- The **standard rate is 14%**.
- The standard rate is applicable to all goods and services; however, a reduced VAT rate of **5%** is applied to the machinery and equipment that are necessary for producing goods or providing services.

Tax treaties

Egypt has tax treaties with the following countries:

Albania, Iraq, Algeria, Ireland, Austria, Italy, Bahrain, Japan, Belarus, Jordan, Belgium, Korea, Bulgaria, Kuwait, Canada, Lebanon, China, Libya, Cyprus, Macedonia, Czech Republic, Malaysia, Denmark, Malta, Finland, Mauritius, France, Morocco, Georgia, Netherlands, Germany, Norway, Hungary, Oman, India, Pakistan, Indonesia, Palestinian Territories.

Investment incentives offered in Egypt

Tax Incentives

Investment Law No. 72 of 2017 provides several general incentives for newly formed companies, including:

- A **five-year exemption** from stamp duty tax and notarization and registration fees for the deeds of association of companies and establishments, credit facilities, and mortgage contracts connected with the company's activities.
- An exemption from stamp duty tax and the notarization and registration fee for the registration contracts of land necessary for the establishment of companies and establishments.
- A reduced flat rate of **2%** customs duty on all imported machinery, equipment, and apparatuses required for the establishment of the project or company.

Investment projects established after 1 June 2017 are granted an investment incentive in the form of a deduction (equal to **30%** or **50%** of the "investment costs," with certain limitations) **from net taxable profits** in accordance with the investment map.

As a foreigner, do I need a work permit ?

A work visa is required before an individual takes up employment in Egypt. To obtain a visa, the individual must have a formal job offer and a contract of employment, a sponsor, or a certificate of experience providing evidence that the individual has at least three years' experience in the same position that the individual will hold with the Egyptian employer.

The time and cost of obtaining an entry visa depends on the nationality of the applicant and the type of visa.



Useful Links / Sources

1. [Central Bank of Egypt](#)
2. [Invest in Egypt](#)
3. [World Bank](#)
4. [Deloitte Guide to Fiscal Information](#)
5. [World Investment report](#)

