



# Doing business in Egypt



**Last Updated: March 2011**

## Are you a member of a UK company wishing to export overseas?

## Interested in entering or expanding your activity in the Egyptian market? Then this guide is for you!

The main objective of this **Doing Business Guide** is to provide you with basic knowledge about Egypt; an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular will find it a useful starting point.

Further assistance is available from the UKTI team in Egypt. Full contact details are available at the end of this guide.



### Important Information - Sanctions and Embargoes

Some countries maybe subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available on the [Department for Business, Innovation & Skills \(BIS\)](#)

---

The purpose of the Doing Business guides, prepared by UK Trade & Investment (UKTI) is to provide information to help recipients form their own judgments about making business decisions as to whether to invest or operate in a particular country. The Report's contents were believed (at the time that the Report was prepared) to be reliable, but no representations or warranties, express or implied, are made or given by UKTI or its parent Departments (the Foreign and Commonwealth Office (FCO) and the Department for Business, Innovation and Skills (BIS)) as to the accuracy of the Report, its completeness or its suitability for any purpose. In particular, none of the Report's contents should be construed as advice or solicitation to purchase or sell securities, commodities or any other form of financial instrument. No liability is accepted by UKTI, the FCO or BIS for any loss or damage (whether consequential or otherwise) which may arise out of or in connection with the Report.

**Content**

**INTRODUCTION..... 4**

**PREPARING TO EXPORT TO EGYPT ..... 8**

**HOW TO DO BUSINESS IN EGYPT ..... 10**

**BUSINESS ETIQUETTE, LANGUAGE AND CULTURE..... 11**

**CONTACTS ..... 12**

**RESOURCES/USEFUL LINKS ..... 13**

# Introduction

If you are a member of a UK company wishing to export overseas or interested in entering or expanding your activity in the Egyptian market, then this guide is for you.

This document is designed to provide an overview of the Egyptian market, including general information on the legal and regulatory environment for conducting business in Egypt. We recommend that companies seriously interested in investing in Egypt or signing partners or distributors should take professional legal advice before signing contracts. We can provide information on lawyers in the market.

Additional detailed information on Egypt, and advice on how to access our market intelligence and services, can be obtained from the UK Trade and Investment Team in Egypt. Full contact details are available at the end of this guide.

While we make every effort to ensure that the information is accurate, UK Trade and Investment accepts no responsibility for any errors, omissions or misleading statements.

## Strengths of the market

- Egypt strategic geographical position in the heart of the Middle East and North Africa (MENA) region with sea ports scattered over the Mediterranean, Red Sea and Suez Canal makes it a hub for international trade between Europe and Middle & Far East. The Suez Canal links the Red Sea to the Mediterranean - a connection vital not just to Egypt but to the world.
- It is an attractive location for foreign companies keen to expand their business in the region and has a stable environment with regards to infrastructure, climate, costs, language and geographical location.
- Egypt's economy is one of the most diversified in the Middle East. It is the fourth largest economy in the Arab world after Saudi Arabia, the UAE and Algeria. Egypt is the Arab World's most populous nation (approximately 80 million: Jan 2010 est.). The population increases at about 2.1% a year and is expected to double in the next 25 years. Population in Greater Cairo is estimated 20 million and Alexandria is estimated at 5 million.
- The economy has been changing from central command and control to free market system with the private sector asserting its leadership. The state is being modernized. Efficient public administration methods and sound business management are being introduced and practiced.
- The cost of doing business in Egypt is favourable, particularly labour and land costs.
- Corporate/personal taxes have been cut to a flat rate of 20% (40.55% for petroleum companies).
- The average weighted tariff was reduced from 9.5% in 2004 to 5.5% in 2009.
- A highly accessible country through a number of airports and ports. The movement of goods has speeded up with an improved transport system and ports modernized.
- Egypt has a large, young, educated, trainable workforce which is available at a competitive cost; close to 22.5 million, out of which females represent around 4.5 million.

- Developed health care institutions and quality educational institutions including British, American, German, Canadian and French schools and universities.
- Egypt has seen a resurgence of interest from UK companies in a variety of sectors.

## UK/Egypt Business Relations

The trading relationship was given a major boost by the visit to Egypt of Prime Minister Cameron and Trade Minister Lord Green on 21 February 2011, the first by a Western Government since the uprising began in January 25<sup>th</sup>, 2011. They, and an accompanying UK business delegation, were warmly received at the highest levels by Egyptian authorities and local business leaders and received the strong message that Egypt remains open for business and investment.

The UK is Egypt's largest foreign investor based on cumulative FDI figures since 1970. Cumulative UK investments in Egypt are estimated at over US\$20billion. There are over 900 UK invested businesses (source: GAFI, Egyptian General Authority for Investment), including companies such as British Gas, BP, Shell, Vodafone, Barclays, HSBC, GlaxoSmithKline, AstraZeneca and Unilever. The UK's investment portfolio is diverse including oil and gas, financial services, pharmaceuticals and telecommunications. UK government statistics for 2009 show UK exports to Egypt rose by 4% and Egyptian exports to the UK in the same period also showed a rise of 7%. In 2009, Egypt was the UK's 36th largest export market for goods. It was ranked at the UK's 48th largest import market. When comparing Jan – May 2010 with the same period of 2009 there is a 14.3% increase in UK exports to Egypt and 8.3% increase in UK imports from Egypt.

## Opportunities in Egypt

Opportunities exist across a wide range of sectors. UK Trade & Investment has identified the following sectors in Egypt as offering the best opportunities for UK companies:

- Construction
- Education & Training
- Energy
- Engineering
- ICT
- Oil & Gas
- Retail

Opportunities also exist in Creative and Media, Environment and Water, Financial Services, Leisure and Tourism, Life Sciences, Mass Transport (Railways/Automotive), and Security.

## Economic Overview

Since 2004, Egypt has carried out a major economic reform programme. The reforms have centred around four main areas: reforming the tax system, transforming the customs administration, improving the business climate, and reforming the monetary and banking sector. The reforms resulted in average growth of 7% in 2006-2008, declining to 4.7% during the global economic crisis but rising to 5.1% in FY 2010.

Events in Egypt since January 2011, and the transition to democracy, have had a negative impact on the economy. As protests erupted, tourists fled Egypt, companies closed, and construction stopped. Egypt's public finances will come under strain as the government's borrowing costs increase, the subsidy bill rises, tax receipts fall, and new spending initiatives are launched. The country's external position will also weaken as export receipts, tourism revenues and workers'

remittances decline and foreign investment slows. Inflation, already high, is expected to rise due to the increase in global commodity prices and supply bottlenecks.

Economists forecast that overall growth for FY 2011 will be around 3% rather than the 5.7% which had been expected. The transition government has placed a real emphasis on the need to accelerate economic reform alongside democratic developments and improve further the climate in Egypt for international investment. Analysts are predicting a period of economic uncertainty for the next 6-9 months with a return to higher growth depending on stability and a return to civilian government.

## Key Economic Indicators

Indicator	2005/06	2006/07	2007/08	2008/09	2009/10	Q1 2010/11 (Jul-Sep)
Population (million, 1 Jan, excluding Egyptians abroad)	71.32	72.73	74.9	76.0	77.7	
Population growth rate	1.93	1.93	1.9	2.1		
Real GDP growth	6.9	7.1	7.2	4.7	5.1	5.6
Unemployment (%)	10.0	9.1	8.9	9.4	8.96	8.94
Consumer Price Inflation (period average)	4.2	8.5	20.2	9.9	10.7	10.8 (Jan)
Fiscal balance (Central Govt, % of GDP)	-8.2	-7.5	-6.8	-6.9	-8.3	-2.7
Gross domestic debt (% of GDP)	95.1	84.7	73.5	72.5	73.6	
Govt domestic debt (% of GDP)	62.8	62.8	53.5	54.1	55.0	
Exports (US\$m)	18,455	22,017	29,356	25,169	23,873	6,102
Imports (US\$m)	30,441	37,834	52,771	50,342	48,993	12,732
Current account (US\$m)	1,752	2,696	888	-4,424	-4,3178	-802
Current account (% of GDP)	1.6	2.1	0.3	-2.4	-2.0	-0.3
External debt (US\$m)	29,593	29,898	33,893	31,531	33,694	34,700
External debt (% of GDP)	27.6	22.8	20.1	17.0	15.9	14.3
Net international reserves (US\$m)	22,931	28,559	34,591	31,310	35,222	35,000 (Jan)
NIR as months of merchandise imports	9.0	9.1	7.9	7.5	8.9	
Exchange rate end of period (LE:US\$)	5.758	5.697	5.333	5.596	5.697	5.889(Feb)
Exchange rate end of period (LE:£)	10.63	11.391	10.57	9.261	8.576	9.548 (Feb)

\* Financial year runs from July to June  
Source: Central Bank of Egypt and Ministry of Finance

## Getting here and advice about your stay

### FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice [please visit the FCO Travel section](#)

## Getting here

### Visa Regulations

Business visas should be obtained from the local Egyptian authorities prior to travelling. Tourist visas are still available on arrival at Cairo airport. Your passport should be valid for at least six months. For further information contact the Egyptian Embassy in London.

Official visitors to Egypt have previously been able to purchase a visa on arrival at Cairo airport. This procedure has been stopped by the Egyptian authorities and, with immediate effect, all visitors travelling to Egypt on diplomatic passports or official business must obtain a visa from their local Egyptian Embassy before travelling.

## Transport in Cairo

### Taxis

Taxis are widely available. After hailing a taxi, you should tell him the area to which you wish to go. Most taxi drivers do not know the street names and it helps if you have a general idea of where you wish to go and mention a nearby landmark. For example, if you want to go to the Embassy you can mention Garden City, the Semiramis Hotel or the Corniche. It is strongly recommended that you use the new white cabs (with chequered stripes) as they are comfortable, air conditioned, and have working meters.

If you choose an older black and white cab, you should either agree a fare with the taxi driver beforehand or, AFTER you have got out of the taxi, you can hand him the fare that you consider reasonable and then walk away. However, beware that these cabs are often in very poor condition and may be unsafe.

### City Cabs

For longer journeys the yellow City Cabs or Blue Cabs ([www.thebluecab.com](http://www.thebluecab.com)) can be pre-booked and work out cheaper.

## Transport in Alexandria

### Taxis

In Alexandria there are many black and yellow taxi's can be hired on the street. The price of the journey has to be negotiated and the majority of drivers do not speak English.

**It is recommended that you use the 'Fastcall' company local speed dial 19559. Taxis are metered; many drivers speak English and return calls can be booked when making your official call.**

## Preparing to Export to Egypt

For companies looking to invest in Egypt, now is a time for assessing, performing due diligence, and looking closely at market developments in relation to your particular sector. The business to business trading relationship will be less affected by recent events and will continue throughout the period of political uncertainty, though instruments such as letters of credit will gain in importance as a higher risk profile is encountered in the market.

Egypt remains a large domestic market of over 80 million people with a broad-based industrial economy. It will remain a heavily import-dependent economy for the foreseeable future. British goods and services are held in high regard in Egypt and the UK enjoys a good reputation in the market.

Egypt is signatory to many regional and international Free Trade agreements. These agreements give Egypt certain customs and access advantages to the surrounding markets, namely all Arab, EU, Mediterranean Sea and African countries.

For goods sourced from UK or EU, the Egyptian Customs Authority accepts the EUR1 certificate of origin form (under EU rules of origin), and applies preferential import duties. This gives exporters from UK competitive advantage in our market.

The Central Bank of Egypt is the government regulatory body responsible for setting and coordinating monetary, credit and banking policies. It supervises firmly all foreign and local banks working in Egypt, which explains how this sector managed to escape the worst impact of the financial crisis. All bank transactions (letter of credit or transfers) during commercial deals are secured and guaranteed internationally.

Egypt is signatory to the main Intellectual Property Conventions (Rome, Paris, Berne & Washington). Egypt passed a new IPR law in June 2002, bringing practices in line with WTO Law 82 of 2002 covering patents, copyrights and trademarks.

If disputes arise, the Cairo Regional Centre for International Commercial Arbitration applies the rules of the United Nations Commission on International Trade Law, unless the parties agree to use different rules.

Domestic arbitration awards are enforceable through Egyptian courts, and foreign arbitration awards can be enforced under one of the international conventions to which Egypt is a signatory. We recommend that professional legal advice is taken before commencing court or arbitration action.

British companies wishing to develop their business in the Egyptian market are advised to undertake as much market research and planning as possible in the UK.

### What can we do for you?

UK Trade & Investment (UKTI) Egypt Team can help you rise to the exciting opportunities that Egypt as a potential market offers.

It's our goal to showcase strength and expertise of UK products and services as well as enhance the competitiveness of companies.

If you are looking to make that next move into overseas markets – in terms of export, setting up an office, finding manufacturing partners or agents, developing a network or identifying opportunities, then we can help you get there.

UKTI Egypt Team can provide a range of services to British-based companies wishing to grow their business in the Egyptian market.

The UKTI team in Egypt can also organise seminars and workshops, product launches or other events for you to meet contacts or promote your company in the Egyptian market. We tailor our service to your needs and requirements.

There is great market advantage and enhanced credibility in Egypt in being associated closely with the Embassy. You will be seen as having seal of approval from the UK government.

### **Our Services:**

Through a range of unique services, including participation at selected trade fairs, outward missions and providing bespoke market intelligence, we can help you crack the Egyptian market and get to grips quickly with regulations and business practice.

#### Pre-market Visit:

- Market intelligence and information
- Pre-visit briefing
- Advice on the best market entry strategy, local regulations/standards & overcoming barriers.
- Assessing the level of interest of potential customers in UK product or service
- Detailed sector/market analysis
- Validated contact lists of agents/distributors
- Contacts of lawyers and or translators

#### In-market Support:

- Access to key government officials and players
- Arranging visit programmes. A member of our team can accompany you to facilitate any local cultural or Arabic language issues
- One-to-one mentoring and in market support to help raise company profile and credibility in the market
- Exhibiting UK company literature at UKTI stands in local exhibitions
- Promoting your participation in local and regional exhibitions
- Commercial publicity

#### Organizing Events:

- Seminars, conferences, exhibitions, workshops & training sessions
- Product launches and networking receptions
- Business lunches and dinners
- Round-table meetings
- Strategic Partnership Service
- Business Partnership Service

You can commission our Overseas Market Introduction Services to assist your company to enter or expand your business in Egypt. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning work, please contact your local UKTI office.  
See also: [www.ukti.gov.uk](http://www.ukti.gov.uk)

# How to do business in Egypt

## Market Entry

Egypt is an attractive market that can offer major business opportunities to informed traders and investors. Trade and investment between the UK and Egypt is promising. However it is not always an easy market. A successful entry into Egypt will be determined by the quality of the information and advice upon which the decision to enter is based. Continued success is also dependent upon the ability to navigate the laws and practices of Egypt.

The Egyptian market requires careful study and a sustained sales effort. There is strong competition from other exporting countries. Price and credit terms are a deciding factor when obtaining contracts, though quality is increasingly important. Back-up servicing facilities and the supply of spare parts is also important.

Having a local partner can be vital to successful penetration of this market. There are several reasons for this. Firstly, given the continuing bureaucracy, a local partner can shepherd the foreign business through the delays and obstacles. Secondly, foreign companies require a local agent to bid for government tenders. Thirdly, as the Egyptian market becomes more sophisticated there is a growing demand for after sales service, which a local agent can convincingly provide.

In general, British products and services are very highly regarded in Egypt for their quality. The main obstacle facing the growth of British involvement in the Egyptian market is that British products have a reputation as being expensive compared to some foreign products, though this has lessened slightly over the past year as exchange rate fluctuations have been in favour of UK exporters.

# Business Etiquette, Language and Culture

## Working Hours

### GMT:

Sunday-Thursday (06:00-15)

### Local Time:

Sunday -Thursday (8:00 to 17:00)

## Business Hours

Arriving on Saturdays is a good option, as you would have the whole week available for business visits and meetings. The local weekend is Friday and Saturday.

## Language

Arabic is the native official language.  
English is widely used in business circles.

## Culture

Egypt is open to different cultures and the social environment is very friendly. English, French, German and American schools are widely spread all over Egypt especially in Cairo and Alexandria.

## Contacts

If you have a specific export enquiry about the Egyptian market which is not answered by the information on this report, you may contact:

### UK Trade & Investment Enquiry Service

Tel: +44 (0)20 7215 8000  
Fax: +44 (0)141 228 3693  
Email: [enquiries@ukti.gsi.gov.uk](mailto:enquiries@ukti.gsi.gov.uk)

You will be signposted to the appropriate section on our website, or transferred directly to the British Embassy in Cairo.

### British Embassy Cairo

Trade & Investment Department  
7 Ahmed Ragheb Street  
Garden City, Cairo  
Tel: +20 2 2791 6000  
Fax: +20 2 2791 6130  
E-mail: [commercial.cairo@fco.gov.uk](mailto:commercial.cairo@fco.gov.uk)  
Website: <http://ukinegypt.fco.gov.uk>

### British Consulate General Alexandria

Trade & Investment Department  
3 Mina Street, Kafr Abdou  
Roushdy, Alexandria  
Tel: (203) 5467001/2, 5467171  
Fax: (203) 5467177  
E-mail : [alexacom.alexandria@fco.gov.uk](mailto:alexacom.alexandria@fco.gov.uk),  
[britconsul@dataxprs.com.eg](mailto:britconsul@dataxprs.com.eg)

### Office Hours:

#### GMT:

Sunday-Wednesday (06:00-13:30 hrs)  
Thursdays (06:00-12:00 hrs)

#### Local Time:

Sunday to Wednesday (8:00 to 15:30)  
Thursday (8:00 to 14:00)  
Open: Sunday to Thursday

### In the UK

Contact UK Trade & Investment at the following address:

#### Sandrine Jayet

Country Manager for Egypt  
Kingsgate House  
66-74 Victoria Street  
London  
SW1E 6SW  
Tel: 020 7215 4947  
Email: [sandrine.jayet@ukti.gsi.gov.uk](mailto:sandrine.jayet@ukti.gsi.gov.uk)

## Resources/Useful Links

### Business Link: International Trade

Business Link's International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

### Essential reading for exporters!

Find out more at:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.lc=en&topicId=1079717544>

### Country Information:

#### BBC Website:

[http://news.bbc.co.uk/1/hi/country\\_profiles/default.stm](http://news.bbc.co.uk/1/hi/country_profiles/default.stm)

#### FCO Country Profile:

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/>

### Customs & Regulations:

**HM Revenue & Customs:** [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

Import Controls and documentation (SITPRO): <http://www.sitpro.org.uk>

### Culture and communications

**CILT** – National Centre for Languages - Regional Language Network in your area:

[http://www.cilt.org.uk/workplace/employer\\_support/in\\_your\\_area.aspx](http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx)

**Kwintessential culture guides:** <http://www.kwintessential.co.uk/>

### Economic Information:

#### Economist:

<http://www.economist.com/countries/>

### Export Control

#### Export Control Organization:

<http://www.berr.gov.uk/whatwedo/europeandtrade/strategic-export-control/index.html/strategic-export-control/index.html>

### Export Finance and Insurance:

**ECGD:** <http://www.ecgd.gov.uk/>

### Intellectual Property

**Intellectual Property Office:** [www.ipo.gov.uk](http://www.ipo.gov.uk)

### Market Access

**Market Access Database for Tariffs (for non-EU markets only):**

<http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>

**SOLVIT – Overcoming Trade Barriers (EU Markets only)**

[www.bis.gov.uk/EUMarketAccessUnit](http://www.bis.gov.uk/EUMarketAccessUnit)

**Standard and Technical Regulations:**

**British Standards Institution (BSI):**

<http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport/>

**National Physical Laboratory:** <http://www.npl.co.uk/>

**Intellectual Property:** <http://www.ipo.gov.uk/>

**Trade Statistics:**

**National Statistics Information:** <http://www.statistics.gov.uk/hub/index.html>

**UK Trade Info:** <https://www.uktradeinfo.co.uk/>

**Travel Advice:**

**FCO Travel:** <http://www.fco.gov.uk/en/travel-and-living-abroad/>

**NHS:** <http://www.nhs.uk/nhsengland/Healthcareabroad/>

**Travel health:** <http://www.travelhealth.co.uk/>

---