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Egypt's Economic Brief Updates

April 2025

Finance & Investment Sector:

1st Integrated National Financing Strategy (E-INFS)

Egypt launched its **first** Integrated National Financing Strategy (E-INFS), representing a significant step forward in addressing the country's financing needs while striving to achieve the Sustainable Development Goals (SDGs) outlined in Egypt Vision 2030. The Strategy aims at transforming how Egypt mobilizes and allocates financial resources across key sectors.



E-INFS seeks to enhance local and international funding to support Egypt's sustainable development in 7 key sectors, namely, climate change, social protection, education, health, women's empowerment, sanitation, and transportation.

The Strategy emphasizes a shift from traditional financing methods to more integrated and innovative financial strategies, as a comprehensive roadmap has been established to foster sustainable and innovative financing mechanisms. This includes enhancing public and private resource flows, improving revenue collection, and increasing budget transparency.

Egypt implements 1st Package of Tax Facilities

Minister of Finance, H.E. Mr. Ahmed Kouchouk, confirmed the implementation of the first phase of tax facilitation measures this year.

Kouchouk highlighted that this first phase is based on a realistic assessment of challenges and a flexible approach to addressing them.



During a panel discussion at the Egyptian Businessmen's Association, Kouchouk stated that the sample-based tax audit system applied across all tax centers reflects the government's trust in taxpayers.

Egypt to reduce Customs Clearance Time saving \$284mn

Minister of Investment and External Trade, H.E. Hassan ElKhatib announced that Egypt plans to reduce customs clearance time to save \$284 million.

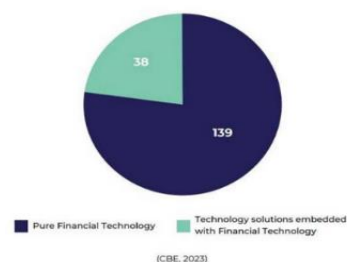


The plan will be implemented in two phases. The first phase seeks to reduce clearance time to four days, enhancing the efficiency of customs operations. Meanwhile, the second phase will cut it further to just two days, boosting commercial competitiveness, lowering logistical costs, and saving an estimated \$284 million. This step is expected to positively impacts the business environment in Egypt.

Fintech Sector expands Fivefold in 5 years

Egypt's fintech sector skyrocketed by a staggering 5.5-fold increase over the past 5 years, now boasting an impressive 177 startups, as per FinTech Landscape Report.

Fin-Tech Startups in Egypt



The Report, issued by "Entlaq", a Cairo-based research and consulting centre in partnership with the Netherlands Enterprise Agency (RVO) and the Dutch Embassy in Egypt, provides an overview of fintech's unprecedented growth in Egypt. According to the Report, Egypt ranked 10th among emerging markets worldwide and achieved a remarkable 12% growth rate.

The report shows a 70.7% increase in financial inclusion rates. Breakthroughs in digital payments, lending platforms, and B2B marketplaces have powered the fintech surge. Proactive government policy interventions, including the monetary system inclusion and digitization, nurtured this surge further.



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Egypt awards 9 Golden Licenses to Boost Strategic Investments



The Minister of Investment and Foreign Trade, announced the issuance of 9 golden licenses for strategic investment projects across various sectors. These projects are set to drive economic growth; create job opportunities; and enhance Egypt's global competitiveness.

One of the key projects is Otsuka Arabia for Nutritional Products, which will establish a \$40 million factory in 10th of Ramadan City which will produce nutritional products for both local and export markets, creating 100 job opportunities and introducing Japanese expertise and technology to Egypt.

The Suez Warehousing Company was granted a license to construct a strategic warehouse in Suez Governorate on 13 feddans, with an investment of EGP 1.988 billion. This facility will strengthen the country's strategic reserves of essential goods, while creating 75 job opportunities.

In the renewable energy sector, Suez Wind Energy will establish and operate wind power stations with an investment of EGP 1.374 billion. The project will generate 550 MW in its first phase and another 550 MW in its second phase, significantly contributing to Egypt's renewable energy capacity.

The above-mentioned are but some of the investments, representing a significant step in Egypt's efforts to attract strategic projects that enhance economic diversification and create sustainable growth opportunities.

Entrepreneurship, PPP:

Ministerial Group finalizes Egypt's Startup Charter



The Ministerial Group for Entrepreneurship aims at strengthening the startup ecosystem to fuel sustainable economic growth and create jobs opportunities. Egypt's Government plans to bolster its startup and entrepreneurship sector with a new financial package and a unified definition of startups, Officials announced.

This Ministerial Group, chaired by Economic Planning and International Cooperation Minister, H.E. Dr. Rania AlMashat, held 3 meetings. The third meeting produced a proposed financial package and a unified definition of startups, both key components of a forthcoming "Startup Charter". The Charter, currently under elaboration, is intended to serve as a roadmap for investors and startups alike.

The establishment of this Ministerial Group aligns with the government's National Structural Reform Program, focusing on private sector empowerment and a business-friendly environment. These steps underscored the government's dedication to supporting startups, citing their pivotal role in future economic development, particularly given the rise of AI and emerging technologies.

It is worth mentioning that Egypt, with its large market, young population, skilled workforce, and competitive costs, is well-positioned to become a regional startup hub.



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Egypt & IFC expand Private Investment in Airports

Egypt and the International Finance Corporation (IFC) signed an agreement to expand private sector involvement in airports and enhance service quality and capacity. Egypt has 23 airports, with Cairo International Airport being the largest.



This partnership aims to “capitalize on the IFC’s expertise in attracting investments from domestic and international private sectors, offering technical support to national institutions to improve the business environment, and strengthening public-private partnerships (PPP) across various developmental sectors”.

It is worth mention that the partnership with IFC builds upon the cooperation established in 2023 under the government’s privatization program, aimed at driving economic growth through increased private investment in key infrastructure projects, including airports.

PM establishes Advisory Committees to Strengthen Collaboration with Private Sector

Prime Minister Dr. Mostafa Madbouly announced in January 2025 the establishment of specialized advisory committees to enhance collaboration between the government and



experts from the private sector. This initiative aligns with the government’s strategy to create permanent channels for exchanging perspectives and proposals, enabling more effective policy-making and addressing critical sectoral challenges.

The decision outlines the creation of six advisory committees, each dedicated to a specific sector. These committees are tasked with providing recommendations to support government reform efforts and amplifying the role of the private sector in shaping public policies. Their responsibilities include submitting regular reports to the Prime Minister; detailing sector-specific challenges and proposing practical solutions.

MPs greenlight Draft Laws to Simplify SME Tax Regime



Members of Parliament gave their final approval in January 2025 to three tax-focused draft laws aimed at expanding tax breaks for SMEs, simplifying tax procedures, and settling disputes. They approved a new tax system for SMEs that proposed that businesses with an annual turnover of up to EGP 20 m will pay a tax rate ranging from 0.4-1.5% depending on how much they are making, covering income tax, value-added tax, duty tax, and others.

Incentives for businesses that fall under the mentioned income bracket include being exempt from the development fee tax, stamp tax, company registration fees, land registration fees and tax, and fees from inking credit facility and mortgage contracts for five years. These companies will also be able to sell fixed assets and not have to pay tax on any of the capital gains, along with paying out dividends from the profits of the company without having to pass on any to the tax authority

Members of Parliament also approved giving a second chance to those that missed previous payments, with the draft legislation enabling taxpayers who failed to submit their tax reports between 2020 and 2023 to file them within a specific time frame without facing any penalties. Under the current system, failing to submit tax returns can lead to a EGP 1 million fine.

A bill to speed up settling the mountain of tax disputes was also passed, with the aim of expediting the Egyptian Tax Authority’s settling of tax disputes as part of a longer-term move to a digital system.



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Digital Transformation & AI Sector:

3 Initiatives to accelerate Digital Transformation

Egypt's Chamber of Information Technology and Telecommunications (CIT) launched three initiatives aimed at accelerating Egypt's digital transformation, during the 8th annual Digital Nation Conference and Exhibition.



The first initiative, "CIT Digitizing 1000 Factories," aims at helping Egyptian factories adopt digital technologies and advanced solutions in collaboration with the Industrial Modernization Centre (IMC).

The second initiative, "Training for Employment," is a partnership with the Information Technology Industry Development Agency (ITIDA) to equip Information and Communications Technology (ICT) professionals with advanced skills to meet the evolving demands of the job market.

The third initiative, "Accelerate Industrial Growth with Technology," invites ICT companies and factories in key industrial areas to participate in a matchmaking session to explore advanced digital solutions tailored to their specific needs.

Egypt wins Ookla Award for Fastest Fixed Internet in Africa for 2024



Egypt has received an award for the fastest fixed internet in Africa for 2024 from Ookla. This Award underscores Egypt's dedication to enhancing its digital infrastructure and providing top-tier internet services, paving the way for a more interconnected and technologically advanced future.

H.E. Mr. Amr Talaat, Minister of Communications and Information Technology, received the Award at the Mobile World Congress (MWC) 2025 ceremony held in Barcelona. During the ceremony, Talaat underscored the critical role of effective telecommunications and internet services in Egypt's digital strategy, serving as a cornerstone for the nation's digital economy.

Furthermore, Talaat revealed that a significant project is underway to replace copper cables with fiber optic networks in rural Egypt's villages under "Decent Life Presidency-led Initiative". This Initiative aims at providing high-speed internet access to approximately 60 million individuals across around 4,500 villages.

Egypt committed to AI as Catalyst for Digital Transformation

H.E. Mr. Amr Talaat, Minister of Communications and Information Technology, reaffirmed the government's



commitment to Artificial Intelligence (AI) as a catalyst for digital transformation in his addressed remarks during the "Shaping Egypt's AI Horizon" event, which was organized by the Information Technology Industry Development Agency (ITIDA) in collaboration with 500 Global.

During the event, leaders discussed Egypt's AI roadmap, startup funding, and the adoption of AI across key sectors. Egypt is fast-tracking its AI ecosystem growth by strengthening ties between startups, investors, enterprises, and policymakers, focusing on talent skills, AI-driven industries, and investment.

Moreover, Talaat highlighted the National AI Strategy 2025-2030, and emphasized the ongoing engagement with stakeholders across the ICT sector to address their needs and foster dialogue within Egypt's AI ecosystem.



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Energy Sector:

Egypt launches Major Bidding in Oil & Gas

Petroleum and Mineral Resources Ministry announced new investment opportunities to enhance crude oil and natural gas production. As part of its strategy to bolster exploration and production while advancing sustainability in the energy sector, the Ministry offers 7 undeveloped fields in the Mediterranean and 6 exploration concessions in the Gulf of Suez and the Western Desert.

These offerings, accessible through the Egypt Upstream Gateway (EUG), will remain open for bidding until 4 May 2025. EUG is a digital platform that promotes Egypt's oil and gas opportunities by providing easy digital access to advanced data visualization and technology.



This announcement follows the Ministry's recent efforts to attract domestic and international investments. It follows their successful bidding process earlier this year for 13 exploration areas. This bidding is expected to reign in investments exceeding \$700 million. This figure could double with more commercial discoveries, positioning Egypt's energy sector as a magnet for global stakeholders.

The Ministry's initiative will divide seven undeveloped fields in the Mediterranean into two clusters to optimize development timelines and economic returns. The first cluster includes the Atin, Merit, and Rahmat fields, while the second features Notts, Salamat, Satis, and Salmon fields.

Six exploration blocks across the Gulf of Suez and the Western Desert are open for bidding, complementing the Mediterranean offerings. These encompass three promising territories in the Western Desert — Northeast Bier Al-Nas, South Fayoum, and Sanour Valley — and three strategically significant areas in the Gulf of Suez: East Jesum, East Mount Olive, and East Shadwan.

The Ministry's proactive approach aligns with Egypt's broader energy transformation strategy, anchored by its role as a vital conduit for Arab and African commerce. Egypt Upstream Gateway, a digital platform designed to enhance investor confidence and simplify decision-making, is central to the Ministry's upcoming strategy.

The platform offers extensive geological, geophysical, and analytical data, reinforcing Egypt's reputation as an investment-friendly environment. This transparency is critical as Egypt seeks to attract leading global players to participate in its energy expansion plans. Egypt's adoption of advanced methodologies, including the clusters' system and comprehensive infrastructure strategy, makes it a regional leader in energy and trade logistics.



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Automotive Sector:

Egypt allocates \$20mn to boost Local Automotive Industry



Minister of Finance, H.E. Ahmed Kouchouk, announced that EGP 1 billion (approx. \$20 m) has been allocated in the FY2024/2025 budget to fund the “Automotive Industry Localization Strategy.” The initiative aims at boosting local car production substantially and attracting international investment into Egypt’s automotive sector.

The government is making swift strides towards establishing Egypt as a regional hub for automotive manufacturing. It intends to increase the local component of car manufacturing to over 45% this year.

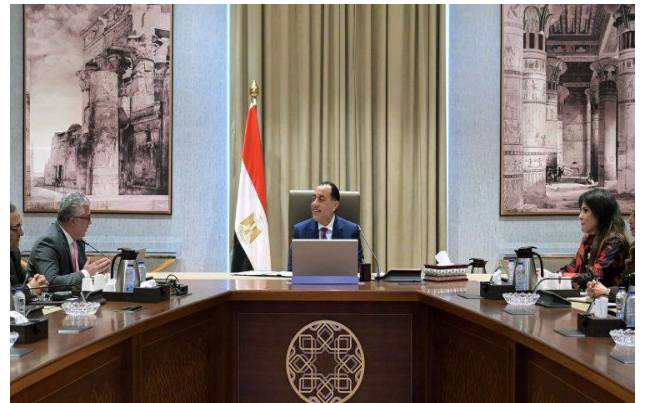
The government works closely with car manufacturers to encourage further registration in the new system. A dedicated unit at the Ministry of Finance was established to streamline procedures and resolve potential obstacles. This is a key step in Egypt’s broader plan to reshape its industrial future; expand meaningful employment, and amplify the country’s economic competitiveness globally.

The focus on localizing production comes amid a growing push by the public and private sectors to make Egypt a key player in the regional automotive industry. Such strategy indicates that Egypt objective to capture a larger global automotive supply chain share, much like recent parallel initiatives, including partnerships with global giants like between Geely and NASR Automotive.

Suez Canal Economic Zone (SCZONE) Sector:

SCZONE Major Developments & Investments

Prime Minister Dr. Moustafa Madbouly held a meeting with Walid Gamal El-Dien, Chairman of the Suez Canal Economic Zone (SCZONE), to assess key projects and investments within the region. The meeting focused on the Zone’s performance and future plans.



The meeting highlighted ongoing developments such as the completion of \$1.509 billion worth of maritime port projects, and progress in areas like West Qantara, where 12 projects worth \$511 million are set to provide over 21,000 jobs opportunities. In East Ismailia, efforts are underway to establish a high-tech industrial hub, contributing to Egypt’s innovation agenda.

Gamal El-Dien reported a 40% increase in net profits for the second half of 2024 compared to 2023, underscoring the Zone’s financial success. He detailed the Zone’s impressive \$8.081 billion in investments across 255 projects, which include industrial, service, logistics, and maritime initiatives, generating significant job opportunities. Gamal El-Dien also outlined initiatives to localize renewable energy and expand Egypt’s industrial base, alongside efforts to drive exports.



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SCZONE rolls Out Beta Launch of One-Stop-Shop Digital Services for Investors



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As part of the One-Stop-Shop services digitization and digital transformation efforts, SCZONE announced the beta launch of several digital services for investors on its investor's platform as part of the first phase. This includes two services related to Customer Relationship Management (CRM), Reception and Counselling Services, and Investor Onboarding and Project Approval services.

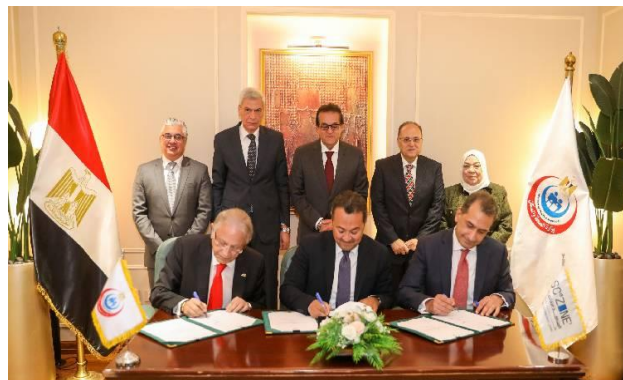
It also comprises a range of One-Stop-Shop services, which include, Permanent Operation Licenses by Notice, Annual Follow-up of Establishments Holding Operating Licenses. Additional services are set to be launched gradually. These services are launched on a trial basis.

It is noteworthy that the investor services digitization is part of the support and financing provided by the EBRD to SCZONE. The Bank offers SCZONE technical support services to elevate performance levels at the one-stop-shop.

The SCZONE is constantly striving to develop its business model, which is based on supporting investors by all possible means, through simplifying procedures, improving infrastructure, and offering competitive advantages that enhance the attractiveness of SCZONE.

The SCZONE's transformative initiative will revitalize the investment ecosystem, drive economic growth, and create jobs opportunities, ultimately establishing a dynamic and prosperous environment for attracting foreign direct investment (FDI) in Egypt.

SCZONE to establish Pharma Industry Zone



The Suez Canal Economic Zone is to establish a dedicated pharmaceutical industry zone covering an area of four million m² to attract medicine and medical device manufacturers, Chairman of the SCZONE, Mr. Walid Gamal El-Din announced, while participating in the fourth edition of the AfriSummit Medical Exhibition and Conference, organized by the Egyptian Authority for Unified Procurement.

This pharmaceutical industry zone shall be carried out in collaboration with successful partners and investors within the SCZONE. He highlighted several success stories in the pharmaceutical sector within SCZONE, including the Ateco Pharma factory in the Sokhna Industrial Zone. Another success story is the Gennvax Egypt factory, which manufactures vaccines on a 49,000m² site with a total investment of \$150 million.

Gamal El-Din mentioned the IDI factory in the East Port Said Industrial Zone, covering 20,000m². The facility produces a variety of pharmaceuticals, including capsules, syrups, tablets, vials, and creams. Moreover, he emphasized that the SCZONE is working to localize the production of medicines, active ingredients, and medical devices.