

# Doing business in Egypt



## 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 \(BIS\)](#)

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# 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 lies in the north-eastern corner of Africa, and is strategically located as a major trade and crossroads destination between Europe, the Middle East, Africa and west and south Asia. It is the centre of a region of 800 million people. Egypt's north coast is on the Mediterranean, while the Red Sea bounds the eastern coast.
- Its 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.
- English is widely used, after Arabic, in business circles.
- Egypt is politically stable.
- Egypt 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 1.9% 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 is changing at a fast pace 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 economy is one of the most diversified in the Middle East.
- The cost of doing business in Egypt is very 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.
- The UK is the largest foreign investor in Egypt, based on cumulative FDI figures since 1970. Cumulative UK investments in Egypt are estimated at around £10 billion.
- The UK's investment portfolio is diverse, with over 900 UK-invested businesses in Egypt in areas as oil and gas, financial services, pharmaceuticals and telecommunications.
- UK exports are at record levels.

## UK/Egypt Business Relations

There are a large number of UK-invested businesses in Egypt. Cumulative UK investments in Egypt are estimated at around £10 Billion. Main UK investors in Egypt include BP, Shell, BG Group, Vodafone, HSBC, Barclays, AstraZeneca, GlaxoSmithKline and Unilever. The UK's investment portfolio is diverse and includes oil and gas, financial services, pharmaceuticals and telecommunications. UK government statistics for 2008 show UK exports to Egypt up by 28% and Egyptian exports to the UK in the same period also showed a rise of 11%.

## Opportunities in Egypt

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

- Education & Training
- Engineering
- Oil & Gas
- ICT

Opportunities also exist in Water, Construction, Railways and Fire & Security.

## Economic Overview

Since July 2004, when the Nazif government took over, the government has been carrying out a radical and ambitious economic and political reform programme under the slogan "Egypt: Open for Business". Egypt has been marketing itself as hub to Europe, Africa and Middle East.

The reforms 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 World Bank/IFC Doing Business 2010 report ranked Egypt among the top ten global reformers for the fourth time in five years.

The reforms paid back and economic growth rates rose to levels unseen in a decade (averaging 7% over 2006 to 2008) and was relatively broad based across manufacturing, services, tourism, hydrocarbons, construction and agriculture.

The current global financial crisis finds Egypt better insulated than many, thanks to recent reforms, a robust banking system, and limited exposure on mortgages and toxic assets.

However, the real economy has been affected and the government implemented a stimulus package to boost the national economy favouring infrastructure projects and export subsidies. The international economic downturn slowed Egypt's GDP growth to 4.7% in 2009.

The reform programme is still a work in progress and the government will need to continue its aggressive pursuit of reforms in order to sustain the spike in investment and growth, and begin to improve economic conditions for the broader population.

The government expects growth reaching about 8.5% in three years.

## 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

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.

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.

## 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

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 co-ordinating 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?

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

UKTI services include the provision of market information and intelligence, validated lists of agents/distributors, key market players, potential customers, establishing the interest of such contacts in working with you; and arranging appointments or visit itineraries. You can be accompanied by a member of the team to facilitate any local cultural or Arabic language issues.

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. There is market advantage in Egypt in being associated closely with the Embassy and therefore UK's official seal of approval. We tailor our service to your needs and requirements.

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 today is a growing 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 dependant 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.

There are a number of forms of business organisation in the Egyptian private sector. A foreign company may establish a direct presence in Egypt through a representative, liaison or branch office, Joint Stock Company or a limited liability company. However the usual vehicle for foreign investment is Joint Stock Company or Limited Liability Company.

Public joint stock companies are incorporated under the Capital Markets Law. However, generally foreign companies prefer to form companies under the Investment Law to be eligible for the benefits and privileges it affords.

Foreign employees must obtain work and residence permits. The Ministry of Manpower & Employment has announced that it will not renew 5-year work permits for foreigners working in technical jobs in the private sector. Instead renewed permits will be valid for 3 years only, after which the foreigners should be replaced by Egyptians.

To access the Egyptian market, an Egyptian agent or distributor is advised. Egyptian companies are capable of providing maintenance and after sales services, for which there is a growing demand in Egypt. Local representation helps ensure lower costs, as there is no need to establish an office and after sales customer service is easily provided.

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.

Although in Egypt British companies generally enjoy a good reputation for quality, regular visits are essential to do successful business. Egyptians prefer personal contact. They also prefer to deal with firms and people they know, and several visits may be necessary simply to build up the required relationship.

In general, British products 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-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

## 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.

## 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),  
Website: [britconsul@dataxprs.com.eg](mailto:britconsul@dataxprs.com.eg)

### In the UK

Contact UK Trade & Investment at the following address:

**Lisa Weedon**  
Manager North Africa  
International Group 1  
UK Trade & Investment  
Tel: 020 7215 4947  
Email: [lisa.weedon@ukti.gsi.gov.uk](mailto:lisa.weedon@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/>

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