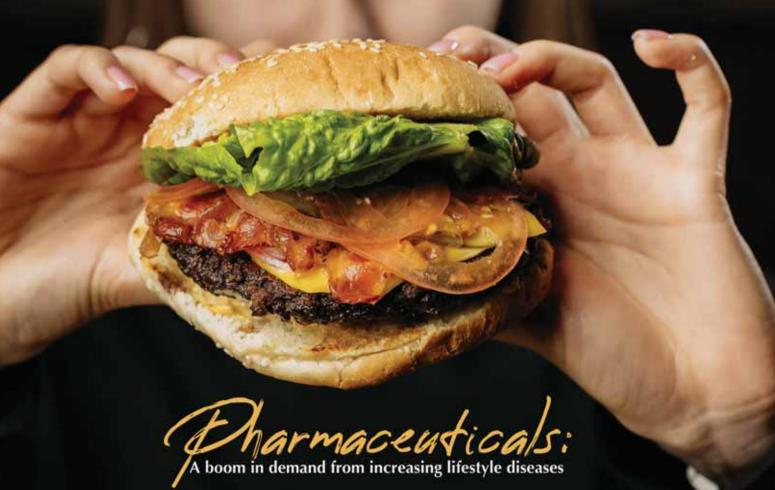
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When we launched e& cash, we solved a fundamental need: making payments simple and accessible. We recognize that millions of Egyptians require more efficient methods to manage their finances, transfer funds to family, and pay for services without the constraints of traditional banking. That solution served its purpose well, processing billions of pounds in transactions and bringing digital payments to communities across Egypt.

But as financial technology evolved globally and our customers' needs became more sophisticated, we have recognized an opportunity to do more. The transformation from "e& Cash" to "e& Money" represents our response to a changing reality: Egyptians deserve more than just payment tools. They need comprehensive solutions to build financial security, access credit, grow savings, and participate fully in the global digital economy.

The Global Learning Curve

The telecommunications industry's journey into financial services offers compelling lessons. In Kenya, what started as a simple money transfer service has become the backbone of an entire economy. In Asia, super apps have redefined what consumers expect from digital platforms. In India, the rapid scaling of digital payments demonstrated both the enormous potential and the critical importance of regulatory alignment.

Each market tells a unique story, but common themes emerge. Success comes not from technology alone, but from understanding deeply rooted human needs: the merchant who needs working capital, the parent saving for education, the entrepreneur building a business. The most successful platforms are those that evolved from solving one problem well to addressing the full spectrum of financial needs.

Yet we've also witnessed cautionary tales. Companies that moved too fast without proper

risk frameworks often face significant challenges. Platformsthat prioritized growth oversustainability. Services that forgot the human element in their rush to digitize. These experiences have shaped our approach at e& Egypt, reinforcing that transformation must be both bold and thoughtful.

Why "e& Money?" Why Now?

Our decision to evolve from e& cash to "e& Money" reflects a fundamental shift in how we view our role in Egypt's financial ecosystem. We now focus on building comprehensive financial futures for our users. This transformation goes beyond rebranding and represents a complete reimagining of what digital financial services can achieve in Egypt. From a tool for transactions to a platform for transformation. "e& Money" is how Egypt moves forward.

The timing of this evolution is deliberate. Egypt stands at a unique inflection point where digital literacy is rising, smartphone penetration is expanding, and government initiatives are creating an enabling environment for digital finance. The young population entering the workforce expects more from their financial services – more flexibility, more accessibility, more integration with their digital lifestyles. Small businesses need more than basic payment processing; they need tools that help them grow beyond cash constraints. Rural communities require more access to services that physical banks cannot economically provide.

Our new platform addresses these evolving needs through strategic choices. Fixed-fee pricing removes the uncertainty that percentage-based charges create. Our partnership with Mashreq Bank brings more banking services directly into the mobile experience, eliminating the friction between traditional and digital finance.

The ability to receive international transfers at any time, even on holidays, connects Egyptian families with their loved ones abroad in ways that traditional banking hours never could. The integration of savings, credit, and payment services creates a comprehensive ecosystem where each element reinforces the others, delivering more value with every interaction.

Building Trust in the Digital Age

Financial services, at their core, are about trust. When someone entrusts their money to a digital platform, they're making a leap of faith that transcends technology. Building and maintaining this trust requires more than secure systems and regulatory compliance, though these remain fundamental. It requires understanding the cultural and social contexts in which financial decisions are made.

In Egypt, trust is earned through relationships, consistency, and demonstrated value. Our approach leverages the established trust in the e& brand while making digital finance more accessible through familiar touchpoints. By integrating financial services directly into the mobile experience that millions of Egyptians already use daily, we reduce the intimidation factor of traditional banking. The simplicity of using just a mobile phone number, combined with transparent fixed fees and partnerships with established institutions, creates confidence in digital transactions.

We focus on removing complexity rather than adding intermediaries, making technology itself the bridge to financial inclusion.

We've learned that adoption accelerates when people see their neighbors and peers benefiting from digital services. Social proof matters more than marketing messages. Success stories spread through communities, creating organic growth that no campaign could achieve. This understanding shapes how we design services, deploy networks, and engage with users.

The Innovation Imperative

The pace of change in financial technology demands continuous innovation, but innovation must serve a purpose rather than novelty. We focus on delivering more meaningful solutions to problems that Egyptian consumers and businesses face daily. How can we make saving more accessible for individuals with irregular incomes? How can we help small companies achieve more with better cash flow management? How can we provide more people with credit access, even without traditional credit history?

Thesequestions drive our product development. The challenge lies in balancing innovation with stability. Financial services cannot afford to fail. People's livelihoods depend on the reliability of our platforms. This responsibility shapes our approach to innovation; we test thoroughly, deploy gradually, and always maintain fallback

options. We push for more while ensuring we never compromise on trust.

The Road Ahead

The transformation to "e& Money" marks not an end but a beginning. We envision a future where financial services deliver more value by becoming invisible yet omnipresent, embedded seamlessly into daily life, where artificial intelligence provides more people with personalized financial advice. Small businesses can achieve more with easier access to capital, and families can achieve more through smart saving, investing, and wealth protection tools.

Achieving this vision requires more than just technology and capital. It demands patience to build trust gradually, and courage to challenge established practices. Wisdom comes from learning from both successes and failures. Humility to recognize that we always have more to learn. And above all, a commitment to helping the communities we serve achieve more.

The journey from basic digital payments to comprehensive financial services reflects how far Egypt's digital economy has advanced. We now serve ten million users who trust us with their financial lives. Yet, we recognize that millions more Egyptians could benefit from digital financial services but haven't yet made that transition.

Our responsibility, and our opportunity, is to bridge that gap. To make digital finance so simple, so helpful, and so trustworthy that choosing "e& Money" becomes as natural as choosing to use a mobile phone. This is the transformation we're building, one transaction, one customer, one community at a time.

We invite every Egyptian to experience the ease and security of "e& Money," to discover how going for more can transform their financial journey. At the same time, we stand ready to collaborate with public and private entities across Egypt to co-create a stronger digital economy together.

Because achieving more for Egypt requires all of us working toward a shared vision of financial inclusion and digital prosperity.



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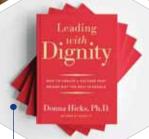
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In "Leading With Dignity," author Donna Hicks stresses an inescapable truth: A company will not achieve its full potential unless its leaders treat employees with dignity.



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OPPORTUNITY KNOCKS

Egypt stands at a crossroads of global commerce, uniquely poised to attract international investment. Its balanced diplomatic relations with major economies — such as the United States, EU, China and Gulf nations create a stable and welcoming environment for investors.

Though economic reforms have progressed gradually, they consistently target resilient sectors, laying a foundation for sustainable growth. As global markets seek stability and long-term returns, Egypt's steady reform trajectory and regional influence make it an appealing destination for forward-looking investment.

This month, we explore how the Egyptian Drug Authority is enhancing local pharmaceutical manufacturing to reduce imports and boost exports. This initiative coincides with GCC countries and Africa striving for pharmaceutical security, as they, like Egypt, heavily depend on imports.

Local pharmaceutical producers and the government face challenges due to global shifts in R&D, the rise of artificial intelligence and political volatility stemming from U.S. policies aimed at de-globalizing the pharmaceutical supply chain.

Additionally, opportunities are emerging for tourism investment as Europe grapples with over-tourism, particularly evident in Spain this summer. Turkey's rising costs are making it less appealing to tourists, while new tourism FDI prospects are blossoming across Africa.

Business Monthly also reviews government efforts to enhance corporate governance transparency to attract FDI. Finally, we summarize Donna Hicks' book "Leading With Dignity."

> TAMER HAFEZ Managing Editor

Director of Publications & Research

Khaled F. Sewelam

Managing Editor

Tamer Hafez

Contributing Editor

Kate Durham

Consulting Editor

Bertil G. Peterson

Fatma Fouad

Rania Hassan

Digital Editor

Ola Noureldin

Creative Manager Nessim N. Hanna

Graphic Designer Team Leader

Marina Emad

Senior Graphic Designer

Monica Mokhles

Graphic Designers

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Photographer

Said Abdelmessih

Production Supervisor

Hany Elias

Market Watch Analyst

Amr Hussein Elalfy

Chamber News Contacts

Susanne Winkler Azza Sherif

Director of Business Development

Amany Kassem

Business Development Coordinators

Malaka Mashhour Omar Zain Alv Zaved Ismail Hossam

U.S. address: 2101 L Street, NW Suite 800 • Washington, D.C. 20037 Please forward your comments or suggestions to the Egypt editorial office:

Business Monthly
American Chamber of Commerce in Egypt
33 Soliman Abaza Street, Dokki 12311 • Cairo • Egypt Tel: (20-2) 3338-1050 • Fax: (20-2) 3338-0850 E-mail: publications@amcham.org.eg www.amcham.org.eg/bmonthly





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VIEWPOINT

FROM TARIFFS TO TRIUMPHS:

EGYPT'S U.S. MARKET OPPORTUNITY THROUGH MANUFACTURING RELOCATION

he recent decision by the U.S. Administration to impose a high baseline tariff on imports from most countries, with Egypt receiving a rate of 10%, marks a pivotal moment in Egypt-U.S. trade relations. While global markets grapple with the implications of protectionist policies, Egypt finds itself uniquely positioned to capitalize on this shift and expand its export footprint in the United States.

This lower tariff rate is not merely a numerical adjustment; it is a strategic opening. In a landscape where competitors such as Vietnam and India face tariffs as high as 37% and 50% respectively, Egypt's relatively low rate enhances its competitiveness, particularly in key sectors like textiles, apparel, and agricultural products. With Egyptian apparel exports to the U.S. already exceeding \$1.2 billion annually, the new tariff structure could significantly boost demand for Egyptian goods, provided we act swiftly and strategically. Egypt has a short- to medium-term opportunity to capture market share previously held by Asian exporters to the U.S. by attracting manufacturing relocations. This opportunity depends on Egypt implementing prompt and serious investment policy reforms and offering appropriate incentives for manufacturing relocation.

Egypt's advantage is further amplified by its robust infrastructure, and its genius geographic positioning. As a gateway to Africa, Europe, and the Middle East, as well as by leveraging its advantageous bilateral agreements and arrangements with the EU, the Arab world, Africa, South America (The Mercosur) and Turkey, Egypt truly offers unparalleled access to global markets. The Suez Canal remains a vital artery for international trade, and recent investments in logistics hubs, industrial zones, and port modernization, such as the October Dry Port and

Ain Sokhna, have strengthened Egypt's role as a regional export hub.

Moreover, Egypt's labor market presents a compelling case for foreign investors. With labor costs significantly lower than those in Turkey and recently even China, and a young, skilled and trainable workforce, Egypt is well-suited for labor-intensive industries. This cost efficiency, combined with high-quality raw materials like long-staple cotton, as well as its minerals potential, marble and granite etc., position Egypt as a prime destination for manufacturing and export-oriented investments.

However, seizing this opportunity requires more than favorable tariffs. It demands coordinated action across public and private sectors. Egypt's ongoing economic reforms and trade facilitation measures create a fertile environment for growth. But Egypt must pursue its efforts to streamline customs procedures, enhance product quality, and ensure compliance with international standards. Egypt should open up to foreign investments by reducing trade barriers and by biting the bullet and seriously addressing the crowding out problem and ensuring a level playing field, as well as by fighting the bureaucracy and red tape, and by speeding up the divestiture and privatization pace.

In this moment of global trade realignment, Egypt has the chance to not only weather the storm, but to lead. By embracing this tariff advantage and reinforcing our export strategy, we can transform a policy shift into a powerful engine for economic growth. Let us move forward with confidence, agility, and a shared vision for a stronger, more resilient Egyptian economy by paving the way and preparing the grounds for reviving sizable manufacturing relocations and by doing whatever is needed to attract FDI.

OMAR MOHANNA President, AmCham Egypt



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EGYPT'S FIRST DIGITAL BANK TO LAUNCH IN 2026

The Central Bank of Egypt (CBE) has approved Banque Misr's Misr Digital Innovation (MDI) to transform into "onebank," Egypt's first fully digital native bank, according to an official statement. The bank is designed to serve customers by offering financial services exclusively through digital channels and platforms.

Scheduled to launch in 2026, pending final approval from the Central Bank of Egypt, onebank will provide cutting-edge financial services aimed at promoting financial inclusion and supporting the country's digital growth.

Focused on security, accessibility, and innovation, onebank seeks to serve customers anytime, anywhere—catering to a tech-savvy generation.

Khaled El Attar, newly appointed Chairman of onebank, stated, "Our mission is clear: to provide smarter, more inclusive, and more seamless banking services that are accessible to every Egyptian. We are guided by a leadership team of global experts with diverse backgrounds, working together to deliver secure, advanced, and user-friendly financial solutions; hence, placing onebank at the forefront of Egypt's digital banking landscape."

NATIONAL DATABASE AIMS TO LOCALIZE THE AUTOMOTIVE INDUSTRY

The Ministry of Industry and Transport has started developing a comprehensive national database to map demand patterns, challenges, and opportunities related to localizing the automotive industry, Minister Kamel El-Wazir stated.

The database aims to accelerate industrial integration and decrease dependence on imported vehicle parts. "It will serve as a strategic tool for aligning national capabilities with the technical needs of global automakers, bridging supply gaps, and providing targeted support for priority industries," El-Wazir explained.

A meeting between private sector representatives and the minister reviewed the capabilities and challenges of localizing automotive components. The minister also listened to the opinions and observations of car manufacturers concerning their needs and priorities, which include factories for plastic injection used in car manufacturing, stainless steel factories, tire production, and other related industries.

El-Wazir mentioned that automotive feeder industries will be added to the list of 28 high-potential sectors eligible for increased investment incentives under the government's industrial development plan.

The database will be showcased at the upcoming "Negative Exhibition," part of the "Industry and Transport Together for Sustainable Development" expo scheduled for November.

EGYPT, JAPAN TO BOOST BILATERAL COOPERATION

During the Egypt–Japan Investment Forum held in Tokyo in August, the two nations signed twelve key agreements and letters of intent, signaling a strong commitment to deepen bilateral cooperation across various fields, including education, sustainability, and tourism.

In educational reform and innovation, Egypt's Ministry of Education and Technical Education partnered with the Tokyo Metropolitan Government to improve general and technical education, including vocational training, special needs programs, and teacher development.

Additionally, Casio Middle East teamed up with the ministry to incorporate calculator-based learning into primary school math curricula, enhancing teacher skills. Sprix Japan will also assist in revamping Egypt's math curriculum from grades 1 to 12, aligning it with Japanese standards while adding programming, IT courses, and a performance-tracking platform.

Other agreements were signed to support music education, expand the "Tokkatsu" holistic education model, and strengthen vocational, technical training, and academic exchanges.

On the Green Energy and Sustainability front, the Suez Canal Economic Zone (SCZone) signed deals with Itochu Corporation and Orascom to develop ammonia-based green fuel bunkering facilities for ships at SCZone ports. Another SCZone agreement with the Tokyo Metropolitan Government will promote collaboration in green hydrogen development.



Willow Ferro Alloys India, a leading producer of ferroalloys with five plants in India and two in Zambia, plans to invest \$75 million in the East Ismailia Zone, located in the Technology Valley in Sinai.

Willow Ferro has laid the foundation for two manufacturing plants in the East Ismailia Zone, part of the Suez Canal Economic Zone (SCZone). The initiative emphasizes strengthening bilateral economic relations and Egypt's commitment to localizing critical industrial inputs.

Operation of these two manufacturing plants will occur in three phases, starting with the production of silicomanganese and ferrosilicon alloys made from quartz and manganese ores, which are vital for the high-quality steel industry.

With local production of these materials, Egypt is expected to save around \$75 million annually in import costs. The plant will cover 40,000 square meters and create 300 direct jobs along with 1,000 indirect employment opportunities.

EGYPTIAN EXCHANGE LAUNCHES MOBILE APP

The Egyptian Exchange (EGX) launched its first mobile smart application as part of its comprehensive digital transformation plan.

The new app — EGX Egyptian Exchange — is a strategic move to give investors better access to market insights and foster direct communication with key stakeholders across the financial ecosystem.

This app offers interactive, real-time, and accurate content, including the latest market news, data on listed securities, index summaries, and major market developments.

The goal is to boost market efficiency, enhance informational capabilities, and expand the investor base with innovative tools aligned with the latest global practices.

The app is currently in its pilot phase, allowing users to explore features firsthand and share feedback and suggestions for improvement through EGX's dialogue platform.



GOVERNANCE DRIVING GROWTH

Experts and regulators stress that corporate governance compliance is key to attracting investment, boosting growth, and ensuring sustainability.

by Fatma Fouad



With the evolving economic landscape and encouraging investment climate, corporate governance compliance becomes instrumental for Egyptian businesses. "The world's economic and geopolitical maps are being redrawn, urging multinationals to actively seek investment destinations that offer not just cost efficiency, but also trust, transparency, and regulatory clarity," said Ghada Hammouda, Chief sustainability and marketing officer at Qalaa Holdings, Chair of the Sustainability Committee at the Arab Federation of Capital Markets, and Co-chair AmCham CIS Committee.

"Egypt is now positioned as a competitive investment destination with clear targets to attract relocating industries, supply chains, and value chains," she added.

Notably, the concept of governance was largely adopted after the Egyptian Institute of Directors issued the first corporate governance code in 2005, inspired by the OECD's 1999 guidelines. "The Egyptian code primarily aimed to govern the relationships among shareholders, management, the board, the company, and investors," said Mohamed Farid, chairman of the Financial Regulatory Authority (FRA).

"Without governance and without having clear segregation between the role of shareholders and management, you will never be able to reach the point of feeling comfortable with the performance of companies," he said.

In July, AmCham's Corporate Impact and Sustainability Committee convened a session to explore the shifting landscape of corporate governance, underscoring its critical role in advancing sustainability, transparency, and private sector resilience. The discussion highlighted the pressing need for regulatory modernization, cultural transformation, and strategic alignment with global standards.

Why now?

The importance of governance stems from it being a real catalyst for transforming companies' operations on the ground. According to Diligent, a software-as-a-service provider, "Corporate governance is important because it lays a foundation for the organization's approach to every other business activity. The governance framework directs and controls everything within the organization, from enterprise risk management (ERM) strategy and cybersecurity to environmental, social, and governance (ESG) issues."

Corporate governance compliance plays a key role in boosting investor confidence and ensuring sustainability. "Strong governance enhances investor

confidence, ensures compliance with international standards, and unlocks access to development finance and climate-aligned capital," Hammouda emphasized during the session.

According to Sherifa Sherif, executive director of the National Institute for Governance and Sustainable Development (NIGSD), governance also "builds and maintains citizen trust by promoting ethical leadership, inclusive participation, accountable decision-making and responsiveness to citizens' needs."

Corporate governance also enhances women's representation on boards of directors. According to Farid, Decrees 107 and 108 (2021) issued by the FRA mandate female representation on boards of directors in Egypt, specifically for non-banking financial companies and companies listed on the Egyptian Exchange (EGX).

Standing out

For companies to remain competitive while proactively managing risks, Farid highlighted the need to rely on data. "The data component is becoming of paramount importance and a prerequisite for being able to sustain or withstand any changes that are happening." He explained that "Whatever you cannot measure, you cannot manage."

Another key element is accelerating the pace of digital transformation. At the FRA level, Farid noted, it allows for e-identification, electronic Know Your Customer (e-KYC), a digital process for verifying customer identityelectronic Know Your Customer, a digital method for verifying customer identities (,), and e-contracts. "Technology bypasses the relevant costs incurred by companies in reaching insurance policyholders and potential investors," Farid said.

However, he said digital transformation requires a hefty investment in IT infrastructure. "Technology is all about the scalable infrastructure behind it, where companies understand that there has to be a plan for expansion if needed."

Another major component is cybersecurity to protect data. "We have a law that stipulates and dictates the protection of data and personal information," he said. "Every single person or entity with significant databases must deal with cybersecurity reports and penetration tests."

Regulating the unregulated

Hani Sarie-Eldin, founder and managing partner of Sarie Eldin & Partners Legal Advisors and chairman of the Financial, Economic and Investment Affairs Committee at the Egyptian Senate, noted that despite significant efforts by government bodies in the regulated market, challenges persist with nonregulated companies.

He emphasized the urgent need for reforms in several areas — most notably, the modernization of the Companies Act. Sarie-Eldin said, "Fiduciary duties of directors remain weak and enforcement mechanisms are outdated."

He advocates for extending the regulatory framework to large non-listed companies, especially those with minority shareholders, saying, "If you look at the U.K. Companies Act of 2006, for example, you'll find almost 77 articles or sections directed only to the governance of closed companies and non-listed companies. So that's important."

Sarie-Eldin emphasized that the major challenge lies in the fact that, even among listed companies, governance is still approached merely as a compliance box to be checked. "Culturally, governance is still seen as a regulatory framework, not as part of business success or a long-term policy," he said. "Among non-listed companies, there is a clear cultural resistance, as they often don't see the value of governance."

Capacity building

Another major challenge is the lack of internal capacity and skills. "While companies may have good internal auditors and risk managers, when it comes to governance, they often lack the necessary tools, management, and leadership," Sarie-Eldin said. "There is no clear ownership of governance. You may find scattered efforts here and there, but not a unified or accountable structure. This needs to be addressed."

Sarie-Eldin also cited the need to consider the role of non-governmental organizations in providing training and raising awareness about governance.

He added that one of the most pressing



concerns is the lack of monitoring and feedback. "Current reporting systems do not include governance-related feedback. Boards typically review policies only once a year, and there is little to no input from frontline staff or stakeholders." To address this issue, Sarie Eldin emphasized the importance of conducting regular audits or internal evaluations to ensure effective governance implementation.

Supporting Sarie-Eldin's concerns, Sherif noted there's a mindset and cultural gap when it comes to governance. She explained that weak audit systems, both internal and external, continue to pose challenges across the public and private sectors. Reporting mechanisms remain inadequate, and transparency is still a work in progress.

Companies also encounter a significant skills gap, she said. "The necessary expertise and knowhow are often lacking. The government, private sector, and civil society are all stakeholders in the same ecosystem and must recognize these challenges and work together to address them," said Sherif. "We are on the right track, and with continued effort, collaboration, and commitment, we can build a more resilient, competitive, and well-governed market."

ESG+

During the session, Ahmed El Guindy, managing partner of Tanmiya Capital Ventures, emphasized the importance of ESG in elevating investment processes. "If a company is seeking financing today, ESG is not optional — it's a requirement. And if you want to elevate your position, especially with asset managers like us, it's not just ESG — it's ESGI, where the 'I' stands for impact," El Guindy said.



From the equity side, he said, the market today encompasses three to five local institutional investors and about 10

regional ones. "In my view, only the local investors have the capacity to work closely with companies to help them build their ESG policies."

Without that support, companies won't be able to attract capital. He noted that "regional funds often lack the manpower or patience needed on the ground to help target companies develop these frameworks."





El Guindy said there is an alarming gap between regulations in the public and private markets, noting that regulation

must be the driver of reform, and the accelerated progress seen in the public market should be mirrored in the private sector.

To address this gap, regulation alone is not enough, El Guindy added. Financial incentives are also essential to encourage meaningful adoption and bridge the gap between compliance and real transformation.

While there are programs offering benefits to companies that comply with ESG standards, these initiatives are largely driven by international financial institutions. In contrast, the local institutional capital has yet to fully link capital deployment to regulatory adherence.

Although international financial institutions play a vital role, "deploying an estimated \$2 billion to \$3 billion annually, the potential and scale of local institutional capital is significantly larger, ranging from 10 to 100 times that amount," El Guindy noted.

Governance-driven capital

Reem El Saady, deputy head of Egypt at the European Bank for Reconstruction and Development (EBRD), emphasized that governance isn't just a principle being advocated externally; rather, "it's something we live internally. We are transparent, digitally transformed, and deeply committed to sustainability. For example, we measure our carbon emissions annually and work to maintain and reduce them."

In Egypt, governance remains a challenge for businesses — particularly in sectors targeted by the EBRD for investment, such as energy, transport, real estate, food, and agribusiness.

For many Egyptian businesses, El Saady said, "governance is not yet embedded in their DNA. Often, they adopt governance practices only when seeking investment or when forced by regulation, which is a good starting point."

Sustainability and governance are especially challenging for smaller businesses, "unless these efforts are monetized," she added. These businesses are focused on daily survival, and unless governance or green practices directly affect their bottom line, they struggle to prioritize them, El Saady highlighted.

Implementation challenges

Despite having a good regulatory framework, El Saady noted, the problem stems from penalties related to those regulations. "Having more penalties related to regulations can sometimes lead to what we call greenwashing or governance

washing." An example of this could be appointing a woman to the board just to meet a requirement, not because of genuine inclusion or strategy.

To ensure the actual implementation of rules and regulations, El Saady stressed that the EBRD dedicates a lot of capacity building at all levels, starting with training courses, and bringing in international and local consultants to boost the implementation of green governance.

El Saady highlighted EBRD support for government institutions to improve governance, citing the Suez Canal Economic Zone, where the bank helped streamline and digitize processes to enhance transparency and decision-making.

On the sustainability front, on July 9, the EBRD signed off on Egypt's first sustainability-linked loan, a \$100 million facility with Banque Misr. It targets low-income housing and women-owned businesses.

While governance is constantly evolving, Sherif noted that within public and corporate settings, governance serves as a tool and enabler, explaining that corporate governance is a mechanism to build effective and efficient institutions, combat corruption, ensure transparency and accountability, and uphold the rule of law.

In Egypt, Sherif said, "We have a solid legislative foundation: investment laws, company laws, listing criteria for stock exchange participation, and more." These are all tools that support the implementation of corporate governance in Egypt. However, "what we're lacking is enforcement and consistent implementation."



POLICING THE CYBER POLICE

The National Telecommunications Regulatory Authority has issued guidelines to license cybersecurity companies working with the government and private sector.

by **Rania Hassan**



Egypt has been heavily investing in digitizing its economy and accompanying infrastructure since 2016 with the launch of Egypt Vision 2030. Since then, projects have included digitizing government services and citizen interactions, promoting digital payments via applications like the Central Bank's Instapay, offering training and upskilling courses, and promoting innovation via incubator programs and regulatory sandboxes.

Government data shows that between 2022 and 2024, the number of internet users in Egypt increased by 6.3 million, bringing the total to more than 82 million. According to data aggregator Statista, that means almost all Egyptian citizens aged 10 or above have internet access.

That proliferation is accelerating cybersecurity risks. A report by Positive Technologies, a security firm, found more than 100 listings on the "dark web" offering stolen personal information of Egyptian citizens.

The report also showed data breaches primarily targeted individuals (40%), followed by e-commerce (22%), and the service and transportation sectors (10% each).

To combat illicit activities, the National Telecommunications Regulatory Authority (NTRA) announced a new framework to give multi-tier certifications to cybersecurity professionals and companies.

"Regulating cybersecurity firms and professionals operating in Egypt offering their services to local companies and government bodies has become critical," Walid Zakaria, NTRA deputy chairman for Cybersecurity affairs, told AmCham Egypt members in July. "This new regulation will not only govern the market, but also should stimulate innovation and ensure competitiveness."

Not a bad start

Realizing the importance of cybersecurity, the government in 2023 founded the Supreme Cybersecurity Council (SCC) and launched the National Cybersecurity Strategy (NCS) 2023-2027.

Its vision is to "ensure Egypt's cyberspace is secure and resilient, and promote economic prosperity." To achieve that, the strategy will "lead government efforts to understand and manage cyberspace risks," the NCS document said.

It outlined seven program categories, which comprise the local cybersecurity framework. They are building a comprehensive regulatory framework; enhancing participation of the private sector and society; building capable and resilient cyber defenses; strengthening international cooperation; changing society's perception and culture toward cybersecurity; and promoting R&D, innovation and growth."

The government's commitment has been reflected in global cybersecurity rankings. In September 2024, the International Telecommunication Union classified Egypt as one of 48 "Tier 1" countries out of 193 member states. Within Tier, Egypt was in the top 12 countries.

For fiscal year 2025/2026, the Ministry of Planning, Economic Development and International Cooperation announced that EGP 13 billion (\$268 million) would be directed to the ICT sector to enhance cybersecurity capabilities, along with boosting digital infrastructure, localization of tech equipment manufacturing and integration of artificial intelligence. The ministry hasn't offered a breakdown of that money.

The other mention of cybersecurity in the 2025-2026 plan involves developing "cybersecurity solutions for critical national infrastructure."

Regulating cybersecurity

In July, the NTRA announced implementation of a framework that regulates individuals and companies offering cybersecurity services. The regulation is based on the 2014 cybercrime law, the 2003 telecom regulation law, and decisions from the SCC.

The framework defines terms and conditions for a multi-tier certification system, which determines the eligibility of its holders to work on specific projects. It also specifies team structures and qualifications of its members based on service recipients, as well as the services they are getting.

"This regulatory framework aims to guarantee real governance and maturity in Egypt's cybersecurity market," Mohamed El Sobky, cybersecurity risk management, compliance, and accreditation executive director at the NTRA, told AmCham Egypt members in July. "The crux of this regulation is upskilling the individual experts working in this sector to ensure they meet international standards."

To achieve its targets, the new legislation requires that agencies responsible for managing "critical infrastructure" and "all government agencies, bodies and ministries" only contract certified cybersecurity providers.

From the provider's side, getting certified per the new cybersecurity legislation framework will require investment in upskilling staff. "The basic premise of the regulation is that we are encouraging companies to invest in their human resources," El Sobky said.

"That [upskilling] will create competition. It will also ensure that cybersecurity service providers are mature and capable of service delivery up to unified national standards. Ultimately, that should attract more investment in this crucial part of the information sector."

He also noted that having a certification framework would ensure that service providers protect the recipient's data, especially relating to critical infrastructure.

Tiered-system

The new certification system has two levels. Tier 1 certificates enable cybersecurity service providers, whether companies or individuals, to work with government agencies, public enterprises, telecom providers, critical infrastructure, and the private sector.

Tier 2 certification only allows holders to do business with private sector companies or organizations with no ties to the government or its critical infrastructure.

El Sobky noted companies attaining Tier 1 or Tier 2 have the option to be certified as "service providers" to third parties or "non-service providers" to enhance their position in the market, with customers. If they choose to be service providers under either Tier, they must individually certify each staff member working on the project.

Individuals can only certify themselves (Tier 1 or Tier 2), but they cannot offer the service unless they work for a certified company." El Sobky said.

Another certification difference is "permanent" and "temporary" variants for service providers only. "The permanent certification is renewed every three years and is given to the companies that meet all Tier 1 or Tier 2 criteria," El Sobky said. "This process takes a month, and service providers must pay all fees up front."

The "temporary" certificates target cybersecurity service providers who already have contracts with government bodies, which are obligated to use certified firms. "It is a document that proves to the government that their cybersecurity service provider is working toward compliance," El Sobky explained. It is valid for one year. "The temporary certificate is essential, as without it the government must annul the contract immediately per the law, harming both the receiver and provider of the service."

Another feature of the "temporary" certificate is that the company that holds it must also pay for "temporary" certificates of the technical staff working on the government project. Companies and individuals with permanent certificates are registered in an NTRA-managed national database of all those who received either a Tier 1 or Tier 2, service provider or non-service provider certificate. Those with temporary certifications don't appear.

"The reason for this separation is that any government-related entity must contract a company from this database in any new post-regulation contract," El Sobky explained. "Accordingly, all they will see are providers with permanent certifications."

Project eligibility

El Sobky stressed that despite holding permanent certifications, companies and their technical staff cannot work on just any project, whether government-related or in the private sector.

Cybersecurity service providers working on critical infrastructure or government-related projects must assign a team of five or more dedicated experts. One of them must hold an advanced certification and two for intermediate-level certifications, while the rest can be certified at any level in Tier 1.

Restrictions also apply to Tier 2 certified service providers, who can only work with companies not related to the government. Their teams must comprise at least three accredited professionals, one of whom must be intermediate-level certified. The rest can be entry-level certified.

Once the project is implemented, El Sobky noted that the service provider must have a Security Operations Center that is operational 24/7. "If they serve government clients, there must be at least seven certified professionals working in the center at any time. For private companies, their center must have at least five," he said. There is no minimum certification requirement for those working in those centers.

Finally, the cybersecurity regulatory framework also limits consultancy and training activities. If the certificate holder provides consulting services, they can be certified at any level in the non-service provider certificate program. "The reason is that consultants only design security systems and aren't involved beyond that stage," El Sobky said.

He stressed that trainers are required to have an advanced certification in either service or non-service provider programs. "The logic is simple here. You can't have someone with an intermediate certification teach advanced cybersecurity."

El Sobky stressed, "For the time being, the restrictions are on the team size," El Sobky said. "We will eventually add limitations on the size and nature of the operation of the cybersecurity receiver. What we have announced are the bare minimum requirements."

In the long term, he sees the regulatory framework might transform into a government agency with internationally recognized certification programs. "It will be transformational for Egypt's digital economy and framework to have a 100% national body giving locally developed certifications, recognized throughout the world."

Cybersecurity vision

For Zakaria of the NTRA, the vision for Egypt's cybersecurity framework is to enable "free, fair competition, giving equal opportunities for service providers who are continually offering standout and innovative solutions, operating with transparency and integrity."

The second target is to increase confidence regarding the quality and effectiveness of cybersecurity services offered by local providers. "The new regulatory framework is the cornerstone for establishing the required trust," Zakaria said.

Third, he believes a highly regulated cybersecurity market meeting international standards would attract FDI. "That target is particularly vital to create sustainable growth in that critical sector, which directly impacts Egypt's digital transformation strategy."

Zakaria also aims to integrate Egypt into the global cybersecurity framework via partnerships and implementing international standards to ensure local providers can compete regionally and beyond.

Lastly, "the vision is to build resilient protections around Egypt's digital economy, allowing it to function uninterrupted and without fear of cyberattacks crippling it," said Zakaria. "That will ultimately happen when investments in human capital from the government and private sector align and complement each other to build generations of skilled, internationally recognized cybersecurity professionals."



HEALTHY PEALTHY ECONOMY

Egypt is prioritizing pharmaceutical localization as a cornerstone of public health and economic resilience. With presidential mandates and regulatory reforms, the government is boosting domestic production of essential medicines, active ingredients, and advanced formulations.

Increased local production is poised to accelerate exports to the GCC and African markets, which are seeking reliable and affordable therapeutics. However, global supply chain disruptions and rising demand present both opportunities and challenges.

By **Tamer Hafez**



BUILDING EGYPT'S 'PHARMA-NOMICS'

Egypt has a thriving pharmaceutical manufacturing sector, which the government wants to strengthen further via localization and increasing export potential.

Egypt's pharmaceutical industry is in flux. In 2024, revenue increased 42% compared to 2023, according to IQVIA, a medical think tank. Most of those sales were locally made products that accounted for 91% of local demand, according to government data.

That increase in sales revenue is a result of pharma companies raising prices after receiving government approval rather than volume growth. According to IQVIA, units sold fell 3% in 2024.

For 2025 and beyond, new factors will come into play thanks to the government's commitment to creating a friendly business environment for pharmaceutical producers.

"Egypt is already one of the most promising pharmaceutical manufacturing markets in the region," Ali El Ghamarawy, chairman of the Egyptian Drug Authority (EDA), told the media in July. "It has the potential to become a regional center for pharmaceutical production and distribution."

The goal is to attract multinational companies to enhance training of local talent, foster more innovation and produce the latest medicines not currently available locally. "That aligns with Egypt Vision 2030," El Ghamarawy added.

Local market dynamics

Egypt is home to between 170 and 200 pharmaceutical companies. According to a report from PharmaComex, a research firm, while a small fraction of those companies represent foreign brands, "they account for 44% of the market in terms of sales."

Local production heavily relies on foreign markets, as "almost all raw materials for local manufacturing need to be imported," the PharmaComex report said. About 75% of Egypt's pharma imports are active ingredients for domestic producers.

In terms of production volume, the report noted, "Egypt has the largest drug manufacturing base in the Middle East and North Africa, accounting for nearly 30% of the regional market," PharmaComex said.

Around 70% of that production is generic medicine, where manufacturers use expired patents to produce medicines identical to branded ones. Generics are noticeably cheaper than their branded counterparts, as their producers don't incur any R&D costs.

That cost advantage is vital in Egypt, a low-middle-income nation based on World Bank metrics, because "the lack of a comprehensive health-insurance system [means] pharmaceutical sales are based on out-of-pocket expenditures as consumers

find self-medicating to be the cheapest form of treatment." the PharmaComex report said.

Government role

Per a 2019 regulatory update, the EDA issues and supervises implementation of quality and safety standards for locally produced and imported medicines. It also participates in drafting new regulations with the Ministry of Healthcare and other relevant agencies. The EDA also maintains databases of all pharmaceutical products.

The Authority is responsible for raising public awareness of the importance of visiting doctors to get accurate diagnoses, adhering to prescription instructions, and alerting the public and pharmacies to fraudulent medicines or contaminated batches.

In December, Egypt became the first country to receive the World Health Organization (WHO) Africa-only Maturity Level 3 (ML3) certification for medicine and vaccine regulations. "This accomplishment underscores Egypt's commitment to ensuring the availability of safe, effective, and high-quality medical products for its population," the WHO press statement said.

In July, the EDA issued the Egyptian Pharmacopeia, a scientific and legal reference document containing the chemical details, physical properties, test results, and permissible limits of impurities for 2,500 drugs out of a targeted 3,400.

El Ghamarawy also announced simplified registration processes for pharma producers that want to license "modern medicines." The EDA has yet to define "modern medicines."

Lastly, he said the EDA will start implementing a "track and trace" regulation in November for all national establishments that sell pharmaceutical products. Its primary purposes are to ensure counterfeit medicines are not sold nationwide and withdraw expired or nearly-expired drugs from pharmacy shelves.

Localization efforts

Despite accounting for more than 90% of local demand, the government is looking to increase the localization of pharma products. El Ghamarawy said the strategy aims to "reduce Egypt's reliance on pharmaceutical imports" as well as build local capacity to increase exports.

In April, local producer Gypto Pharma and U.S.-based Dawah Pharmaceuticals agreed to build a manufacturing facility in Egypt. During the announcement event, U.S. Ambassador Herro Mustafa Garg said, "The critical element of this landmark agreement between Dawah Pharmaceuticals and Gypto Pharma is the supply of state-of-the-art U.S. machinery, equipment, and technologies along with the know-how and expertise to expand the reach of Egyptian pharmaceutical production throughout Africa and the Middle East."

In May, Gamal El Leithy, chairman of the Chamber of Pharmaceutical Industry at the Federation of Egyptian Industries, told Asharq Business the sector should see EGP 4 billion (\$82.5 million) in fresh investments with 20 new production lines expected to come online this year.

He said those facilities will mainly produce semifinished products that are currently imported. The EDA aims to ultimately reduce the government's \$3 billion annual pharma import bill.

In addition to enticing pharma manufacturing investments, the government is building the next generation of pharma professionals. In August, the Ministry of Health signed a cooperation protocol agreement with the Ministry of Education, EDA, and Technological Institute for Pharmaceutical Industries in Rome to develop five specialized schools that merge technology with pharmaceuticals and healthcare.

Graduates will hold dual accreditation certificates from Italy and Egypt. The courses teach international standards set by Italy's clinical trials, pharma regulatory bodies, and the WHO's Good Manufacturing Practice and Good Laboratory Practice standards.

Export boost?

Egypt's ML3 certification will be crucial in strengthening the presence of Egyptian medicines in existing foreign markets and opening new ones, according to the PharmaConex report. "Although the export base is low, the export growth is expected to be faster than that of Egyptian drug imports," it noted.

In August, El Ghamarawy announced plans to attain ML4 certification, which includes integrating digital technology in Egypt's legislative framework.

Another vital step is normalization of approval and licensing procedures with a growing number of potential export markets. To that end, in July and early August, El Ghamarawy met with representatives from the Philippines, Belarus, Uzbekistan, and Malawi to discuss regulatory alignment. He also signed relevant MoUs with Brazil and Senegal.

Those efforts should boost exports. Fitch forecasted Egypt's pharma exports would grow almost 40% between 2025 and 2029.

That "will contribute to narrowing the pharmaceutical trade deficit by reducing import dependence and enhancing export revenues through increased local drug production," Fitch said. "In 2025, the trade balance [deficit] is projected to be \$2.7 billion, with only a slight widening to \$2.9 billion by 2029."

However, the proverbial "elephant in the room" is whether local medicine production capacity can grow at a faster pace than local demand. That is essential for increasing exports, as "Pharma producers must prove they have several months worth of stock of a medicine before the EDA gives them a license to export," El Ghamarawy said in an August press statement. "Exports will not be at the expense of meeting local demand."



BIG MARKET, BIG PROFIT, BIG CHALLENGES

The GCC's pharmaceutical sector is fast-growing and import-dependent, making it profitable for exporters to the region. However, the Gulf's localization policies may hinder those opportunities.

Pharmaceutical availability has long been an essential part of governments' attempts to ensure health security. The Middle East is proving a "new epicenter of growth, a powerful engine driving the future of global health," noted Drug Patent Watch, a research platform, in July.

For Egypt, where locally produced medicines exceed domestic demand (The country enjoys over 91% medicine self-sufficiency, based on government data), there is a significant opportunity to export to the six GCC countries.

The big markets are Saudi Arabia, the UAE, and Kuwait, noted a report from Ardent Advisory, a financial advice firm specializing in mergers and acquisitions. "Most [of their] domestic demand is met via imports." In those three nations, foreign-made medicines meet between 80% and 90% of demand.

That export window could be closing as GCC governments are promoting local manufacturing. "The main idea [is] to decrease the cost of medications, which [has been] increasing rapidly," said Abudelaziz Alsaddique, CEO of Qimat Taiba Pharmaceutical Biotechnology Factory in Saudi Arabia.

Sanaya Pavri, director at the Dubai Office of APCO Worldwide, a consultancy, noted, "The pharmaceutical industry in the [GCC] has grown impressively in recent years."

Fueling the market

The business case for investing in pharmaceutical production in GCC countries is compelling. "The MENA region's pharmaceutical industry is undergoing significant transformation, driven by a complex interplay of factors," said Pavri. "Those factors include rising health care demands and government reforms," he added.

Increased demand for medicines, particularly for non-communicable diseases, "has presented growth prospects," Pavri said, citing aging populations and increasing urbanization. The GCC's wealth also increases instances of "lifestyle-related diseases like diabetes and cardiovascular conditions," according to IMAP.

Other demand growth factors include mandatory health insurance, medical tourism, and a robust project pipeline that caters to increasing interest from pharmaceutical investors.

Accordingly, "Healthcare expenditure in the GCC is projected to reach \$159 billion in 2029, an [average annual growth] of 7.8% from 2024 [until 2029]," IMAP said. "As a share of GDP, this expenditure is expected to increase from 5% in 2024 to 5.7% in 2029."

Tech's the fuel

The second factor fueling the GCC's pharmaceutical sector is "technological advancements and improved supply chain management, [which] contributed to industry expansion," Pavri said. "[GCC-based] pharmaceutical companies predominantly focus on generic drugs [where a pharma producer uses expired patents to make identical medicines to branded versions] or collaborate with foreign partners, benefiting from the region's high number of pending patent expirations."

Artificial intelligence (AI), ranging from "AI-based diagnostics to conversational AI," has "vast ... potential applications," Pavri said. But Hein van Eck, CEO of Mediclinic Middle East, a GCC-based healthcare provider, told IMAP, "It is critically important that AI tools in the GCC are trained on regional, not generalized global, data."

The third tech driver of the GCC's pharmaceutical sector is telemedicine, fueled by "growing patient demand for convenient, remote healthcare options," said IMAP. "The expansion of telemedicine services is part of a broader trend of digital transformation in the GCC healthcare sector, which also includes adoption of AI-powered diagnostic tools, predictive analytics, and healthcare data analytics."

Facilitating growth

Playing a significant role in attracting pharma investors is the GCC's "improved regulatory environment with the establishment of government regulatory bodies, such as the Saudi Food and Drug Authority and the Emirates Drug Establishment, playing essential roles in ensuring drug safety and quality," Pavri noted. "They [also] play a central role in streamlining drug registration processes and promoting local manufacturing."

Pavri also said governments, especially Saudi Arabia, are "aggressively attempting to encourage generic consumption by limiting imported branded pharmaceuticals and encouraging local generic manufacturing, to reduce health care costs and diversify their economy."

GCC governments are also signing "strategic partner-ships [with] multinational pharmaceutical companies," he said. "[They] facilitate knowledge exchange and investment," aligning with "widespread regional plans for economic diversification ... from oil [per] Vision 2030 strategies in ... Saudi Arabia, the UAE and Qatar."

Caveats to growth

Pavri warned that "successes hinge on factors like continued government funding and long-term strategic planning." Meanwhile, IMAP stressed that "harmonizing healthcare regulatory reforms is essential" for the region to become a pharma hub.

One divisive topic is "price controls," noted Pavri. "[They] have been a double-edged sword." On the plus side, regulating prices has ensured medicines remain affordable, which reduces the financial burden GCC governments incur to treat patients. On the downside, Pavri said price controls "have raised concerns about their potential negative impact on innovation and investment."

Further complicating price controls in the GCC is the price harmonization policy "implemented to address price variability among member states, [and showcase] the region's increasing focus on health care cost containment," Pavri said. "The long-term implications of this policy on the market, pharmaceutical companies, and health care in the GCC remain uncertain."

IMAP highlighted challenges that emerge with fast sector growth. The first is "healthcare workforce challenges. [For one,] recruiting skilled professionals is difficult, reliant on expats, and requires investments in talent development."

There are also "limited specialized care facilities, [as there is] a focus on primary and secondary care, meaning there is a gap in [meeting] specialized care demand," IMAP noted.

Other growth-hindering factors include "rising healthcare cost management driven by geopolitical concerns and gloomy economic environment, coupled with lingering global supply chain disruptions and labor shortages," added IMAP.

Lastly, the elephant in the room is the fact that over two-thirds of the GCC's pharmaceutical needs still come from abroad, whether finished medicines or semi-finished components for local producers. "[That] high dependency on imports [means] the healthcare sector has high exposure to price fluctuations for pharmaceuticals, medical devices, and equipment," Pavri said.

What comes next?

For pharma companies in the Gulf, "innovation is critical for success ... The GCC is building self-reliance by incubating innovative ventures and creating a collaborative environment to scale research and expand its pool of skilled workers," Mireille Azzam, head of strategic consulting at JLL Middle East and Africa, told Emirates Projects, a news platform. "Growing demand for purpose-built facilities will support groundbreaking research, advanced manufacturing and digital transformation, [and lays] a strong foundation for the future growth of the region's evolving life sciences ecosystem."

Those prospects will fuel a boom in "privatization initiatives and public-private partnerships, AI and automation ... genomics and precision medicine advancements, R&D initiatives and pharmaceuticals manufacturing," IMAP predicted.

Anther rising trend is the GCC's "shift toward preventive care management, [fueled by the] growing number of specialized Centers of Excellence, and growth in aging population healthcare and specialized care services," said IMAP.

Another is the merger between healthcare facilities and tourism. "The region's ambition to become a medical tourism hub is also driving investment," IMAP said. "Strong government-backed initiatives and strategic public-private partnerships will be key factors driving the future growth of the GCC's healthcare industry."

According to forecasts, the GCC should witness noticeable growth in pharmaceutical investments and market size. "The GCC pharmaceutical market was valued at \$23.7 billion in 2024," said research firm IMRAC Group. "The market [will] reach \$48.98 billion by 2033, exhibiting an [average annual growth rate] of 7.6% from 2025 to 2033."

Realizing those targets requires commitment. "The future of the MENA pharmaceutical industry is promising, but it will require proactive measures and nurturing to address challenges and capitalize on opportunities," Pavri of APCO Worldwide stressed. "Governments, regulators, and industry players must continue to work together to create a conducive environment for innovation, investment, and growth."



AFRICA'S PHARMA OPPORTUNITY

The African Continental Free Trade Agreement is an opportunity for Egypt to access the continent's pharma market, says a report from ODI Global, a think tank. But challenges persist.

Health security is a massively critical topic for African governments, as the continent "has 24% of the world's disease burden," according to African Mission Healthcare, an NGO. Jean Kaseya, director general of the Africa Centers for Disease Control, told the IFC that promoting local pharmaceutical manufacturing represents "the second independence of Africa." The first was liberation from colonial occupation.

That disease burden stems from Africa being the poorest continent, and that "many sub-Saharan countries rely heavily on imported pharmaceuticals, which can be prohibitively expensive ... meaning that many people cannot access the treatments they need," noted Africa Mission Healthcare.

Additionally, "counterfeit and substandard medicines also pose a risk. In some parts of sub-Saharan Africa, up to 30% of medicines on the market are counterfeit," said African Mission Healthcare.

Egypt could become a reliable pharma supplier to the continent. The Egyptian Drug Authority remains the only drug agency in Africa to receive the World Health Organization's Maturity Level 3 certification for regulatory excellence. Also, local producers have the capacity to export their medicines, as the country imports just 9% of its pharmaceutical needs. Lastly, Egypt is part of the African Continental Free Trade Agreement (AfCFTA).

However, challenges continue to hinder intra-African pharmaceutical trade, according to a report by ODI Global, a think tank, titled "Supporting Investment and Trade in Africa."

Pharma-Africa

According to the ODI Global report, "the state of the African pharmaceutical manufacturing landscape shows a vast disparity in production capacity across countries." Industrialized countries like Egypt, Morocco, and South Africa have strong pharmaceutical industries that meet between 70% and over 90% of their local demand. However, "countries in Central Africa import about 90%" of their pharmaceutical needs, the report noted.

And those imports have been increasing. "In 2021, Africa imported a substantial \$17 billion worth of pharmaceutical products from outside the continent, a significant rise from \$6.6 billion in 2017," the report said.

The continent's top pharma suppliers are India (21% of total imported supply), France and Germany (11% each of Africa's demand), and the United States (8%). For vaccines, Belgium and the United States were the top exporters to Africa, accounting for 28% and 16% of supply in 2022.

By outright volume, "Egypt and South Africa are ... the two largest importers of pharmaceutical products," the report said. Combined, they account for over 35% of Africa's pharma imports.

On the flip side, "Africa's exports to the rest of the world amounted to only \$0.9 billion in 2021," the report said. "South Africa and Egypt are the predominant exporters of pharmaceutical and vaccine products from Africa to the rest of the world (extra-Africa exports). These two nations alone accounted for over 75% of Africa's exports in 2022."

The report also noted that medicine prices throughout the continent are generally higher than "the lowest international reference levels" and can vary significantly from one country to the next and even within the same country. "There is a price gap of up to 300% across various procurement channels within a single country."

The report explained the main reason for the high prices and disparity is "buyer fragmentation," caused by each government requesting medicines individually, even though neighboring countries might need similar medications. "In a decentralized purchasing system, the buyers are usually price-takers," said ODI Global.



Centralized purchasing

One solution to Africa's high pharmaceutical prices and disparities is pooled procurement, where "acting as a single, larger buyer – a monopsony – pooled procurement can leverage its market influence to negotiate significant price reductions on essential medicines and vaccines."

That approach could be particularly effective in Africa, as "many countries have small economies [that] lack the purchasing power of larger [counterparts], making it challenging for governments to secure favourable prices for essential medicines," the report said.

Currently, "the Africa Centres for Disease ... is spearheading [efforts] to establish an African pooled medicines procurement mechanism ... in collaboration with the African Export-Import Bank, United Nations Economic Commission for Africa and AfCFTA."

The result is the Centralized Pooled Procurement Mechanism (CPPM), a pilot project involving 10 sub-Saharan nations.

Phase one of this four-phase pilot project will "focus on establishing an institutional framework, securing government support and engaging partners." Phase two will build "coordination [and] information-sharing and ensure transparency" of transactions and pricing.

Phase three will "emphasize shifts to group contracts and consolidating demand, achieved by sharing data to unite demand across countries, and negotiating group contracts for better pricing." The last phase will "establish a dedicated agency for regional pooled procurement, with clear governance structures and expertise essential for centralized procurement and supply management."

The challenge to expanding the CPPM pilot project to all 54 African sovereign nations is "harmonization of standards." In 2019, the Treaty for the Establishment of the African Medicines Agency was established to achieve such unification. To date, 27 countries have signed it, but they have done little to realign their regulations.

Free trade Africa?

Pharmaceutical trade among African governments "is not significant," noted the ODI report. "In 2021, the intra-Africa trade of pharmaceutical products amounted to \$536 million; vaccine trade was smaller, at \$51 million, in the same period."

South Africa leads pharma exports to other African nations, accounting for 57% of demand. Kenya is second, supplying 18%, while Egypt is a distant third with 5%.

Those trade figures are dropping. "In 2021, approximately 35% of Africa's global [pharmaceutical] exports were traded within Africa [compared to] 2012, when more than 70% of Africa's pharmaceutical exporters were intra-continental."

That decline is mainly because almost all African nations, despite signing AfCFTA, impose tariffs on finished pharmaceutical products, vaccines or production inputs such as ingredients and primary and secondary packaging.

That is possible because of AfCFTA's Rules of Origin (RoO) clause, which applies to end products and all components used to produce them. "The aim of the RoOs is to provide preferential tariff benefits exclusively to AfCFTA member nations while preventing trade diversion from non-member countries," said ODI Global. "Consequently, products failing to meet RoO requirements are subject to tariffs."

That clause is problematic as "it is improbable that all pharmaceutical and vaccine production within Africa will meet the RoOs outlined in the agreement," the report noted. "This is primarily because ... pharmaceutical and vaccine production ... relies on multiple ingredients and value chains spanning the globe."

To bypass RoO, African governments have a "most-favored nation (MFN) tariffs" framework, which applies to imported pharmaceutical and vaccine products. It puts zero or near-zero tariffs on imports from specific destinations and on particular products, regardless of where their components were made, ODI Global said. The MFN framework also applies to other African nations, effectively superseding AfCFTA.

Tight-margin market

Not all pharmaceutical producers or medicines can access Africa, especially sub-Saharan nations. "Affordability is the cornerstone of access to pharmaceutical products," said the report.

To overcome cost barriers, the report stressed the need to produce generic medicines, where a producer uses expired patents to replicate branded ones without incurring R&D costs. "Local manufacturing may be viable in some countries, especially for generic medicines."

Quality also is essential for "achieving health outcomes that improve human capital for a productive life." Global market dynamics show the more effective and new the medicine, the more expensive it is.

Achieving quality with affordability will ultimately require increasing manufacturing capacity throughout the continent as well as "developing ... continental value chains within the pharmaceutical sector," the ODI Global report said.

Investors will have investment options as "pharmaceutical sectors involve multi-step production processes, including raw material sourcing," the report said. "These processes have the potential to be localized within regions, offering opportunities to drive Africa's industrial transformation under the AfCFTA."

PHARMA'S FUTURE

Scientific research, general-purpose technologies, and global trade policies are key to unlocking future potential in the worldwide pharmaceutical markets.

For Egypt-based pharmaceutical producers, the global pharma market and supply chains are crucial for the industry's future. From 2020 to 2024, the local pharmaceutical trade value (imports plus exports) increased by nearly 25%, according to Central Bank data, reaching almost \$5 billion.

That trade volume will increase significantly by 2030 as the government aims to raise exports from \$811 million in 2024 to \$1.2 billion in 2025, \$1.4 billion in 2026, and \$3 billion by 2030.

That will inevitably lead to more imports, as Egypt has been importing five to seven times more than it exports since 2020 (excluding 2021, when COVID-19 vaccine imports surged over 36%). Most of these imports were raw materials and semifinished products, given that local producers meet 91% of domestic demand.

With such dependence, pharmaceutical producers and government regulations must adapt to the latest international trends. This will likely be challenging, as "the global pharmaceutical market is often considered a stable one, with minor changes occurring over the years," a paper from GMD Academy said. "However, this paradigm is rapidly changing."

R&D diversity

The global pharmaceutical R&D landscape has been changing. "In recent years, clinical trial design has evolved significantly, with a rising focus on applying precision medicine to better serve specific patient groups by assessing therapy quality, efficacy, and safety," noted Genedata, a pharma software developer, in a July paper.

Those changes mean expanding R&D trials to include more ethnic groups to improve their effectiveness. For Egypt, this could be a benefit if local regulations pave the way for more pharma R&D investment.

For existing players, increasingly diverse trials mean additional investment to stay competitive in R&D as markets increasingly see more advanced medicines.

WCG Clinical stressed that "diversity in clinical trials" is increasingly necessary, describing it as a "cornerstone of equitable research [where] increasing representation in trials is essential for delivering therapies that benefit all populations."

Global expansion

That diversity push is fueling "decentralized clinical trials (DCTs)," which enable pharmaceutical companies to expand their capabilities to innovate and enhance the diversity of test samples, Genedata noted. "Virtual clinical trials are a subset of DCTs."

Accordingly, potential trial locations need to "focus on site preparedness for future clinical trials," noted WGC Clinical. That includes "infrastructure and training, and fostering trust, collaboration and team cohesion, [which are] emerging as differentiators in site performance and participant engagement."

For local companies to compete, they need to "improve trial efficiency, reduce costs, accelerate drug development [and] improve treatment personalization, while minimizing risks for patients," said Alcimed, a consultancy.

Regulatory adaptation

Increasingly diverse trials have "revived the interest of governments, healthcare providers, regulatory authorities and the industry in optimizing clinical outcomes," Alcimed said.

According to WCG Clinical, the resulting "regulatory innovation" has to "improve consistency, reduce redundancy and shorten study startup times, especially in multi-site trials, paving the way for greater collaboration and efficiency in trial governance."

These regulatory changes put Egyptian pharma regulators under increasing pressure to develop friendly regulations for international companies, align with what other governments are doing, and maintain local safety standards.

Pharmalex, a specialized consultancy, noted that this issue is already apparent within the EU, with one example being the "lack of alignment between the clinical trial regulation and medical devices regulation and in-vitro diagnostic medical devices regulation, all of which are new regulations."

New technologies boon

The leading new technology in the pharmaceutical industry is artificial intelligence (AI). "Pharmaceutical laboratories are today increasingly adopting approaches based on AI for the research and development of new drugs," noted Alcimed.

According to a report by IQVIA, a think tank, the value of AI deals in dollars signed in 2023 was "more than double the total deals of 2022 and 2021." Alcimed added, "Furthermore, as proof of the dynamism of this activity, the average value of deals has also greatly increased, reaching \$98 million compared to \$27 million for the three years 2022, 2021 and 2019."

Alcamid also noted that "clinical development programs" are seeing AI "now reaching a stage of maturity, marked by an increase in the number of programs in advanced phases."

The proliferation of AI in pharmaceutical R&D comes from within the industry. "This evolution is largely driven by companies in the healthcare sector, whether they are startups or already well established," said Alcimed. "They use AI and [machine learning] technology to exploit increasingly large sets of chemical, biological and patient data, thereby accelerating target selection and drug optimization throughout the discovery process."

Critical risks arising

The increasing integration of AI in medical R&D also comes with risks. Some of which could, if unnoticed, waste research budgets on developing ineffective, or even harmful, drugs.

Like most risks related to AI use, "bias" is a significant concern. "Development of medicines and vaccines is already affected by bias," a paper from the World Health Organization (WHO) stated. "Clinical testing of investigational compounds often does not represent all potential patient populations according to race, ethnicity, gender, age and other characteristics." Those shortcomings "are often replicated by AI technologies used in healthcare."

The second risk is safety, the WHO noted. "Patient safety can be endangered if the algorithms used in



drug development are not tested for potential errors or for whether they provide, for example, false-positive or false-negative recommendations."

Third is "explainability and transparency" as "researchers, regulators and healthcare providers may find ethical difficulty in relying on the use of Al for the development of medicines when decisions are made based on 'black-box' algorithms," the WHO said.

That only amplifies the "responsibility and accountable ability" challenge regarding who is held accountable for developing an ineffective or harmful medicine: the doctor who prompted the AI; the algorithm, which is learning and evolving; or the AI-powered tool developer.

Lastly, "privacy and informed consent" are growing concerns as more countries pass laws to protect citizens' data, especially medical records. "The collection, analysis and use of health and other data are critical at each step in the use of Al in drug discovery, development and postmarketing commercialization," the WHO report said.

This puts multinational pharma companies under pressure to carefully navigate the legal landscape across different jurisdictions where they use AI tools.

The "Trump" factor

Since first taking office in 2016, U.S. President Donald Trump has called himself the "tariff man." Now, in his second term (2025 to 2028), one of his main priorities has been imposing tariffs on pharmaceutical products to lower dependence on imports.

However, his policy remains uncertain. In March, he threatened to impose a blanket 25% tariff on all pharmaceutical imports. In April, he stated that pharma products would be exempt, but not medical equipment. By early August, Trump threatened a 250% tariff, which later dropped to 200%. Additionally, he announced that EU-made pharmaceuticals would face 15% tariffs or less.

Such threats create instability in the global pharmaceutical industry. "The trend toward pharmaceutical supply chain de-globalization is profoundly concerning. [Its] long-term consequences, including sustained disruption and erosion of international trust, could be profound and enduring," said Yong Wu, associate professor in the Department of Management at Griffith Business School in Australia.

Egypt, which has remained under Trump's tariff radar, could benefit, as Wu noted, "diversifying production through international cooperation to establish manufacturing bases in multiple locations can prevent dangerous reliance on single-country sources."

Consequently, much will depend on how countries respond once U.S. tariffs are implemented. "Countries should remain committed to collaborative international frameworks," Wu stressed. "Only through such collective efforts and rational policy-making can we ensure the stability of a medical supply chain."



The travel and tourism industry worldwide is undergoing a significant transformation driven by demographic shifts, the growing need for sustainability, changing traveler preferences, and global challenges.

"Shifting consumer preferences for specific travel experiences are transforming the globe's \$10 trillion tourism industry," said Consultancyme. travel website, in October. "Emerging destinations, such as the Middle East.

have a chance to capitalize on these trends by developing innovative, sustainable tourism strategies to meet new-age demands."

Rising costs, overtourism, and restrictions in many well-known hotspots accelerate these evolving preferences.

According to Mastercard Economics Institute's Travel Trends 2025 report, "If the broader economy slows down, consumers may

their

discretionary
spending, becoming
more cautious about
how and where they
employ their purchasing
power. This could have a
ripple effect on travel
decisions, a risk that should

adjust

Egypt stands to gain a huge influx of tourists if it expands its capacity to accommodate growing demand. Under its Tourism Development

not be ignored."

Strategy aligned with Egypt Vision 2030, the country aims to attract 30 million tourists annually by 2028 through increased hotel investments, diversified tourism offerings, and major infrastructure enhancements.

The Egyptian Gazette noted in July that "Egypt is a suitable choice for tourists from Europe, the Gulf region and Asia for its accessibility, hospitality and cultural wealth."

Soaring prices

Turkey has long been a go-to destination for sunseekers chasing value, often rivaling famous European destinations like Spain and Portugal. According to a 2025 U.N. report, Turkey remains a top global travel destination, having surpassed Italy to become the fourth most visited country by international tourists in 2024.

A July report by the World Tourism Forum said, "2024 proved to be an exceptional year for Turkish tourism. The nation welcomed an astounding 62.23 million visitors, marking a significant 9% increase compared to 2023. This surge in arrivals translated into record tourism revenue of \$61.1 billion, an 8.3% increase year-on-year."

In addition, a July article by Travel and Tour World, a digital B2B media platform, showed the country's tourism sector is projected to hit \$64 billion this year.

However, increasing expenses are turning Turkey into a pricier destination. "The sector is dealing with surprisingly low hotel occupancy, fewer tourists, and worries about the quality of entertainment options," the article said. "With Turkey's prices now on par with Dubai, and even exceeding those in Spain and Greece in some instances, the country might lose its edge in the global tourism market."

According to a July article by Arabian Gulf Business Insight (AGBI), hotel occupancy rates in Turkey are down more than 10% year-on-year, while the length of stays has eased by 5% according to data from the Professional Hoteliers Association.

Tourism Review, a travel and hospitality news portal, reported in July that a five-day trip for a family of four to popular destinations like Antalya or Bodrum can cost more than \$3,600. In contrast, similar vacations in Greece and Egypt might cost around \$2,200 and \$1,700, respectively.

"Turkey's broader economic situation, with high inflation and a controlled foreign currency rate, has pushed prices up and contributed to the country being seen as an expensive destination," says Yiğit Girgin, a representative of the Professional Hotel Managers' Association in the Aegean resort region of Bodrum.

Overtourism

Despite its popularity as Europe's second most visited destination, Spain is grappling with overtourism. A Forbes article in July said, "In mid-June, thousands of people took to the streets across Madrid and Barcelona to protest, shouting 'Your holidays, my misery' and holding up banners that read 'Mass tourism kills the city' and 'Their greed brings us ruin." Protests also took place in Ibiza, Málaga, Palma de Mallorca, San Sebastián, and Granada.

Notably, the World Tourism Forum said in January that "Spain has reached a historic milestone in tourism, welcoming 94 million international visitors in 2024 — the highest number ever recorded for the country," according to Tourism Minister Jordi Hereu.

That said, tourism is a significant contributor to Spain's economy, accounting for 12.3% of GDP in 2023 and almost the same share of its jobs, according to the latest official figures.

This makes it harder for the country to limit tourism and travel activities. Reuters reported in July that "protests are growing over housing shortages exacerbated by mass tourism - and could be exacerbated by the indignity of Spaniards being priced out of their favorite holidays."

In addition, hotel prices jumped 23% in the past three years to an average of 136 euros (\$159) a night, according to data company Mabrian.

Reuters also reported that last year, local tourism in Spain declined by 800,000 people. In contrast, foreign tourism saw an increase of 1.94 million visitors, according to previously unreported official data reviewed by the analysis firm in Atlas.

The huge influx of tourists has negatively affected housing costs as well as prices of goods and services. "It is becoming increasingly difficult for Spanish holidaymakers to afford beachfront tourism rentals," said Jose Maria Basanez, group president of price monitoring firm Tecnitasa. Most beachfront rentals were booked for the summer by the first quarter, with prices rising 20% since mid-2023, according to Tecnitasa.

Spanish Economy Minister Carlos Cuerpo said in an interview in June with the Associated Press, the record numbers of tourists illustrate the "attractiveness of our country, but also the challenge that we have in terms of dealing and providing a good experience for tourists, while at the same time avoiding overcharging for our own services and our own housing".

To mitigate the impact of overtourism, the government has taken bold steps, including ending its golden visa program, removing 65,000 illegal Airbnb listings, and proposing a 100% tax on foreign property buyers, according to a June article by Forbes. "With an intention to welcome 1 million foreign workers over the next three years, the plan to solve Spain's overtourism issues has never been more prescient."

The U.S. effect

Since the start of his second term, President Donald Trump has imposed several restrictions that discourage tourists from traveling to the United States. According to Julia Simpson, CEO of the World Travel & Tourism Council (WTTC), an organization representing the travel industry's private sector, "international travelers are shunning U.S. vacations due to unpopular policies of the Trump administration, fear of being stopped at the border, and an unfavorable exchange rate."

In May, a WTTC study that analyzed the economic impact of tourism in 184 countries revealed the United States was the only country expected to see international visitor spending decline in 2025 by \$12.5 billion from \$181 billion in 2024.

A Forbes article in July said Trump's tariffs, travel bans, inflammatory rhetoric, and harsh immigration policies have combined for a chilling effect on visitors — and there's little indication of a reversal anytime soon. Aran Ryan, director of industry studies at Tourism Economics, told Forbes, "We're generally assuming that this persists for a while and that some of it is going to persist throughout to the end of the administration."

If such trends remain, the U.S. Travel Association projects the country will lose \$21 billion in travel-related revenue in 2025. "Each 1% drop in spending from international visitors translates to \$1.8 billion in lost revenue per year for the U.S. economy," according to the trade group.

Africa's momentum

High prices and overcrowding encourage travelers to search for alternative destinations. According to the Trends and Insights report released by Visa in August, "Overcrowded capitals and increasing visa hurdles are influencing travelers to explore more accessible alternatives, particularly across the Asia Pacific, Middle East and North Africa."

International travelers, especially households earning over \$200,000 per year, are increasingly opting for lesser-known destinations. The report added that "their preferences are shifting toward unique, immersive experiences and lesser-known destinations."

The report said this group's significant spending power drives demand across airlines, hotels, and luxury retail. Affluent consumers play a key role in determining which destinations rise in popularity worldwide.

Currently, new destinations within Africa are drawing tourists. "Globally, the appetite for luxury tourism is continuing to grow, and many African countries are tapping into this profitable market by offering tailored travel experiences that combine entertainment, relaxation, and exclusivity," Penny Fraser of RX Africa, a luxury travel company, noted in January.

For her, luxury travel is not only about infrastructure, but also an exceptional experience. "Africa offers something truly unique — exclusive safari experiences, cultural immersion, and pristine beaches. Imagine visiting remote tribes, exploring ancient historical sites like the pyramids in Egypt, or enjoying the breathtaking coastlines of Durban and Cape Town. These are experiences that resonate deeply with luxury travelers," she said.

Remarkably, Africa has emerged stronger in the global tourism landscape following the pandemic. In 2024, the continent exceeded its pre-pandemic levels of international tourist arrivals, welcoming 74 million visitors, according to UN Tourism.

An article by Travel and Tour World in July said the shift is being fueled by a wave of high-profile investment ranging from Persian Gulf royal families and tech billionaires to major international hotel brands. "The demand for unique travel experiences — ranging from exclusive wellness retreats and eco-friendly vacations to luxury adventure tourism — has skyrocketed, further accelerating this transformation," the article said.

Michael Pownall, managing partner of Valor Hospitality Partners, told Bloomberg in July that for many investors, the cost of entry in Africa is lower than in more mature markets, from land acquisition to development. "You could become a bigger player quicker because perhaps there's less competition than there would be in a more mature market," he said.

Egypt's ambitions

Egypt is at the forefront of the tourism industry in Africa. According to a U.N. Tourism report, Egypt ranked first in Africa for tourism revenue in 2024, a record \$14.1 billion.

The Egyptian Cabinet's Media Center released a report in February noting that Egypt advanced 22 places in the Travel and Tourism Development Index, ranking 61st in 2024 compared to 83rd in 2015, as per the World Economic Forum's data.

Notably, the tourism industry is a boon for Egypt's inflow of foreign currency. According to the World Tourism Forum in August, "Tourism is one of Egypt's leading sources of income, a vital component of the national economy and a key earner of foreign currency."

Data from 2024 showed tourism contributes 8.5% of GDP and supports 2.7 million jobs. Furthermore, International visitor expenditure reached EGP 727 billion (\$15 billion) in 2024. "This robust performance highlights the sector's profound economic significance," the World Tourism Forum noted.

To maximize benefits, the Egyptian government is setting ambitious goals to boost its tourism industry. Minister of Tourism and Antiquities Sherif Fathy, in June, highlighted the target of attracting 30 million tourists annually, "which requires concerted efforts to

provide necessary infrastructure such as hotels, airports, and airline seats."

A statement by the Ministry of Tourism and Antiquities in June said, "From January to May, inbound tourism rose by 26%," up from 4% to 6% percent during the same period last year. This was accompanied by a significant increase in spending.

Fathy also emphasized an urgent need to double Egypt's hotel capacity within the next five years to keep pace with the surge in tourist arrivals. To meet anticipated demand, Egypt plans to add 18,000 hotel rooms by the end of 2025. Currently boasting approximately 230,000 rooms, the government is targeting the development of more than 200,000 new rooms over the next two to three years.

Egypt has also made progress in facilitating tourists' entry. Starting in mid-June, Egypt has implemented the pilot phase of a new visa-on-arrival system to reduce congestion at airports, according to the State Information Service.

Such efforts should position Egypt as one of the most attractive tourism destinations amid the backlash in other popular destinations. For Fathy, "our goal is clear," he said in May. "Position Egypt as the world's most dynamic and diverse tourist destination."





The period from July 15 to Aug. 15 saw market indices extend their gains for the second month in a row. The EGX 30 (up 4.8%) outperformed the EGX 70 (up 4.3%). The EGX 30 is still trying to catch up with the EGX 70 in terms of year-to-date performance, up 19.6% versus 30.3%, respectively. In terms of sector performance, most ended the period higher, led by building materials, driven by cement stocks. On the other end of the spectrum, shipping brought up the rear of the performance list.

The period marked the debut of Bonyan for Development & Trade (BONY) as the first initial public offering (IPO) on the Egyptian Exchange (EGX) in 2025. BONY invests in real estate properties to generate rental income. BONY's EGP 1.8-billion IPO (\$37.2 million) valued the company at EGP 8.5 billion.

However, at the end of its onemonth stabilization fund, the stock was trading below its IPO price.

The period was also a mixed bag of top large-cap and small-cap performers. For instance, CIB (COMI, up 10%) started to move higher after 10 months of sideways trading. On the other hand, companies like Arab Development & Real Estate Investment (ADRI, up 173%), Misr Oils & Soap (MOSC, up 140%), and Alexandria National Co. for Financial Investment (ANFI, up 105%) more than doubled during the period.

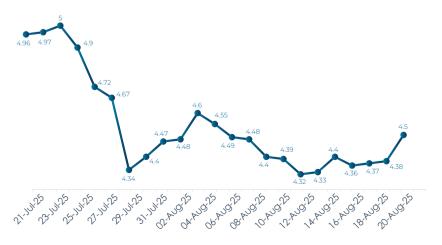
Meanwhile, M&A talks put cement stocks in the limelight. Misr Cement — Qena (MCQE, up 49%) led the pack after acquiring a stake in Misr Beni Suef Cement (MBSC, up 30%). Also, South Valley Cement (SVCE, up 24%) was considering offers for its 48%

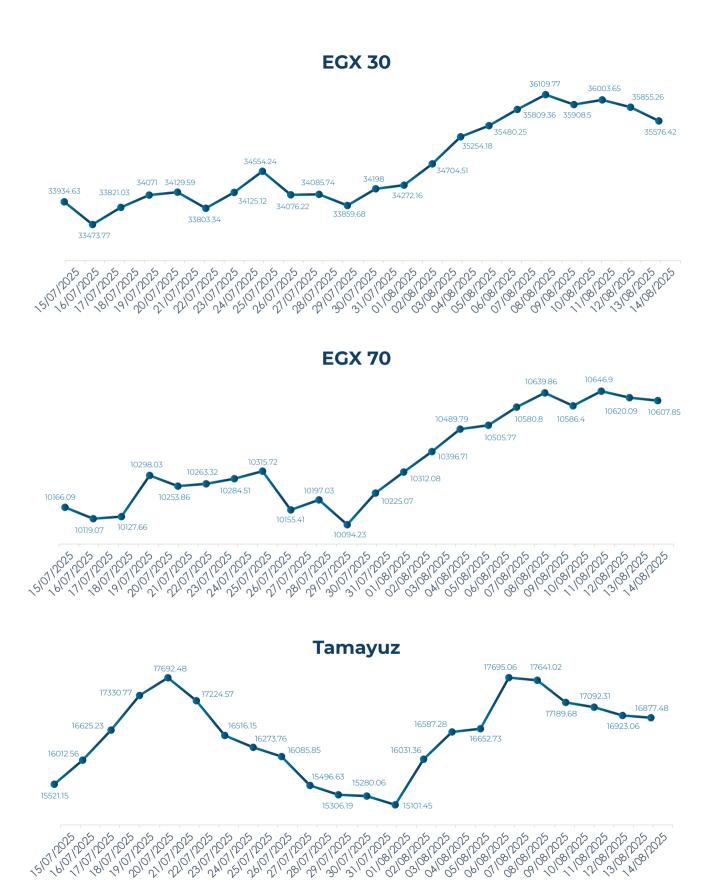
owned Building Materials Industry Co. (BMIC). Elsewhere, Sinai Cement (SCEM, up 21%) is now a target of Vicat Egypt for Cement Industry, its major shareholder with a 77.6% stake. Last but not least, Arabian Cement Co. (ARCC, up 18%) continued to rise after the company said it would buy back up to 4% of its issued shares.

As for the macro picture, the Egyptian pound has been gaining ground as the U.S. dollar has fallen globally. The Egyptian pound rose more than 2% during the period and is up almost 5% year-to-date, while the U.S. dollar index fell almost 10%. With Egypt's urban inflation falling to 13.9% in July, investors are leaning more toward a speedier monetary easing by the Central Bank of Egypt (CBE) in the remaining Monetary Policy Committee meetings this year.

Bonyan for Development & Trade (BONY)

With an IPO price of EGP 4.96 a share, BONY began trading July 22 and hit an intraday high of EGP 5.15, then headed downhill. Although the public offering was covered 33.7x, BONY fell to an intraday low of EGP 4.25. The stock later pared some of its losses to end the period down 13%. It later rose to EGP 4.50 by Aug. 21, but was still down 9% from the IPO price. That was the last day for public offering investors to sell back shares at the IPO price.





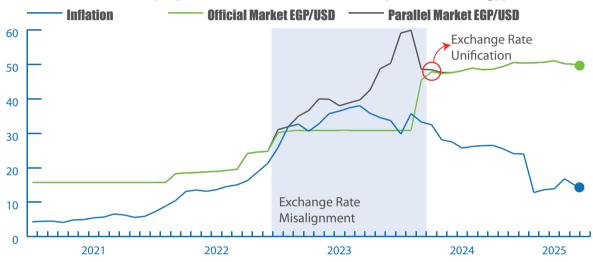
Tamayuz index is an all-new weighted index, launched on June 23rd. It comprises companies with high free cash flows from operations. EGX stresses that this is not an endorsement of those stocks.

In partnership with Dcode

DECODING EGYPT'S

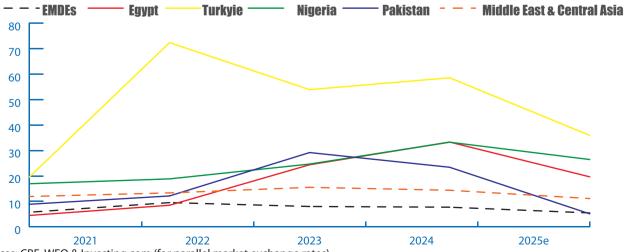
The Russian–Ukrainian war in 2022 unleashed a global inflation shock that reached Egypt through two main channels: surging food commodity prices and rapid capital flight, with nearly USD 20 bn leaving the economy in just two weeks. This outflow placed heavy strain on the pound, which has since lost more than two-thirds of its value, intensifying imported inflation. However, following the unification of the exchange rate, market sentiment turned more dovish, allowing for relative price stabilization and a gradual easing of inflationary pressures.

Interplay Between Inflation and Currency Pressures in Egypt



While Egypt's experience was severe, it was not unique. Inflation surged across many emerging economies and peers, as shown in the chart below. Countries like Türkiye, Nigeria, and Pakistan also witnessed sharp price increases, with inflation generally peaking between 2022 and 2024 before easing back in 2025. This highlights that Egypt's inflationary cycle was part of a broader global trend rather than an isolated case.

Egypt in Global Context Yearly Average Inflation Rate for Peer Group (In %)

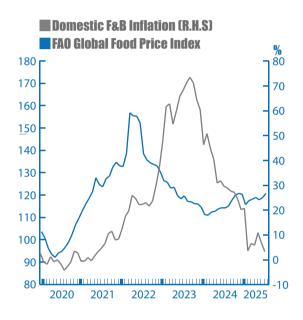


Sources: CBE, WEO & Investing.com (for parallel market exchange rates)

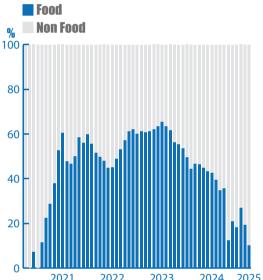
INFLATION DYNAMICS

Global food prices, as tracked by the FAO index, surged in 2021–22 following pandemic disruptions and the Russia–Ukraine war. For Egypt, the impact was acute given its dependence on wheat imports from the two countries. While global prices began to ease by mid-2022, Egypt's food inflation remained stubbornly high. Local prices rose quickly when global costs climbed but failed to retreat when they fell, reflecting the lagged impact of costly imports, a weaker pound, supply bottlenecks, and domestic market pressures. With food carrying a heavy weight in the inflation basket, these dynamics made Egypt's inflation especially sensitive to movements in food prices.

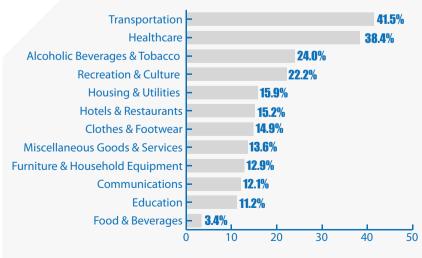
Food Costs: Global and Domestic



Component Contribution To Overall Urban Headline Inflation (y/y)

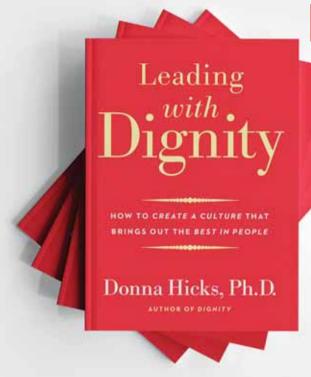


JULY 2025, ANNUAL URABN HEADLINE INFALTION



According to the latest CAPMAS data, transportation recorded the highest annual inflation at 41.5% y/y. In contrast, the food and beverage category posted the lowest rate, with this relative slowdown helping to ease overall inflation in July for the second consecutive month. Urban Headline inflation had earlier fallen to 12.8% in February before jumping to 16.9% in May. As of July, annual urban headline inflation stands at 13.9%, down sharply from 24% in January 2025.

Sources: CAPMAS, FAO & Dcode EFC Calculations



LEADING, THE HUMAN WAY

In "Leading With Dignity," author Donna Hicks stresses an inescapable truth: A company will not achieve its full potential unless its leaders and culture focus on treating employees with dignity.

by **Tamer Hafez**



SCAN THE CODE TO PURCHASE

For business leaders, having a harmonious workplace where everyone can perform to their maximum potential is a long-standing ambition. One way to achieve that goal is to build a dignity-first business environment. "Our universal yearning for dignity drives our species and defines us as human beings," Donna Hicks said in her book, "Leading With Dignity." "It's our highest common denominator."

Despite its importance, "we know so little about it," Hicks stressed. "Although we are all born with dignity, we are not born knowing how to act in accordance with this truth. Learning how to honor dignity doesn't come naturally; it needs to be learned."

The consequences of overlooking dignity can be significant. "The power behind a violation of our dignity can destroy relationships, break the bonds of trust that are essential to healthy human connections," Hicks said.

Accordingly, individuals need to be aware of how to treat themselves and others with dignity in equal measure. "Regardless [if it's] our personal lives or leading an organization, a key to being successful is dignity consciousness: a deep connection to our inherent value and worth and to the vulnerability that we all share to having our dignity violated."

What you need to know

The book highlights 10 elements that honor others' dignity. "Acceptance of identity" starts with believing "people [are] neither inferior nor superior to you." Second is "recognition," where a person is "generous with praise, gives credit to others for their contributions, ideas, and experience."

The third element is "acknowledgment," where a person gives full attention to others. There is also "inclusion," physical and psychological "safety," "fairness," and "independence" by empowering others to act on their behalf.

The last three "elements of dignity" are "understanding" that what others think about is as important as one's personal thoughts, giving others the "benefit of the doubt," and, lastly, "accountability" if one mistakenly violates another's dignity.

The book also highlights 10 temptations that violate a person's dignity. The first is "taking the bait," where one lets others' bad behavior negatively influence their own. Second is "saving face," where people lie, blaming others for their mistakes to save their own image.

Thirdly, "depending on false dignity," which comes from solely relying on others' praise and approval to feel like they have dignity. There is also "depending on false security," where people compromise their dignity to connect with others.

The fourth temptation is "avoiding confrontation," deliberately assuming the role of an innocent victim in conflicts, resisting feedback, blaming and shaming others, and gossiping and promoting false narratives.

The book also notes situations where people deny violating others and refuse to apologize for their actions. That is "the most important thing to do to take responsibility for a dignity violation."

It added, "If we are concerned about only our own value and worth, and we fail to see the dignity of others and the world around us, we run the risk of behaving like narcissists."

To rectify dignity violations, the book notes, "saying you are sorry is [sometimes] not enough." It instead recommends "letting the [violated] person know that you will commit to changing your behavior ... and remind him or her that you are a work in progress as everyone is."

The book says that in certain instances, particularly for service companies, employees can extend dignified actions to those they serve rather than to one another. That is evident when, for example, impactful NGOs or customer-service operations suffer persistent internal conflicts that may not be apparent to the outside world. Hicks calls it "mirroring."

Building dignity

Business leaders can't solely rely on having role models within an organization to build a dignity-first corporate culture, according to Hicks. "Inspiration doesn't build a solid foundation for what is needed to produce the kind of change employees are looking for in their leaders and the organizational structure."

Instead, she stresses the need for "insight," where employees "know something about how to develop healthy relationships with people and about what it takes for all of us to grow and flourish." In other words, "having dignity dictate their interpersonal relations is critical."

The book said people derive and understand their dignity in three stages. The first is "dependence," which relates to "infants' need to have their dignity nurtured as much as their physical needs."

The second is "Independence," where people's sense of worth depends on more than how others treat them. "We internalize the source of our dignity ... recognizing that our sense of value comes from within us."

The last stage is "interdependence." According to Hicks, "In this more evolved stage of understanding our inherent value and worth, we recognize that we don't need others to protect and maintain our dignity." Nonetheless, the book stresses, we still need others "to help us see those blindspots, and to help us gain an awareness of how we might be violating our own or others' dignity."

To move seamlessly and quickly through those three stages, dignity education needs to start in schools, where kids learn what dignity means to them and others, and how to behave to preserve both.

"Learning about dignity — our own, the dignity of others, and the dignity of the world — brings out the leadership potential in our children. When students recognize that they are good enough, no matter what, their hearts and minds are free to explore the possibility of living lives that have meaning and purpose."

Dignity leadership

Hicks highlighted six traits a leader needs to "lead with dignity." The first is to "demonstrate and encourage lifelong learning and development ... to realize the untapped potential within [them], and that [their] starting point is one of love and dignity."

Accordingly, any company policy should promote lifelong learning for all its staff. The key to ensuring buy-in from employees is to "acknowledge the power of each member" and respect their ideas and efforts to improve the company and world around them.

The other trait required to lead with dignity is to "set the tone," Hicks said. "The foundation for this approach is a keen awareness of how vulnerable we are as human beings to having our dignity violated and how such violations create obstacles to learning and productivity."

In such situations, leaders must lead by example as "employees scrutinize every move they make, taking cues from them to determine what is acceptable and unacceptable in the way they interact and work."

Yet, even the most influential role models should be careful when giving direct behavior feedback to their teams. "Emotionally, feedback is risky business," the book says. "Feedback that feels threatening to our sense of worth can trigger a strong fear response."

The solution to reduce such sensitivity is to "cultivate trust" by making it culturally acceptable to show vulnerability and not be criticized or ridiculed for doing so. "Trust also helps build employee commitment and increases the reputation of the organization, as well as organizational performance," the book says.

The next challenge leaders face in a dignity-first corporate culture is its fragility. "You can see nearly all the elements of dignity ... compromised in one decision by the management team," Hicks says. A "team's silence and unwillingness to have a dialogue only [makes] it worse." Meanwhile, rebuilding "trust" becomes increasingly complex every time employees feel their dignity has been violated.

The book also stresses leaders should "employ empathy," which comes from "our shared human experiences. Empathy inhibits cruelty toward others ... and aggressive behavior."

Another characteristic of dignity-first leaders is their ability to step back during "intense interactions with others" and ask, "What's really going on here? What role am I playing in this drama? Are there bigger forces at work ... contributing to this failed interaction?"

Hicks stresses the importance of "pushing the pause button and reflecting on our behavior [to] prevent dignity violations to others and ourselves." However, it "isn't easy, especially when we are emotionally hijacked during heated discussions."

Lastly, is the importance of "taking responsibility for our actions," which requires leaders to have "a foundation of knowledge about the human experience. Without knowledge of [how you and others think] under circumstances of threat, we are likely to get lured into destructive behavior when we are faced with our own wrongdoing, mistake, or something else that may make us appear weak and incompetent."

Dignity culture

To build an organization with dignity at its core, Hicks says, "people have to be knowledgeable about what it means to be human and have the courage to act on that knowledge." Accordingly, leaders must "create a culture of dignity." Achieving that starts by "implementing a dignity education program for everyone."

Leaders also need to "assess how good an organization's members already are at communicating that they value others, and discovering areas where they need to work on these skills, both interpersonally and at the system level."

From those results, leaders would start "addressing the wounds to dignity" that continue impacting the company's operations and performance.

That fixing will come by creating a "dignity model," which comprises two types of "acknowledgment." The first is "systemic acknowledgment" in cases where top management violated the dignity of lower-ranked staff. The second is "interpersonal acknowledgement" among staff members, small groups, or departments.

The next step is to "resolve current and future conflicts with dignity," where management "defends dignity" and "addresses intergroup conflict [via] dignity dialogues." Next, leaders should write a "dignity pledge" that highlights the organization's commitment to integrating dignity in all interactions.

However, Hicks says even if a company has a dignity-first leadership and culture, "there is no guarantee that embracing dignity consciousness will prevent all conflicts and disruptions to our lives and organizations." Without a guarantee," she concludes, "we're likely to see more of the same human suffering that only unconditional acceptance of our inherent value and worth can alleviate."





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- -Buy on a 2-year payment plan & pay the interest of a 1-year plan.
- -Buy on a 4-year payment plan & pay the interest of a 2-year plan.
- -Exclusive offers, running all month long| Product discounts based on payment plan tenure: 10% on 2 years, 15% on 3 years & 20% on 4 years.

2.Get an instant 250k EGP credit line

This exclusive offer for AmCham Egypt Members applies at the following stores:

- · Mall of Arabia Branch Contact Hazem: 01283182276 or Mohamed: 01000848788
- · CFC Branch | Contact Yasmin: 01284070455 or Islam: 01155967108

This offer is valid until December 31, 2025



Contact:

Phone: (20-3) 453-0180 Email: alykr_res@hilton.com

Hilton Worldwide

Hilton Alexandria King's Ranch is pleased to offer an exclusive discount to AmCham Members:

- 20% Discount on Accommodations
- 20% Discount on Food & Beverage
- 20% Discount on Spa

This offer is valid until December 31, 2025



Contact:

Mohamed Fahmy Head of Sales Tel: (20-10) 0290-7222 Email: mohamed.fahmy @exeedegypt.com

National Automotive Co. NATCO

On behalf of NATCO, EXEED Egypt, is pleased to extend an exclusive fleet offer to all AmCham Members. This special offer underscores our commitment to delivering premium service and tailored solutions to meet your mobility needs. Offer Highlights:

- 2% Exclusive Member Discount on all new vehicle purchases
- Priority Vehicle Delivery

- Flexible Financing Options
- Replacement Vehicle Service during maintenance (VIP treatment)
- Door-to-Door Service
- Dedicated Corporate Sales Executive & Service Advisor
- On-site Test Drive Events at your office location

This offer is valid until September 30, 2025





Contact:

Reservation Department Tel: (20-10) 2060-4700

Email: reservations@normaegypt.com

RAMW for Tourism & Hotels

• NORMA Egypt Restaurant is delighted to offer AmCham Members an exclusive 10% discount at Park Street Sheikh Zayed City. Enjoy authentic flavors in a vibrant setting.

This offer is valid until December 31, 2025



Contact:

For room reservation: Tel: (20-2) 2798-8000,

reservations.semiramisic@ihg.com

F&B reservation desk for dinning: (20-2) 2798-8000 Ext.1151

Email: mohamed.tawfik@ihg.com

Semiramis InterContinental Hotel

Semiramis InterContinental Hotel is pleased to extend its offer to AmCham Members:

- 20% off on best-available-rate bookings, subject to hotel availability. In addition to:
- 20% discount at all restaurants.
- 20% discount on spa treatments.
- 20% discount on laundry services.
- Special rates on Airport Transportation

This offer is valid until December 31, 2025



Contact: Sarah Hatem

Tel: (20-3) 481-0127/ 01026880189 Email: Sarah@thinkbig-gih.com

Think Big for Shipping and Logistics

Think Big for Shipping and Logistics is pleased to offer AmCham Members a special discount on Transportation services, as below:

- 30% Discount on Land Transport and Clearing support fees.
- 20% Discount on Sea & Air Freight.

This offer is valid until December 31, 2025



Contact:

Samer Elhamy Tel: (20-2) 2754-4974/94 or (20-10) 6210-1998 Email:info@unitedsons.org

United Sons Moving Services

United Sons is pleased to offer AmCham members the following exclusive benefits:

- 15% Discount on any local move within Cairo city limits (up to a 50 km radius)
- 10% Discount on any local move within Egypt
- 5% Discount on any international move
- Priority booking for member companies' requests
- No overtime charge for services provided after working hours
- Free storage at our warehouse for all international move

This offer is valid until December 31, 2025

AmCham members can claim these discounts by presenting their AmCham 2025 membership card.

For more offers, please visit AmCham Cyberlink on www.amcham.org.eg





A Glance At The Press



Media Lite collates a selection of some the most entertaining offbeat and lighthearted news items published in the local press. All opinions and allegations belong solely to the original source publications and no attempt has been made to ascertain their veracity.

Campaign to promote tourism awareness

Minister of Tourism and Antiquities Sherif Fathy has launched the "We Are Egypt" campaign, a nationwide initiative aimed at highlighting the vital role tourism plays in bolstering the country's economy.

The campaign aligns with the ministry's broader strategy to improve the tourist experience by increasing both flight capacity and hotel accommodations across Egypt. "Our goal is to show how every interaction with a visitor contributes to Egypt's prosperity and reputation," Fathy said during the launch.

The "We Are Egypt" campaign will unfold in three phases. The first phase will engage individuals who interact most with tourists, encouraging them to embody Egypt's values of warmth, kindness, and respectful hospitality. It will also highlight tourism's economic and social benefits.

The second phase will focus on raising public awareness about tourism's essential role in supporting the national economy. In the third, citizens will be invited to share their positive experiences and actively promote Egypt's exceptional tourist destinations and unique cultural attractions.

The Egyptian Gazette, Aug. 17

Artifacts returned from the UK, Germany

Thirteen ancient Egyptian artifacts that were smuggled have been recovered from the United Kingdom and Germany, according to the Supreme Council of Antiquities.

The items include a New Kingdom limestone funerary stela, a red baboon-shaped amulet, an 18th Dynasty faience vessel, a bronze

crown fragment from a statue of Osiris, a beaded funerary mask, and several faience and black stone amulets.

The artifacts returned from Germany include a skull and hand from an unidentified mummy, along with an ankh-shaped amulet, which is the ancient Egyptian symbol of life.

Mohamed Ismail Khaled, secretary-general of the council, explained that the U.K. artifacts were recovered by London police, who seized items illegally exported by an international smuggling network.

All recovered pieces have been transferred to the Egyptian Museum in Tahrir Square for conservation in preparation for an upcoming exhibition showcasing the recently recovered treasures.

Cairo Scene, Aug. 11

Museum to close ahead of official opening

As part of the final preparations for the official opening of the Grand Egyptian Museum (GEM) on Nov. 1, the museum will temporarily close from October 15 to Nov. 4.

Museum CEO Ahmed Ghoneim explained that during this period, the museum will carry out necessary organizational and logistical tasks for the opening ceremony.

The museum will reopen for visitors on Nov. 4, which marks the 103rd anniversary of the discovery of King Tutankhamun's tomb, allowing guests to experience the full exhibition for the first time. Since Oct. 16, 2024, select areas of the GEM have been open to the public. It houses over 100,000 artifacts, including treasures from King Tutankhamun's collection.

Abram Online, Aug. 14







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