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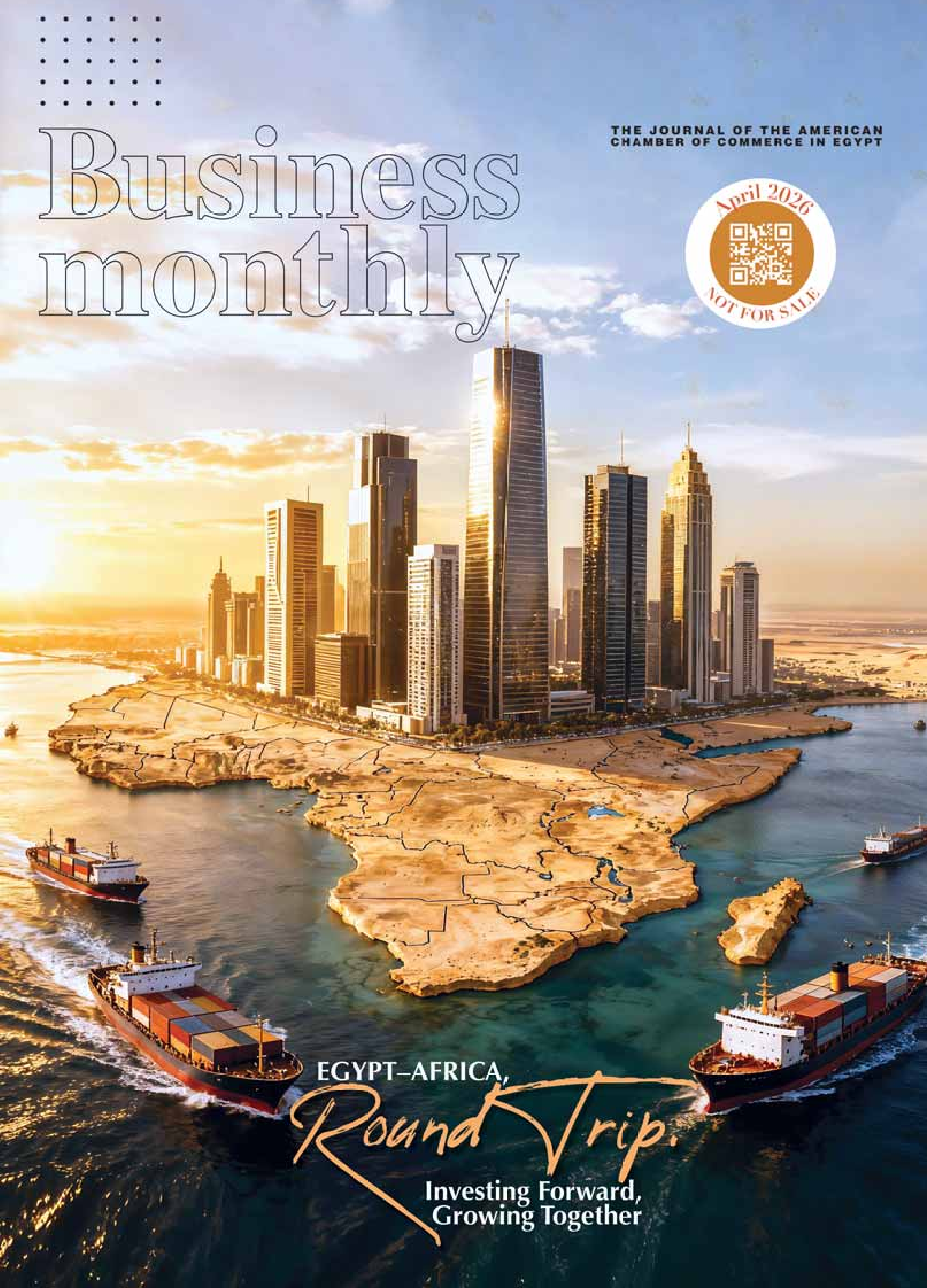
NOT FOR SALE



EGYPT–AFRICA,

Round Trip.

Investing Forward, Growing Together

VIEWPOINT

THE CEASEFIRE CALMED MARKETS—NOT RISK. WATCH EGYPT, NOT JUST OIL.

A fragile U.S.–Iran ceasefire has eased immediate fears, but not the deeper shift. As geopolitics overtakes economics in driving markets, Egypt is emerging as a key test case for how global risk will play out.

A Structural Shift in Global Risk

For decades, global markets were shaped by fundamentals: growth, inflation, trade and interest rates. That hierarchy is shifting. Geopolitics is no longer peripheral; it is now a core driver of market behavior.

Prices respond to headlines. Capital moves on uncertainty. Volatility reflects strategic tension as much as economic data—less resilience than fragility.

The recent two-week U.S.–Iran ceasefire has offered only a brief and uncertain pause. Markets, especially energy, have reacted with cautious relief. But this should not be mistaken for a return to stability. The fragility of this moment underscores how quickly conditions can reverse, and how thin the margin of certainty has become.

This is not a single crisis. It is a structural shift in how risk is generated and priced. Geopolitical risk is no longer episodic. It is persistent, cyclical, and increasingly embedded.

For businesses and policymakers, the message is clear: Volatility is no longer a phase to be managed, it is becoming a structural feature of the operating environment.

Energy Markets: Relief Without Resolution

Energy remains the primary transmission channel from geopolitics to the real economy. The recent easing of tensions has brought short-lived price stability.

But stability is not resolution and may prove misleading.

Markets continue to price a geopolitical risk premium, reflecting the fragility of supply routes and the likelihood of renewed escalation. Energy markets remain exposed to abrupt repricing.

Energy costs cascade quickly. Higher oil prices raise production costs, increase transportation expenses and feed into food inflation. Purchasing power erodes while inflationary pressures persist.

This dynamic increasingly feeds into forward-looking indicators such as the Purchasing Managers' Index, where shifts in input costs, delivery times and business expectations reflect the transmission of geopolitical risk into real economic activity.

The risk of stagflation, low growth combined with sustained inflation, remains real.

Policymakers face familiar trade-offs: Contain inflation and risk slowing growth, or support growth and risk entrenching inflation. There are no easy choices.

Markets Now Driven by Geopolitics

Financial markets are undergoing a fundamental shift. Economic data no longer anchors investor behavior. Geopolitical developments increasingly do.

Recent developments have reduced immediate tail risks but have not restored confidence. Markets remain highly reactive, with sentiment shifting quickly as the durability of any de-escalation is reassessed.

Capital is highly mobile, risk appetite conditional and reversals can be sudden.

Emerging markets feel this most. In periods of uncertainty, even when partially eased, capital moves toward perceived safety. Financing conditions tighten, borrowing costs rise and exchange rates come under pressure.

For Egypt, this underscores a critical point: Economic stability is shaped not only by domestic policy, but by global perception. And perception is inherently volatile.

A Fragmenting Global Economy

Geopolitical tension is reshaping more than markets, it is reshaping trade itself.

Short-term relief in shipping and insurance pressures does little to reverse the broader shift toward fragmentation.

Supply chains are diversifying. Governments are prioritizing resilience over efficiency. Strategic considerations are increasingly taking precedence over cost optimization.

The result is a global economy that is becoming more regional, more complex, and structurally more expensive.

This is not cyclical. It is a reordering.

The Gulf's Enduring Influence

The Gulf remains central to this system. Its role in energy markets, capital flows and logistics corridors gives it global weight far beyond its size.

Even in periods of reduced tension, underlying strategic risks remain unresolved. The region continues to function as a key transmission channel for global economic shocks.

For businesses and investors, developments in the Gulf are not regional variables. They are global ones, shaping inflation trajectories, growth prospects and capital allocation decisions.

Egypt in the Line of Impact

Egypt sits at the intersection of these forces, not just exposed to them, but increasingly transmitting them across emerging markets.

As a net energy importer, Egypt remains highly sensitive to oil price movements. Energy costs, and their impact on external balances, remain inherently volatile.

Global financial conditions remain tight. The cost of external financing remains elevated, while capital flows

VIEWPOINT

continue to exhibit volatility and pressure on foreign currency liquidity.

Supply chain disruptions persist, raising input costs and complicating production cycles across sectors.

For businesses, the implications are immediate: higher input costs, tighter financing conditions and reduced visibility in planning.

An Early Indicator of Emerging Market Stress

Egypt's importance extends beyond its borders. In periods of global uncertainty, certain economies act as early indicators of broader trends. Egypt is increasingly one of them.

Its scale, regional centrality and integration into global markets make it a key reference point for investors assessing emerging market risk.

Even temporary shifts in geopolitical tension can trigger immediate adjustments in capital flows, exchange rate expectations and investor positioning toward Egypt.

This responsiveness underscores Egypt's dual role, as both barometer and transmission channel.

History suggests that financial stress rarely remains contained. Pressures that emerge in one market can quickly propagate across regions.

Balancing Risks and Policy Choices

Egypt faces a complex policy environment. External debt remains elevated, while global financing conditions are tightening.

Traditional sources of foreign currency—tourism, remittances and Suez Canal revenues—remain vulnerable to regional instability.

Policymakers must navigate narrow margins. Exchange rate flexibility supports external adjustment but may increase inflation and debt-servicing costs. Fiscal discipline is essential but must be balanced against growth considerations.

In a world of recurring shocks, policy credibility and coordination are critical.

Reform as a Foundation for Resilience

Egypt has made meaningful progress in strengthening its macroeconomic framework. Reforms have improved stability and enhanced the country's capacity to absorb shocks.

Recent macroeconomic indicators point to a gradual but tangible stabilization. Real GDP growth has approached 5%, while inflation has declined markedly from its peak, headline inflation easing to around 10% and core inflation to approximately 12.5%. Foreign exchange reserves reached $52.83 billion by the end of March 2026, strengthening external buffers. The exchange rate has adjusted within a more flexible regime, moving from EGP 48 to 54.4 before stabilizing near 53.3 per U.S. dollar. Egypt has also maintained a primary fiscal surplus of roughly 3.5% of GDP, reflecting improved fiscal discipline. The Purchasing Managers' Index has returned to expansion territory, signaling a cautious recovery in private sector activity, though one that remains sensitive to external shocks and shifts in geopolitical sentiment.

Taken together, these trends strengthen Egypt's case as a reforming market with improving macroeconomic visibility.

In today's environment, this matters more than ever. Investors are increasingly selective, favoring markets that offer clarity, consistency and institutional strength.

Egypt has made progress. Sustaining that momentum is the next challenge.

Opportunity in a Time of Disruption

Disruption creates risk, but also opportunity.

As global supply chains are reconfigured, countries that adapt quickly can capture new roles. Egypt's geographic position, expanding infrastructure and trade connectivity give it a strong platform.

Reform momentum, investment execution and private sector participation cannot be deferred pending stability.

For business, adaptability is no longer optional. It is strategic.

When Uncertainty Becomes the Norm

The defining feature of today's global economy is not a single crisis, but the normalization of uncertainty.

Geopolitical risk is now a structural condition, unfolding in cycles of escalation and temporary de-escalation. Stability, when it appears, is often provisional.

Success depends not on avoiding shocks, but on building the capacity to absorb and adapt to them, consistently and credibly.

A Balanced Outlook for Egypt

Despite near-term pressures, Egypt's long-term outlook remains balanced. Its diversified economic base, strategic location and ongoing infrastructure development provide a solid foundation for future growth.

More importantly, Egypt has the potential to play a stabilizing role within its region, supporting economic integration and resilience.

The current moment should not be viewed solely through the lens of risk. It is also an opportunity to accelerate reform, strengthen competitiveness and build a more resilient economic model.

Markets are watching oil.

They should be watching Egypt just as closely.

OMAR MOHANNA
President, AmCham Egypt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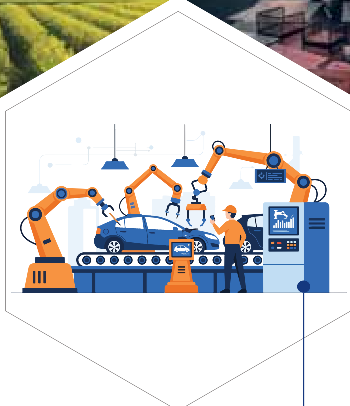

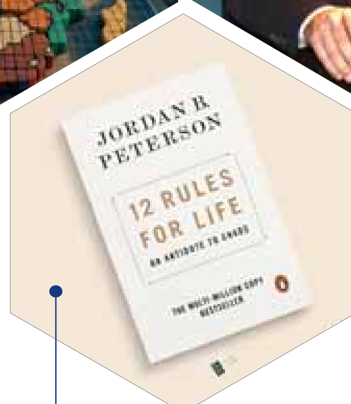

SHIFTING "INVESTMENT" HORIZONS

This month's issue arrives as businesses across the region face geopolitical uncertainty. The ongoing conflict in the Middle East has drastically reshaped the region in just a few weeks. With the Strait of Hormuz closed and Gulf cities experiencing severe disruptions, companies that once looked to GCC countries for expansion are urgently reevaluating their plans.

For Egyptian businesses, the impact is immediate. Supply chains connected to Gulf partners have slowed or stopped, logistics costs have increased, and the stability that supported Gulf-focused growth has deteriorated. As volatility becomes the norm, Africa, steady in its economic fundamentals and offering more stable regulatory environments and diverse demand sources, has reemerged as a resilient and strategic alternative. For many, the continent may now present a more dependable path forward.

This issue explores the choices ahead. Our special coverage of Minister of Investment Mohamed Farid's discussion with AmCham Egypt members outlines how Egypt aims to position itself amid global uncertainty and what reforms could support investment and expansion.

We also examine how white-collar leaders can manage businesses during turbulent times, from sharper decision-making to maintaining team morale. We explain how Egyptian exporters are preparing for the EU's Carbon Border Adjustment Mechanism (CBAM), a shift that might reshape global trade and set new competitiveness standards in Europe.

In our Business Read section, we revisit "12 Rules for Life," a title executives value for its focus on discipline, clarity, and structured thinking. These qualities seem essential in 2026.

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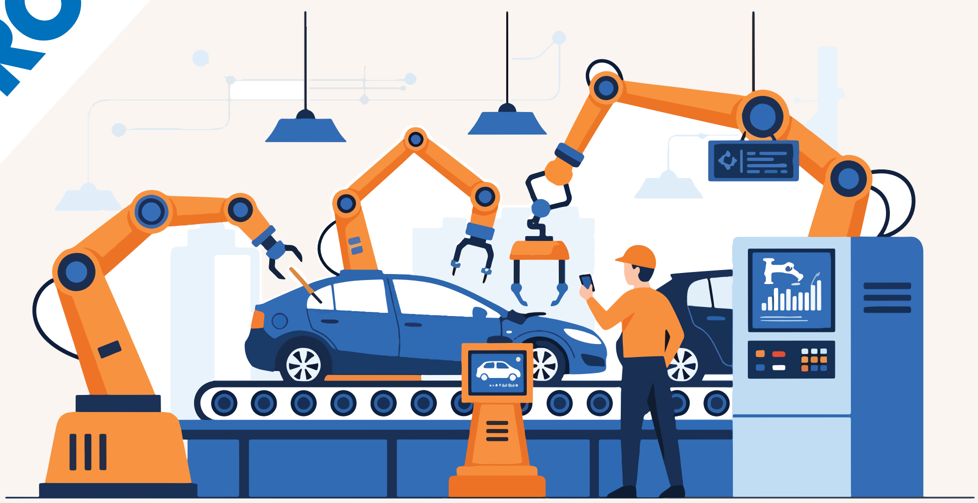
THE NEWSROOM



GM EXPANSION DRIVES AUTO INDUSTRY LOCALIZATION

Egypt is accelerating its efforts to localize the automotive industry through planned expansions with General Motors (GM), as the government aims to position the country as a regional manufacturing and export hub, according to a statement from the Ministry of Investment and Foreign Trade.

Discussions with GM executives focused on increasing production capacity, boosting exports, and expanding the company's investment in Egypt. The ministry is preparing an export-incentives framework designed to use Egypt as a base for supplying African and Middle Eastern markets, and it will coordinate with GM to scale up industrial exports.

To achieve this, GM plans to introduce new models, increase production to meet local demand, and upgrade manufacturing processes through robotics and advanced production systems. GM has invested more than $530 million in Egypt to date, including about $50 million in automation-focused production.

The move comes as Egypt reviews its National Industrial Strategy and considers new incentives for the automotive sector. The government aims to increase local production and reduce reliance on imports by raising the local content ratio in some models to over 60%.

CONSORTIUM PLANS $1 BILLION DATA CENTER IN SINAI

A consortium led by Renergy Group plans to build a hyperscale data center in Sinai with investments totaling $1 billion. Additionally, the consortium will develop one of Egypt's largest integrated green energy projects, which will include green hydrogen production and solar power generation, according to a statement from the Ministry of Investment and Foreign Trade.

The data center will run on clean energy generated by this project, starting at 10,000 square meters, with expansion plans up to 500,000 square meters. This would make it one of the largest data centers in the region. The facility will use seawater cooling systems, making it attractive to global companies looking for low-emission data solutions.

During discussions with Minister of Investment and Foreign Trade Mohamed Farid, the consortium also reported progress on the green hydrogen project in El Tor, South Sinai. The project, covering 127 square kilometers and including 4 kilometers of Red Sea coastline, aims to produce 400,000 tons of liquid green hydrogen annually for export to Europe.

GOVERNMENT PLANS TO SETTLE $1.3 BILLION IN OIL ARREARS BY JUNE

Egypt plans to settle all remaining payments owed to oil and gas production partners by the end of June 2026, clearing USD 1.3 billion in arrears, according to the Ministry of Petroleum.

Petroleum Minister Karim Badawi said outstanding debts have decreased from $6.1 billion in June 2024 to approximately $1.3 billion, with full settlement on track before the June 30 deadline. The ministry also committed to maintaining regular monthly payments while clearing legacy debt, the statement said.

Badawi emphasized that paying arrears is key to restoring investor confidence and reversing a recent decline in domestic energy output. The arrears built up during a period of economic strain beginning in FY 2021/22, caused by the pandemic and regional disruptions, which slowed investment and reduced production. He added that the decline is now under control, with exploration and development activities gaining renewed momentum.

As part of a five-year program, Egypt plans to drill 101 exploratory oil and gas wells in 2026.

FITCH SEES STABLE BANKS DESPITE UPHEAVAL

According to Fitch Ratings' baseline assumptions, Egypt's banking sector is expected to remain largely resilient to economic spillovers from the Iran war. While banks still face potential pressures from a sharp depreciation of the pound, the sector starts with healthy profitability, solid capital buffers, and improved foreign-currency liquidity, which support overall stability.

Fitch noted that these fundamentals put banks in a stronger position than during the Russia-Ukraine war that began in 2022, when external pressures were greater.

The agency said the banks' Issuer Default Ratings and Viability Ratings stay closely linked to Egypt's sovereign rating at 'B'/Stable. Fitch expects Egypt's exposure to the conflict to remain indirect. Vulnerabilities include the country's reliance on energy imports, remittance flows, the fiscal burden of energy subsidies, exchange-rate risk, and continued dependence on external financing.

Foreign-currency liquidity has improved, with the sector's net foreign assets (NFAs) increasing to $14.5 billion as of January, the highest since 2012. "This provides strong capacity to absorb further portfolio outflows."

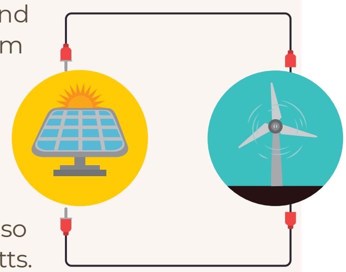
Based on Fitch's baseline assumptions – the war lasting less than a month and Brent crude averaging $70 a barrel in 2026 – risks to Egypt's sovereign and banking sector credit profiles should stay contained. The agency warned that a prolonged conflict would put pressure on macroeconomic indicators.

RENEWABLE ENERGY DEALS TOTAL 5,620 MEGAWATTS

The Ministry of Electricity has signed several agreements with private-sector partners to purchase renewable energy and develop independent battery storage facilities with a combined capacity of 5,620 megawatts.

The first agreement grants land usufruct rights for a 900-megawatt wind project in Ras Shuqeir, which will be developed by a consortium of Orascom Construction, ENGIE, and Toyota Tsusho under the project company Shuqeir Wind Energy. A second agreement was signed to purchase electricity generated from this facility.

A third agreement was finalized with Kemet Group to cover multiple renewable and storage projects, including a 2,000-megawatt solar plant and a 2,000-megawatt-hour battery storage station in Nagaa Hammadi. The package also includes two solar projects in El Oweinat with capacities of 320 and 400 megawatts.



GREEN DEAL

The EU's Carbon Border Adjustment Mechanism aims to limit the carbon footprint of imported goods. Egypt needs to comply quickly, as this mechanism is just the beginning.

by **Rania Hassan**

Few regions can match the EU's dedication to lowering the carbon footprint of products sold in its markets. According to the European Environment Agency, as of December, the bloc had 3,519 policies and measures focused on decarbonizing greenhouse gas emissions and promoting renewable energy.

That determination has allowed the bloc to set a "binding intermediate climate target for 2040 of a 90% reduction in net greenhouse gas emissions compared to 1990 levels," said the Council of the European Union. "This new target is a crucial step toward the EU's long-term goal of achieving climate neutrality by 2050."

The Carbon Border Adjustment Mechanism (CBAM) is one of three measures affecting foreign companies trying to establish a presence in the EU market. According to The Economist Intelligence Unit, CBAM "has two primary aims: to increase the global pressure to reduce emissions in carbon-intensive industries and to improve the competitiveness of EU-based producers, which currently face far higher regulatory costs than competing imports."

The unit noted the mechanism "will have an adverse effect on exports from resource-rich countries in Africa and the Middle East, as well as economies with large industrial bases. "For these countries, the implementation of carbon border taxes in 2026 will make CBAM product exports less competitive in EU markets."

Egypt lags significantly behind the EU in carbon emissions regulations, and more than a quarter of the country's exports go to the EU.

Wael Aboul Magd, assistant minister of foreign affairs for climate change, environment, and sustainable development, told AmCham Egypt members in February, "Mechanisms [and] green standards are going to become the trend, and they're going to intersect with trade with great implications for [Egypt's exports]. CBAM compliance is not only about the EU."

CBAM

In essence, CBAM is a unilateral tax imposed on EU importers who bring in products that don't meet the mechanism's environmental requirements. The duty amount is determined based on each country's climate regulations, not the carbon footprints of individual companies or sectors.

"CBAM is both a multilateral climate debate … and a cost line in the balance sheets of how companies," said Aboul Magd. "Balance sheet costs" will come from "the amount of carbon in the product, whether explicit or embedded in the pricing; reporting and verification costs; and "contractual uncertainties … as a lot of issues are still being ironed out."

To stay competitive, affected vendors may increasingly shift toward products exempt from CBAM.

To accelerate adoption, the EU "streamlined procedures, reducing the administrative burden for 90% of European importers," Nermine Abulata, senior adviser to the vice prime minister and national coordinator of the CBAM ministerial committee, told AmCham Egypt members in February. The bloc also "delayed collections from 2026 to 2027." Nevertheless, she stressed, "there are still many gray areas."

Unfair, but effective?

Aboul Magd said Egypt and other emerging economies are negotiating vigorously with the EU over CBAM implementation deadlines and penalties to ensure the principle of "common but differentiated responsibilities" is upheld.

That principle states that "while every country in the world has a responsibility to make a contribution to the overall global effort, it's a differentiated [obligation] because there is a historical duty on industrialized countries that, over two centuries, have exploited resources with unchecked emissions," Aboul Magd explained.

A second issue with implementing CBAM is it might conflict with the U.N.'s Nationally Determined Contributions (NDCs). "Under the Paris Agreement, there are no obligations to meet specific climate targets at a predetermined deadline," he said. "Every country makes its own determination based on its national capacities and circumstances."

In its current form, CBAM imposes the same standards on imports from poor and middle-income nations as on products from advanced nations. It also violates NDCs by forcing a decarbonization pace on all other nations.

Aboul Magd said these two policies are the focus of Egypt's negotiations with the EU to help facilitate CBAM compliance. The main goal of the talks is to "highlight the injustice inherent in some of these standards," he said.

The ideal outcome of negotiations would be "the EU pausing [CBAM] implementation [to] think about accommodating and helping mitigate the impacts without necessarily departing from their original plans," Aboul Magd said.

Currently, Egypt and the EU have agreed to hold three rounds of negotiations over the next three years — until 2028 — to find a middle ground that ensures market access while speeding up decarbonization efforts in emerging markets.

"We don't expect anything groundbreaking, but at least we want to signal our partners that CBAM's current setup is a serious issue and show them facts and figures on the actual impact on our industries," Aboul Magd said.

On the positive side, he told AmCham Egypt members he believes the European side is open to the possibility of "verification flexibility… a very important topic." This would allow verifiers in Egypt and other emerging markets to be licensed by EU-based CBAM accreditation bodies, thus lowering compliance costs.

Another potential easing measure would be CBAM climate auditing for individual companies, not entire countries, when setting the CBAM tax amount, said Aboul Magd. He added the EU is considering exempting, either fully or partially, companies that pay for their carbon emissions in their home countries from CBAM levies.

Aboul Magd emphasized that these negotiations are "not solely targeting the EU. It just so happens that the European Union is the first to implement climate regulations,"

Industry angle

To enhance Egyptian companies' competitiveness in the EU under CBAM, Abulata from the CBAM ministerial committee mentioned the creation of a cross-ministry working group on industrial development in mid-2024.

This group includes relevant ministers, governors, the private sector, representatives from the Federation of Egyptian Industries, and various chambers of commerce and export councils.

"It meets every week and takes immediate decisions under discussion," Abulata noted. She stressed the decision-making process takes less than a week. Topics under discussion include land, labor, capital, technology, eco-friendly and sustainable industries, transportation, and challenges CBAM presents to local exporters.

The committee divided CBAM into three categories: decarbonizing manufacturing processes; greening energy sources and expanding renewable energy; and maintaining the sustainability of raw materials and logistics.

Abulata stated that each category involves "multilevel governance systems involving the government, private sector, international organizations and partners, and civil society."

These three categories will influence "28 priority sectors including engineering, chemicals, agro-business, and others," she said. CBAM will mainly impact iron and steel, aluminum, fertilizers, and cement, as they are Egypt's top exports to the EU.

Abulata stressed CBAM's impact will vary by industry. For example, steel exports will be affected in the short term, with the impact increasing over time. Conversely, fertilizers will have more time to adapt to CBAM regulations.

Green hydrogen and renewable energy "are in the pipeline" to become key exports to the EU, noted Aboul Magd.

Feasible compliance?

CBAM is likely to hit Egypt-based exporters hard, as the country has no climate-related regulations. Worse, Abulata said, implementing carbon taxes will be challenging.

Firstly, Egypt already has low emissions of harmful gases. “We account for 0.6% of total global emissions,” he said, “and that percentage is decreasing as the government pushes for more renewable energy.” This would make a carbon tax difficult to administer financially.

The second obstacle to enacting environmental legislation is that “the EU has imposed carbon taxes for over 20 years,” said Abulata. “We cannot impose it within ... months.”

Currently, the Egyptian government is still researching how such legislation would affect the economy. “We are [still] getting to know what we are getting into,” Abulata said. “The Information and Decision Support Center, collaborating with the private sector and government, is preparing a report on the pros and cons of imposing a carbon tax on the four [heavily CBAM-affected] sectors.”

Nevertheless, Abulata mentioned that the Egyptian General Accreditation Council is the first Arab or African nation to be recognized by the European accreditation body.

The government is also developing an “industrial environment registry” and an “industrial energy registry,” scheduled to launch in 2026 in cooperation with the ministries of environment, industry, and energy. “It is very important to have a baseline for carbon emissions,” said Abulata. “We cannot target or support any part of the private sector without one.” The energy registry will include data on electricity, fossil fuels, and renewables.

However, the government is taking its time to align with CBAM, whose regulations are still evolving. “EU environmental regulations introduced two years ago have significantly changed, which required a new wave of negotiations with the bloc,” Abulata noted.

Multilateral player

While not directly involved in CBAM or the government’s negotiations with the EU, the U.N. Development Programme (UNDP) will play a significant role in helping Egypt and local companies comply with EU environmental regulations.

Ghimar Deeb, the UNDP’s deputy resident representative, told AmCham Egypt members, “The UNDP and other U.N. agencies, including UNIDO and other relevant agencies, will be on standby to provide solution-oriented approaches for these issues. From our perspective, CBAM is simply a compliance requirement, reflecting a broader global shift toward greener trade and more competitive industrial systems.”

He highlighted three ways the UNDP is supporting Egypt’s transition to the green era, regardless of CBAM’s implementation status. “First is the energy efficiency part,” said Deeb. “This is where we see the fastest and most cost-effective solution to protect export competitiveness.”

The second is producing energy from sustainable sources, noted Deeb. “Renewable energy is now cheaper, way cheaper than fossil fuel in most global markets, and this cost advantage is widening every day.”

The third point, “the most relevant for this stage, is the UNDP’s support to the government,” he said. “This is where we see a reduction in business risks in the long run.”

Aboul Magd and Abulata agreed the government is under pressure to speed up its green transformation. “We are on an irreversible path to decarbonize,” said Abulata.

A crucial part of that path will be compliance with current and future climate regulations. “While we are arguing against CBAM, we’re aware that CBAM is a reality and we have to contend with it,” said Aboul Magd. “For us, we have to find the right balance of managing risk while preserving competitiveness.”

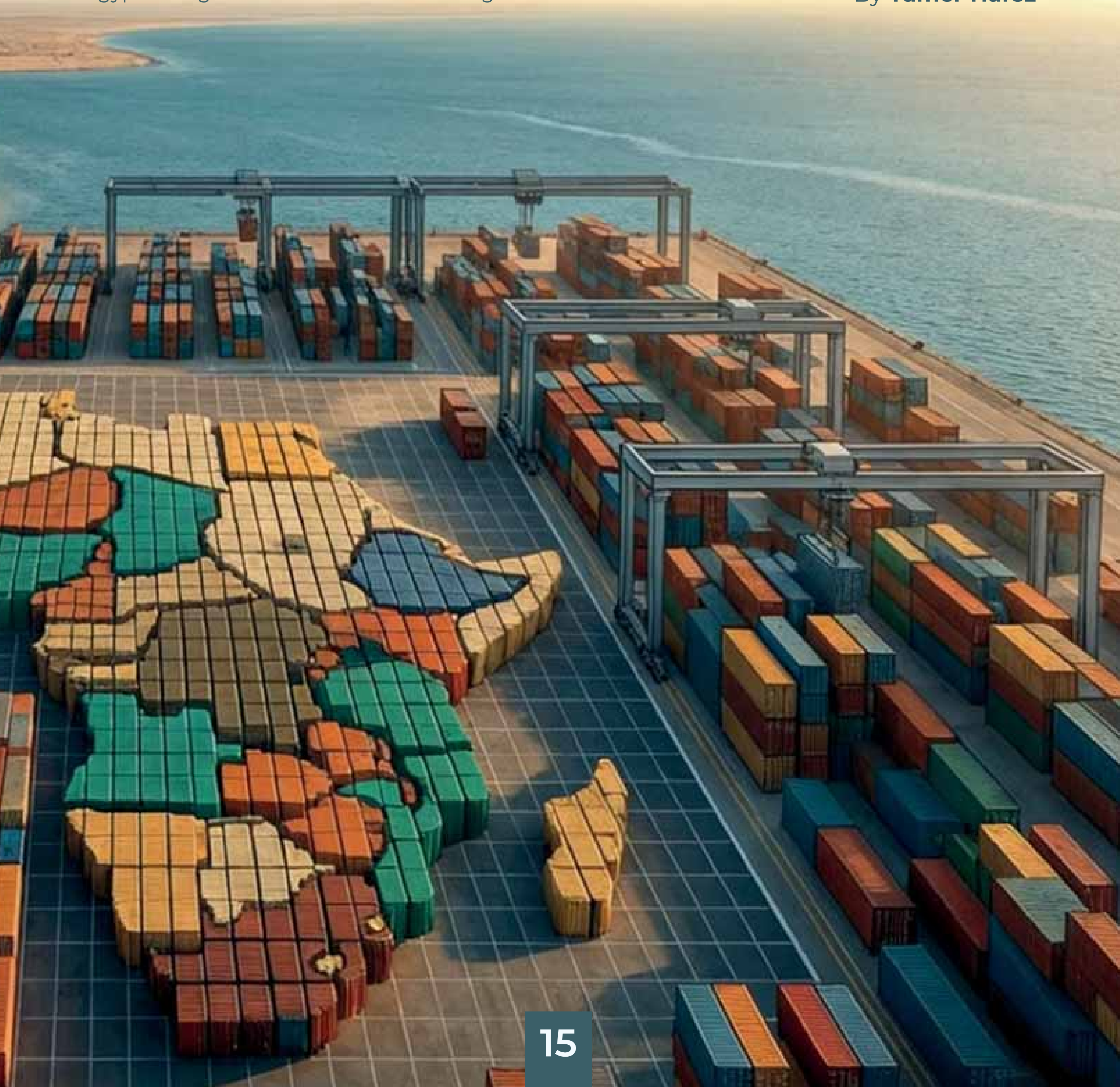
REVISITING A RISING OPPORTUNITY

Almost no business seeking to operate in the Persian Gulf can overlook the ongoing war that began in late February, which has caused major disruptions to import and export activity with the GCC countries.

As an alternative, Africa's economic and geopolitical outlooks have remained largely stable, making the continent a more predictable environment for Egyptian firms looking to expand. At the same time, the Egyptian government is continuing to encourage local businesses and banks to grow their presence across Africa.

Still, challenges and risks persist. Egyptian companies considering expansion must determine which African markets are most attractive for investment — including Egypt's own free economic zones, designed specifically to facilitate exports — and which sectors can offer strong returns with the lowest level of risk.

By **Tamer Hafez**



SOUTHBOUND SHIFT

For years, the government has promoted doing business in Sub–Saharan Africa. With new volatility emerging in the Middle East, Egyptian companies now have even more reason to look south.

Encouraging local companies to trade and invest in Africa has long been a government priority. Last May, Hossam Heiba, then chairman of the General Authority for Investment and Free Zones, said, "The Egyptian government is currently developing sustainable strategies to facilitate investment flows and trade across the continent and to establish integrated partnerships among key African stakeholders. The goal is to boost intra-African investment and trade."

Meanwhile, the ongoing geopolitical conflict between Iran and GCC nations (Egypt's second-largest importer and exporter of goods and home to nearly half of Egypt's FDI in fiscal year 2024/2025) highlights the importance of local companies expanding into African markets.

That shift may become unavoidable for Egyptian companies that rely on the GCC. According to a March note from Fitch Ratings, while "the effect on economic growth [in the GCC] will be temporary ... there may be longer-term damage to those parts of the region that position themselves as havens for international businesses and individuals."

Further complicating the GCC's situation is that Fitch Ratings' "base case is subject to particularly high uncertainty. A more prolonged disruption to [the region's] exports than we assume would likely have more severe negative repercussions."

Current footprint

The government recognizes that "Egypt's foreign policy toward Africa has faced serious challenges over the past decade, [despite] the African dimension being one of the central aspects of Egypt's national security strategy," according to the State Information Service (SIS) in January.

To improve its limited presence on the continent, the government announced it will workcollaborate with the African Union (AU) to "unfreeze activities [as well as] restore Egypt's leadership role" within the organization, the SIS reported.

Second, the state will "re-establish [its] active role in Africa based on a development partnership. This includes strengthening bilateral political and economic relations; making practical proposals for technical, trade, and investment cooperation; and extending areas of understanding and common interests with the African countries," the SIS stated.

Finally, the government will "develop an Egyptian water policy with a mixed structure of development and water cooperation with the Nile Basin countries," according to the SIS. "This will adhere to Egypt's water rights and focus on common interests and development partnerships benefiting all parties."

These three efforts will build on Egypt's previous initiatives across the continent. In November 2021, when Egypt chaired the Common Market for Eastern and Southern Africa (COMESA), it "worked on the activation of the Continental Free Trade Zone Agreement [a free trade agreement comprising all 54 African nations]," the SIS noted.

During its 2024 leadership of the African Union Development Agency (NPEAD), Egypt spearheaded the "launch of the second 10-year plan ... of the 2063 Agenda ... in February, with implementation starting through regional and national program initiatives."

Egypt also carried out several NPEAD projects and initiatives in agriculture, industrial transformation, food security, tourism, science, technology, health, environment, and the empowerment of youth and women, the SIS reported.

Also, the country hosts the African Union Centre for Post-Conflict Reconstruction and Development, which is currently working closely with Somalia, South Sudan, and the Sahel region, according to SIS.

Egypt is also home to the African Union's permanent delegation to the Arab League, African Space Agency, African Center of Excellence for Climate Resilience and Adaptation, the Regional Investment Agency of COMESA, and the African Export and Import Bank.

Building for more integration

In February, Foreign Minister Badr Abdelatty told media the "Egypt-Libya-Chad corridor [a 2,570-kilometer highway] is now a key part of Egypt's regional strategy." Other important projects under development include the Cairo-Cape Town route in South Africa, a 10,228-kilometer highway passing through seven other countries. There is also the Lake Victoria-Mediterranean route, which connects 10 nations from Tanzania in the south to Egypt in the north, passing through Sudan.

"These projects ... contribute to continental trade integration, strengthen the African Continental Free Trade Area, and advance the African Union's Agenda 2063 for sustainable development."

Also on the government's Africa agenda is the creation of a national investment agency. Its mandate would be to coordinate Egypt's investments across the continent, Abdelatty said during a March Cabinet meeting.

Also during the gathering, Prime Minister Mostafa Madbouly told the media the government is working on incentive packages. "These packages are meant to motivate investors to increase investment in African markets," he said, emphasizing Africa's promising opportunities and its strategic importance for Egypt's development goals.

According to the meeting's minutes, increasing Egypt's presence across the continent "aligns with directives from President Abdel-Fattah El-Sisi to strengthen and expand cooperation frameworks with African Partners during the current phase," reported state-owned Ahram English.

The $500 billion fund

Securing enough funding for projects has long been Africa's biggest development challenge. The African Development Bank (ADB) estimates the funding gap at "between about $1.3 trillion and $1.6 trillion [between] 2020 [and] 2030 to implement Africa's climate action commitments and Nationally Determined Contributions," covering all of the U.N.'s 17 Sustainable Development Goals (SDGs), according to a 2022 report.

That gap is expected to grow almost exponentially through 2050. "After historical and future carbon emission shares are accounted for, total climate finance due to Africa is estimated [to range from] $4.76 trillion to $4.84 trillion [between] 2022 [and] 2050," the ADB noted. "This represents annual flows of $163.4 [to] $173 billion."

To help narrow this projected gap, Egypt launched the "Africa Team" initiative in February. The initiative aims to mobilize the funds needed to finance about 300 continental projects, according to the SIS.

The initiative plans to raise $500 billion mainly to finance projects that "address some of Africa's most pressing challenges," including poverty reduction, job creation, and energy and food insecurity," reported Abyssinia Business Network.

According to Abdelatty, the initiative will support the AU's Agenda 2063 strategy's second 10-year plan, which ends in 2033. It focuses on major international and regional changes impacting food, water, and energy security across Africa.

Supporting Team Africa's efforts will be a planned "NEPAD-affiliated development fund to address financing gaps in a sustainable manner," reported Ahram English. The government has not yet announced any details about the fund.

Solutions from within

To turn funding pledges into viable projects, African nations need to implement structural reforms and strengthen institutions to improve their business climates and attract FDI, according to a U.N. report from November. Without these reforms, neither government nor private sector investments will reach their full potential in these African countries.

Creating such an environment will require a significant shift in mindset among decision-makers, the report states.This change is crucial to addressing the continent's development financing gap. "Official development assistance to developing countries averages just 0.32% of developed nations' GNI, a fraction of the 0.7% target, creating an average annual $75 billion delivery gap to Africa," the U.N. report explains.

To carry out the necessary reforms and institutional improvements, the U.N.report highlights "three [common] interconnected pillars." First, "African countries must strengthen their economic governance to control their resources." Second, "they need to accelerate digitization of state machinery, particularly tax administration." Lastly, "African countries must rationalize their public financial management strategies by eliminating redundant and costly incentives, which cost 1.8% of GDP in forgone revenues annually."

"By harnessing their resources and controlling financial flows, African countries can fund their own development," the paper stressed. "This will help them shift from dependency to ownership and achieve sustainable prosperity."

THE CATCH-UP ECONOMY

Sub-Saharan African countries have high ambitions for their economies in the coming years. For Egyptian businesses and banks, that is a lucrative, untapped opportunity.

For global investors, Africa has long been a highly promising destination that has not yet reached its full potential. “If Africa sustains and accelerates structural reforms over the next half-century [starting 2020], the continent can emulate China’s rapid rise of the last 50 years,” Colin Coleman, an adjunct professor at Columbia Business School, wrote in Project Syndicate.

However, investing in Africa requires a high level of risk tolerance and a focus on long-term gains, Coleman said. This might explain why Egypt’s large companies, investors, and banks are cautious about investing across the continent, instead concentrating on government-led, low-risk projects.

In the coming years, opportunities should increase as “the region is home to some of the world’s fastest-growing economies,” Hussein Abaza, then CEO and managing director of Commercial International Bank (CIB), Egypt’s largest listed bank by market capitalization, said in Euromoney magazine in 2023.

Situation on the ground

By the end of 2025, the 62 Egyptian companies operating across Sub-Saharan Africa had investments totaling $14 billion, up from $12 billion in 2024, President Abdel Fattah El-Sisi said during a media briefing late last year.

These investments benefited from several initiatives, including the Nile Basin Mechanism, a $100 million investment protocol announced in October 2024. Its main focus is funding water and infrastructure projects in Nile Basin countries.

Local investors also benefited from the Investment Map in Africa, developed by the Egyptian Agency of Partnership for Development (EPAD), created under the Ministry of Foreign Affairs in 2014 to promote private investments across the continent.

“It provides essential information about various African countries, including their investment laws and the national institutions responsible for regulating and attracting foreign investment,” the press release said. “[It] will help Egyptian businesses explore new markets across Africa and offer detailed insights into promising sectors such as agriculture, mining, construction, technology, renewable energy, and water resource management."

A third initiative supporting Egypt’s private sector is the African Development Club, established in Egypt in 2020 by Morocco’s Attijariwafa Bank. It is the 10th branch of this Africa-only network platform, which aims to promote investments in member nations (Côte d’Ivoire, Senegal, Mali, Mauritania, Tunisia, Cameroon, Gabon, Congo Brazzaville, and Morocco), noted Attijariwafa Bank Egypt’s press release.

Careful choices

Almost all Egyptian companies investing in Africa are large corporations mainly focusing on mega-projects in sectors like infrastructure, mining, and food. Qalaa Holding, an Egyptian investment firm with nine subsidiaries operating in energy, cement, agrifoods, transportation, logistics, and mining, has a presence in nine African nations, other than Egypt. Seven of those are in East Africa, the rest in North Africa.

Projects include operating Rift Valley Railways, the national company in Kenya and Uganda; Nile Logistics, a river transport company between Sudan and Egypt; and Wafra, a food company in Sudan and South Sudan. Qalaa Holding also has mining and cement production operations in Algeria.

Elsewedy Electric, an Egyptian infrastructure developer operating across Africa, Europe, the GCC, the Americas, and Asia, is active in 15 African countries outside Egypt. “The majority of our industrial activities are in Africa, with 24 production facilities and [investments] exceeding $4 billion,” according to the company's website.

Most of its African projects involve laying electrical infrastructure and manufacturing transmission cables, transistors, and renewable energy stations.

In Algeria, the company invested $20 billion in facilities for exports to Europe, Africa, and the GCC. In Ethiopia, Elsewedy Electric built a $50 million copper-cable manufacturing plant. In Ghana, it produces transmission lines and substations.

In Nigeria and Zambia, Elsewedy Electric owns two factories (8,300 and 20,000 square meters) producing transformers, compact substations, and prepaid meters. In Nigeria, it operates a “unique business model,” supplying domestic competitors with imported raw materials alongside producing cables, transformers and meters.

In Morocco, Elsewedy Cables supplies electricity cables, distribution and power transformers, and meters for residential, industrial and smart applications for local use and export to West African countries.

In Tanzania, the company is constructing a 120,100-square-meter, $35 million complex — the Elsewedy Electric Complex — that will produce cables, wires, transformers and meters, including a 4,800-square-meter logistics center. Once finished, the total investment is expected to reach $50 million.

Additionally, Elsewedy Electric exports products to Angola, Burkina Faso, Uganda, Libya (via two offices), Côte d'Ivoire, Madagascar and the Democratic Republic of Congo.

The Arab Contractors, an Egyptian construction company, has been investing in Africa since 1964. According to its website, it has completed more than 100 projects across 24 African countries, from Angola in the south to Tunisia in the north, and from Senegal in the west to Comoros in the east.

Projects include a hydropower station and dam in Tanzania, multiple roads and bridges in Uganda, and infrastructure work in Nigeria covering 1,000 feddans, including a 37-kilometer road, a drinking water network, wastewater systems, drainage networks, and the entire district's electricity and telecom networks.

Egypt's financiers

Few Egyptian banks find investments across Africa sustainable. One that does is the state-owned National Bank of Egypt, the largest bank by the number of depositors and deposit value. According to the bank's website, it has branches in South Africa, Ethiopia, Sudan, and South Sudan. As of 2025, "the bank managed 25 finance deals, of which 20 — the largest number of deals to be managed in Africa — were managed by the bank as an administrative agent, with a total amount of EGP 402 billion," NBE's website noted.

According to Bloomberg's league tables, NBE "ranked first as a documentation agent, second as an administrative agent, third as a bookrunner of syndicated loans, and fourth as a mandated lead arranger in Africa."

In 2024, "the African Banker Awards granted NBE an award for the best financing deal in Africa in the agricultural sector," according to Bloomberg.

The second-largest state-owned bank, Banque Misr, also operates in Africa. In November, it opened its first fully owned East African branch in Djibouti. In Kenya, it has a representative office. Currently, the bank is working to secure a license from Somali authorities to establish a representative office.

CIB, Egypt's largest listed bank by market capitalization, also is present in Africa. In 2019, the bank opened a representative office in Ethiopia. The following year, it acquired Kenya's Mayfair Bank, which has six branches nationwide. In 2023, CIB opened a fully owned branch in the country.

Additionally, the Egyptian bank offers remote services called CIB Overseas, which "extends its services beyond borders, offering diverse segments with various levels of remote banking support," according to the bank's blurb. Currently, CIB clients can choose from three tiers: Prime, Plus and Wealth.

Services include activating accounts; managing debt and credit card accounts; replacing and delivering new cards; applying for secured loans; updating customer information; changing contact details; resetting online banking; and contacting overseas teams.

Next steps

Ultimately, more Egypt-based banks and companies are likely to explore additional sectors across Africa. "The removal of tariffs on intra-African trade and streamlining of regulatory frameworks have encouraged more Egyptian firms to explore opportunities across the continent," Islam Zekry, group chief financial officer and executive board member at CIB, told Arabian-Gulf Business Insights in March 2025.

According to MOHAC Africa, an NGO, the sectors with the highest untapped potential include agribusiness and food systems, technology and digital economy projects, renewable and clean energy, mining for rare earth minerals, infrastructure and logistics, and healthcare and pharmaceuticals.

The key for Egyptian companies to capitalize on these emerging opportunities will be more local banks operating in Africa, Zekry noted. "Financial institutions [play] a crucial role in enabling this expansion by ... facilitating smoother cross-border transactions."

CHOOSING WISELY

A report by South Africa's RMB corporate and investment bank highlights the most attractive opportunities across the continent.

In the past 16 months, "seismic changes have moved the world," said the "Where to Invest in Africa 2025/26" report by RMB.

The main factor influencing investment prospects across the continent is "the change in U.S. trade policy," the report said. "Record-high reciprocal tariffs across many economies are transforming global trade in a way that will potentially outlast the current U.S. administration. This is not business as usual."

For Egyptian companies planning to invest in Africa, understanding which nations have the greatest potential and the least business, geopolitical and geoeconomic risks is crucial for success.

Aid, politics, economics

In early 2025, the United States stopped nearly all foreign aid and disbanded USAID, forcing African governments to adapt quickly. "Africa is 'addicted to aid,' but some countries are more dependent than others," the report stated. "The rapid repeal of aid has opened funding gaps."

This situation compelled African governments to increase "investment flows … to fill the currency deficit," said the report. In 2024, FDI to the continent reached record highs, "up 75% from 2023 … South Africa, Morocco, and Tunisia were among the main FDI recipients."

More FDI is expected. "The size and improvement of the investment flows translate into a strong positive development for the continent," said the report. "While aid has its role, it is not a component of the economic engine that grows enduring prosperity."

National election results greatly impact the investment climate in African countries, as new leadership often replaces previous policies and strategies with its own plans to tackle macroeconomic issues, especially national debt.

A third factor shaping the continent's investment outlook is commodity prices, which are "central to Africa's economic performance," the report stated. Net-oil exporting countries like Nigeria and Angola suffered from "energy prices drifting lower [prior to the start of the war in Iran], softening export revenues," the RMB report noted. Elsewhere, "industrial slowdowns weighed on base metals, where [commodity and energy] price movements were mixed."

Despite these challenges, some African nations benefited. "Cocoa prices more than tripled on the back of devastating crop failures in West Africa, bringing windfall profits to producers," the report said. "A powerful cycle for gold, driven by geopolitical tensions and investor flight to safety, has provided windfall for producers across the continent, including Burkina Faso, Ghana, South Africa, and Tanzania."

The fourth factor is "currency devaluations, [which] can undergo vast and rapid changes," the report noted. That complicates foreign assessments of investment viability, costs, pricing, and repatriation.

Meanwhile, data remains a major concern. First, there are "data restatements, [where] in several industries the publishers of data have restated metrics. This happens periodically, for example, when national statistics are restated or revised." This issue also present with "the most reliable sources, from the U.N. [and] World Bank," the report noted.

Second, "data availability is incomplete in some countries," the report said. Third, "not all [available] metrics are updated annually, [especially] connectedness, commodity reliance, and financial development. The latter two are sub-components of the forex stability and liquidity index metric."

Stability

The 2025/2026 RMB rankings showed 17 of the 31 evaluated African countries either remained the same or moved up one spot. "The Seychelles and Mauritius remain at the top of the rankings." "This is not to suggest they are … the 'best' places to invest," the report cautioned. "Rather, their scores reflect small but appealing markets."

Other nations with unchanged rankings were South Africa, Ghana, and Morocco at the higher end of the scale. The lower half features Uganda, Gabon, Madagascar, Malawi, and Zimbabwe.

Meanwhile, countries whose rankings increased or decreased by one position are Kenya, Botswana, Rwanda, Namibia, Angola, Cameroon, and Eswatini.

In decline

Nigeria experienced the largest decline, falling to 18th from 9th in the 2023/2024 report. "[That] may be directly the result of low GDP figures in U.S. dollar terms," as the government floated the local currency (naira) to address the parallel currency market. The naira's exchange rate went from 460 to the dollar before the float in June 2023 to nearly 1,380 at press time.

Senegal dropped six places amid election turmoil in 2024 and ongoing food security concerns stemming from its heavy dependence on Russia. "The country relies on imports for 70% of its food supplies, and rising costs and the disruption of supply chains are threatening food security," the report said.

Adding to Senegal's challenges is that "Burkina Faso, Mali and Niger withdrew from the Economic Community of Western African States [free trade agreement] in January 2024," the report noted.

However, in October 2024, "Senegal exited the Financial Action Task Force [an international body that investigates money laundering] grey list." The same month saw the government release a 25-year development plan, Vision 2050, targeting an "increase of 50% in per capita income ... and a reduction in debt and deficit," the report said. "The intention is to transform Senegal's wealth by integrating digital technologies ... to create jobs."

Mozambique fell from 23rd in 2024 to 28th in 2025. "National elections in ... 2024 were tense, prompting the outbreak of civil unrest," the report noted. "Peace [was] brokered, but underlying tensions remain ... The difficulties are deep-seated."

Despite these issues, the IMF forecasts "exceptional growth of 13% in 2027 and 12% in 2028 ... based on production commencing on large onshore liquefied natural gas projects."

Other countries whose rankings dropped noticeably include Tunisia (five places), Benin (three places), and Lesotho (two places).

Improvers

Côte d'Ivoire stood out as the biggest climber in the ranking ... jumping from 16th to 8th" driven by the country's strong economic prospects, with an average real GDP growth of 6.7% from 2021 to 2025.

While there have not been any significant improvements in agricultural productivity, in fact, cocoa production the country' s biggest export crop was down 25% in 2024 compared to 2023, the real change has been in the government's ambition to export more complex products, the report said.

Another high-potential crop for investment is cashew nuts. The government aims to increase the processing of the nut from 30% of the total cultivated volume in 2024 to 50% by 2030.

This economic acceleration is thanks to "government incentives ... including no import duties levied on machinery and government subsidies for processed nuts exports, the report said.

Zambia is another significant climber, jumping five places to 15th. This is a story of resilience despite severe woes," the report noted. Zambia recently came through its driest agricultural season in 30 years, which prompted [the] president to declare a state of disaster in February 2024.

Besides food security concerns, the drought crippled the country's energy supply, which relies on hydroelectricity for 83% of its generation, the report noted.

Despite these issues, Zambia's GDP grew 4% in 2024, driven by a 12% boost in investment in copper mining and exports.Copper prices increased by 41% in 2025 up to this point.

The country is also accelerating structural reforms under an IMF program, which agreed to immediately disburse $184 million to Zambia." Reforms aim to "collect more taxes and conclude restructuring agreements with bilateral and commercial creditors," said the report. "Moody' s upgraded the sovereign credit outlook from stable to positive in April 2025, citing expectations of a steadily decreasing government debt burden driven by stronger economic growth and continued fiscal consolidation.

Algeria and Tanzania each moved up three places in the rankings, while Ethiopia, Congo, and the Democratic Republic of the Congo each gained two.

Ultimately, the RMB report emphasized that Africa is on track to achieve what Nigeria's former Minister of Agriculture and Food Security Akinwumi Adesina predicted last May: "Africa will be the workshop of the world, brimming with talents, with opportunities for its young people."

SHORTCUT TO BETTER BUSINESS

Across Africa, investment and free economic zones are proving a quick fix to incumbent complex bureaucracy and corruption, with a caveat.

For decades, local and foreign investors have faced two major issues — corruption and bureaucracy. In December 2025, Transparency International, an NGO, ranked Egypt 130th out of 180 countries, down from 94 in 2014. In March, the World Bank report measuring "Government Effectiveness: Percentile Rank" placed the country in the top 42% of nations, down from the top 25% in 2014.

The government has long-term plans to address these problems. It is currently in the third phase of the National Anti-Corruption Strategy (2023-2030) and is accelerating the digitization of its services and payments to bypass existing bureaucratic barriers. In December 2025, the World Bank's Digital Government Index ranked Egypt 22nd worldwide, an improvement of 47 places from the previous year.

To accelerate legislative reforms, the government is developing special economic zones (SEZs) with distinct regulatory frameworks and oversight, separate from the rest of the country.

"The free zones system is one of the most important ... systems ... which states encourage foreign investment through incentives and facilitation," noted research from the University of Béchar in Algeria published June 2025. "Most countries have adopted free zones as economic mechanisms for gradual and orderly transition, and as a means of attracting and localizing FDI and transfer and localization of modern technology."

Types of zones

Egypt has two types of free zones. The first is "private" SEZs, each established for a specific project or a complex comprising a producer's supply chain. They are usually located near major seaports, airports, and land borders to facilitate companies' import and export activities. Additionally, companies own the land designated as a private free zone.

Typically, companies in these "private zones" are FDI entities or export most of their products. They interact only with the General Authority for Investment and Free Zones (GAFI) under the 2017 Investment Law. As of August 2025, there were 230 private SEZs across the country.

The second type is "public free zones," also regulated solely by GAFI. There are currently nine of these nationwide. As of August 2025, their occupancy rate was 95%, Hossam Heiba, then GAFI CEO, told local media. Unlike private SEZs, companies in public zones lease their land from the government, which determines the sectors allowed within these zones.

In both types of SEZs, exemptions include assets and production inputs (except those used in passenger cars) from customs duties, VAT, and other levies. Imports and exports are free from all duties and taxes, and profits are exempt from domestic taxes.

If a "free-zone" company sells in the local market, only locally sourced components are exempt from customs and other import duties. Meanwhile, goods in transit stored within a free zone are exempt from entry and exit duties because the law considers them as goods that never entered Egypt.

The legal status of SEZs means projects cannot be nationalized or confiscated, assets cannot be seized or placed under protective custody. Legal proceedings against such projects require GAFI's involvement, as the sole regulatory body of these zones.

In 2025, SEZs contributed $7.9 billion — 16.2% of Egypt's total exports — compared to $4.1 billion — 15.3% of Egypt's total exports -- in 2014. More notably, Zawya, a news portal, reported in August 2025, "Since 2017, these zones have consistently maintained a trade surplus with the world."

Plans for 2026

Realizing the need for more public and private SEZs, then Minister of Industry and Transport Kamel El-Wazir approved three private free zones in July 2025, valued at $216.5 million.

The first is a $108 million plastics project in New Alamein City along the Mediterranean. The second is a $30 million garment facility in Beni Suef in Upper Egypt, while the third is a textile factory in 10th Ramadan City, between Cairo and the New Capital.

During the announcement event, El Wazir said the Industry Development Authority will review all requests from companies wanting to operate under the public or private SEZ system, as it is Egypt's administrative one-stop shop for manufacturing.

El Wazir also mentioned that more plots will be equipped with industrial electricity, energy, water, and sewage infrastructure, especially in Upper Egypt, all of which will be available for companies operating within the private SEZ system.

In August, Heiba announced plans to add four public free zones in 10th Ramadan City, New October City (on the southwest outskirts of Six October City's industrial zone), New Borg El Arab (a southern extension of Borg El Arab City), and New Alamein.

"Companies eligible to operate in those new zones must exclusively export their products," Heiba said during the announcement event. "These free zones are the cornerstone of the government's 'investment for export' strategy," adding that there will be "a working group with representatives from [various] industrial sectors designing operating mechanisms for new [public free] zones." He added, "There are three more public free zones under discussion."

In March, the government announced that companies operating in public or private SEZs no longer need to have their leasing contracts notarized. "This decision removes procedural burdens and supports efforts to improve the business environment," Mohamed Farid, the newly-appointed Minister of Investment and Foreign Trade, told the media.

Beware pitfalls

The Egyptian government is not the only African government developing free investment and economic zones to attract investment. According to a 2024 report from the Africa Export-Import Bank, SEZs already exist in 47 of the 52 African nations.

"Across Africa, [they] have become a central feature of industrial policy," noted Julien Gourdon, Senior Economist at Agence Francaise de Développement, in a note from the OECD published October 2025. "The pitch is compelling."

However, these SEZs don't serve all types of investors. "Most of the industrial parks in Sub-Saharan Africa have been designed to house foreign investors, leaving little room for indigenous industrialists," the African Export-Import Bank report said.

The issue with this setup is that "While foreign companies might serve as a springboard for developing competitive domestic industries, they also hinder progress by not passing on technology to local businesses."

This explains why "Despite the promise of [these free zones], their record in Africa has been mixed. Compared with Asia, ... they have underperformed," Gourdon said. "[SEZs] became engines of industrial transformation thanks to strong state support, coherent national strategies, and deep linkages with domestic firms; most African zones have struggled to generate similar spillovers into the wider economy."

Another important factor is making these SEZs highly specialized in administration and incentives. "One of the clearest lessons from the research is that governance and incentives matter," Gourdon emphasized. "Zones with strong, targeted incentives, such as tax breaks tied to job creation, training programs, or technology transfer, achieve better export results than traditional free trade zones, which usually only offer customs exemptions and duty-free imports without fostering industrial upgrading."

Next-gen free zones

To compete with the rest of Africa, Egypt's SEZs need to adapt to a changing world, as "a new generation of zones is beginning to take shape, aligning with broader continental and global priorities," Gourdan noted.

The first "standout" trend is "leveraging the African Continental Free Trade Area," which is evident by "some governments ... actively reorienting their [free economic zones] to serve regional rather than exclusively overseas markets."

The second trend is that these zones will "drive greener and more inclusive industrializations," noted Gourdon. That means "embedding environmental, social, and governance principles into zone design and management."

The third shift is "integrating [free zones] into national strategies and infrastructure planning," noted Gourdon. He highlighted Egypt's Suez Canal Economic Zone as a case in point. "[It] is part of a national logistics corridor." A second example is "Ethiopia's industrial parks, [which] are connected to the country's rail and energy networks."

Ultimately, SEZ operations in Africa, including Egypt, can expand significantly if the potential of this investment model is fully realized. "Current research indicates that the continent's industrial production has not yet become integrated into global value chains," Afrexim Bank noted. "To unlock industrial parks' full potential, countries should strive to develop vital infrastructure, reduce the cost of financing, consolidate MSMEs and major corporations, and design industrial parks based on benchmarks from developed countries." ■

SURVIVAL OF THE FITTEST

As the Middle East enters a new, uncertain geopolitical phase involving Iran, companies in Egypt need to carefully assess how to manage this potentially damaging risk.

by **Tamer Hafez**

Egypt's economy has faced significant geopolitical risks. Since the start of the war between Russia and Ukraine in 2022, a key source of grain, oil, and tourists, Egypt's inflation surged sharply, rising from 7.3% to an all-time high of 38% in September 2023. The pound lost half its value in the official market, and an informal market emerged as foreign portfolio investors withdrew amid concerns about the economic fallout from the conflict.

In 2023, Yemen's Houthi rebels targeted commercial freight entering the Red Sea, sharply reducing cargo traffic through the Suez Canal and, in turn, decreasing dollar inflows to Egypt by more than 60% between 2023 and 2024.

Additionally, the ongoing war in Iran has spilled over into GCC countries with the blocking of the Hormuz Strait, a 33-kilometer-wide passage that carries nearly all oil and liquefied natural gas exports from the Gulf nations, according to the International Energy Agency. The result was an over 15% rise in Brent and WTI oil prices during the first week of the dispute.

If conflicts persist, local companies will need to adjust their long-term strategies to remain resilient. "Business leaders today view geopolitical tensions as the biggest risk to economic growth," McKinsey noted in 2024. "CEOs and boards understand that a shift in the global order is underway."

Finding resilience

Domagoj Juricic, a senior consultant for MKPS, a consultancy, said in a September op-ed on LinkedIn, "For decades, CEOs could afford to treat geopolitics as the background noise of business. Elections came and went, governments rose and fell, but the global order remained broadly predictable."

That is no longer true, especially with the ongoing Iran conflict, which comes on the backdrop of sanctions on a growing list of countries, along with rising trade wars and tariffs. "The risk is no longer occasional; it is structural," Juricic said.

He stressed the way to manage geopolitical risks is "not by attempting clairvoyance, but by institutionalizing the ability to withstand and adapt to disruptions, regardless of their exact form."

That "institutionalization" requires "a combination of exposure mapping, optionality, governance, intelligence, culture, and external anchoring, adapted to the realities of each sector," Juricic said.

The right questions

To develop such a strategy, PricewaterhouseCoopers (PwC) recommends that top executives begin by asking the right questions. First, "How do shareholders and other stakeholders view geopolitical and related crises?" Second, "Is there a particular board member, … chief risk officer, or different board committees … assigned to oversee these risks?"

Thirdly, "How [is the] broad plan to oversee various business risks (cyber, supply chain, etc.) exacerbated by [relevant geopolitical risks]?" Top executives also need to map "the intersections among those risks" and determine if they have "the appropriate people, processes, and tools to fully understand the nature and magnitude of the relevant risks." To prepare for long-term geopolitical volatility, PwC recommends that executives ask, "How might [the company's] reputation be impacted by [its] response to the crisis?" and "Should [the organization's] risk appetite change based on the crisis and its impact on [the] company?" Ultimately, they need a comprehensive view of the evolving landscape by asking, "How can this risk event affect your overall strategy, and are you ready for a pivot in case this risk increases?"

A second set of questions focuses on internal operations, such as employee safety, potential sanctions, cybersecurity (especially as geopolitical risks often lead to increased cyberattacks), supply chains, the impact on third parties, and the organization's financial stability, PwC noted. The goal of these questions is to ensure "clarity before control," said Juricic. "Many firms discover under stress that they are far more vulnerable than they imagined. Until exposure is quantified and visualized, companies are managing blind."

Proactive approach

When executives receive accurate and clear answers to these questions, a McKinsey report stressed the importance of adopting "a proactive approach to navigating geopolitics," noting it "is essential to thrive."

Developing such an anticipatory strategy would enable "business leaders [to] go beyond mitigating geopolitical risks to seizing the opportunities presented by the new world order," said McKinsey. "Many have yet to grapple with [that] important implication."

To identify and capitalize on these emerging opportunities, McKinsey noted, "Business leaders should be asking themselves questions such as, will our competitors' products be more or less expensive than ours? … When and how can we align our business with trade flows into new corridors? What new economic and security alliances could also create opportunities … to grow or to change our cost structure?"

Another benefit of geopolitical volatility is government support will almost certainly increase to defend the economy. Accordingly, top executives need to ask: "What industrial policy incentives might present significant growth potential for us?"

McKinsey also said top executives in multinational companies need to ask, “How is our risk-adjusted cost of capital changing across geographies and how might we optimize our capital deployment?”

Additionally, the consultancy noted the importance of “key value drivers leaders [need to] explore in the wake of geopolitical shifts.” The first set of factors includes trade agreements; import and export control regulations; domestic environmental, labor, and immigration policies; tariffs and other trade barriers; and domestic industrial policies.

The second set relates to security. They include government-imposed foreign investment restrictions; sanctions; embargoes; a list of companies local firms can’t do business with; multilateral cooperation and alliances, such as NATO; and, lastly, technology, intellectual property, and cybersecurity controls.

Tech and geopolitics

Another aspect executives need to ponder is “how geopolitical risks will impact their digital agendas,” noted EY, formerly Ernst & Young, a professional services firm. “Geopolitics and technology are inseparably intertwined in today’s geostrategic environment.”

That link rarely registers on top executives’ radars, noted EY’s research. This oversight could prove to be an existential threat to the company’s growth. “As a CEO, you need to have a full grasp of the geopolitical risks that will impact your organization if you want your technology adaptation and digital transformation plans to succeed,” EY stressed.

The first technology risk companies face during geopolitical instability is a surge in cyberattacks. EY describes this as "one of the clearest examples of the interconnection between technology and geopolitics."

This is evident from recent high-profile hacking incidents, such as attacks on Iran’s internet infrastructure, which reduced connectivity to 4% of normal levels in February; repeated assaults on Ukraine’s power grid since 2021; and India conducting espionage campaigns targeting Pakistani government agencies in March.

Ignoring the connection between geopolitics and technology can also harm the entire advanced technology sector. EY’s report states, “Governments are increasingly using industrial policy to promote self-sufficiency in strategic technologies.” Disruptions could drive foreign direct investment to more stable regions, especially if the original targets are in low- or middle-income destination in an inherently volatile regions like Egypt.

Another tech risk stemming from geopolitical divides is that local companies may face restrictions from governments preventing foreign competitors from operating in certain areas of the domestic market, noted McKinsey. Such barriers could lead to “diverging technological standards, [which] increases operating costs,” leading to “more fragmentation … rather than a global, digital economy.”

This tech segmentation means “changing technology regulations,” said EY. “The proliferation of data localization and data privacy rules across different markets will make moving or sharing data across borders more difficult for many companies. CEOs of multinational companies in sectors that use data extensively, particularly personal or consumer data, should expect to be most affected by these regulations.”

Finally, geopolitical volatility often accelerates geostrategic competition, particularly among advanced tech industries. The most notable example is the ongoing tech rivalry between the United States and China, which has led to “the U.S. … expanding export controls in strategic technologies and restricting U.S. market access for Chinese companies in the telecommunications and semiconductor industries," McKinsey explained.

For other companies around the world, this tech divide may force executives to rely on technology developed in the U.S. or China to meet local regulations.

Resilient strategy

According to Juricic of MKPS, building a strategy amid these challenges requires more than just scenario-building; it involves "rehearsing the unthinkable, [where] the question ... becomes whether companies can act quickly enough," rather than whether they can at all. "That requires playbooks."

One example Juricic highlighted was "a technology multinational with deep operations in China created three structured scenarios for worsening U.S.–China relations. In the mild case, it adjusted to data localization rules. In the severe case, it is prepared to split operations entirely between Chinese and non-Chinese systems."

These scenarios were "rehearsed" with the executive team and reviewed annually by the board, Juricic said. The result: "When new cyber regulations were introduced, the company implemented its pre-planned structure within weeks, while competitors spent months arguing about compliance."

Another example was a global agribusiness rehearsing scenarios of grain disruptions from Eastern Europe," Juricic said. "When [Russia-Ukraine] cut off exports, it activated a logistics plan involving alternative Black Sea routes and expanded procurement in Latin America. Because the plan had been rehearsed, the activation felt like execution, not improvisation."

The second major component of a resilience strategy is "governance," said Juricic. "Geopolitical risk cannot be outsourced to a compliance department. It belongs at the board level."

The third part is to "replace hindsight with foresight," noted Juricic. "Many companies still rely on thick annual reports that are outdated the moment they are printed."

Instead, he stressed that companies need to "build a real-time dashboard fed by local parliamentary agendas, draft regulations, and even media sentiment." Such systems "provide early warning of foreign ownership restrictions, allowing a firm to restructure local entities before the law hardens. Competitors who relied on annual assessments were caught unprepared."

The challenge of such an approach, Juricic said, is that "intelligence must be continuous, granular, and integrated into decision-making," not a post-crisis reaction.

Ultimately, Juricic concluded, no matter how many drills a company conducts, "they do not guarantee foresight, but they ensure that when crises occur, leadership has already debated trade-offs and clarified thresholds."

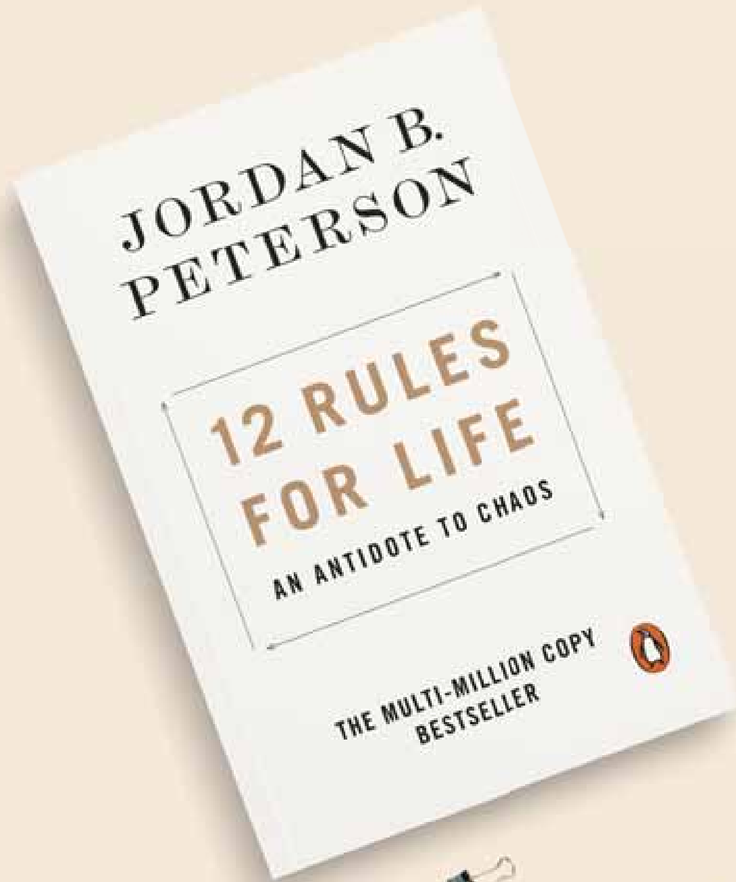
Major undertaking

Building such resilience is not only crucial for surviving until geopolitical volatility eases. "Today, in our world of uncertainty, resilience is the value proposition to stakeholders," the PwC report stressed. "The market and customers reward those who can be trusted to deliver on their mission despite formidable challenges."

However, it is challenging: "Organizations must have insight, foresight, oversight and the right capabilities — but most of all, they must have the strength to seize opportunities amid volatility, complexity and uncertainty," said McKinsey.

Building such resilience brings significant rewards, as McKinsey stresshighlighted: "The executives who think deeply and act on the shifting world order today will be the market leaders of tomorrow." ■

THE RULE OF 12



The book "12 Rules for Life: An Antidote to Chaos" offers 12 principles that can help people "live well, whatever that means for them."

by **Tamer Hafez**

SCAN THE CODE TO PURCHASE

For most, daily life is hectic and complicated, juggling family, work, and personal needs in an increasingly interconnected, complex and demanding world. According to Jordan Peterson's book "12 Rules for Life: An Antidote to Chaos," achieving happiness while managing such pressures requires following a dozen personal guidelines that can change one's mindset.

These rules are meant to help people find a balance between order, where changes in one's life are predictable, and chaos, where unexpected events continually pop up, disrupting plans and routines.

The book stresses that while people "require routine and tradition … order can become excessive, and that's not good." Meanwhile, not enough "order" means "chaos can swamp us, so we drown — and that is also not good."

Peterson's "12 Rules for Life" can be split into two six-rule subsets. The first focuses on personal growth by changing how individuals think about themselves and what they are entitled to. The other subset helps improve relations with the outside world.

Personal rules

The first rule Peterson highlights is: "Treat yourself like someone you are responsible for helping." For example, "People are better at filling and properly administering prescription medication for their pets than for themselves. That's not good. Even from your pet's perspective, it's not good. Your pet (probably) loves you and would be happier if you took your medication."

The book argues this mindset stems from prioritizing others' needs, which Peterson says is a flawed way of thinking. "You must keep the promises you make to yourself and reward yourself, so that you can trust and motivate yourself. You need to determine how to act toward yourself so that you are most likely to become and to stay a good person."

The second rule is to "compare yourself to who you were yesterday, not to who someone else is today." Peterson points out it's natural to compare ourselves to others or to our past. "Inside us dwells a critical internal voice and spirit … It's predisposed to make its noisy case. It condemns our mediocre efforts. It can be very difficult to quell."

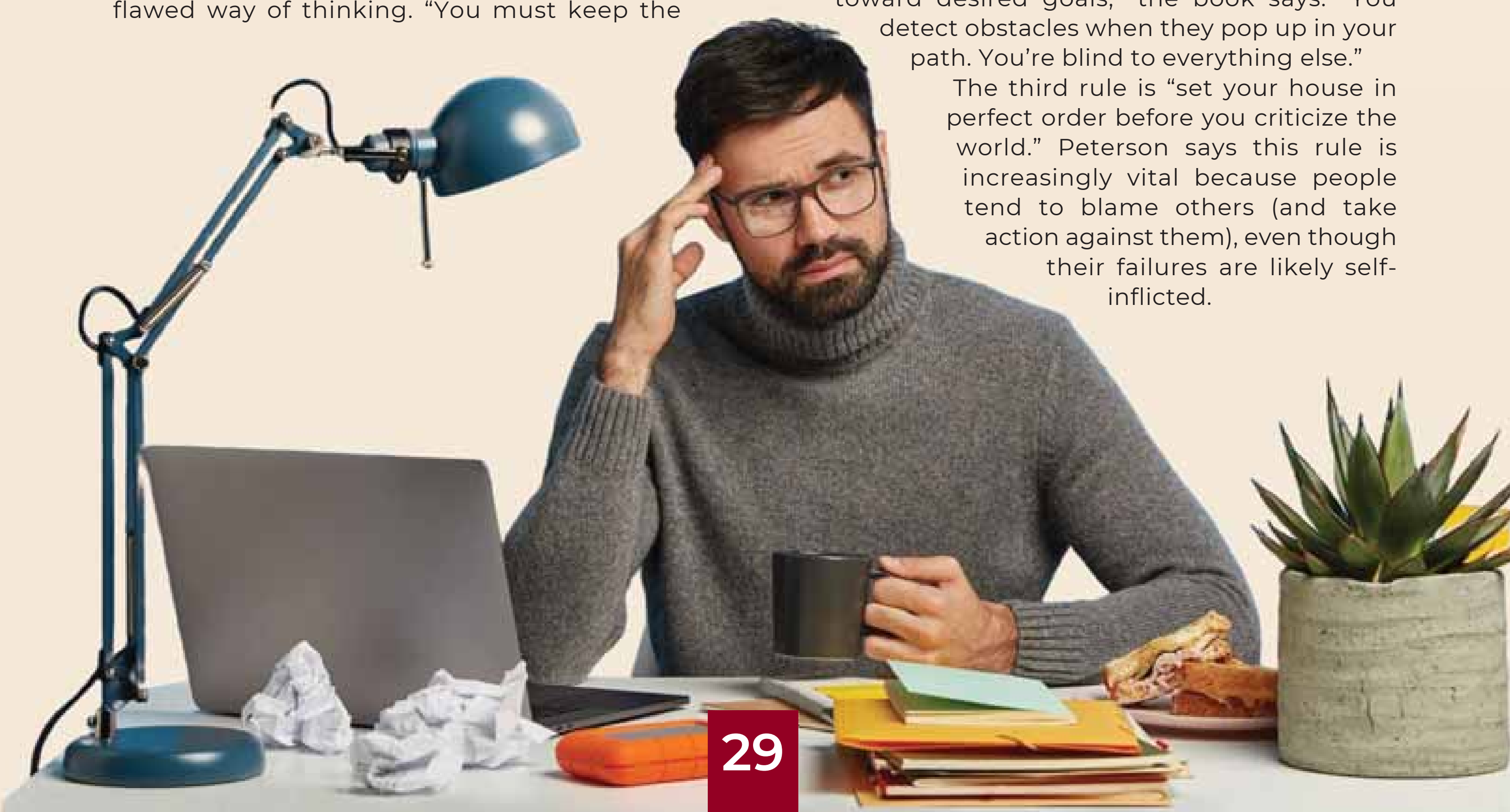
The book notes that focusing on personal progress is harder in larger societies. "It was easier for people to be good at something when more of us lived in small, rural communities," because there were fewer people for comparison.

Accelerated digitization further expands the comparison pool. "We have become digitally connected, [meaning] no matter how good you are at something, or how you rank your accomplishments, there is someone out there who makes you look incompetent," the book says.

The biggest problem is peer comparisons almost always give a false sense of skills and successes. "We are not equal in ability or outcome, and never will be," Peterson says. However, if the present self is contrasted with past versions, the feeling is almost always true, whether positive or negative.

To focus on personal progress in the "overwhelming complexity of the world [requires a person to] ignore it [and] concentrate minutely on … things that facilitate [one's] movement forward, toward desired goals," the book says. "You detect obstacles when they pop up in your path. You're blind to everything else."

The third rule is "set your house in perfect order before you criticize the world." Peterson says this rule is increasingly vital because people tend to blame others (and take action against them), even though their failures are likely self-inflicted.



To avoid falling into the blame trap, "consider your circumstances. Start small. Have you taken full advantage of the opportunities offered to you? Are you working hard on your career or even your job, or are you letting bitterness and resentment hold you back and drag you down?"

The fourth personal law to follow is "pursue what is meaningful, not what is expedient." According to Peterson, people tend to take "the simplest, most obvious and most direct course of action." Accordingly, they "pursue pleasure, follow … impulses, live for the moment, do what's expedient." Such actions lead to immediate selfish gratification.

Peterson stresses "the pleasure of expediency may be fleeting, but it's pleasure, nonetheless, and that's something to stack up against the terror and pain of existence."

The book also warns against delaying gratification too much in the hope "something better might be attained in the future by giving up something of value in the present."

Balancing immediate benefits with long-term gratification comes from pursuing "meaning," the book says. the "ultimate balance." Pursuing meaningful goals provides instant gratification and motivates people to continue working toward their long-term objectives, where the returns of delayed gratification are higher.

Rule five is to always "tell the truth — or, at least, don't lie. [Lying is] what everyone does when they want something and decide to falsify themselves to please and flatter." Peterson notes that few people follow this rule, enticed by the idea that "you can use words to manipulate the world into delivering what you want."

Not telling the truth is evident when leaders seek to impose ideologies and certain perceptions on the masses. It also surfaces when a person insists that everything is fine in life by avoiding conflicts and continually smiling and acting happy, even though "a secret unrest gnaws at [their] heart," the book says.

Lying "blindly and willfully … toward the attainment of a goal, [means one] will never be able to discover if another goal would serve better," Peterson says. "If, instead, you tell the truth, your values transform as you progress. If you allow yourself to be informed by the reality manifesting itself, as you struggle forward, your notions of what is important will change."

Lastly, "be precise in your speech," the book stresses. For one, the increasing complexity and interconnectivity of the world mean that speaking vaguely about topics can lead different listeners to reach divergent conclusions about the causes and, in turn, how to proceed. Peterson believes precise communication is the difference between finding real solutions and hiding the problem to solve another day.

"Say what you mean, so that you can find out what you mean," the book says. "Act out what you say, so you can find out what happens. Then pay attention. Note your errors. Articulate them. Strive to correct them."

External rules

The book also offers six rules for dealing with the outside world. The first is to define personal territory. If one wins, they should not burn bridges with the defeated opponent, as they may need them as allies in future conflicts. If they lose, they must accept it.

These traits, according to Peterson, are evident in the animal and crustacean kingdoms, as they compete aggressively with their own kind for territory, accept defeat, and the winner doesn't kill them, thus making them an ally.

Win or lose, territory marking may be necessary for survival, as "dominance hierarchies have been an essentially permanent feature of the environment to which all complex life has adapted," Peterson says.

The second rule is to "make friends with people who want the best for you" when exploring new aspects of life, enhancing your strengths or helping you through a slump or self-doubt, the book explains.

The second rule relates to selecting the right entourage. "People create their worlds with the tools they have directly at hand," Peterson says. "Faulty tools produce faulty results. Repeated use of the same faulty tools produces the same faulty results. It is in this manner that those who fail to learn from the past doom themselves to repeat it."

Knowing whether an entourage is the right one is straightforward. "If you have a friend whose friendship you wouldn't recommend to your sister, or your father, or your son, why would you have such a friend for yourself?" the book asks.

The third rule is "assume the person you are listening to might know something you don't." However, the book warns against giving advice when speaking. "Advice is what you get when the person you're talking with about something horrible and complicated wishes you would just shut up and go away," or if they "want to revel in the superiority of his or her own intelligence."

The book stresses it's better to listen, so as "not to steal [the talker's] problems from them." It also stresses, "People need to think. Otherwise, they wander blindly into pits. When people think, they simulate the world and plan how to act in it. If they do a good job of simulating, they can figure out what stupid things they shouldn't do."

However, the interactions must not be one-sided, only, as a "conversation [is] akin to … a form of exploration," the book stresses. "It requires true reciprocity on the part of those listening and speaking. It allows all participants to express and organize their thoughts, [especially if the] topic [is] complex."

The fourth and fifth rules concern responding appropriately to what others do, whether positive or negative. Peterson recalls seeing a "child … viciously push his younger sister backward over a fragile glass-surfaced coffee table," yet "his mother … told him in hushed tones not to do such things, while she patted him comfortingly in a manner clearly indicative of approval. She was out to produce a little God-Emperor of the Universe."

Alternatively, people need to be praised for exhibiting positive traits. Peterson says that if an adult watches skateboarders taking risks that "might [be] called stupid," they also need to see the other side of the coin: "It was brave, too." Those kids "deserve a pat on the back and some honest admiration," he says. "Of course it [might have been] dangerous. Danger was the point. They wanted to triumph over danger."

The book notes that kids take risks "to become competent, and it's competence that makes people as safe as they can truly be. In well-functioning societies, competence, not power, is a primary determinant of status. Competence. Ability. Skill. Not power."

"This is obvious both anecdotally and factually," Peterson says. "No [patient] will be equity-minded enough to refuse the service of the surgeon with the best education, the best reputation and, perhaps, the highest earnings."

The last rule addresses how certain outcomes can differ significantly, depending on one's decisions. "Cooperation is for safety, security, and companionship. Competition is for personal growth and status," Peterson says. "However, if a given group is too small, it has no power or prestige and cannot fend off other groups. As a consequence, being one of its members is not that useful." ■

Market Watch
Stock Analysis

Momentum meets consolidation

Between Feb. 15 and March 15 EGX entered a consolidation phase after two months of gains. While some pockets of the market rallied, profit-taking activities in large caps weighed on EGX30, whereas EGX70 showed resilience supported by sharp moves in select small- and mid-caps. While declines led advances three to one, positive performance was increasingly driven by stock-specific catalysts not broad-based momentum.

Small caps dominated the gainers' list. Tawasoa Factoring (TWSA, up 114%) extended its post-IPO rally as the company was planning an EGP 40 million capital increase. This could allow the company to migrate from the small- and medium-sized enterprises exchange to the main board. Fertilizer producers remained a focus against the backdrop of the ongoing U.S./Israel-Iran war, with Misr Fertilizers Production (MFPC, up 33%) and Abu Qir Fertilizers (ABUK, up 20%) benefiting from higher global urea prices from limited global supply.

Energy and industrial names also were among the top performers. Alexandria Mineral Oils (AMOC, up 32%) and Sidi Kerir Petrochemicals (SKPC, up 13%) gained from rising refining margins and petrochemical spreads. Egypt Aluminum (EGAL, up 27%) extended its rally, supported by firm global prices and weaker pound.

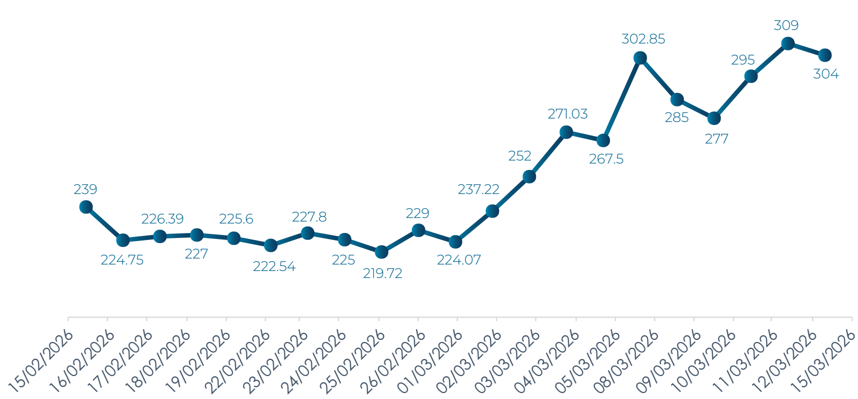
Real estate and asset-backed plays saw renewed interest. Heliopolis Housing & Development (HELI, up 28%) has been in the spotlight as an acquisition target as part of the government's public offerings program. Alexandria Containers Handling (ALCN, up 23%) rebounded as the stock moved beyond its mandatory tender offer (MTO) price of EGP 22.99 a share on speculation the MTO price may go up. The Financial Regulatory Authority approved extending Black Caspian Logistics Holding Ltd., a subsidiary of Abu Dhabi-based AD Ports, MTO for 60 working days until the end of May.

Large caps bore the brunt of profit-taking. Telecom Egypt (ETEL, down 27%) corrected sharply as news of spectrum payments weighed on sentiment. Financials also pulled back, with CIB (COMI, down 17%) and EFG Holding (HRHO, down 17%) declining as foreign investors trimmed their positions. Fintech companies led by e-Finance (EFIH, down 19%) and Fawry (FWRY, down 16%) also came under pressure, alongside GB Corp (AUTO, down 20%), paring gains in the prior period.

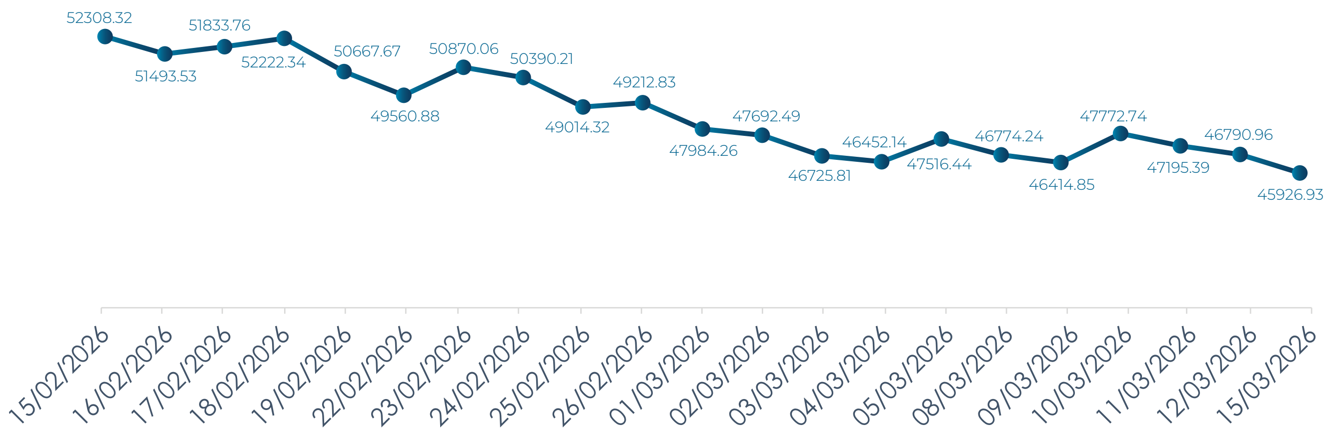
Meanwhile, the recent rate cut by the Central Bank of Egypt continued to support valuations, but foreign outflows and global risk-off sentiment led to short-term volatility. Recent fuel price hikes and 12% weaker pound means inflation is likely to increase, casting doubt over CBE's easing.

Egypt Aluminum (EGAL)

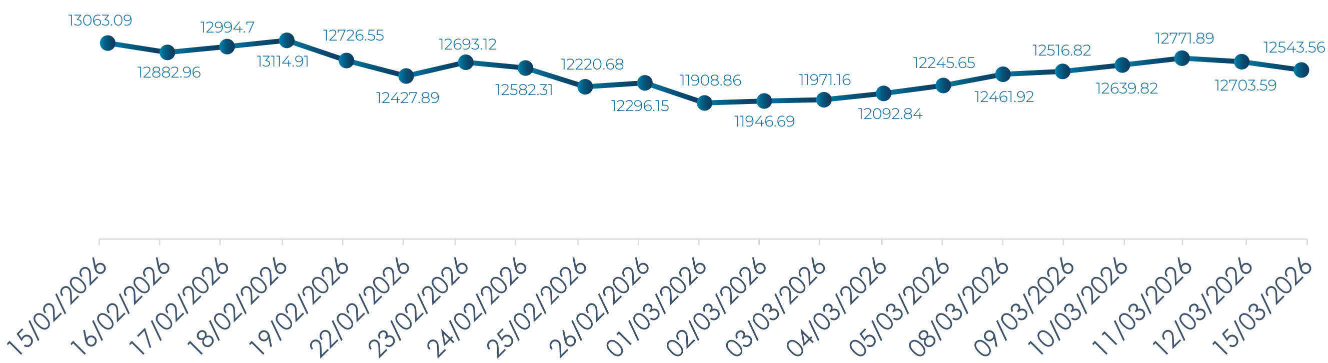
Egypt Aluminum (EGAL) was among notable gainers during the period, rising 27% amid continued strength in global aluminum prices that rose by 10% to around $3,400 per ton. The stock also benefited from its export-oriented business model, with a weaker Egyptian pound (down 12% in March alone) supporting revenue growth in local currency terms. The stock traded firmly throughout the period, hitting an all-time high of EGP 321 a share, first reached intraday on March 8. With 11.6 million shares worth some EGP 3 billion changing hands during the period, the stock is up 29% year-to-date.



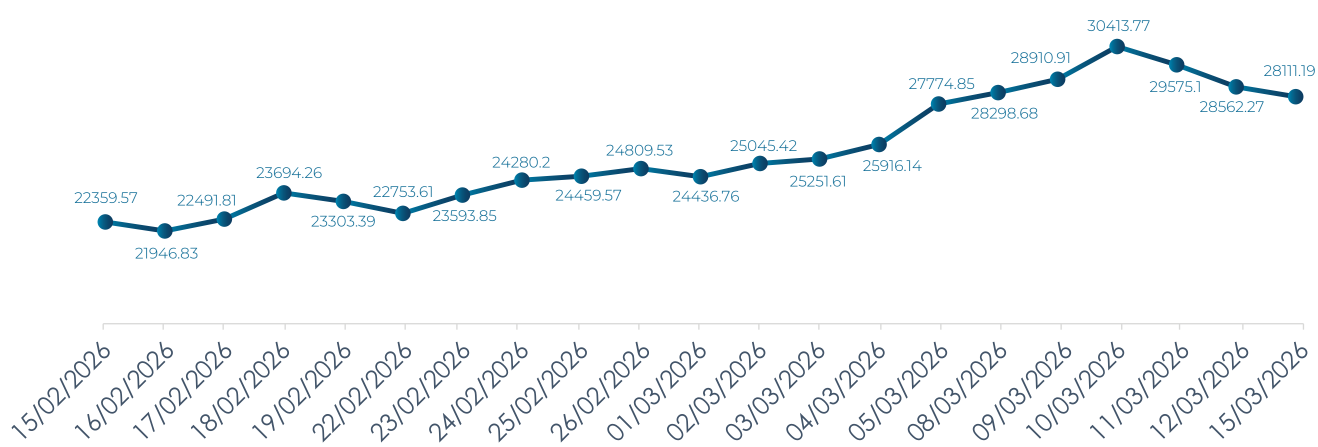
EGX 30



EGX 70



Tamayuz



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.

EGYPT'S INVESTMENT OUTLOOK

Minister of Investment and Foreign Trade Mohamed Farid outlines Egypt's plans and gradual reforms designed to bolster the country's investment climate.

Summarized by **Fatma Fouad**

On March 5, AmCham Egypt hosted its annual iftar, featuring the new Minister of Investment and Foreign Trade, Mohamed Farid, who shared the ministry's plan to strengthen Egypt's investment landscape.

He emphasized the importance of a sound macroeconomic framework. "We have a clear reform path that we believe in, and we will mobilize all our efforts to achieve our targets with transparency and partnership," he said.

Farid explained that improving both the economic and investment environment in Egypt would be difficult "without a proper macroeconomic setup, including well-calibrated monetary policy and greater flexibility in the exchange rate to enable market dynamics to operate properly."

The reform process should be gradual, he said, starting at the micro level with a comprehensive roadmap to improve the business climate. "There is no single structural reform that can change reality; real change comes only through continuous, cumulative reforms."

Investment indicators

The minister highlighted the significant progress made in improving Egypt's net foreign asset position, noting that it shifted from a deficit of $27.2 billion to a surplus of $25.5 billion. "This is a very important indicator of stability around the macroeconomic and monetary policy stances," he said.

One of the key performance indicators of a thriving investment landscape, according to Farid, is increased private-sector participation in economic activities. Between 2020 and 2025, public investment accounted for roughly 65% of total investments, while private investment ranged between 35% and 45%. However, following the introduction of broad macroeconomic and financial sector reforms last year, private investment has risen significantly, reaching 53% to 54%, Farid noted.

Another key reform indicator, Farid highlighted, is less intervention by regulators and policymakers in the valuation of companies. "We need to sit back, regulate this part, and monitor it rather than interfering with it. This would save time for people carrying out these types of activities, as well as mergers and acquisitions in the market," he said.

This cannot be done, he said, without changing the ministry's modus operandi and ending its involvement in pricing between companies when they merge. He revealed that the ministry is introducing significant changes affecting M&A transactions handled by the Investment Authority and the Ministry of Investment, saying these are a key part of the facilitation process going forward.

Digitization is key

Farid affirmed the ministry is working diligently on digital transformation to streamline processes across all Egyptian authorities responsible for issuing licenses to new investors. These include the Egyptian Drug Authority (EDA), New Urban Communities Authority, and Industrial Development Authority.

He expects the system to become fully integrated and streamlined within the next few years, noting "the ministry is currently coordinating among entities including the Investment Authority, the Financial Regulatory Authority, the company registrar, and others involved in the process to prevent procedures from becoming a bottleneck to business expansion."

The minister also underscored the importance of establishing a data-driven policymaking framework to accurately determine the national saving ratio, which he said is critical "as it directly informs the planning and management of the country's investment needs, foreign direct investment (FDI) and the level of local investment."

He explained that the relationship between savings and investment functions essentially as a "zero-sum equation." If achieving economic growth of 6% to 6.5% requires an investment ratio of 25% of GDP, then the saving ratio must also reach 25%. If national savings stand at only 10%, the resulting gap to 25% would need to be financed through FDI or external borrowing.

Accordingly, one of the ministry's top priorities is to establish a reliable methodology for assessing and calculating the savings ratio. This includes improving the availability and accuracy of data, particularly for corporate financial statements. The minister stressed that this effort is closely linked to stronger governance practices and better data collection systems.

Another important area of digitization is improving access to trade data while providing a robust analytical framework to generate actionable insights for managing export promotion activities. "We have significant opportunities and strong players in the export sector," said Faird. "However, they still need support – particularly in how we manage export promotion activities, from exhibitions to financial assistance offered for trade missions."

Entrepreneurship

The minister characterized entrepreneurship as the fuel of any economy. "Innovation and breakthroughs ... come from entrepreneurs," he said.

He announced work on establishing a special registry for startups to facilitate licensing and the adoption of international valuation standards. "We are going ... to adopt them as our benchmark when evaluating startups and approving their capital increases so they can expand their capacity to operate in the Egyptian market and beyond," said Farid.

He acknowledged that the limited number of LPs (limited partners) who provide long-term funding is a major challenge facing entrepreneurs. Despite this, Egypt ranked second in Africa in attracting startup funding according to the Magnitt report 2024. This signals that "Egyptian companies are still striving and managing to attract capital. To boost their growth, we plan to do this by being co-investors in successful companies," said Farid.

To further support entrepreneurs, the minister also announced the creation of a dedicated VC Fund that will co-invest with venture capital firms, providing long-term financing to accelerate the growth of startups and attract further investment.

Promoting sustainability

On the sustainability front, Farid announced a plan to transition from voluntary carbon markets to compliance carbon markets while coordinating with the Ministry of Finance, the Ministry of Environment, and other relevant stakeholders.

He explained that establishing a mandatory carbon market would significantly increase the value of Egyptian carbon credits. Currently, credits sold for around $5 in voluntary markets could rise to $15–$20 in compliance markets aligned with

Articles 6.1 and 6.4 of the United Nations Framework Convention on Climate Change (UNFCCC).

Farid also announced the establishment of a new registry for renewable-energy projects wishing to issue international renewable energy certificates (I-RECs), supported by a dedicated platform to help solar and wind energy firms benefit from an additional revenue source. “Egypt has many renewable energy projects, yet many of them are still unfamiliar with the process required to receive I-RECs.”

For this reason, Farid said, “We are developing a platform that will support renewable energy companies – particularly those generating electricity from wind and solar – in obtaining these certificates, enabling them to benefit financially and use this incentive to advance projects that are critical to our energy transition.”

This step is projected to help reduce the country’s reliance on fossil fuels and promote greater energy diversification.

Limited intervention

When it comes to corporate actions – mergers, acquisitions, and major governance decisions – Farid affirmed the government must reassess the extent to which regulatory entities should intervene, particularly regarding approvals by general assemblies, board resolutions, and related matters. These “boundaries directly affect how companies grow,” he said.

“Revamping economic performance” is one of the pillars in the restructuring underway at both the Ministry of Investment and the Investment Authority. It will be one of the key “quick wins,” Farid said, that could significantly streamline procedures for investors and support their ability to expand and operate effectively.

Capital markets

Farid stressed society cannot fully leverage economic growth without an active capital market that enables citizens and young people to participate in company ownership, saying public participation remains limited and overlooked.

In the second quarter of fiscal year 2025/2026, Egypt’s economic growth reached 5.2% to 5.3%, signaling a strong recovery from previous lows at 2.4%. To maintain these positive growth rates and benefit the wider public, he said, people must participate by owning shares in companies.

He highlighted the impact of recent reforms, such as eKYC (electronic Know Your Customer), digital identity, and electronic contracting, introduced by the Financial Regulatory Authority. These reforms have dramatically expanded participation. Farid said the number of new investors entering the Egyptian market increased sharply from the pre-2024 annual average of around 20,000 to 300,000 in 2024. Although the figure eased to 250,000 in 2025, the ministry expects approximately 280,000 new investors to join the market in 2026.

This leap is attributed to digital transformation. He said the same digital approach will be expanded to the entire investment environment.

Boosting exports

In regard to trade, Farid acknowledged heightened challenges due to global conditions while noting the ministry continues to strengthen engagement with international trade partners and exporters.

He emphasized close coordination with the Ministry of Industry and all state institutions to unlock the productive capacity essential for increasing exports. “Whatever increase we aim to achieve in terms of exports must be driven by real capacity on the ground, by manufacturers, farmers, and producers,” said Farid.

To boost exports, Farid said, the ministry plans to establish new industrial investment funds in cooperation with the Ministry of Finance to support industrial growth and create jobs, with announcements expected soon.

According to the State Information Service in March, “the Ministry of Investment and Foreign Trade said that industrial growth now depends not only on product quality, but also on the availability of flexible and innovative financing tools.” It noted that several industrial companies have improved their performance after listing on the Egyptian Exchange. This also highlights the strategic role of the capital market in supporting expansion.

Farid affirmed the ministry’s awareness of the challenges and its commitment to addressing them with full transparency to better serve investors. “When investors in Egypt, both local and foreign, are satisfied with the investment climate,” he said, “they will naturally convey this positive message to the world.” ■

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Co-Chairs: Haytham ElMaayergi, Executive Vice President, African Export-Import Bank
Reem El Saady, Deputy Head of Egypt, The European Bank for Reconstruction and Development (EBRD)

INVESTMENT AND CAPITAL MARKET
Co-Chairs: Ayman Soliman, Founder and Managing Partner, Morpho Investments
Hesham Gohar, Group CEO, CI Capital Holding Co.
Noha Khalil, Interim CEO, The Sovereign Fund of Egypt
Yehia Ahmed Omar, Partner, BPE Partners

LEGAL AFFAIRS
Chair: Ahmed Abou Ali, Partner, Hassouna & Abou Ali Law Offices
Co-Chairs: Emad Salah El Shalakany, Senior Partner, Shalakany Law Office
Mohamed Serry, Managing Partner, Serry Law Office
Ziad Gadallah, Partner, MHR & Partners in Association with White & Case

MARKETING
Co-Chairs: Carole Sarkis, Corporate Communications and Brand Ops Director, Procter & Gamble Egypt
Lina Fateen, Managing Director, Momentum Egypt
Salma Abdelhamid, Marketing Senior Director, Valu
Soha Sabry, Marketing Director, The MarQ Communities

MINING AND MINERAL RESOURCES
Co-Chairs: Cherif Barakat, General Manager, Aton Mining
Hoda Mansour, Vice Chair & Managing Director - Sukari Gold Mines, AngloGold Ashanti
Mostafa Sherif El Gabaly, Managing Director, Abo Zaabel Fertilizers & Chemicals Co.
Muhammad Refaat Zaher, CEO, Real Mining Services

NON-BANKING FINANCIAL INSTITUTIONS
Co-Chairs: Abdallah Assal, CEO, Delta Masr for Payments - SAHL
Amr Abouelazm, Co-Founder Vice Chairman and CEO, Erada Micro-finance
Walid Hassouna, Chief Executive Officer, Valu

OIL & GAS
Chair: Amr Abou Eita, Chairman and Managing Director, ExxonMobil Egypt
Co-Chairs: Channa Kurukulasuriya, Country Manager - Egypt, Chevron Egypt Marketing
Karim El-Dessouky, Vice President & General Manager, Bechtel Overseas Corporation
Wail Shaheen, Vice President, bp Egypt

ORGANIZATIONAL TRANSFORMATION
Honorary Chair: Emad Nasr, Human Resources Director, Lecico Egypt
Chair: Marwa Mohamed El Abassiry, Chief HR, Legal & Compliance Officer, Cleopatra Hospital Group
Co-Chairs: Abdel Aziz Nosseir, Executive Director, Egyptian Banking Institute
Mohamed Faisal, Country Manager, Mercer Financial Services
Nermine Fawzy, Chief People Officer, MAGRABi Retail Group

PHARMACEUTICALS
Honorary Chair: Yousri Nawar, Consultant, Future Pharmaceutical Industries
Chair: Mohamed Sweilam, Head of NA & Egypt Cluster, Viatris Egypt
Co-Chairs: Amr Seif, Country Manager Egypt - Cluster Lead ELI, Pfizer Biopharmaceutical Egypt
Magued Sayed, Head of Public Affairs, Market Access & Pricing (Africa), Sanofi

POWER & RENEWABLES
Co-Chairs: Khaled El Degwy, Concessions Director, Orascom Construction
Samy AbdelKader, Managing Director, TAQA Power
Wael Hamdy, Senior Vice President, Elsewedy Electric

REAL ESTATE
Chair: Mohamed Abdalla, Chairman, Coldwell Banker Affiliates of Middle East & Greater Africa
Co-Chairs: Ahmed Shalaby, Co-Founder - President & CEO, Tatweer Misr
Aymen Amer, General Manager, Six of October Development & Investment Co. (SODIC)
Ibrahim El Missiri, Group CEO, Abu Soma Development Company - Somabay

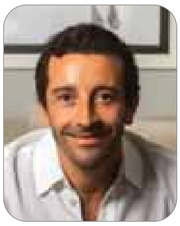
SUSTAINABLE BUSINESS PRACTICES
Chair: Sarah El Battouty, Chairman - Principal Architect, ECOnsult
Co-Chairs: Ebtehal Basiouny, Regional Government Affairs Director, Microsoft Egypt
Ghada Hammouda, Group Chief Sustainability Officer, Qalaa Holdings
Ghimar Deeb, UNDP Deputy Resident Representative, United Nations Development Programme UNDP - Egypt Country Office
Omar Shawki, Managing Partner, Forvis Mazars Mostafa Shawki

TRANSPORT & LOGISTICS
Co-Chairs: Abir Leheta, CEO, Egyptian Transport & Commercial Services Co. (Egytrans)
Amr Tantawy, Cluster Manager IQ, Agent Countries, DHL Express
Karim Hefzy, Chief Operating Officer, Hassan Allam Utilities
Mohammad Shihab, Executive Vice President North Africa Cluster MENA & SCO Region, DP World Sokhna

TOURISM INVESTMENT
Co-Chairs: Amr Elhamy, Chief Owner Representative TMG Hotels, Talaat Mostafa Group
Marwan Hussein, Group CEO, Orascom Investment Holding
Shehab El Orabi, General Manager, Modon International Real Estate, Egypt

TRAVEL & TOURISM
Co-Chairs: Haitham Nassar, General Manager- Hilton Cairo Nile Maadi, Hilton Worldwide
Karim El Minabawy, President, Emeco Travel
Moataz Sedky, General Manager Travcoholidays, Travco International Holding
Nelly El Katib, Deputy Managing Director, ASTRA Travel
Sherifa Issa, Commercial Director, Four Seasons Hotels and Resorts, Egypt

NEW MEMBERS



Membership Type:
Associate Resident

RETAIL

Nado's Jewellery
Youssef El Sharafy,
CEO, Nado's Jewellery & CEO, Omega Capital

Address: Salah El Din Abdel Karim Street, Fifth Settlement, New Cairo
Tel: (20-10) 0112-7002, 0123-3306
Website: www.nadosjewellery.com

For any change to contact information, please contact the Membership Services Department at the Chamber's office

Tel: (20-2) 3333-6900, ext. 0016
Fax: (20-2) 3336-1050
E-mail: membership@amcham.org.eg

NEW AFFILIATE MEMBERS

Real Estate

Ismail Seoudi
General Manager, Marakez.

Ramy Khalil
CEO, Al Maher Developments.

Ahmed Khalil
CEO, Al Maher Developments.

Financial Sector

Farag Abdel Hameed
Deputy Managing Director, The United Bank.

Amr Nossair
Deputy CEO, The United Bank.

Hossam Abdel Aal
Assistant Managing Director, The United Bank.

Moataz Elkassaby
Deputy Managing Director, The United Bank.

Food & Beverage

Mohamed Sultan
Managing Director, Juhayna Food Industries Co.

Tarek Elwan
Chief Finance Officer, Juhayna Food Industries Co.

Construction Engineering Services

Amr Emam Eissa
Group Chief Financial and Investment Officer, Redcon Construction.

Information & Communication Technology

Tarek Nagi
CEO, Etisalat Egypt by e&.

Samer Awad
CCO, Etisalat Egypt by e&.

Education/Research and Professional Development

Mahmoud Allam
Dean - School of Continuing Education, The American University in Cairo

REPLACEMENTS IN MEMBER COMPANIES

Amr El Garhy
General Manager, IFFCO Egypt SAE.
Category: Associate Resident
Sector: Food & Beverage

Fahad Mohammed AlMheiri
President - Middle East Gulf and North Africa, Boeing International Corporation.
Category: General
Sector: Defense

Stefan Masche
General Manager, Royal Maxim Palace Kempinski.
Category: Multinational
Sector: Hospitality/Tourism/Travel

Kadry Furany
Chief Executive Officer, Aga Khan Foundation, Egypt.
Category: Not-for-Profit
Sector: Non-Governmental Organizations (NGOs)

Mohamed Shehata
Commercial Excellence Director MEAP & Turkey CIS, Abbott Laboratories, S.A.
Category: Affiliate
Sector: Pharmaceuticals

Yasseen Mohamed Ahmed
Deputy Managing Director, Damietta LNG.
Category: Associate Resident
Sector: Petroleum

Change in Member's Company

Amr Yehia
Country Manager- Abbott EPD Egypt, Abbott Laboratories, S.A..
Category: General
Sector: Pharmaceuticals

ADD Properties - Member of Sami Saad Holding

ALDAU Development is pleased to offer AmCham Members a 15% discount on the hotels listed below.
-Hyatt Regency Cairo West based on accommodation and F&B.
- Steigenberger Pure Lifestyle Hotel (adults only / 16+) based on Hard All Inclusive
- Steigenberger ALDAU Beach Hotel based on Hard All Inclusive
- Steigenberger Aqua Magic Hotel based on Hard All Inclusive

This offer is valid until December 31, 2026

Contact:
-reservation@steigenbergerpurelifestyle.com
-reservation@steigenbergeraldau.com;
reservation@steigenbergeraquamagic.com; reservation@steigenbergerpurelifestyle.com

Crowne Plaza West Cairo - Arkan

Crowne Plaza West Cairo - Arkan are pleased to offer AmCham Members 25% discount on Food & Beverages.

This offer is valid until December 31, 2026

Contact:
Hend Seifeldin
Tel: (-0-10) 0145-1105 | Email: Hend.Seifeldin1@ihg.com

DHL Express

DHL Express is proud to offer all AmCham members an exclusive 40% discount on DHL published rates for outbound international shipping services.
N.B:
- The discount is not available for domestic shipping.
- The discount is not to be used in conjunction with other promotions from DHL.
- Pick up service is now available.

This offer is valid until December 31, 2026

Contact:
Email: Hotline: 16345

Turkish Airlines Cairo

AmCham Egypt members traveling with Turkish Airlines can enjoy exclusive benefits when flying in Economy or Business Class.
Member Benefits include:

- Up to 12% discount on published fares
- One (1) additional piece of excess baggage beyond the published allowance.
- Terms & Conditions:
  Country of Departure: Egypt
  Country of Sale: Egypt

This offer is valid until December 31, 2026

Contact:
Phone: Astra Travel
(20-2) 3333-2200
Turkish Airlines Address: Plot 15, Street 90 South, First District, New Cairo
Email: CAICORPORATE@THY.COM

AmCham members can claim these discounts by presenting their AmCham 2026 membership card.
For more offers, please visit AmCham Cyberlink on www.amcham.org.eg

A Glance At The Press

"Patience is the key to relief."
You can revisit us after the war ends

Al Masry Al Youm, March 23

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.

Illustrator Esraa Hedery wins BolognaRagazzi Award

Visual artist and children's book illustrator Esraa Hedery has become the first Egyptian woman to win the BolognaRagazzi Award in the nonfiction category since its establishment in 1966.

Hedery was recognized for her illustrations in the book 'Ana' ('Who Am I?'), written by Qais Al-Hinti and published by Al Salwa Publishers. 'Ana' is a philosophy-style nonfiction book for young readers that explores identity through questions, reflection, and visual storytelling.

The BolognaRagazzi Awards are regarded as one of the most prestigious international prizes for illustrated children's books, judged by professionals from the publishing industry worldwide.

This year's competition received over 4,120 submissions from 73 countries. As part of a longstanding tradition, all winning books will be added to the Bologna Children's Book Fair Collection, which has been maintained by Bologna's Salaborsa Children's Library in Italy since 1966.

Helmi El-Touni was last Egyptian illustrator to win a BolognaRagazzi honor in the "New Horizons" category in 2002.

Cairo Scene, March 8

Archaeological mission finds 13,000 ostraca in Sohag

An Egyptian-German archaeological team has uncovered around 13,000 inscribed pottery shards, known as ostraca, at the ancient site of Athribis in Nagaa El-Sheikh Hamad, Sohag. This discovery provides new insights into daily life and administration in Egypt spanning over a thousand years.

With these latest finds, the total number of ostraca discovered at Athribis has now reached about 43,000, making it the largest collection of inscribed pottery fragments ever found at a single site in Egypt, according to Hisham El-Leithy, secretary-general of the Supreme Council of Antiquities (SCA).

Markus Müller, the site director, stated that the newly found inscriptions — written in various scripts and languages — detail a wide range of functions, including tax payments, delivery orders, financial records, administrative lists, and even student writing exercises.

The materials are currently being examined by the research project "Ostraca d'Athribis," an international group of experts organized in Paris since the 2018–2019 excavation season.

Ahram Online, March 11

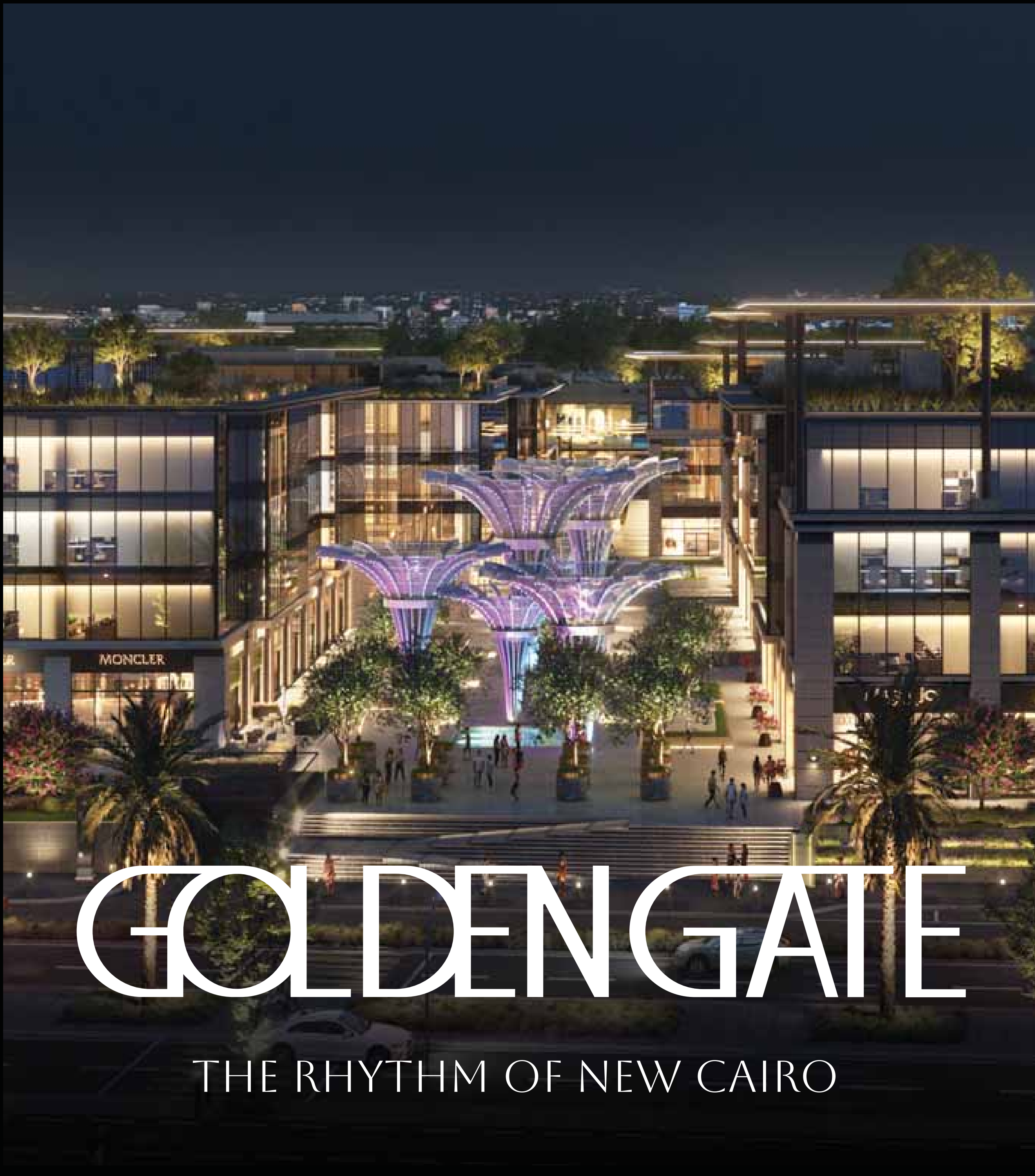
Flend gets first approval under Egypt's Startup Charter

Flend, a digital financing platform serving small and medium-sized enterprises (SMEs) in Egypt, has announced that it is the first company to officially receive a Startup Label under the newly launched National Startup Charter. The certification marks a significant milestone for the platform and signifies the start of a more structured, transparent support system for Egypt's rapidly growing tech ecosystem.

The certification, granted by the Micro, Small, and Medium Enterprise Development Agency, enhances credibility with investors, provides access to organized government support, and aligns companies with the newly established Egypt Startup Charter, which aims to mobilize $1 billion in guarantees and co-investment.

Flend utilizes real-time, verifiable transaction data to evaluate creditworthiness and integrates directly with platforms used by SMEs, including payment service providers like Paymob and Cashier; logistics platforms such as Bosta and Khazenly; and ERP and e-commerce systems like Foodics and Shopify.

Cairo Scene, March 7



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