

U.S. Country Commercial Guides



Egypt 2020

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Doing Business in Egypt

Market Overview

Egypt is an important strategic partner of the United States and continues to engage with Egypt to advance mutually shared interests, including strong commercial ties. With a population of over 100 million and a GDP of \$303 billion, there are solid opportunities for U.S. firms in the medium-to-long term. Egypt's strategic location offers companies a platform for their commercial activities into the Middle East and Africa.

Egypt is the United States' 45th largest goods export market in the world, the top export market for U.S. goods and services in Africa, and the fourth largest in the Middle East. U.S.-Egyptian trade grew by nearly 76 percent from 2016 to 2019, from just under \$5 billion to almost \$8.8 billion last year. U.S. exports to Egypt were \$5.5 billion in 2019, up 57 percent since 2016.

Egyptian exports to the U.S. were \$3.3 billion last year, more than double their value in 2016. Exports to the U.S. under the GSP program doubled between 2018 and 2019, from \$97 million to \$205 million.

U.S. exports to Egypt include wheat and corn, mineral fuel and oil, machinery, aircraft, and iron and steel products. U.S. imports from Egypt include apparel, natural gas and oil, fertilizers, textiles, and agricultural products. Under the U.S.-Egypt Qualifying Industrial Zone (QIZ) agreement, the United States waives duties on imports from Egypt if the value includes 10.5% Israeli content; this program promotes stronger ties between the region's peace partners.

Textile and apparel exports account for half of Egyptian non-fuel exports to the United States, with apparel exports accounting for 86 percent of those exports in 2019. Total textile and apparel exports to the United States in 2019 were \$1.13 billion. QIZ exports to the United States were \$1.1 billion in 2019.

Egypt, like the rest of the world, has been impacted by the COVID-19 pandemic. According to USAID Egypt, the pandemic has negatively impacted most sectors of the economy and with it both employment and investment. That said, thanks to quick mitigating actions taken by the Government of Egypt and ongoing International Monetary Fund (IMF)-sanctioned reforms, the economy is forecast to expand in 2020. The Fund now projects GDP will grow by 2% in 2020 (compared to earlier forecast of 5.8%) before accelerating to 2.8% in 2021. Tourism and textile have been

impacted the most. Tourism almost came to a standstill at the beginning of the outbreak and is now slowly coming back online. Textile and apparel exports fell by 44 percent between January and April 2020, and QIZ exports fell by 53 percent in the same period. Textile and apparel exports to the E.U., which together with the United States account for the overwhelming majority of textile and apparel exports, fell by a similar amount in the first four months of 2020.

The textiles and apparel industry is the second-largest industrial employer in Egypt, employing 15 percent of Egypt's manufacturing workforce and nearly half of women working in manufacturing. Together, textiles and apparel account for around 3% of Egypt's GDP.

Egypt's economy is diverse, with agriculture, manufacturing, energy and services constituting the bulk of output. Agriculture accounts for 40 percent of employment and 14 percent of GDP. Egypt relies heavily on imported wheat, corn and soybeans, much of which is sourced from the U.S.

Egypt and the United States signed a Bilateral Investment Treaty in 1982 to promote and facilitate investment between our countries. Egypt and the United States entered into a Trade and Investment Framework Agreement in 1999. The agreement establishes a framework for expanding trade while resolving outstanding disputes between both countries. It is a natural step towards negotiating a free trade agreement. American firms are active in most sectors of the Egyptian economy, including oil and gas exploration and production, healthcare, transportation, financial services, manufacturing, construction, telecommunications and information technology, and the restaurant and hospitality industry.

The U.S. is the third largest foreign investor in Egypt, with \$1.37 billion invested in 2019. The UK and Belgium have been the two largest investors over the past decade, with \$6.8 and \$2.2 billion invested in 2019. The total stock of U.S. FDI is nearly \$24 billion, with \$20 billion concentrated in the oil and gas sector. (Overall, nearly 75 percent of Egypt's FDI goes to the oil and gas sector). For the fourth year in a row, Egypt was the top FDI destination in Africa, and was the second largest FDI destination in the Middle East.

Thanks to its successful implementation of its IMF-backed three-year, \$12 billion economic reform package, Egypt finds itself in a better position than its neighbors to withstand the impacts of the COVID-19 outbreak.

The Government of Egypt (GOE) understands that attracting FDI is key to addressing many of the economic challenges it faces, including low economic growth, high unemployment, current account imbalances, and hard currency shortages.

The government also hopes to attract international investment in several "mega projects," including a large-scale industrial and logistics zone around the Suez Canal, the construction of a new national administrative capital, a 1.5 million-hectare agricultural land reclamation and development project, and building several petrochemical plants and refurbishing refineries, upgrading the country's ports, airports, and transportation network, and exploiting mineral resources in the Golden Triangle economic zone between the Red Sea and the Nile River.

Market Challenges

To improve the ease of doing business and increase foreign direct investment, the government in cooperation with the IMF has introduced significant reforms since 2016, including floating the local currency, introducing a VAT system, and implementing various laws related to investment, bankruptcy and capital markets. Long-term monetary policy and fiscal reforms, including a broadening of the tax base and subsidy reform, are critical to overall economic stability.

Though Egypt is a signatory to international arbitration agreements, its courts do not always recognize foreign judgments. Resolution of commercial disputes is very slow, with the time to adjudicate a case to completion averaging three to five years. The government of Egypt continues to

be reluctant to include international arbitration clauses in commercial contracts and agreements, with the exception of the Petroleum Ministry and with mega projects with the approval of the Ministry of Finance. Other obstacles to increased trade and investment include excessive bureaucracy, a shortage of skilled labor, and limited access to credit, slow and cumbersome customs procedures, intellectual property issues, corruption, and non-tariff trade barriers.

Market Opportunities

The renewable energy equipment market is worth several billion dollars. Egypt's Integrated Sustainable Energy Strategy aims at increasing the share of energy generated from renewables to 42% by 2035.

The construction market has seen double-digit growth since the 1980s, resulting in a substantial boom in residential and commercial real estate. There is strong demand for infrastructure projects because of rapid population growth and housing shortages. The sector is expected to grow 70% between 2015 and 2020, to reach \$12 billion.

Egypt is the largest oil producer in Africa outside the Organization of the Petroleum Exporting Countries (OPEC) and is also the largest oil and natural gas consumer in Africa. In 2019, the Ministry of Petroleum and Mineral Resources signed contracts with 12 new exploration and production concessions with ExxonMobil, Shell, BP and others. These contracts are estimated to bring in around \$800 million in initial new investment. New exploration areas include the Western Desert, Gulf of Suez, the Nile Delta, and the Mediterranean. The Egyptian government is currently accepting bids to explore for oil and gas in the Red Sea, and it is expected to open up its Western Mediterranean waters in a new bid round in the near term.

The Egyptian government is keen on improving the healthcare industry, especially relating to medical devices, and in 2015 announced plans for the development of 26 new hospitals. Currently, the government is working on implementing the National Health Insurance Program and has allocated budget for its implementation. In 2018, the government launched a pilot project to digitize medical records nationwide, and when fully implemented is expected to inject efficiency into the healthcare system and benefit patients and healthcare providers. Nevertheless, challenges include a lengthy registration process and lack of adequate protection of intellectual property rights (IPR).

Market Entry Strategy

U.S. small and medium-sized companies should find a reputable and reliable Egyptian partner to represent them in the local market. The U.S. Commercial Service offers the Gold Key Matchmaking Service, Initial Market Check and International Company Profile programs to assist U.S. companies in identifying local agents/distributors for their products. When considering entering the market, it is advisable to take a long-term view of the Egyptian market rather than seeking immediate returns.

Every year, the U.S. Commercial Service at the U.S. Embassy in Cairo sends several Egyptian buyer delegations to designated International Buyer Program tradeshows in the United States. Trade missions and regional tradeshows provide opportunities to meet Egyptian buyers and potential partners for U.S. companies considering entering into the Egyptian market. Please see Export Egypt for upcoming events.

For background information on the political and economic environment of the country, please click on this link: [U.S. Department of State Background Notes](#).

Leading Sectors for U.S. Exports and Investment

ICT and Digital Economy

Overview

The Information and Communications Technology (ICT) sector in Egypt is very robust, with a growth rate higher than Egypt's level of GDP growth. Its contribution to the GDP has increased to 4% in 2019 compared to 3.5% in 2018. Total investments in the sector increased by 24.3 percent in 2019 and reached \$107 million in the first quarter of 2020 (142 investment deals vs 113 in 2018, and 40 in Q1 2020).

Under its ICT 2030 strategy, the Egyptian government is undertaking a series of investments, capacity building and training programs, digital government services reforms, and infrastructure upgrades. The strategy calls for launching new initiatives to maximize the contribution of the ICT sector to Egypt's economic growth by focusing on capacity building, electronics design and manufacturing, and technology parks. The strategy also includes a plan for the digital transformation of core government services in the following areas: education, healthcare, and government services.

The Ministry of Communication and Information Technology (MCIT) has an initiative called "Our Future is Digital" and aims to train 100,000 young Egyptians and develop their ICT skills in areas of high market demand, including website design, data analysis, and digital marketing.

The ministry also has a program through which it engages SMEs in the digital transformation process. The ministry's Digital Egypt Project aims to supply all government entities with fiber-optic cable connections. This process has been completed in 5,300 government buildings across Egypt, and when completed will connect some 32,000 buildings at a total cost of 6 billion Egyptian Pounds (approximately \$375 million).

The MCIT announced in June 2020 that the Egyptian government is developing a digital tool that will allow citizens to obtain or renew licenses and request notarial services through call centers using a one-time password system.

The New Administrative Capital (NAC), 50 miles east of central Cairo, is expected to eventually house the majority of central government offices, with a target moving in date of June 2021. The government is planning for the NAC to be a "Smart City," and is investing heavily in the new city's telecommunications and ICT infrastructure. Under the plan, a "Knowledge City," which will be located inside the NAC, will include applied research centers for technology to facilitate technical training, software and applications development, and data design. The Knowledge City is estimated to cost a total of 12 billion Egyptian Pounds (\$750 million).

The Ministry is also working on developing six technology parks in the cities of Minya, Menoufiya, Mansoura, Sohag, Qena and Aswan. These parks are aimed at supporting entrepreneurship and innovation and will consist of hardware design labs, startup incubators and training institutions and integrated systems for AI training, data science, and cybersecurity. The ICT industry in Egypt is managed by MCIT. It oversees the following organizations:

- National Telecom Regulatory Authority – NTRA
- IT Industry Development Agency – ITIDA
- Egypt Post
- Information Technology Institute – ITI
- National Telecommunication Institute – NTI

- Center for Documentation of Cultural and Natural Heritage – CULTNAT
- The Technology Innovation and Entrepreneurship Center – TIEC
- Smart Villages
- Silicon Waha
- Technology Development Fund

Current Market Needs:

The government is currently focused on moving towards a digital economy and accelerating the country's digital transformation, which offer opportunities for ICT companies. The government's ongoing digital transformation offers U.S. companies with proven technologies and competitive pricing various opportunities.

Telecommunications:

In June 2020, the Egyptian government announced a plan to improve the infrastructure for internet services by increasing the average internet speed to 20 Mbps in 2020 and 40 Mbps in 2021, compared to 15.5 Mbps in 2019.

Recent Market Trends:

Due to the Covid-19 outbreak, Egypt has witnessed the acceleration of its digital transformation plan. The number of peak hours for internet usage has increased to 15 hours per day from 7 hours per day and the load has increased by 99%. The amount of cellular phone internet usage has increased by 35%, and international calls by 19%. Some applications witnessed a significant increase of usage like: Zoom App 3465%, Telegram 1100%, and YouTube 115%.

In June 2020, the National Telecommunication Regulatory Authority launched its Mobile Number Portability (MNP) service, which enables mobile telephone subscribers to retain their phone numbers when switching network service providers. This will enhance efficiencies and competitiveness.

Best Prospects for U.S. Exporters:

- Smart Cities Solutions
- E-education software
- E-Finance applications
- Artificial Intelligence
- Cybersecurity
- Surveillance equipment
- Telecommunication infrastructure

Market Entry:

The Ministry of Communications and Information Technology is open for suggestions, recommendations, new technologies and processes. The government trend is also to encourage localization. Therefore, some assembly lines are currently being developed in cooperation with local entities.

Tenders:

The decision-making entity publishes the tenders on their websites. Sometimes, there is an RFP for certain companies to participate in a project. There is competition, and the procurement system is done through open tenders. Decision makers evaluate the proposals according to the technical and commercial merits of the proposals. Depending on the location and sensitivity of the projects, the decision makers vary from MCIT to Defense entities to SOE.

Regulations / Registration Process:

There is a Data Privacy Protection law that was approved by the parliament in August 2020. It follows the GDPR.

Technical Barriers & Tariffs:

There is a free trade agreement with Europe which makes products from European suppliers very competitive as there are no customs applied. Customs and shipping fees of American products makes the comparison challenging.

Upcoming Trade Events:

- CairoICT
November 22-25, 2020

Commercial Specialist in charge of the oil and gas sector: [Dina Bissada](#)

Infrastructure

Overview

The construction sector in Egypt shown strength in the last 10 years. The sector is projected to grow 9% on average between 2020-2024 after a brief slowdown because of the COVID-19 outbreak. This growth will be driven mainly by active public-private partnerships and green building expansion to increase energy efficiency and high-end infrastructure. The real state sector has always been considered as a safe haven investment for most Egyptians as it has maintained value and even increased. The Egyptian government is a massive investor in the construction sector. For example, the Government of Egypt is building a massive “New Administrative Capital” 35 KMs East of Cairo. The first phase of the project, which includes all government cabinet ministries and authorities is almost complete and the government is expected to move early by 2021. The government is also upgrading airports, ports, and transportation networks and has plans to build up to 14 new smart cities throughout the country.

The New Urban Communities Authority (NUCA) has plans to build additional new cities, that include schools, hospitals, shopping centers, and entertainment facilities. This authority is responsible for developing these new cities and connecting them to the already existing infrastructure.

NUCA is encouraging private investors to participate in the development of these new cities and by providing the basic infrastructure to make the cities attractive to investors. Leading Sub-Sectors

Best sales prospects include, but are not limited, to the following categories:

- Designing
- Project consulting
- Project Management
- Construction Equipment
- Construction material
- Construction Chemicals

Opportunities

Currently, both residential and retail subsectors are witnessing significant growth. As a result, the sector is expected to offer many opportunities for companies in the construction sector. The government is also participating in this boom by building affordable houses to the citizens and reconstructing the slums that have widely spread around the different cities. It is one of President’s El-Sisi’s priorities is to re-build these unplanned, overpopulated neighborhoods. These projects are managed under the affordable housing program.

Similarly, high-end housing compounds have also expanded in new suburbs around the Greater Cairo and the Red Sea and Mediterranean coasts. These coastal developments with their luxury developments are attracting GCC investors.

The retail sector has also witnessed a boom as new malls are mushrooming around Egypt.

Web Resources

- [U.S. Commercial Service in Egypt](#)
- [U.S. Embassy](#)

- [USAID](#)
- [World Bank](#)
- [American Chamber of Commerce in Egypt](#)
- [Egyptian Government Web Portal](#)
- Ministry of Housing, Utilities and Urban Communities

Commercial Specialist in charge of the oil and gas sector: [Mrs. Rania Mekhail](#)

Medical Equipment Supplies

Overview

The healthcare sector in Egypt is large as compared to sectors to its neighbors in the Middle East. Egypt offers a variety of opportunities, as the Egyptian government is keen on expanding the healthcare industry, especially relating to medical devices.

The Egyptian healthcare sector is currently facing challenge in handling the COVID-19 outbreak in the country. As a result, the Government of Egypt has approved the increased its healthcare budget for the 2020-2021 fiscal period. The demand for increased services and medical supplies has been a significant challenge during the pandemic.

Another main challenge the sector faces is shortage of qualified doctors (by 33%) and nurses (by 43%). Although Egypt has about 220,000 registered doctors (2018 figure), about 110,000 of those are out of the country

Reforms in the sector include the planned introduction of a National Health Insurance program throughout the country. In June 2017, the World Health Organization (WHO) launched a new US\$530 million project to support Egypt's national goal of improving public healthcare, including expanding family planning services, scaling up its groundbreaking Hepatitis C program, and supporting the new Universal Health Insurance System. The project entails the digital transformation of the healthcare system, including creating a network among service providers and implementing medical records database.

In addition, the project aims to improve services at 600 primary healthcare facilities and 27 hospitals, scale up the community health workers program, and expand the screening of Hepatitis C for up to 35 million people and treat an estimated 1.5 million patients.

The World Bank currently has a portfolio of 16 social development projects with a total commitment of US\$6.69 billion. The Bank finances programs and projects to help Egypt reduce poverty and boost shared prosperity. The focus of the Bank's support includes support for social safety nets, health care, energy, transport, rural water and sanitation, social housing, education, job creation, and micro and small enterprises development programs.

Egypt's medical device market is the second largest in the Middle East region. Sales of medical devices totaled USD 20 million in 2018 (latest available figure). As Egypt produces very little medical equipment, the vast majority of supplies are imported.

Another mega project that is currently in the pipeline is the new Medical City in the New Administrative Capital. The GOE has allocated the land to establish a Medical City that would include high-end healthcare providers and to establish a medical and a nursing school. The aim is to provide comprehensive and high-level service to Egyptian who normally seek treatment abroad and to attract patients from the GCC area.

Technical medical equipment, such as radiography and ultrasound apparatus, vital statistic monitors, dialysis machines and laboratory microscopes are imported and distributed by a handful of companies who benefit from low import tariffs, the biggest of which, El Gomhoureya, is wholly owned by the government.

Private healthcare providers often choose to import the equipment they need, which, according to the country's customs laws, must be brand new to be allowed into the country. This can be a complicated process, yet nonetheless Egyptian physicians who travel abroad for conferences often acquire devices in this manner.

As a result of the Covid-19 outbreak and the resultant healthcare crisis, the Egyptian government has pledged to improve its regulation of the healthcare sector. As a result, there is a boost in the purchase of medical devices by private sector actors. Similarly, there is a proliferation of privately-owned hospitals and clinics, which has steeply raised the demand for medical and lab equipment and medical personnel. Although there have been some improvements in the registration process, bureaucratic red tape remains a business impediment and the tender process is not transparent.

Leading Sub-Sectors

Best sales prospects in medical equipment and supplies include, but are not limited, to the following categories:

- Diagnostic imaging equipment
- Oncology and radiology equipment
- Medical disposable supplies
- Surgical and medical equipment
- ICU monitoring equipment
- Laboratory and scientific equipment
- Mobile clinics
- Digital equipment

Opportunities

The government prefers investing in preventative medicine, which offers opportunities in medical devices. According to the World Bank, less than 5 percent of total investments are allocated toward health services. Considering the strong demand, the medical device sector is ripe for substantial growth in the short to the mid-term.

In line with the country's efforts to upgrade its overall healthcare system, it is expected that there will be opportunities in the long-term in the following services:

- Medical devices and lab equipment
- Construction, management, and rehabilitation of hospitals and rural healthcare facilities
- Emergency care (ambulatory) services
- Training programs for physicians, nurses, and lab technicians
- Establishment of biological and laboratory centers
- Development of quality standards for hospitals, laboratories, and healthcare institutions
- Capacity building and consultancy services for regulatory and accreditation bodies
- Training programs including on FDA-drug classification for government officials.

Web Resources

- [U.S. Commercial Service in Egypt](#)
- [U.S. Embassy](#)
- [USAID](#)
- [World Bank](#)
- [American Chamber of Commerce in Egypt](#)
- [Egyptian Government Web Portal](#)
- [Ministry of Health & Population](#)

Commercial Specialist in charge of the oil and gas sector: [Mrs. Rania Mekhail](#)

Oil and Gas Equipment

Overview

Oil and gas is one of the most dynamic sectors in Egypt. Hydrocarbon production is by far the largest single industrial activity in the country, representing around 15 percent of total GDP in 2019 and 31 percent of foreign direct investment (FDI).

Egypt has significant energy resources, both in traditional fossil fuels and in renewable energy. The country's proven hydrocarbon reserves stood at 3.3 billion barrels of oil and 77.2 trillion cubic feet (tcf) of natural gas at the end of 2018. The Egyptian government encourages international oil companies (IOC) to participate in the oil and gas sector. More than fifty IOCs are currently operating in the country. Egypt hopes to achieve self-sufficiency in petroleum products by 2022.

Egypt plays a vital role in international energy markets through the Suez Canal and the Suez-Mediterranean (SUMED) pipeline. Expanded in 2015, the Suez Canal is an important transit route for oil and liquefied natural gas (LNG) shipments travelling southbound from North Africa, Europe and North America to Asia. Fees collected from the operation of these two transit points are significant sources of revenue for the Egyptian government.

Egypt plans to invest around USD 38 billion developing its petrochemicals sector over the next four years. The petrochemical sector represents about 12 percent of industrial production and generates revenues totaling USD 7 billion, equivalent to nearly 3 percent of GDP. Egypt has the largest refinery capacity in Africa at a nominal rate of 840,000 barrels per day (bpd), although it operates well below this capacity, with 562,000 bpd processed in 2019. Currently, the government is updating and expanding existing refineries, and a new private-sector refinery is also set to begin production.

The petroleum industry in Egypt is managed by the Ministry of Petroleum and Mineral Resources, under which five state-owned companies operate.

- The Egyptian General Petroleum Corporation (EGPC)
- The Egyptian Natural Gas Holding Company (EGAS)
- The Egyptian Petrochemicals Holding Company (ECHEM)
- The Ganoub El-Wadi Holding Company (GANOPE)
- The Egyptian Mineral Resources Authority (EMRA)

Since the 1990s, the Egyptian government has enacted laws aimed at attracting international, regional and domestic investment. These laws seek to address regulations and procedures that hinder production and inward facilitated investment.

One of the challenges that continues to hamper international investors in Egypt's oil and gas sector is the long history of delayed payments from EGPC. While the government has made efforts to pay out the remaining backlog of arrears to IOCs to encourage more foreign partners to invest in exploration and development activities, it continues to lag in making payments. The government reduced arrears to USD 1.2 billion from USD 6.3 billion, as of June 2018, and is planning to repay all remaining arrears by the end of 2020.

The Egypt Petroleum Show (EGYPS), in its fourth year, is the largest oil and gas exhibition in North Africa and the Mediterranean region. It allows Egypt to showcase the development and modernization of its oil and gas sector and its emergence as a regional energy hub, both part of its sustainable development strategy for 2030. EGYPS hosts hundreds of exhibitors, including major international oil and gas companies and dozens of country pavilions under one roof. In 2020, the

show attracted more than 20 U.S. companies as exhibitors and conference participants. Senior representatives from the U.S. Departments of Energy and State, the U.S. Trade and Development Agency, and the U.S. Chamber of Commerce participated.

Egypt signed around 83 oil and gas exploration deals with IOCs between November 2013 and February 2020, worth about USD 15.5 billion. It also offered signing bonuses of more than USD 1 billion for the drilling of 319 wells. In 2020, nine petroleum agreements have been signed for oil and natural gas exploration in the Mediterranean, Red Sea and Western Desert, with a minimum investment of around USD 452.3 million.

U.S. energy giants like ExxonMobil and Chevron entered Egypt's dynamic upstream sector in 2019 and won additional concessions in early 2020.

Egyptian government investment in natural gas expanded by 25 percent in FY 2017, adding to an increase of 33 percent from the previous fiscal year. Crude oil projects did not see a similar favorable return on investment, but several multinational firms announced commitments to increase their investment to total USD 10 billion in fiscal year 2018/2019.

In support of its ambitions to become a regional energy hub, Egypt launched the East Mediterranean Gas Forum (EMGF) in January 2019. The seven founding members – Egypt, Israel, Italy, Greece, Cyprus, Jordan, and the Palestinian Authority – met in January 2020 to initial the EMGF's draft charter, bringing it one step closer to becoming an official international organization. In addition, Egypt is capitalizing on its strategic location, well-developed energy infrastructure, and large gas reserves in the Eastern Mediterranean, including its Zohr field, to consolidate its position as a regional energy hub. In a deal estimated at USD 15 billion, a consortium of Houston-based Noble Energy, Israel's Delek Drilling, and Egypt's Dolphinus Holdings Ltd started pumping natural gas from the Tamar and Leviathan fields in Israel to Egypt in early 2020. In addition, Egypt has concluded an intergovernmental agreement with Cyprus to build a subsea pipeline between the two countries. Egypt plans to use imported gas for domestic use and re-export to global markets through its two LNG facilities on the Mediterranean coast.

In December 2017, Egypt's Zohr gas field started production. With an estimated reserve of 30 tcf, the Zohr field is the largest gas discovery in the Mediterranean to date. In August 2019, the processing capacity of Zohr reached over 2.7 billion cubic feet per day (bcfd), five months ahead of schedule. There is also the Nooros Gas Field in the Nile Delta that produces 32 million cubic meters per day. Atoll is another gas field in the East Delta that produces 350 million cubic meters per day and 10,000 barrels of condensate.

In December 2019, a new oil and gas well was discovered in the Abu Senan area of the Western Desert. This well is expected to produce around 4,000 barrels of crude oil per day, as well as 10 million cubic meters per day of gas.

Leading Sub-Sectors

- Compressed Natural Gas (CNG) Technology and Peripherals
- Drilling Rigs and Related Equipment and Accessories
- Hi-tech Testing and Measuring Equipment
- Liquefied Natural Gas (LNG) Related Technology
- Natural Gas Vehicles (NGV) Technology and Peripherals

Opportunities

In 2016, the Ministry of Petroleum and Mineral Resources announced a five-year modernization plan for the oil and gas sector. The objective is to design and implement a program to enhance the contribution of the sector to the economic growth of the country and to be a leader that other sectors can follow. This modernization plan is divided into seven different programs: Investment Attraction, Sector Structural Reform, HR Management, Downstream Performance, Upstream Performance, Hub Strategy, and Decision Support and Data Flow.

Downstream Performance and Energy Efficiency

More than 20 projects have been identified to improve their performance. The ministry has started feasibility studies for around six projects; they are expected to generate more than USD 120 million in savings. Initiatives to reduce energy consumption identified low-cost opportunities, such as waste heat recovery and flare gas recovery.

Upstream Performance

Increase oil and gas production, expand proven reserves, and improve recovery rates and cost performance.

Oil and Gas Hub Strategy

Expand Egypt's role in the regional energy sector.

Final hub strategy expected to be shared with the public in 2020.

Decision Support and Data Flow

Increase digitalization of reporting and decision-making processes across the sector.

Competitive Landscape

There is competition, and the procurement system is done through open tenders. Decision makers evaluate proposals according to their technical and commercial merits.

Best Prospects for U.S. Exporters

There are opportunities for U.S. companies in exploration activities, services, sub-contracting, procurement and engineering services, as well as in the petrochemical sector.

Market Entry

The Ministry of Petroleum and Mineral Resources is open for suggestions and recommendations, new technologies and processes.

Tenders: The ministry will announce tenders if they are requesting consultants for feasibility studies, EPCs, new concessions, upgrade of refineries, licensing for petrochemicals, and other related projects. The ministry may also award concessions directly.

Technical Barriers & Tariffs

Egypt has a free trade agreement with Europe, which makes products from European suppliers very competitive as there are no customs applied. Higher customs fees and shipping costs can put American products at a disadvantage.

Procurement & Tenders

Tenders are announced on the [Ministry of Petroleum and Mineral Resources](#) website.

Upcoming Trade Events:

- Mediterranean Offshore Conference (MOC)
October 13-15, 2020
- Egyptian Petroleum Sector Energy Efficiency Conference (EPEEC)
December 2020 (TBC)
- EGYPS Petroleum Show 2021
Feb 9-11, 2021

Best Prospects:

- Compressed Natural Gas (CNG) Technology and Peripherals
- Drilling Rigs and Related Equipment and Accessories
- Liquefied Natural Gas (LNG) Related Technology
- Natural Gas Vehicles (NGV) Technology and Peripherals
- Exploration activities
- Engineering, Procurement, and Construction (EPC)
- Petrochemical projects
- Refinery upgrades
- Energy efficiency
- Port upgrades
- HSE
- Advanced technologies in enhancing oil recovery
- Mining

Web Resources

- [U.S. Commercial Service in Egypt](#)
- [U.S. Embassy](#)
- [The Egyptian Ministry of Petroleum and Mineral Resources](#)
- [BP Statistical Review of World Energy 2020](#)
- General Authority for Investment and Free Zones
- [Egypt State Information Service](#)

- [Egypt Oil and Gas Newspaper](#)
- [American Chamber of Commerce in Egypt](#)
- [Egyptian Government Web Portal](#)

Commercial Specialist in charge of the oil and gas sector: [Dina Bissada](#)

Renewable Energy

Overview

Egypt possesses an abundance of land, sunny weather and high wind speeds, making it a prime location for renewable energy projects. The renewable energy equipment market is potentially worth billions of dollars. The Egyptian government is cognizant of the need for a sustainable energy mix to both address increasing demand, and to move to a more environmentally sustainable and diverse electricity sector. The 2035 Integrated Sustainable Energy Strategy, which builds on previous strategies, emphasizes the importance of renewable energy. Egypt intends to increase the supply of electricity generated from renewable sources to 20% by 2022 and 42% by 2035, with wind providing 14 percent, hydro power 2 percent, photovoltaic (PV) 22 percent, and concentrating solar power (CSP) 3 percent by 2035. The private sector is expected to deliver most of this capacity.

Part of Egypt Vision 2030 is to increase local content in all fields. The Ministry of Electricity and Renewable Energy (MOERE) succeeded in reaching 30 percent local content for wind farms in 2018 and is expected to increase the share to 70 percent by the end of 2020. The ministry is expected to reach 50 percent local content for CSP projects also by the end of 2020.

The New & Renewable Energy Authority (NREA), which falls under the Ministry of Electricity, plays a strategic role in implementing the government's renewable energy plans. Egypt currently has about 500 MW of wind power plants in operation and 1340 MW under development. There are also three privately owned independent power producers (IPPs), with total generation capacity of about 2.5 GW, which started operations 2002-2003 under 20-year long power purchase agreements with the state-owned Egyptian Electricity Holding Company (EEHC). The Egyptian government's renewable energy plan for 2015-2023 includes 3.2 GW of government projects, including 1.25 GW under BOO mechanisms and 920 MW as IPPs.

Wind Energy

Egypt enjoys excellent wind along the Gulf of Suez with an average wind speed of 10.5 m/sec. It is just one of 38 countries in the world with a published National Wind Atlas. Egypt's wind generated power capacity is expected to reach 7 GW by 2022, making it an important contributor to the renewables energy mix.

Since 2001, a series of large-scale wind farms with a total capacity of 1.2 GW were established in cooperation with Germany (KfW), Denmark (DANIDA), Spain (Siemens Gamesa), and Japan (JICA).

In the Gulf of Suez, a 540 MW project is under construction, with another 580 MW project in financing. In addition, a feasibility study is under way for a 200 MW project in the West Nile. More projects are under preparation in cooperation with Germany, AFD, EIB and the EU (200 MW), MASDAR (200 MW), Germany and AFD (200 MW), and Japan (200 MW).

The Egyptian government recently allocated around 7,845 square kilometers in the Gulf of Suez region and the Nile Banks for NREA to implement additional wind energy projects. The 262.5 MW Ras Ghareb wind farm project near the Gulf of Suez was inaugurated in December 2019. Executed by a consortium led by the French company Engie (Engie 40%, Toyota Tsusho 40%, and Orascom 20%), the farm will supply power to approximately 500,000 households. It is the first project in wind energy to follow the BOO (Build-Own-Operate) model. There is also Lekela's West Bakr Wind Farm located Gulf of Suez and will generate 250 MW of clean energy. This project is a BOO (Build, Own, and Operate).

Solar Energy

Egypt's Solar Atlas states that Egypt is considered a "sun belt" country with 2,000 to 3,000 kWh/m²/year of direct solar radiation. The sun shines 9-11 hours a day from north to south, with few cloudy days.

The first solar thermal power plant was built in 2011 in Kuraymat. It has a total installed capacity of 140 MW, with the solar share of 20 MW based on parabolic-trough technology integrated with a combined-cycle power plant using natural gas. The power plant was financed from the Global Environmental Facility (GEF) and the Japan Bank for International Cooperation (JBIC). A 10 MW power plant has been operating in Siwa since 2015, and the remaining plants are expected to be implemented and operated consecutively. The 37 square kilometer Benban Solar Park in Egypt's Western Desert was completed in 2019 with financing provided by the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), and other international financial institutions. Composed of 32 individual plants, each producing 20-50 MW, the park generates almost 1.5 GW of power.

Leading Sub-Sectors

- Wind turbines
- Wind towers
- Photovoltaic panels and related technologies
- Concentrating solar power equipment and technologies

Opportunities

In 2012, the Egyptian government approved the Egyptian Solar Plan, which includes adding 3.5 GW (2.8 GW CSP and 700 MW PV) of solar energy by 2027. The Ministry of Electricity and Renewable Energy signed seven memoranda of understanding worth USD 500 million for solar and wind projects in Egypt. The government announced an interim target for the first regulatory period (2015-2017) to contract 4,300 MW of both solar and wind energy, and a feed-in tariff (FIT) which will allow Egypt to procure 4.3 GW of solar and wind power production by 2017. Its breakdown is as follows: 300 MW for small solar systems, 2,000 MW of medium- and large-size solar plants, and 2,000 MW of medium- and large-size wind plants.

According to the Wind and Solar Atlas, the East and West Nile areas have the potential to produce around 31,150 MW of wind power and 52,300 MW of solar. Egypt is also considering financing options to conduct feasibility studies for the following projects:

- Solar-thermal power plant using CSP technology for both electricity generation and water desalination. Solar-thermal power plants for industrial purposes.
- Designing a technical-financial mechanism to promote the use of solar water heaters in Egypt's residential sector. Local manufacturing of renewable energy equipment.

Web Resources

- [U.S. Commercial Service in Egypt](#)
- [U.S. Embassy](#)
- [New and Renewable Energy Authority](#)
- [Egyptian Electricity Holding Co.](#)

- [Egyptian Electricity Transmission Co.](#)
- General Authority for Investment and Free Zones
- [Egypt State Information Service](#)
- [American Chamber of Commerce in Egypt](#)
- [Egyptian Government Web Portal](#)
- [International Renewable Energy Agency \(IRENA\)](#)

Commercial Specialist in charge of the oil and gas sector: [Dina Bissada](#)

Safety and Security

Overview

There is steady growth of the safety and security market in Egypt with continuous demand for specialized, state-of-the art technology to manage security issues ranging from security for the general public to transparency of commercial transactions. The sector is expected to enjoy an increased demand of 15-20 percent over the next few years.

The GOE plans to dramatically enhance its security measures, which will require security upgrades of all airports, seaports and public facilities. Both the government and the private sector are reevaluating and upgrading security systems and technologies at various sites to meet the GOE's stated goals.

Major buyers are government entities such as the Ministry of Interior, the Ministry of Defense and the Intelligence Department. The Ministry of Interior is expected to have continuous demand for advanced security technology and has plans to develop the sector in Egypt. Police agencies have as a primary goal of staying abreast of the latest innovations and strive to be familiar with the various manufacturers and corporations operating in the field. Companies with a reputation for cutting-edge technologies will have an advantage here. Although Egypt has always been a price-sensitive market, quality is also an important factor, particularly in this field. The main suppliers to the market are French, Russian, German, Italian, British and American companies.

It is highly recommended that U.S. companies enter the market gradually using a well-established representative. Agents and distributors must be well-positioned to deal with both public and private-sector concerns. They are also responsible for finalizing transactions and coordinating after-sales service with the buyer.

Below are the main areas of interest in the past few years:

- Aircraft spare parts
- Ammunition and artillery
- Armored vehicles
- Bomb detection and diffusion equipment
- Border and perimeter control equipment
- Surveillance and jamming equipment
- Improvised explosive device (IED) detectors and diffusers
- Survivability equipment

Market Demand

The Egyptian market has always been receptive to U.S. safety and security products. Governmental, industrial and tourism sector entities are legally obliged to install certain security systems. Shops, stores, schools and small companies do not generally rely on security equipment. In some cases, safety equipment may be used, but most commercial entities are not obliged to install safety and security equipment.

The Egyptian security market requires sellers to have local expertise as well as advanced awareness of the global market. Successful participants have enhanced working knowledge of the government and its bureaucratic regulations. In some cases, applications for U.S. export licenses were

significantly delayed or were not approved.

Market Data

There are various ways for handling security products according to the place, sensitivity, nature of the target, security level needed, funding availability, size of the project, rules and conditions for license and other factors. Generally, small projects with low-to-medium sensitivity levels are implemented via small in-country offices, which place direct procurement orders. However, large projects with high-sensitivity levels may require more supervision in the design process, with cooperation from specialists in the Ministry of Interior, Intelligence Department, Ministry of Defense, and others. Some components of security systems may be obtained in the local market using direct procurement or through a competitive bidding process, or they may be obtained via an open request for quotation (RFQ) issued by the Egyptian Procurement Office (EPO) in Washington, D.C. Interested companies should first register with the [EPO](#).

Figures on defense spending are not released by the Egyptian government. However, various publications have estimated defense expenditures at approximately \$8 billion in 2019.

The United States is very well known for its state-of-the art technology, particularly in x-ray inspection machines and walk-through metal detectors. Sometimes European companies offer similar technologies without the need for an export license, putting U.S. companies at a disadvantage. Also, during the past two years U.S. companies at times have faced challenges obtaining export licenses for products sold to Egypt, leading to a decrease in market share.

Competition

French, British and Italian suppliers have captured 45 percent of the Egyptian market for complete lines of equipment. This is attributable to the fact that they operate through Egyptian agents. Another 35 percent belongs to Germany and Eastern European suppliers. The U.S. market share is about 20 percent (non-governmental).

There are numerous competitive factors, including, but not limited to, technological advancement, high quality and after-sale services (low-cost maintenance). U.S. products have a critical price advantage over European products. However, lengthy procedures in obtaining an export license disadvantages U.S. companies.

Ministry of Defense agencies (Buyers)

There are three classes of end-users: governmental, industrial and commercial. Within the governmental sector, the Ministry of Interior and Ministry of Defense maintain the highest purchasing capacity.

The industrial sector includes oil and gas companies, chemical plants, manufacturing plants, ports and real estate contractors. The Ministry of Housing, Utilities & Urban Development requires these establishments to install fire-sensing and-detection equipment, fire alarm systems and extinguishing equipment.

In addition, all public entities are legally obliged to install safety products. Some of the main commercial entities include banks, conference halls, hospitals, hotels, malls, museums, schools and universities, and theaters and entertainment facilities. The market for security-sensing and -detection equipment is growing in Egypt, as both the Egyptian public and private sectors realize that such equipment enables them to combat security threats more effectively. As a result, prospects for future sales of high-quality U.S. safety and security products, particularly sensing and detection equipment, are positive.

For selling defense equipment to the Egyptian Military the gateway is through the Egyptian Armaments Authority (EAA). The bid process for national mega projects is managed by military-owned firms, such as the Arab Organization for Industrialization (AOI), the National Service Products Organization (NSPO), and the Military Engineering Authority.

Defense Exhibition:

Every two years, under the patronage of President Sisi and the Ministry of Defense, Egypt hosts one of the largest defense exhibitions in the Middle East and Africa ([EDEX](#)). In 2018, EDEX hosted 43 U.S. exhibitors at the show.

Commercial Specialist in charge of the oil and gas sector: [Mr. Basim Sedki](#)

Water and Environment

Overview

The Ministry of Environment (MOE), the Ministry of Water Resources & Irrigation (MWRI), the Ministry of Housing, Utilities & Urban Communities (MHUUC), Egyptian Environmental Affairs Agency (EEAA), the National Water Research Center (NWRC), and the Holding Company for Water and Wastewater (HCWW) have different roles in handling water and environmental related issues.

The EEAA represents the executive arm of the Ministry of Environment and manages an Environmental Protection Fund (EPF), that includes funding from the general state budget, donations and grants from national and foreign organizations, fines and compensation awarded by courts, and out-of-court settlements.

The main goal of the EPF is to stimulate investment in the environmental sector and to support the government's environmental social and economic policies. To achieve these goals, EPF provides financial assistance on a competitive basis for projects that benefit the environment. Eligibility criteria include:

- Project targets one or more areas that address the Fund's [environmental priorities](#).
- Applicant is a legally registered local entity.
- Applicant demonstrates the ability to contribute its share of project costs.
- Applicant is of sound reputation.
- Absence of any restrictions such as problems related to the applicant's current activities or relationship with banks (if applicable).
- Project is deemed sustainable.
- Commitment to expend the funds as allocated.
- A list of job opportunities the project will provide.

The Holding Company for Water and Wastewater (HCWW) is mainly concerned with drinking water purification, desalination, and distribution; wastewater collection, treatment, and disposal; and sludge treatment services. The company works closely with the Ministry of Housing, Utilities and Urban Communities to provide utilities to new communities (such as the New Administrative Capital) and to expand services to inhabited and industrial areas in Upper Egypt and border cities. Current and future projects:

- [Ministry of Hosuing](#)
- [Ministry of Water Resources & Irrigation](#)

Leading Sub-Sectors

Solid Waste Management

According to the 2013 annual report of waste management statistics in Egypt, Egypt has generated a total of 89.03 million tons of solid waste (expected to exceed 100 million tons in 2020), the majority of which were municipal solid waste calculated at 21 million tons.

The 2019-2023 executive plan for solid waste recycling consists of three main programs:

- Attracting investments to develop the infrastructure for trash sorting facilities in Cairo, Daqahliyah, Sharqeya, Fayoum, and Luxor.
- Improving garbage collection and transportation, street cleaning services, and management of safe landfills.
- Developing waste recycling system across the country, the sector's human capacity, public awareness raising campaigns, and supporting the informal sector and SMEs in the recycling business.

Nature Conservation and Water Supply

About 85% of Egypt's water resources are used for agricultural irrigation systems, which are characterized by high levels of water losses and low efficiency. The 2017-2037 National Water Resources Strategy, which is intended to address Egypt's water-related challenges over the next 20 years, is expected to cost EGP 900 billion (about \$ 55 billion). According to the Ministry of Water Resources & Irrigation, the national strategy has four pillars: develop water resources (desalination and recycling), enhance water quality, rationalize water use, and create an enabling environment.

Wastewater Recycling & Hazardous Waste Management

Egypt annually produces about 16.4 BCM of wastewater (4.4 BCM sewage and 12 BCM in agricultural wastewater).

According to the [2030 Strategic Vision of Treated Wastewater Reuse](#), Egypt's governorates are divided into two categories: governorates without agricultural expansion plans, which include: Menofia, Dakahlia, Kafr Elsheikh, Gharbia, Kalyoubia, Cairo, Alexandria, and Port Said. And governorates with agricultural expansion plans, which include: Giza, Behaira, Minia, Damietta, Sohag, Assuit, Sharkia, Qena, Suez, Fayoum, Beni Suef, Aswan, Ismailia, Luxor, Matrouh, Red Sea, New Valley.

Opportunities

Water sector development is a priority for the Government of Egypt because of:

- High annual population growth (2.5%), putting pressure on existing water supply.
- Lack of control of water supply sources (about 97% originates from outside Egypt's borders), making the supply highly vulnerable and sensitive to any uncoordinated upstream developments, especially after the establishment of the [the Grand Ethiopian Renaissance Dam \(GERD\)](#).

Egypt, with available water resources of 610 m³ per capita as of 2019, is among the countries that fall below UN's water poverty line (estimated at 1,000 m³ per capita). Egypt also suffers from a large food-production deficiency, forcing it to import about 55 percent of its current food needs. This figure is expected to climb to 75 percent after the GERD is complete because of the huge quantity of water held back during the filling of the GERD's reservoir, which has an estimated capacity of 74 billion m³ of water. That would cut 25 to 33 billion m³ from Egypt's annual quota of Nile water which, in turn, could yield a loss of about 2 million acres of cultivable land.

Alternatives water resource (potential investment opportunities)

- Reusage of drainage water and treated wastewater.
- Desalination of sea water as an alternative for drinking and agriculture.
- Drilling water wells.
- Construction of water condensers next to severe evaporation sites at coasts and cultivated lands.

Useful links:

- [Current / previous projects](#)
- [Environmental Protection Fund \(EPF\)](#)
- [Environmental Affairs Agency \(EEAA\)](#)
- [Ahram newspaper, March 2020](#)
- [2030 Strategic Vision of Treated Wastewater Reuse In Egypt](#)
- [National Water Research Center](#)
- [The Holding Company for Water and Wastewater](#)

Commercial Specialist in charge of the oil and gas sector: [Mr. Khaled Elzoughbi](#)

Customs, Regulations and Standards

Trade Barriers

Non-Tariff Trade Barriers

The Egyptian Minister of Industry and Trade issued a decree (43/2016) on Jan 16, 2016, requiring foreign manufacturers of specific products to register for export with the Egyptian General Organization for Export and Import Control (GOEIC). Listed products will only be allowed entry into the Egyptian market if they are registered by the owner of the manufacturing facility or the legal holder of the trademark in advance. This list was expanded by Decree 44, issued on January 15, 2019.

Products for which registration is required:

Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of this chapter (HS Code: 0813)

Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions (HS Code: 0814)

Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes (HS Code: 15)

Sugars and sugar confectionery (HS Code: 17)

Chocolate and other food preparations containing cocoa (HS Code: 1806)

Preparations of cereals, flour, starch or milk; pastrycooks' products (HS Code: 19)

Fruit juices (including grapes) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter (HS Code: 2009)

Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow (HS Code: 2201)

Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices under heading 2009 (HS Code: 2202)

Essential oils and resinoids; perfumery, cosmetic or toilet preparations (HS Code: 33)

Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, dental waxes and dental preparations with a basis of plaster (HS Code: 34)

Baths, shower-baths, sinks, washbasins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics (HS Code: 3922)

Tableware, kitchenware, other household articles and hygienic or toilet articles, of plastics (HS Code: 924)

Tableware and kitchenware, of wood (HS Code: 419)

Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled,

embossed, perforated, surface-coloured, surface-decorated or printed, in rolls or sheets (HS Code: 803)

Carpets and other textile floor coverings (HS Code: 57)

Articles of apparel and clothing accessories, knitted or crocheted (HS Code: 61)

Articles of apparel and clothing accessories, not knitted or crocheted (HS Code: 62)

Ceramic sinks, washbasins, washbasin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures (HS Code: 6910)

Tableware, kitchenware, other household articles and toilet articles, of porcelain or china (HS Code: 6911)

Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china (HS Code: 6912)

Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that under heading 7010 or 7018). (HS Code: 7013)

Table, kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel (HS Code: 7323)

Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper; sanitary ware and parts thereof, of copper (HS Code: 7418)

Table, kitchen or other household articles and parts thereof, of aluminium; pot scourers and scouring or polishing pads, gloves and the like, of aluminium; sanitary ware and parts thereof, of aluminium (HS Code: 7615)

Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware (HS Code: 8215)

Filing cabinets, card-index cabinets, paper trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture under heading 9403. (HS Code: 8304)

Fittings for loose-leaf binders or files, letter clips, letter corners, paper clips, indexing tags and similar office articles, of base metal; staples in strips (for example, for offices, upholstery, packaging), of base metal. (HS Code: 8305)

Electromechanical domestic appliances, with self-contained electric motor, other than vacuum cleaners under heading 8508. (HS Code: 8509)

Electric instantaneous or storage water heaters and immersion heaters; electric space-heating apparatus and soil-heating apparatus; electrothermic hairdressing apparatus (for example, hairdryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electrothermic appliances of a kind used for domestic purposes; electric heating resistors, other than those under heading 8545. (HS Code: 8516)

Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars. (HS Code: 8711)

Bicycles and other cycles (including delivery tricycles), not motorised. (HS Code: 8712)

Wristwatches, pocket-watches and other watches, including stopwatches, with case of precious metal or of metal clad with precious metal. (HS Code: 9101)

Wristwatches, pocket-watches and other watches, including stopwatches, other than those under heading 9101. (HS Code: 9102)

Other furniture and parts thereof. (HS Code: 9403)

Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included. (HS Code: 9405)

Toys, games and sports requisites; parts and accessories thereof. (HS Code: 95)

Miscellaneous manufactured articles. (HS Code: 96)

The product manufacturer, trademark owner or its legal representative may submit the application for registration in person or pre-check it online ([GOEIC](#)). U.S. exporters are encouraged to apply in person, through a local representative, if necessary, to ensure proper submission of the required documentation. All documents submitted must be certified by the chamber of commerce at the location of issuance, legalized/notarized by the Egyptian embassy in the country of origin and translated into Arabic.

In addition to the application form, the following documentation is required.

For Factories:

- Registration form
- Certificate of the legal status and the license of the factory
- List of the manufacturer's products and its trademarks
- The trademark of the product and any licensed trademarks by the trademark owner
- A certificate to prove that the factory has a quality control system, issued by a body recognized by the International Laboratory Accreditation Cooperation (ILAC) or International Accreditation Forum (IAF) or from an Egyptian or foreign governmental entity approved by the Ministry of Foreign Trade

For Trademark Owners:

- Registration form
- A certificate to prove registration of the trademark and a list of products manufactured under this trademark
- A certificate from the trademark owner listing the distribution centers that are authorized to distribute products with this trademark
A certificate to prove that the trademark owner has a quality-control system, issued by an entity recognized by the International Laboratory

Accreditation Cooperation (ILAC) or International Accreditation Forum (IAF) or from an Egyptian or foreign governmental entity approved by the Ministry of Foreign Trade.

U.S. exporters must comply with all Egyptian laws and regulations to ensure customs clearance. Documents must be legalized at the local chamber of commerce, the U.S. Department of State, and the Egyptian Embassy in Washington, D.C. or consulates in other locations. For more information on documentation and registration to comply with the decree please contact: Office.Cairo@trade.gov

Useful Links:

- [GOEIC Homepage](#)
- [Ministerial Decree No. 43/2016](#)
- [Ministerial Decree No. 44/2019](#)

For more information and help with trade barriers please contact:

International Trade Administration, Enforcement and Compliance, ECCcommunications@trade.gov

Quality Certificate

Products' registration requires a certificate to prove that the factory applies a quality system related to product quality, and this certificate shall be issued from a body recognized by the International Laboratory Accreditation Cooperation (ILAC) or the International Accreditation Forum (IAF), provided that the certificate shall be issued in English. Although there is no specific certificate as such, ISO 9001 remains the preferred quality certificate to GOEIC.

Service Barriers

General Agreement on Trade in Services (GATS) Commitments

GATS restricts foreign equity in construction and transport services to 49 percent. In the computer services sector, larger contributions of foreign equity may be permitted, such as when the Ministry of Communication and Information Technology determines that such services are an integral part of a larger business model and will benefit the country. Egypt prohibits companies from employing non-nationals for more than 10 percent of their workforce. Yet, according to the Investment Law, companies established in any of the [free zones](#) can employ foreign employees whose number does not exceed 25% of the employees in a company. Limitations on foreign management also apply to computer-related services (60 percent of top-level management must be Egyptian after three years from the start-up date of the venture). A prohibition on the acquisition of land by foreigners for commercial purposes was amended in 2002 to allow such acquisition under certain circumstances.

Courier and Express Delivery Services

Private courier and express delivery service suppliers seeking to operate in Egypt must receive special authorization from the Egyptian National Postal Organization (ENPO). In addition, although express delivery services constitute a separate for-profit, premium delivery market, private express operators are required to pay ENPO a "postal agency fee" of 10 percent of annual revenue from shipments under 20 kilograms. In 2010, ENPO requested private courier and express delivery services to pay a fee of EGP 5 (USD 0.83) on each imported consignment under 20 kilograms.

Civil Aviation Decree 607/2015 requires all courier and express delivery services to have at least 51% Egyptian ownership. Currently U.S. and European courier services operate in Egypt.

Transportation

The GOE liberalized maritime and air transportation services in 1998. Since then, the Egyptian private sector has been conducting most maritime cargo activities, such as loading, supplying, ship repairs and container handling. Ninety percent of Egyptian trade moves through seaports. Egypt has 48 ports: 15 are commercial ports and 33 specialized ports.

Total number of seaports on the Red Sea: 33 ports: 9 commercial, 24 specialized.

Total number of seaports on the Mediterranean: 15 ports: 6 commercial, 9 specialized.

Total storage space is 6.5 million m³.

Average total vessels calling annually at Egyptian seaports is approximately 14,000 vessels.

Recent renovations and improvements of the Port of Alexandria include: construction of deeper quays to receive larger vessels; redesign of storage areas, warehouses, and associated infrastructure; installation of new fiber optic cables for data transmission; installation of a more automated cargo management system; and renovation of the passenger cruise ship terminal. While these renovations have resulted in a smoother flow of goods and services, the average time from arrival of a consignment to final release takes eight to nine days, including clearances by Customs and other agencies.

Other Service Barriers

- Foreign motion pictures are subject to a screen quota, and distributors may import only five prints of any foreign film.
- According to Egyptian labor law, foreigners cannot be employed as export and import customs clearance officers, or as tourist guides.

Investment Barriers

- Under the 1986 United States-Egypt Bilateral Investment Treaty (BIT), Egypt is committed to maintaining an open investment regime. The BIT requires Egypt to accord national and Most-Favored Nation (MFN) treatment (with certain exceptions) to U.S. investors, to allow investors to make financial transfers freely and promptly, and to adhere to international standards for expropriation and compensation. The BIT also provides outlines for binding international arbitration of certain disputes. Despite these assurances, in recent years U.S. pharmaceutical investors were repeatedly prevented from repatriating profits earned in Egypt.
- Based on a review of Egypt's investment policies, the OECD invited Egypt to join the OECD Declaration on International Investment and Multinational Enterprises. Egypt signed the Declaration in 2007, becoming the first Arab and first African country to join. During this process, Egypt agreed to review the restrictions on investors identified in the OECD's 2007 Investment Policy Review of Egypt, such as certain limits in the tourism sector.

According to the [UN world investment report 2019](#), although foreign direct investment (FDI) inflows to Egypt decreased by 8 per cent, Egypt remained the largest FDI recipient in Africa in 2018 (received \$6.8 bn). Foreign investment in Egypt was skewed towards the oil and gas industry, as significant discoveries of offshore gas reserves attracted investments.

Other Barriers

Pharmaceutical Price Controls

In 2009, the Ministry of Health and Population (MoHP) issued Decree 373 to replace Egypt's "cost-plus" system of pharmaceutical pricing with a new "reference pricing" system that set the price of brand-name drugs in Egypt 10 percent lower than the lowest international sales price for the drug. The decree also sets a price ceiling for generic drugs at 60-70 percent of the amount of the brand-name drug, which is higher than the average sales price for generics in Egypt.

In 2012 the decree was replaced by new pricing decree 499 using the same referencing system, with an increase of the pharmacy and distribution margins deducted from the ex-factory prices. The decree remains in force, though MoHP only enforces the reference pricing elements of the decree but has not implemented pricing adjustments based on exchange rate fluctuations. Pharmaceutical companies have also not implemented the pharmacy or dealer compensation elements of the decree except for the products that enjoyed a price increase. Pharmaceutical companies are engaged with MoHP and seeking the revision of certain "reference pricing" elements of Decree 499.

Sanitary/Phytosanitary Standards

Egypt has a complex array of sanitary and phytosanitary (SPS) measures and quality standards regulating its food imports. Inspection and testing procedures are often non-transparent. Its SPS and Technical Barriers to Trade (TBT) measures are frequently not in compliance with Egypt's WTO obligations and impede market access. U.S. poultry parts and offal, beef and beef products, wheat, soybeans, seed potatoes, and feather meal exports are impacted.

Anticompetitive Practices

Under Egyptian competition law, a company holding 25 percent or more market share of a given sector may be subject to investigation if suspected of illegal or unfair market practices. The law is implemented by the Egyptian Competition Authority, which reports to the Ministry of Trade and Industry. However, the law does not apply to utilities and infrastructure projects, which are regulated by other governmental entities.

In 2008, Law 3 of 2005 on Protection of Competition and Prohibition of Monopolistic Practices was amended and passed by the People's Assembly under Law 190 of 2008. The amendment sets the minimum fine for monopolistic business practices at EGP 100,000 (USD 5,500) and the maximum at EGP 300 million (USD 16 million). It also provides for doubling the penalty in cases where violations are repeated. The first trial under both new laws involved a cement company, which was convicted in 2008 and fined EGP 200 million (USD 11 million), which was upheld on appeal.

Import Tariffs

New custom duties were issued by Presidential Decree No. 419/2018, which increased import tariffs for over 300 goods in a variety of categories. The amendments came into effect on 12 September 2018. The new tariff has considered applying modifications and additions made to the international Harmonized System (HS) Code in more than 275 new items so as to conform with international applicable systems and to facilitate trade.

Modifications in custom fees included total custom exemptions on all medications related to infectious, chronic, psychiatric and neurological diseases. A new tariff item has also been introduced covering sterilized and polymer-ethylene manufactured surgery bags. Moreover, agricultural and nutritional products have received a lion share of facilities offered by the new custom tariff; namely, by sticking to the international coordination system in fish products, fishery goods, fruits (tangerine, in particular) and other plentiful goods in a way that reflects Food and Agriculture Organization (FAO) standards for food safety, and without prejudice to discounted custom tariff category or custom exemptions applied on them.

Regarding automotive products, custom fees have been reduced for 1600 CC engine power vehicles operating both with oil and electric engines from 40% down to 30%, and for higher engine power

ones from 135% down to 100%. Fee exemptions are applied only to electrically operated vehicles; whereas discounts in tariff category for natural gas operated vehicles have increased from 25% to 35%.

Custom fees have been also decreased on other miscellaneous products: a decrease from 60% down to 40% on personal care and hygiene products (e.g. toothpaste, shaving creams, medical soaps) and sportswear; from 40% to 20% on protective uniforms made of cotton and synthetic fibers; and from 30% down to 20% on baby strollers.

Moreover, aiming to protect national industries, slight discounts are made within the new tariff on fees applied on pens; namely, a fee decrease by 50% down from 60% is made on plastic-manufactured pens, and by 40% from 60% on ink-filled pens and pencils.

A unified tariff of 40% has been applied on TV screens and monitors. Fees have also been decreased on Egyptian imports from stained-glass windows and glass panels used in manufacturing process from 50% down to 20%. New 10% discounted tariff categories have been introduced for tires of tuk-tuk (3 wheels vehicles) and fireproof lockers and drawer units, and a tariff decrease is made on empty cabins used in electrical appliances and communication devices, to reach 5%.

In addition, a new totally exempted tariff category has been introduced for silkworm eggs, and for LED bulbs and their components of light emitting diodes, while a fee of 5% is made on their plastic and glass components. Fee increases are made on plastic-made shower sprayers to reach 60% up from 40%, and Zinc made ones to 40% from 30%.

New items related to safety against hazardous substances have been introduced in the new custom tariff, instead of falling under chemical items category, without making any change in their tariffs given their importance in chemical industry. The aim of the said procedure is to specify an item for each chemical substance (e.g. chlorides and halides oxides, antioxidants) so as to tighten control over their trading. New international items have also been added for medications such as vaccines, blood components, immune products, antibiotics to better control circulation of narcotic drugs.

Useful Links

- [Ministry of Finance](#)
- [Egyptian Customs Authority](#)

Import Requirements & Documentation

For an imported shipment to be accepted by the Egyptian Customs, the shipment must have the following documents:

- **Commercial Invoice:** Two copies plus the original document are required. Legalization by the Egyptian consulate in the country of origin is required in most cases.
- **Certificate of Origin:** Two copies plus the original document are required. The Certificate of Origin must be authenticated by the Egyptian Consulate in the country of origin. Natural products are considered to originate in the country where the goods are extracted. The Certificate of Origin must bear a statement that the information given is true and correct to the best of the shipper's knowledge.
- **Packing List:** A packing list may be required by the consignee and is recommended in most cases.
- **Bill of Lading:** A bill of lading must show the name of the shipper, the address, and the number of bills of lading issued. There are no regulations specifying the form or number of

bills of lading required for shipment. The number of bills of lading required depends upon the carrier.

- **Pro Forma Invoice:** This is an invoice required by the importer for submission along with the import license. It must show the country where the goods were manufactured.
- **Letter of Credit:** The Central Bank of Egypt advises all banks operating in Egypt that L/Cs must be covered 100 percent in cash by the importer, except for some food items. This replaces the previous procedure whereby banks and their clients reached their own agreements and usually covered 10-20 percent of an L/C's value. In general, the exporter may not ship the goods before the Egyptian bank has provided notification of the opening of a L/C. If the goods are shipped before the L/C is opened, the importer runs the risk of being fined up to a maximum value of the goods. If the importer does not bear the cost, then the exporter will have lost the value of such a shipment, and in the case of products with a limited shelf-life, the delay at Customs can mean that even if the exporter (e.g., a U.S. company) wanted to take back the shipment, it's no longer of any use. According to new regulations, the U.S. exporter must submit the invoice as well as export documentation to his bank and the U.S. bank should inform the Egyptian bank about a request to open the L/C. Import transactions are based on document collections.
- **Content Analysis of the Commodity:** Required for those products that may be subject to standards testing.
- Inspection and quality control certificates from other authorities as required.

All certificates issued concerning the shipment of product, and the product description, must be countersigned by the Chamber of Commerce and notarized by the Egyptian Embassy or Consulate in the country of origin.

Useful Links:

[Export/ Imports laws and regulation](#)

Labeling and Marking Requirements

Finished goods imported for distribution and sale in Egypt must be labeled in Arabic with the country of origin, the manufacturer's name and the product description. Specific additional requirements apply to foods, drugs and textiles. Labels/stickers on imported cargo should contain all required information about the cargo. Importers are no longer permitted to fix printed labels to products after import.

Imported food has number of labeling and packaging requirements:

- Poultry and meat products must be shipped directly from the country of origin to Egypt and sealed in packaging with details in Arabic both inside and outside the package.
- Appropriate packaging must be provided for food products. These should be clean and odorless to preserve the product and prevent damage.
- Production and expiration dates must be clearly displayed on the product's packaging in Arabic.

The label must include:

- Name and address of manufacturer
- Brand or trademark (if applicable)

- Country of origin
- Type of product
- Name and address of importer
- Production and expiration dates
- Product use instructions (optional)
- Ingredients
- Storage instructions or storage temperature
- Net weight
- Gross weight and total number of packages per case or carton
- If preservatives are being used- percentages of each preservative must be indicated
- If meat or poultry, the statement that the meat "is slaughtered according to Islamic ritual" or "Halal" must be included

Article 74 of Egypt's import and export regulations stipulates that the package should be fit for preserving the product, and the product should occupy the space of the container in full. If a container is wooden, the container itself should be accompanied by an official certificate that states it is free from wood-harmful pests and insects.

For Tools and Machines, data that appear on equipment, tools and machinery should be identical to those appearing on the package. The country of origin should be indicated on each item and be non-erasable. They should be accompanied with an Arabic-language catalogue indicating the following:

- An illustrative design of the parts
- Mode of assembly and operation
- Maintenance procedure
- Electrical circuits for electrical equipment
- Safety measures

Products prone to rust and corrosion should be painted with a special protective paint. Check that the labeling on the goods conforms to the current Egyptian labeling regulations for the product in question. Be aware that packaging and import description discrepancies can lead to payment default.

Multiple product samples

Sampling and inspection duties are mainly carried out by [GOEIC](#); however, some products may be subject to inspection by other relevant institutions. GOEIC has been authorized to assume inspection and certification functions without referral to any higher authority, but for the food industry, for example, there are several entities that have the right to take samples from any imported shipment:

- Radiation Department of the Ministry of Energy and Electricity
- Ministry of Health and Population
- [The National Food Safety Agency \(NFSA\)](#) – established in 2017 and responsible for food safety and consumer protection
- Ministry of Agriculture (Veterinary Office)
- Ministry of Trade, Industry, and Investment (Export and Import Control)

Each agency draws its own sample and tests it independently

[The Ministerial Decree No. 477/2018](#) obligate the producers and importers to abide by the Egyptian Standard ES 7322 which specifies the basic specifications for the health and safety of products made of all kinds of raw materials, whether natural leather, industrial alternatives, synthetic leather, polymers, fabric, or a mixture of them.

Shelf-life standards and product specifications

In 1994, the government issued a decree that all food products should have at least 50 percent of the established shelf life remaining at the time of importation into Egypt. Moreover, Egypt applies shelf life standards to certain non-food imports such as syringes and catheters. Milk and dairy products, meat and meat products, fish and fish products, and poultry and poultry products have a shelf life determined by [the Egyptian Organization for Standards \(EOS\)](#). Exporters to Egypt must be aware that import and customs procedures take a period of no less than two weeks; hence, expiration dates must be at least twice that length of time.

[The Ministerial Decree No. 100/2019](#) obligate the producers and abide by the [Egyptian Standard ES 2613-2](#) which partially modified the shelf life for dairy and its products, which are refrigerated at a temperature not exceeding 5°C (especially Labneh), from 4 months to 6 months.

U.S. Export Controls

Egypt is not subject to special sanctions (such as those imposed on Sudan and Iran). Nevertheless, there are five aspects of U.S. export control regulations that should be considered in doing business with Egypt.

U.S. companies may not aid or abet the Arab League boycott of Israel. If there appears to be any request that might be in support of boycotts, companies should contact the [Bureau of Industry and Security \(BIS\)](#) in the U.S. Department of Commerce.

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of “red flags”, or warning signs, and compiled “Know Your Customer” guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of “dual-use” U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State’s Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements

Temporary Entry

In general, Egyptian customs allows for commercial samples and temporary imports for display purposes at officially recognized exhibitions or for sales promotion activities to enter the country duty-free, except for goods that are cited on the list of prohibited imports. These goods are:

- Goods bearing marks considered sensitive to religious beliefs.
- Chicken offal and limbs. Fowl livers.
- Two-stroke motor bicycles not equipped with oil injection pumps.
- All kinds of asbestos. Brake pads made of asbestos.
- Tuna containing genetically treated oils
- Some kind of Pesticides and chemicals

For more information on prohibited imports see [Goods suspended from importation](#) (Annex 1)

Certain conditions do apply, however:

- Medical samples must comply with the rules for the importation of pharmaceuticals. Foodstuffs must comply with the relevant health regulations.
- In certain cases, goods imported on a temporary basis may be disposed of or sold in Egypt upon payment of the appropriate customs duty plus an extra tax of 10 percent per month after clearing customs.

- On re-exportation of goods imported under temporary import regulations, companies should ensure that correct documentation and return of the letter of guarantee is obtained from Egyptian customs to avoid claims against the company later.
- Printed advertising materials, such as catalogs, posters, or films, may also be imported duty-free in small quantities.

Drawback System

Exporters may also take advantage of the drawback system. This procedure is different from the temporary admission system in that full customs duties are paid on the imported materials and the manufacturer does not fill out a special form with customs. However, there is a one-year time requirement to re-export these imports as part of a final product in order to have the right to reclaim the full amount of the duties paid as well as other taxes, such as the sales tax. There are bureaucratic challenges associated with both the drawback and the temporary entry systems. Exporters have experienced long waiting times for receipt of their tax rebates.

Prohibited & Restricted Imports

Vehicles

Egypt restricts the import of used passenger vehicles. Passenger vehicles may only be imported up to one year after the date of manufacture. Egyptian regulations allow foreign investors to import one vehicle duty-free for their private use in the year of manufacture, provided that approval is obtained from the Chairman of the General Authority for Investments and Free Zones (GAFI). In May 2014, the Egyptian Ministry of Trade and Industry issued a decree banning the importation of motorcycles and three-wheel vehicles, except for tricycles and chassis for trade. The decree bans the importation of CBUs (Completely Built Units) yet allows the importation of SKD (Semi Knocked Down) motorcycle chassis and engines. This ban remains in place today.

Electric & Hybrid vehicles. According to presidential Decree 419 of 2018, fee exemptions are applied only to electrically operated vehicles; whereas discounts in tariff category for natural gas operated vehicles have increased to 35% up from 25%. Furthermore, although imports of used vehicles are not allowed according to general rules, an exception has been made to promote the use of environment-friendly cars in Egypt.

Starting Jan 2019, Egypt's customs authorities began applying the last tranche of tariff reductions on cars from the European Union and Turkey, in accordance with the Egyptian-European Partnership Agreement to reach customs zero value. Cars will be subject to other types of duties, namely VAT of 14 percent, 0.5 percent industrial and commercial profit tax, 3 percent resources development fee, and 1 percent table tax for a total of 18.5 percent.

Beef and Beef Products

In June 2014, Egypt made two notifications to the WTO TBT and SPS Committees- G/TBT/N/EGY/48 and G/TBT/N/EGY/63; and G/SPS/N/EGY/56 and G/SPS/N/EGY/57, respectively - which amended Egypt's meat and meat varieties standards by establishing a zero-tolerance level for synthetic animal growth promotants (synthetic hormones, including ractopamine) in foodstuffs of animal origin. The new regulations are not science-based and not based on risk assessment as there is no scientific evidence that, in conformity with Codex maximum residue levels (MRL), residues of synthetic hormones in beef present a health risk for consumers. Despite these measures, U.S. exports of beef and beef products in 2019 continued to grow and reached \$76 million, up 15 percent from 2018's exports of \$66 million. U.S. dairy product exports also increased to \$45 million, up 47.5 percent from 2018's exports of \$30.5 million.

On January 5, 2020, the Government of Egypt issued Prime Ministerial Decree No. 35/2020, establishing a new state entity in the form of a joint-stock company integrated by the Ministries of Islamic Affairs, Agriculture and Land Reclamation, and the General Organization for Export and Import Control (an agency of the Ministry of Trade and Industry). This joint-stock company ISEG HALAL, is the sole official Egyptian entity responsible for granting halal certification.

On April 11, 2020, Egypt's Ministry of Trade and Industry (MTI) issued Decree No. 209/2020. The decree extends the shelf-life validity period for imported frozen fish from six- to nine-months and of frozen beef liver from seven- to 10-months. The decree was published in Egypt's official gazette (Al-Wakaye Al-Mesreya) on April 11, 2020. It entered into effect on the same day of its publication and is valid until December 31, 2020.

Poultry Parts

In 2005, Egypt banned the import of whole frozen poultry, parts, and offal. In 2006, the ban was eased by restricting imports to whole frozen poultry but continues to ban poultry parts and offal. U.S. industry is most competitive in the production of poultry parts as opposed to whole birds. Despite the ban, Egypt's General Organization for Veterinary Services (GOVS) has inspected and approved 22 U.S. poultry plants for export to Egypt. Inspection teams from GOVS have certified that U.S. slaughtering processes and food-safety measures are in accordance with halal practices. Opposition from domestic poultry producers blocks the import of more affordable, high quality U.S. poultry parts. As a result of the high cost of beef and beef products, lower- and middle-income Egyptians turn to poultry as an alternative protein source.

Seed Potatoes

At present, Egypt imports seed potatoes exclusively from the EU, primarily the Netherlands and the United Kingdom. For several years, Egyptian and U.S. quarantine officials have worked on a bilateral market access package: concurrent market access for Egyptian oranges and tangerines to the United States and U.S. seed potatoes to Egypt. The U.S. has finalized its risk assessment for Egyptian citrus, and in February 2015 Egypt approved certified seed potato imports from the state of California, leaving 15 other U.S. states yet to be approved. Thus far, the Egyptian Ministry of Agriculture has declined to issue import permits for U.S. seed potatoes from any states. Technical discussions between USDA and the Ministry of Agriculture are ongoing.

Soybean Meal - White Mold

Egypt maintains a zero-tolerance level for the presence of white mold; fungus responsible for producing sclerotinia stem rot in soybean plantations. Detection on soybean meal, a high-value intermediate product is a recurring problem; detection results in the shipment's rejection at port and requires costly reshipment out of the country. White mold is commonly found in many countries including Egypt, but authorities consider it as a quarantine pest though there is no scientific evidence supporting this policy. A risk-based decision is needed to overcome this trade barrier. Imported soybeans (whole beans) that evidence the presence of white mold can nevertheless enter the country once the shipment is sieved, removing the presence of the white mold. Soybeans are deemed a strategic commodity and are exempted from the white mold zero-tolerance level.

Medical Equipment and Supplies

The Ministry of Health and Population (MoHP) prohibits the importation of used and refurbished medical equipment and supplies to Egypt. The ban does not differentiate between the most complex computer-based imaging equipment and the most basic of supplies. At present, even new medical equipment must be tested in the country of origin and proven safe before it will be approved for importation into Egypt. The importer must submit a form requesting the MoHP's approval to import medical equipment. The importer will also provide a certificate issued by official health authorities in

the country of origin, indicating that the medical equipment, subject to importation, is safely used there.

The importer must also present an original certificate from the manufacturer indicating the production year of the equipment, and that the equipment is new. In addition, the importer must present a certificate of approval from the FDA or the European Bureau of Standards or similar institutions in other jurisdictions. The importer must prove it has a service center to provide after sales support for the imported medical equipment, including spare parts and technical maintenance. The MoHP's technical committee examines and reviews the technical specifications of the equipment before granting approval for import. These regulations also apply to donated medical equipment.

Pharmaceuticals and Nutritional Supplements

In January 2017, the Egyptian parliament established the National Food Safety Authority (NFSA). Effective January 2018, the NFSA assumed the responsibilities for food safety currently held by as many as 40 government entities answering to multiple ministries. The NFSA is now the one that reviews the registration of nutritional supplements. This is a step forward in opening the market for imported nutritional supplements as finished goods.

NFSA manages the importation of multivitamins and dietary supplements; this could lead to approved import of some multivitamin formulations into Egypt. These items may be marketed in Egypt only through local manufacture under license, or by sending ingredients and premixes to a local pharmaceutical firm to be prepared and packed in accordance with Ministry of Health specifications.

Customs Regulations

Current importing regulations require that every component of a product be inspected, regardless of the compliance history of the product, country of origin, exporter, shipper or importer. No import can be sold in Egypt without first proving that it conforms to Egyptian standards if it is on the mandatory list of products requiring inspection. If there are no Egyptian standards that suit the imported product, then it must conform to the standards of one of the international organizations that Egypt is affiliated with e.g. ISO, IEC and Codex Alimentarius.

In 2008, USAID assisted the Egyptian Customs in establishing a risk management system where commodities would be channeled into green (no inspection) or red (inspection) channels. Since January 2011, fewer commodities are being channeled through the green channel due to security concerns.

When a shipment arrives in Egypt, the Customs and Security Office conducts a security check for illegal products, and the importer presents Customs with the documentation required to clear the shipment. As described elsewhere in this report, certain categories of goods may not be imported into Egypt. Specific regulations apply to additional categories of goods, which may require registration of foreign factories and the products that they produce. After reviewing these documents, Customs either clears the shipments for release to the importer directly or directs the consignment to other government entities for testing and inspection, coordinated by the General Organization for Export and Import Controls (GOEIC). In certain cases, the Egyptian military or security services may require additional laboratory tests of commodities beyond any testing previously required or performed in compliance with other laws and regulations. Custom duties are then assigned and paid in Egyptian pounds.

Please see Standards Organizations and Conformity Assessment section, for further inspection and standards issues affecting imported goods.

Standards for Trade

Overview

The official application of standards in Egypt began in 1957 when Presidential Decree 29 of 1957 established the Egyptian Organization for Standardization (EOS). In 2005, the name was changed to the Egyptian Organization for Standards and Quality. Egypt has 8,500 standards, of which 5,000 are Egyptian technical regulations or mandatory standards. EOS reports that it harmonized mandatory standards with international standards, and that about 80 percent of its mandatory standards are based on standards issued by international institutions such as the Geneva-based International Organization for Standardization. In the absence of a mandatory Egyptian standard, Ministerial Decree 180 of 1996 allows importers to choose a relevant standard from seven international systems including ISO, European, American, Japanese, British, German, and for food, Codex standards.

Most of these specifications are optional except for those related to general health, public security and consumer protection. A ministerial decision issued by the Ministry of Trade, Industry and Investment is needed to require compliance to these specifications. Obligatory standards constitute around 15 percent of the total number of Egyptian specifications.

There are three main official Egyptian governmental organizations involved in developing and enforcing the standards used in Egypt:

- Egyptian Organization for Standards and Quality Control (**EOS**)
- The EOS is affiliated with the Ministry of Trade and Industry, and issues standards and technical regulations through a consultative process with other ministries and the private sector. Verification of compliance with standards and technical regulations is the responsibility of agencies including the Ministry of Health, the Ministry of Agriculture and, for imported goods, the General Organization for Import Export Control (GOEIC) in the Ministry of Trade and Industry.

General Organization of Export and Import Control (GOEIC)

GOEIC is part of the Ministry of Trade and Industry. A 1999 Presidential Decree designated GOEIC as the coordinator for all import inspections. GOEIC currently has 26 offices and laboratories located at all the major sea and airports for import inspection, as well as 11 others located throughout the country for export inspection. GOEIC is responsible for testing imported and exported products to ensure they meet EOS standards. Moreover, GOEIC may also indirectly generate standards through the use of an ad hoc technical committee. This committee provides recommendations for either creating or modifying a standard. These recommendations are then passed on to the Ministry of Trade and Industry to be authorized and formalized.

The National Institute for Standards (NIS)

NIS is part of the Ministry of Higher Education and Scientific Research. NIS is Egypt's primary standards laboratory. NIS is mostly concerned with measurements, testing, calibration, accreditation and consultation, and it also provides laboratory accreditation services.

The U.S. National Institute of Standards and Technology (NIST): Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S., managed by NIST, is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at: [Notify U.S.](#)

Conformity Assessment

Current import regulations require that every component of a product be inspected, regardless of the compliance history of the product, country of origin, exporter, shipper or importer. Imported products cannot be put up for direct sale on the Egyptian market without first conforming to Egyptian specifications or the standards of one of the international organizations that Egypt is affiliated with, e.g. ISO, IEC and Codex Alimentarius, if no Egyptian standard exists. When a new product enters the country that has not previously been imported, customs officials will often insist that there must be a written description or standard to qualify a product for import.

Hence, even if there is no such standard for the new product, the customs inspectors will try to fit the product into a previously existing standards category, a process commonly called “standard creation at port.” The EOS often tries to apply the same standards to products that seem to be “historically” common in nature. Inspection and testing of imported goods will differ according to the nature of the consignment. Agricultural products, for example, are sent to special agricultural authorities in the Ministry of Agriculture for detailed chemical inspection. Industrial and manufactured commodities may be directed for control at the Ministry of Trade and Industry. Some medical products, for example, will be directed to the Ministry of Health, EOS and other accredited laboratories.

Inspection of all imported chemicals or “white powder” materials is directed by the General Organization for Export and Import Control (GOEIC) to authorized laboratories. Certificates of analysis performed previously to demonstrate compliance of previous shipments will not be considered.

Importers should abide by the following conditions and documents:

- Issue a General Power of Attorney to the Customs clearance representative
- Provide GOEIC with an original Safety Data Sheet
- Provide GOEIC with a ratification letter stamped by the bank, confirming the non-disposition of the consignment until a final analysis report is issued (which permits the shipment to be released under reservation)
- If the consignment is LCL/FCL and mixed with other type of cargo, then the entire shipment may not be released under reservation.

It has been mandatory since the establishment of GOEIC that a sample be sent for laboratory analysis, usually for the sole purpose of classifying the product according to HS codes. This process is a vital procedure in cases where Customs is unsure about product classification and tariffs due. Therefore, a number of different entities have the right to take samples of the imported shipment for further inspection and testing.

A large number of items are repeatedly imported into Egypt. Previous rules specified that shipments must be tested to verify conformity to standards requirements, irrespective of whether the preceding shipments were accepted or rejected, meaning inspection and testing is repeated each time.

Accreditation

Presidential Decree 312 of 1996 established the Egyptian Accreditation Council (EGAC), a governmental organization, as the sole national body for the assessment and accreditation of conformity assessment bodies that perform testing/calibration (laboratories), and inspection and certification of products and systems as well as personnel. EGAC is headed by the Minister of Trade

and Industry and governed by a board of 14 members, representing all stakeholders and concerned bodies.

Publication of technical regulations

The Egyptian Accreditation Council (EGAC) plans to publish a directory for all the companies that have been accredited for ISO 9000 or ISO 14000 certificates.

The EOS library is the only library in Egypt specializing in the field of standard specifications and its related publications.

Contact Information

Egyptian Organization for Standardization and Quality - EOS
Address: 16 Tadrib El Moalemeen St., Amirya, Cairo
Tel: +2-02) 2284-5528, +2-02-22845529, Fax: +2-02-22845504

General Authority of Export and Import Control (GOEIC)
Address: Airport Building, Heliopolis, Cairo
Hot Line: + 2-00-8006667666
Hot Line: 19591
Tel: +2-02-2266-9620/02, Fax: +2-02-2268-1731/02, +2-02-2266-6847/9342

National Institute of Standards (NIS)
Tersa St., El-Haram, Giza
PO Box 136 Giza 12211
Tel: +2-02-3740-1113, +2-02-3388-9760, +2-010-0604-4616, Fax: +2-02-3386-7451

U.S. Embassy Cairo
U.S. Commercial Service
Tel: +2-02-2797-2038, Fax: +2-02-2795-8368
Email: office.cairo@trade.gov

Trade Agreements

Egypt is a signatory to several multilateral trade agreements:

- The African Continental Free Trade Area (AfCFTA)
- The General Agreement on Tariffs and Trade (GATT)
- The General Agreement on Trade in Services (GATS)
- European Union-Egypt Free Trade Agreement (Association Agreement)
- Free Trade Agreement with EFTA States
- Turkey-Egypt Free Trade Agreement
- Greater Arab Free Trade Area Agreement
- Agadir Free Trade Agreement among Egypt, Morocco, Tunisia and Jordan
- Egyptian-European Mediterranean Partnership Agreement

- The Common Market for Eastern and Southern Africa (COMESA)
- Pan Arab Free Trade Area (PAFTA)
- Egypt-MERCOSUR Free Trade Agreement

Moreover, Egypt has signed several bilateral agreements with Arab Countries: Jordan (December 1999), Lebanon (March 1999), Libya (January 1991), Morocco (April 1999), Syria (December 1991), and Tunisia (March 1999). Additionally, in 1995, Egypt and China entered into a trade accord. Egypt has also signed an economic treaty with Russia. In June 2001, Egypt signed an Association Agreement with the European Union (EU) which entered into force on June 1, 2004. The agreement provided for immediate duty-free access of Egyptian products into EU markets, while duty free access for EU products was phased in over a twelve-year period. In 2010, Egypt and the EU completed an agricultural annex to their FTA, liberalizing trade in over 90 percent of agricultural goods.

Web Resources

[Commercial Service in Egypt](#)

[American Chamber of Commerce in Egypt](#)

[U.S. Embassy Cairo](#)

[U.S. Department of Commerce, Bureau of Industry and Security](#)

[U.S. Department of Commerce's Denied Persons List](#)

[U.S. Department of Treasury's Specially Designated National List](#)

[Egyptian Organization for Standards and Quality Control \(EOS\)](#)

[Ministry of Trade and Industry](#)

[Egyptian Accreditation Council](#)

[Egypt's National Institute of Standards](#)

[Central Bank of Egypt](#)

[Egypt's Maritime Transport Sector](#)

[General Authority for Investment and Free Zone](#)

Licensing Requirements for Professional Services

Joint Ventures/Licensing

The details of joint venture or licensing agreements between Egyptians and their foreign partners are a matter of mutual agreement, defined by their contract, not by special law. Invested capital may be repatriated without prior approval of the government's investment authority, the General Authority for Investment and Free Zones (GAFI). Egypt can, and has in the past, restricted foreign investors' ability to convert local currency into U.S. dollars or Euros, effectively blocking the repatriation of capital. Foreign equity in joint ventures can be as low as a few percentage points, depending upon mutual agreement. Egyptian Law No. 8, the Investment Incentives and Guarantees Law, allows foreign investors to own any amount, up to 100%, in projects in most sectors.

Approval is not required for licensing agreements involving trademarks and technical know-how other than "process secrets." A stiff withholding tax is levied on royalty payments unless a double taxation treaty exists. There is a U.S.-Egyptian treaty for the avoidance of double taxation, which limits the tax on royalty payments to 15% of the gross amount of such royalty. Numerous government and private companies have licensing agreements with foreign firms under which royalties and other fees are freely transferred abroad pursuant to individual corporate agreements. Examples of licensed production in Egypt include name-brand clothing, personal care products, kitchen utensils, laser alignment equipment and military vehicles.

Selling US Products and Services

Distribution & Sales Channels

Foreign firms can sell directly within Egypt if they are registered to make direct sales. Many do so as part of a manufacturing or assembly operation in Egypt. A few foreign firms use economic free zones or bonded warehouses to store goods and hire their own employees to sell door-to-door consumer goods. Most foreign firms, however, rely on Egyptian companies for wholesale and retail distribution. They ensure their effectiveness through staff training programs in Egypt and abroad. Foreign companies also train and support Egyptian staff via short-term programs, including through periodic visits by marketing specialists and technical support staff from company headquarters.

Many retailers of consumer goods tend to import their own supplies directly rather than pay high markups to wholesalers. A corollary is that many Egyptians prefer getting quotes directly from the overseas supplier rather than from the local agent on the theory that the price will be better. This habit suggests that U.S. principals be sensitive to the role and presumed cost of their Egyptian agents. One way to strengthen that role is to refer customer inquiries back to the Egyptian agent or to a regional representative outside Egypt.

The following stipulations relate to agents and importers:

- In the structure of sole proprietorship, the agent/importer must have Egyptian nationality. Fifty-one percent of the shares or quotas in partnerships, limited liability companies and joint stock companies should be owned by Egyptians. Additionally, import managers must be Egyptian.
- The agent must not be a civil servant or an employee of a public sector company (i.e., not moonlighting), nor a member of the House of Representatives;
- The agent must not be a "first grade relative" (i.e. a member of the immediate family, or uncle, aunt, niece, or nephew) of a civil servant of the rank of Director General or higher, or of a member of the House of Representatives with direct responsibility to the trade sector. However, this prohibition against agents with family members in government is rarely enforced.
- Public sector firms can be agents, as can private firms and individuals.
- Distributor-type companies with partial foreign ownership can market goods, including imported goods, in the following circumstances.
- General Partnership Companies or Limited Partnership Companies: In these types of companies, there may be a foreign partner, provided that the Egyptian partner(s) have at least 51% of the capital and the General Manager or head of the company is an Egyptian national.
- Limited Liability Company: A foreign partner in this type of distributorship company faces no limit on the percentage of ownership, provided that at least one manager of the company is an Egyptian national (there can be one or more managers depending upon the articles of incorporation), there are at least two shareholders or partners, and the capital of the company is not less than LE 2,000,000 (approximately USD 116,279).
- Joint Stock Company: Provided that at least 51 percent of the shares are offered to Egyptians upon formation, foreign shareholders ultimately can own up to 100 percent of the company, provided that a majority of the Board of Directors is Egyptian, the capital of the company is not less than LE 5,000,000 (approximately USD 314,000) and there are at least three

shareholders. A distributorship company of this type may not import or act as a commercial agent unless it is 51 percent Egyptian owned and managed.

Foreign firms that form a distributorship as mentioned above often permit the Egyptian partners to form a separate company to act as "importer" or agent. The latter delivers the goods to the distributorship company for marketing within Egypt.

eCommerce

Egypt's Electronic Signature Law 15 of 2004 established the Information Technology Industry Development Agency (ITIDA) to act as the e-signature regulatory authority and to further develop the information technology sector in Egypt. An e-government initiative has been implemented to increase government efficiency, reduce service-provision time, establish new service-delivery models, reduce government expenses and encourage e-procurement. In 2009, the government implemented the e-signature service, allowing public and private companies to offer e-signature authentication.

In 2018, the Egyptian Government, along with the United Nations, updated the e-commerce strategy. The strategy focuses on leveraging Egypt's key strengths and reducing the challenges. Those challenges include the telecommunication infrastructure, and services, logistics and trade facilitation, legal and regulatory environment, e-payments and e-procurement, e-commerce platforms, taxation, skills development, and awareness raising.

Moreover, as part of Egypt's Vision 2030 "Sustainable Development Strategy (SDS), the Ministry of Communication and Information Technology has launched an ICT strategy. This strategy supports the development of the sector and its contributions to economic growth through initiatives that encourage, among other things, e-commerce and e-government, electronics design and digital manufacturing and talent and human resources development.

The Egyptian market has the largest population of internet users in the MENA region. Egypt's Internet penetration is expected to reach 53.5 million in 2019, of which 8% make regular online transactions. Most online transactions are in the categories of electronics, entertainment, airline tickets and fashion. E-commerce faces numerous challenges in the Egyptian market: there is a low number of credit/debit card holders - around 10 million - hence 80 percent of e-commerce in Egypt relies on cash on delivery. However, the rate of credit card issuance is growing annually by around 40 percent, which indicates that cash dependency may decrease.

In 2020, as a new pandemic has hit the world and enforced social distancing, most businesses started operating remotely. This has expedited the move of strengthening the digital transformation and made the Egyptian government work on more measures to ensure a smooth yet effective more as well as drive Egypt into becoming a leading regional center for telecommunications and IT industry. In Upper Egypt, 8 technology parks will be completed and operational in 2020 to help the small SMEs and entrepreneurs work on finding solutions for the digitalization to be effective. It will also include training institutions, integrated systems, and startups incubators, hardware design labs, training halls for Artificial Intelligence (AI), data science, and cybersecurity. Moreover, a Knowledge City is currently under development in the New Administrative Capital and first phase should be completed by the end of 2020. This city will serve as a hub for research and innovation centers specialized in advanced technologies, such as AI, Internet of Things (IoT), and embedded systems. It will also include all the ICT industry elements including international and local ICT companies, training centers, technology incubators and business accelerators.

The Ministry of Communication and Information Technology is currently working as well on providing 36 electronic services for private businesses starting July 2020 including changing the company activities, adding board members or other modifications needed. Moreover, e-signatures will be approved to facilitate and expedite several investment transactions as well as filing lawsuits.

Selling Factors & Techniques

Egyptians with whom an American will deal in business are often bilingual (English-Arabic), well-traveled individuals who pride themselves on making good deals at decent prices. Mid-level government officials with whom a foreigner may deal may be less well traveled but are no less sophisticated negotiators.

Negotiations for a sale, whether with a government agency or a private individual, will be bound by certain Egyptian cultural traditions. One is that there is no final best price that cannot be reduced further by negotiating. A corollary is that only a neophyte would offer one's best price, or anything close to it, early in negotiations. Government employees are judged on their ability to squeeze the final penny from the lowest bidder. This happens repeatedly, at every level of decision-making because it gives Egyptian officials the appearance of trying to get the best deal for Egypt.

When considering the Egyptian market, it is advisable to take a long-term approach to the market rather than seeking immediate returns. It is highly recommended that U.S. companies enter the Egyptian market via a well-placed agent or distributor, particularly for selling to government agencies. Established agents and distributors offer in-depth knowledge of local laws and regulations and they can offer key introductions in a society that is relationship-based. Agents can coordinate transactions with an Egyptian buyer, including after-sales service, and assist in finalizing transactions to their client's satisfaction. Additionally, agents and distributors play a public relations role, promoting a U.S. company's brand, products or services to a wide network of contacts within Egypt.

Trade Financing

Methods of Payment

U.S. exporters typically request Letters of Credit (LOCs) from Egyptian buyers, arranged by the buyer through Egyptian banks and confirmed irrevocably by an American bank, though recent reports indicate that U.S. firms prefer payment in advance over LOCs. Wire transferring through SWIFT is another option. Tighter credit terms offered by the EU, Japan and China have required importers to seek full LOCs or cash-in-advance payments for imports. According to new regulations, the U.S. exporter must submit the invoice as well as export documentation to his/her bank and the U.S. bank should inform its Egyptian correspondent bank about a request to open an LOC. Import transactions are based on document collections between banks. Documents incoming directly to clients, will not be accepted. For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

Banking Systems

According to the Central Bank of Egypt (CBE), the Egyptian banking system consists of 40 banks categorized as commercial, non-commercial public and private sector. ATM services are offered at all bank branches as well as many point-of-sale locations. In practice, the vast majority of these banks operate as commercial banks, although there are a few specialized banks (i.e. agriculture and real estate). The National Bank of Egypt, Bank Misr, and Banque Du Caire are large public-sector banks which control 40 percent of the banking sector. All banks in Egypt are subject to supervision by the CBE; however, the Arab International Bank, Nasr Social Bank and the National Investment Bank are exempted due to special provisions in law and treaty.

Citibank, formerly the only full-service American bank operating in the Egyptian market, sold its consumer and retail operations to CIB bank, though it maintains its commercial and investment banking operations in Egypt.

Foreign Exchange Controls

Foreign exchange regulations fall under Law No 88/2003. According to this law, individuals and businesses can hold foreign currency in Egypt and can have local bank accounts denominated in foreign currency. Individuals can buy foreign currency and transfer it abroad. Any individual or business can engage in a foreign currency transaction but must use banks or foreign-exchange bureaus that are licensed to trade in foreign currencies. The banks and foreign exchange bureaus all submit statements of all their transactions to the CBE, which ultimately controls all foreign exchange transactions. Banks have been giving priority to imports of “essential” goods. Commercial transactions must be supported with specific documents to justify the transfer.

US Banks & Local Correspondent Banks

[Citibank](#)

4 Ahmed Pasha St., Garden City, Cairo

Tel: +2-02-2791-0673, +2-02-27913-524 Fax: +2-02-2795-8056

[Bank of Alexandria](#)

49 Kasr El Nil St., Downtown, Cairo

Tel: +2-02-2391-3822, +2-02-2399-2000, +2-02-2393-4999 Fax: +2-02-2390-7793

[Bank of New York Mellon](#)

9 Abdel Moneim Riad St., Mohandeseen, Giza

Tel: +2-02-3336-5818, +2-02-3336-5822, +2-02-3336-5823 Fax: +2-02-3336-5816

[Bank Misr](#)

151 Mohamed Farid St., Downtown, Cairo

Tel: +2-02-2391-4239/0656 Fax: +2-02-2393-5381

[National Bank of Egypt](#)

1187 Corniche Al Nil, Boulak, Cairo

Tel: +2-02-2594-5000, +2-02-2594-5668, +2-02-2594-5600 Fax: +2-02-2574-7614

[Arab National Bank](#)

35 Abdel Khalek Tharwat St., Downtown, Cairo

Tel: +2-02-2397-0202, +2-02-2392-6749, +2-02-2391-6120/7133/2140

Fax: +2-02-2391-5922, +2-02-2395-5102

[Attijariwafa Bank Egypt](#)

12 Al Sheikh Youssef Sq., Garden City, Cairo

Tel: +2-02-16222, +2-02-2366-2620/2700/2600 Fax: +2-02-2366-2814/2810/2811

[Commercial International Bank CIB](#)

Nile Tower Bldg., 4th Fl., 21/23 Charles DeGaulle St., Giza

Tel: +2-02-3747-2000, +2-02-3570-2690, +2-02-3570-3043 Fax: +2-02-3568-3844

[HSBC](#)

306 Corniche El Nil St. Maadi, Cairo

Tel: +2-02-2529-8000, +2-02-2529-8751, +2-02-3535-9100 Fax: +2-02-2525-8080

[Ahli United Bank](#)

1191 Corniche El Nil, Floor 9, Cairo

Tel: +2-02-2614-9500/9600/9700, +2-02-2580-1200/1201/1205

Fax: +2-02-2613-5160, Fax: +2-02-2619-0574

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to the following article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#), or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov

U.S. IP Attaché for Egypt:
Mr. Peter Mehravari Intellectual Property Attaché
U.S. Embassy in Kuwait
Tel: +965-2259-1247
Email: Peter.Mehravari@trade.gov

Selling to the Public Sector

It is the experience of this office that, notwithstanding the letter of the law as described in the following paragraphs, the Ministry of Defense, the Ministry of Interior, the Egyptian Intelligence Service and State-owned Enterprises affiliated with these government bodies are not required to comply with procurement rules that apply to Civil Ministries. Over recent years, Civil Ministries have increasingly turned to the “power” Ministries to manage procurements on their behalf. These purchases are not conducted according to the requirements of Egypt’s Tenders Law.

In selling to the Government of Egypt (GOE), companies will need to deal directly with the client agency. Egyptian government procurement is conducted using national budgetary funds, via the U.S. Foreign Military Sales (FMS) program or funds from other donors. In the case of FMS, information can be obtained on Federal Business Opportunities. For questions about upcoming procurements, contact the Office of Military Cooperation (OMC) via the U.S. Embassy in Egypt.

Other projects open to U.S. bidders may come from donor-funded bilateral projects such as the Government of Japan's United Overseas Development Assistance (ODA) and from multilateral assistance such as the World Bank, the African Development Bank, and the European Bank for Reconstruction and Development. The following information pertains to contracting directly with the GOE. It is also relevant for donor-financed projects, to the extent that Egyptian law applies to them.

Tenders Law

The Tenders and Bids Law 89 of 1998 (the “Tenders & Bid Law”) governs all the Governmental procurement of goods, services and construction from the private or public sectors subject to all the procedures and regulations therein. The following regulations must be adhered to by the Governmental entities:

Procurement must be concluded through a public tender or public negotiations;

In the following cases, the Governmental Entity may recourse to a limited tender or limited negotiations, irrespective if the contractor is located in Egypt or abroad, if:

- The nature of the contract requires specific types of suppliers, contractors, consultants, technicians or other experts;
- The items manufactured are only available from certain contractors or production locations;
or
- National security dictates confidentiality.

Local tenders may be used where all contracts up to a value of EGP 200,000 are confined to local suppliers or contractors; or direct contracting (in extraordinary cases).

There is no standard Government contract with each Ministry or Government Agency using its own form of contract pursuant to the provisions of the Law. Public tenders and negotiations must be advertised in a widely-read daily newspaper locally or abroad depending on the nature of the contract to ensure equal opportunity and free competition.

Although a government contract must be awarded on the basis of the most qualified and lowest bid, Egyptian domestic contractors shall be accorded priority if their bids do not exceed the lowest foreign bid by more than 15%.

Similarly, the Law of Preference of Egyptian Products in Governmental Contracts (Law 5 of 2015) provides that all Governmental and Administrative Entities (including Public Companies and Public Law Enterprises) must set as a standard specification in their tenders that the Egyptian component must represent no less than 40% of the project's estimated value. This condition applies to all Governmental procurements of goods, services and construction, except in the following cases:

- If the products meeting the Egyptian component condition do not meet the certified standard specifications;
- If the products meeting the Egyptian component condition are not available;
- If the price of the product meeting the Egyptian component condition exceeds the price of its competitive product by 15% or more; or
- If the public interest dictates otherwise and upon the issuance of a Ministerial Decree.

As aforementioned, the Egyptian component condition applies to governmental procurement agreements except the following:

- Agreements concluded by the Ministries of Defense, Interior, Military Production and General Intelligence Agencies;
- Agreements that are confidential for national security considerations (a Ministerial Decree is required); and
- Agreements of Private-Public Partnerships.

Each tender must be accompanied by the payment of a bid bond of up to 2%, which shall be refunded to unsuccessful tenderers. A final deposit of up to 5% must be paid by the winning bid within 10 days of their tender being accepted and will be released after execution of the contract and the lapse of the guarantee period. If the final deposit is not paid, the governmental entity shall be entitled to cancel the contract or use the next bidder whilst recovering any losses directly incurred.

A maximum fine of up to 10% of the value of construction contracts and up to 3% of the value of supply or consultant contracts may be levied on contractors for late performance or late delivery.

The Public Tender Law permits Government entities to terminate contracts where the bidder has acted fraudulently, declared bankruptcy or induced Government officials to act contrary to the provisions of the Public Tender Law.

Tenders may be rejected upon receipt due to:

- Non-compliance with the technical specifications;
- If only one tender was submitted; or
- If the lowest tendered price exceeds the estimated value of the contract.

A contract may be terminated by the Government entity at any time if the contracting party defaults (e.g. material breach) any losses incurred may be recovered.

In cases of late or non-performance the concept of force majeure is recognized in accordance with principles of the Egyptian Civil Code under which certain types of hindrances must be clearly stated

in the contract if they are to be considered force majeure, e.g. the unavailability of materials, strikes and shipping delays.

The Tenders Law No. 89/1998 governs GOE procurement by all civilian and military agencies ("ministries, departments, local government units and public and general organizations") unless they are specifically exempted from this law. A few key principles include:

- No negotiation of bids after bid opening or "momarsa" ("auction" in Arabic), referring to a common Egyptian business practice for determining a fair price for goods and services – sometimes called a Dutch auction, in which the price of an item is lowered until it gets the opening and winning bid. A tender may not be transferred into a momarsa;
- No cancellation of a purchase order won through a competitive bid without reason. Moreover, rejected bids and awarded bids will contain the reasons on which the decision was based;
- Bid bonds will be refunded immediately upon expiration of tender;
- Publication of bid and open competition for at least 30 days;
- Fifteen percent price preference for Egyptian bidders. The Tenders Law 89 of 1998 requires the government to consider both price and best value, however, the law contains preferences for Egyptian domestic contractors, who are accorded priority if their bids do not exceed the lowest foreign bid by more than 15 percent. There is one exception, however: Ministry of Defense (MOD) tenders are treated differently due to the Reciprocal Defense Procurement Memorandum of Understanding. This rule allows Egyptian companies to compete as U.S. companies on DOD procurements and U.S. companies to compete for MOD tenders as Egyptian companies. If a U.S. company is competing with an Egyptian company on a MOD procurement, regardless of funding source, it must be treated the same. If an Egyptian company receives a 15% price preference, then so does the U.S. company. Not all Department of Defense procurement committees are aware of this requirement. In the event of a dispute, please contact the U.S. Embassy's Office of Military Cooperation to inform it of MOD non-compliance with this provision of the Memorandum of Understanding;
- A two-phase decision-making process: in the first phase, a technical committee reviews submission. Upon acceptance of a bid, it may require further discussions and/or samples from the bidder. During the second phase, a financial committee reviews prices as well as the terms and conditions. In some cases, a bid-opening committee convenes a public session, to which all bidders are invited and bid prices are read aloud; the committee either decides or, if the value is over USD 50,000, recommends a decision to the relevant ministry;
- Bid bonds of one or two (generally two) percent are required; and a performance bond by the winning firm of (generally) ten percent. Preference is given to Egyptian public-sector companies and Egyptian cooperatives, both of which are exempt from the bonding requirements, provided they do the work themselves and do not request an advance payment;
- Fraud, bribery ("either personally or through a third party, directly or indirectly"), or bankruptcy by the contracting party annuls the contract and allows any outstanding bid or performance bond to be confiscated;
- Sole-source decisions are permitted in special instances: monopoly sources of supply; goods whose import is monopolized; specialized products or services; and goods and services needed urgently; and

- Advance payments are permitted, against a letter of guarantee. U.S. standby letters of credit (which can be insured for political risk by the U.S. Overseas Private Investment Corporation) are acceptable in Egypt.

Practical Problems related to the Tenders Law

There is no time limit for the decision-making committees to meet, make or announce their decision. If a bidder withdraws a bid prior to bid opening, the bid bond is forfeited. Bidders often are "held hostage" to a government agency that stalls the bid opening for various reasons, including running out of funds for the project. Costs of extending bid bonds are borne by the bidders. If a winning firm withdraws from a project before beginning or completing a project, its performance bond similarly will be confiscated. This has happened when a client delays the start-up because of budget shortfalls, expecting the contractor/supplier to carry the burden of maintaining the performance bond.

Government agencies often delay giving the "final acceptance" of goods or work projects. This holds up final payment and final retirement of the performance bond. There are no time limits for making payment from the date of acceptance of a bid, nor any provision for implied or automatic acceptance of a supplied good or service. The client must explicitly acknowledge "final acceptance" before the contractor can receive final payment and retire the performance bond. If award decisions are delayed beyond the validity date specified by a bidder, extra costs incurred by the delay cannot routinely be passed on. If the client adds new requirements to an ongoing contract, any extra monies requested by the supplier/contractor must be endorsed by a special "price study committee," which sometimes takes years to issue approval. In the meantime, of course, the supplier/contractor is expected to fulfill the revised contract without delay or complaint.

The Tenders Law makes no reference to dispute resolution, which therefore must be negotiated prior to contract signing. Arbitration in Egypt or abroad (the latter can include foreign law and foreign arbitral procedures) is preferred to the court system, although enforcement of arbitral awards is not assured because the losing party can appeal Egyptian or foreign arbitral decisions in Egyptian courts. If no specific dispute settlement procedure is mentioned, any future dispute with a government party will go to the government's Council of State. This is a government agency that both reviews the constitutionality of proposed laws and regulations and functions as a court for all non-criminal matters to which the government is a party. If the government party does not honor an arbitration decision, the Tenders Law does not permit the winning party to use the arbitration settlement documents to settle claims with other government entities (customs, tax, social insurance, etc.).

There is no provision allowing the supplier to delay work if payments are delayed. There is no provision to reduce the performance bond progressively according to the rate of completion of the work.

Recently, the Ministry of Defense (MOD) has been involved in many procurement decisions, especially national projects. The government views the military's efficiency, high standards, discipline, and promptness in implementing projects as justification for its involvement in procurement decisions. The MOD has awarded several infrastructure projects from the Ministries of Health, Transportation, Housing and Youth. Furthermore, the MOD has also concluded agreements with numerous foreign corporations.

For assistance with Egyptian tenders, you may engage the staff of the U.S. Commercial Service in Egypt, as well as the Advocacy Center at the U.S. Department of Commerce in Washington, DC.

Other Practical Considerations in Selling to the Government:

Egyptian commercial agents are required for foreign firms to bid on most government tenders. By contrast, commercial agents cannot be used to bid on military tenders, although use of Egyptian "consultants or representatives" may be allowed if the arrangement is properly structured.

Commercial agents are optional when bidding on tenders issued by the petroleum companies, or when selling to the private sector.

Poorly written specifications may force bidders to guess what the customer wants. U.S. firms must stay in close touch with client agencies to minimize doubts and uncertainties. Do not assume the "best" is desired, since superior features may not be understood, or the price may be too high. The law is silent about who writes tender specifications and neither encourages nor discourages hiring of consultants to do so. Foreign firms that are trusted by government officials often voluntarily propose tender specifications to prospective bidders, which give them a chance to determine the specifications. In the decision-making committee, the technical representative (typically an engineer) must concur in the award decision. Such qualified specialists have considerable influence.

An important element in conducting business in Egypt is establishing a relationship with decision-makers via frequent visits of foreign principals and their local representatives. Decision-makers must feel comfortable with a supplier and will generally not select a low-bidder who is unknown to them. However, while "sweetheart deals" are known to take place, many Egyptian sources affirm that the majority of decisions are openly competitive and straightforward. While the decision-making process may seem opaque, details of bids are readily obtainable through informal channels.

Government entities expect performance bonds to cover the full warranty period for the product or work in question, and drawdowns proportional to work completed are not usual. U.S. suppliers, by contrast, generally want performance bonds limited to safe delivery and/or set-up.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy Center](#) for Foreign Government Contracts and for additional information.

Financing of Projects

Multilateral Development Banks

Multilateral Development Banks

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development, the African Development Bank and the World Bank. These institutions lend billions of dollars to developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The U.S. Commercial Service Liaison Offices in these banks help American businesses learn how to get involved in bank-funded projects and advocate on their behalf to win bids. Learn more by contacting the [Advocacy Liaison for World Bank](#), the [Advocacy Liaison for African Development Bank](#) or [Advocacy Liaison for European Bank for Reconstruction and Development](#)

Financing Web Resources

[Export Import Bank of the United States of America](#)

[International Finance Corporation](#)

[U.S. Trade and Development Agency - USTDA](#)

[World http://www.worldbank.org/Bank](http://www.worldbank.org/Bank)

[African Development Bank](#)

[European Bank for Reconstruction and Development](#)

Business Travel

Local Time, Business Hours and Holidays

Typical work hours are Sunday through Thursday 8:00 am – 4:30 pm. The U.S. Embassy is open Sunday through Thursday and is closed on American and Egyptian holidays. During the month of Ramadan, local employees work seven hours per day (one hour less than normal either in the morning or in the afternoon).

Please note that Embassy operating hours are impacted by the COVID-19 outbreak. For information about the impact of the COVID-19 pandemic on operating hours and services please visit the U.S. Embassy in Cairo COVID-19 [information page](#).

Temporary Entry of Materials or Personal Belongings Customs Regulations: Egyptian customs authorities enforce strict regulations concerning temporary importation into or export from Egypt of items such as firearms, religious materials, antiquities, medications, business equipment, currency and ivory.

Personal use items such as jewelry, laptop computers, and electronic equipment are exempt from customs fees and are allowed into the country. Commercial merchandise and samples require an import/export license issued by the Ministry of Trade and Industry prior to travel and should be declared upon arrival. It is advisable to contact the Embassy of Egypt in Washington, D.C. or one of Egypt's consulates in the United States for specific information regarding customs requirements.

Criminal Penalties: While in a foreign country, a U.S. citizen is subject to that country's laws and regulations, which sometimes differ significantly from those in the United States and may not afford the same protections available to the individual under U.S. laws. Penalties for breaking local laws can be more severe than in the United States for similar offenses. Persons violating Egyptian laws, even unknowingly, may be expelled, arrested or imprisoned.

Penalties for possession, use, or trafficking in illegal drugs in Egypt are strict, and convicted offenders can expect jail sentences and heavy fines. The death penalty may be imposed on anyone convicted of smuggling or selling marijuana, hashish, opium, LSD, or other narcotics. Law enforcement authorities prosecute and seek fines and lengthy imprisonment in cases of possession of even small quantities of drugs.

Consular Access: U.S. citizens are encouraged to carry at least a copy of their U.S. passport with them at all times, so that, if questioned by local officials, proof of identity and U.S. citizenship is readily available. In accordance with Article 36 of the Vienna Convention on Consular Relations, to which Egypt is a party, competent authorities in the host country must notify a consular post of the arrest of one of its citizens without delay if requested to do so by the foreign citizen.

Photography Restrictions: There are restrictions on photographing military personnel and sites, bridges, and canals, including the Suez Canal. Please note, these locations are not always clearly marked. Egyptian authorities may broadly interpret these restrictions to include other potentially sensitive structures, including embassies, police stations, and other public buildings with international associations, and some religious edifices. Visitors should refrain from taking photographs that include uniformed personnel.

Children's Issues: For information on international parental child abduction or other issues affecting U.S. citizen children, please refer to the State Department [website](#) on Child Abduction or telephone the Overseas Citizens Services (OCS) call center at 1-888-407-4747. The OCS call center can answer general inquiries and will forward calls to the appropriate country officer in the Bureau of Consular Affairs. This number is available from 8:00 a.m. to 8:00 p.m. Eastern Standard Time, Monday through Friday (except U.S. federal holidays). Callers who are unable to use toll-free numbers, such as those

calling from overseas, may obtain information and assistance during these hours by calling +1-317-472-2328.

Embassy Contact Information and Egypt Country Information Updates: U.S. citizens living in or visiting Egypt are encouraged to register with the [Smart Traveler Enrollment Program \(STEP\)](#) to obtain updated information on travel and security within Egypt. The American Citizens Services (ACS) unit of the U.S. Embassy is typically open to the public from 9:00 a.m. until 12:00 noon Sunday through Thursday, except for American and Egyptian holidays. Those seeking routine services should schedule an appointment through the online appointment system or email ConsularCairoACS@state.gov with any questions. In an emergency event involving a U.S. citizen during and after business hours, please contact the American Citizen Services (ACS) unit via the main U.S. Embassy Cairo switchboard: (20-2) 2797-3300. The Consular Section mailing address is: Consular Section, 5 Tawfik Diab Street, Garden City, Cairo, Egypt. Consular information for U.S. Citizen services is available [on our website](#).

For information about the impact of the COVID-19 pandemic on U.S. Embassy operating hours and services as well as country specific information such as entry and exit requirements, please visit the [U.S. Embassy in Cairo COVID-19 information page](#).

Travel Related Web Resources

- U.S. State Department's travel warnings and travel alerts: [Travel Warnings](#)
- Embassy of the Arab Republic of Egypt in Washington, DC: [Egyptian Embassy](#)
- U.S. Citizen Services section of the U.S. Embassy in Egypt: [U.S. Embassy Egypt](#)
- [U.S. Embassy in Cairo COVID-19 information page](#)
- State Department Travel website: travel.state.gov/content/travel/en.html
- Egypt Travel: [Egyptian Tourist Authority](#)
- Smart Traveler Enrollment Program: [Smart Traveler Enrollment](#)

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.