

Speech by
H.E. Eng. Tarek Kabil
Minister of Trade and Industry

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Mr. Gerard Larcher, President of Senate

Excellencies

Distinguished Guests

Ladies and Gentleman

At the outset, allow me to express my gratitude to be participating today with you in an event, here in Paris, dedicated to Egypt, thanks to the efforts of Business France and the French Senate.

Such events provide the perfect platforms for a dialogue among the business community on trade and investment opportunities, and undoubtedly contribute to further enhancing the bilateral relations on all levels.

Let me seize this opportunity to share with you my views on the economic and commercial prospects between our two countries, in light of the economic reforms undertaken by the Government of Egypt over the last period.

Ladies and Gentlemen,

Politics and Economy are directly linked. Therefore, allow me to touch briefly on the Political dynamics before getting into the economic situation, outlook and potential business opportunities.

As we all know, Egypt has witnessed historical events over the past few years that led to a drastic change in its political, economic and social outlook.

Those changes posed many challenges ahead of us and we had to seek the most suitable solutions to overcome those challenges.

Following the completion of the political road map and achieving the country's political stability, we were confronted by a number of questions: what are the main obstacles to our economic development? What are the appropriate policies and tools to best address them? Moreover, what steps to be taken to balance the economic reform and its social implications?

These were some of the many issues we had to take into consideration when planning our economic road map.

It was not an easy task, especially in a rapid changing environment around us, be it regional or global.

Ladies and gentlemen,

Egypt's Sustainable Development Strategy (2030) is a recognizable outcome of our efforts. It aims at creating a modern, open, democratic and productive society.

We are committed to continue supporting a market, which is competitive, diversified and knowledge – based. We also encourage a private sector led economy, characterized by a stable macroeconomic environment, with an aim to generate adequate and productive well-paid job opportunities, coupled with a sustainable inclusive growth.

By this, the Egyptian economy will be an active player in the world economy, capable of adjusting to international developments.

Ladies and Gentlemen,

We recognize the importance of investment in the economic development process; accordingly, we have worked on several mega projects, among those;

- The Suez Canal Economic Zone.
- Offering 10 million square meters of industrial land for investment.
- The launch of Egypt's planned agricultural mega-project; a new and ambitious plan for the reclamation of 1.5 million feddans of desert land.
- Adding 7,000 kms to the roads network.
- Building three new cities, one of which is the new Administrative Capital.
- Efforts are ongoing to massively increase the power generation capacity through various Megaprojects already in place.
- Building new ports and airports.

Within the efforts of the government to overcome the economic growth barriers, a number of measures have been adopted to achieve our goals, among which:

- Floating of the Egyptian currency.
- Rationalizing the spending on subsidies.
- Implementing a social safety net.
- Introducing a Value Added Tax of 13%, rising to 14% in the next fiscal year.
- Establishing the Supreme Council for Investment, under the leadership of the President of Egypt.
- Working on issuing a new investment law.

Ladies and Gentlemen,

Within this framework, the Ministry of Trade and Industry has an essential role to play, thus, we have issued our new Industry and Trade Development Strategy for 2020. It focuses on five main pillars:

1. Industrial development
2. SMEs
3. Exports developments
4. Technical and vocational education and training.
5. Governance and institutional development.

Moreover, the Ministry is working on a number of legislations such as:

- A law to facilitate the procedures of issuing industrial licenses, which will lessen the period of issuing licenses to only 30 days, and address the overlap in authorities between government entities.

- Amending the law for Auctions and Tenders, which take into account the quality and competitiveness of products, and enhancing transparency and governance.
- One-person company law, which has been approved by the Cabinet and in the Parliament for approval.
- Import registry law, which will simplify to foreign importers to import their needs.
- Industrial land allocation amendment, which has been approved which put industrial lands in one bank under the Ministry of Trade and Industry, and this has been approved by the Parliament.
- Food agency law.
- Egytrade network, to facilitate trade and transfer documents electronically.
- A new automotive strategy, which has been approved by the Cabinet and currently under review at the Parliament.

- The Creation of an SMEs Authority and an Export Promotion Authority.

Ladies and Gentlemen,

We are now focusing on further utilizing existing potentials within our preferential Trade Agreements mainly, COMESA and GAFTA.

Through our competitive advantage and strategic location, French companies should consider Egypt as a gateway to penetrate into the African and Arab markets, gaining access to hundred millions of people.

French investments in Egypt reached almost 4.2 billion Euros in 2016 in various sectors mainly, Food industries, chemicals, construction material, car industries, pharmaceuticals.

Throughout the day, you will be in a position to explore more investment opportunities in Egypt according to the discussions that will take place in this event.

Bilateral trade between our countries in 2016 reached almost 2 billion Euro compared to 2.4 billion euro during the same period in 2015 witnessing a decrease 20%, of which;

The Egyptian exports reached 500 million Euros compared to 472 million Euros during the same period in 2015, witnessing an increase of 6%.

From the other side the French exports in 2016 reached 1.53 billion Euros compared to 2.1 billion euros in 2015 witnessing a decrease of 37%.

Those figures are not reflecting the real trade and investment capabilities in our countries, and we shall cooperate to boost and diversify the trade and investment relations in the coming period.

Despite all challenges, the Egyptian economy grew 4.2% last year. We have signed the IMF deal which is a testimony that the Egyptian economy is strong and on the right track.

Finally, I assure you that Egypt is still however an attractive destination for the foreign direct investments. And I would like to assure you and all investors keen to expand their activities in lucrative markets, to invest in Egypt. My Ministry and myself will provide all the necessary support in this regard.

Thank You.