

Egypt

An overview on economy and business environment



Egypt is in North Africa, bordered by the Mediterranean Sea to the north, the Gaza Strip and Israel to the northeast, the Red Sea to the east, Sudan to the south, and Libya to the west. Egypt is divided into 27 governorates, with Cairo as the capital. The official language of Egypt is Arabic.

Egypt is the most populous country in the Arab world and the third most populous country in Africa, behind Nigeria and Ethiopia. Most of the country is desert, so about 95% of the population is concentrated in a narrow strip of fertile land along the Nile River, which represents only about 5% of Egypt's land area. Egypt's rapid population growth – 46% between 1994 and 2014 – stresses limited natural resources, jobs, housing, sanitation, education, and health care.

Some of the most important world economists said that Egypt's economy could potentially become the sixth strongest in the world by the year 2030, because the countries with large populations of young people, such as China and Egypt, are considered among the strongest economically in the world, particularly in light of the current era, which has been defined by new technology and related advancements.



Egypt's population officially hit 100 million on February 11, prompting fears of surging birth rates and resource strain. The country's population is set to reach 225 million within 30 years, following several African countries such as the Democratic Republic of the Congo, Ethiopia, and Tanzania, according to a recent report. Not only Egypt was recently ranked fifth globally in terms of economic growth, according to official statement issued by Egypt's

Minister of Finance Mohamed Ma'it on Tuesday, February 11, but Egypt was also ranked second among countries capable of facing "economic shocks," and came in second as well for recording the highest primary surplus of two percent with its general budget, following Ecuador, which was ranked number one.

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In November 2019, inflation in the country reached its lowest level in years after having spiked to 33 percent following the implementation of tough economic reforms in 2016. Meanwhile, the tourism industry, weakened by years of political instability and flight bans, was also on its way to recovery until a month ago before the coronavirus outbreak.

Yes, because like any other country of the world, the economy outlook has completely and suddenly changed due to the Covid-19 pandemic. Thus Egypt is facing new challenges, including a towering debt which is increasingly difficult to pay down and the collapse of the tourist trade due to the coronavirus. The Covid-19 pandemic will strongly affect all the countries economies and it is difficult to make reliable forecast because is not predictable what will be the real trend and the real consequences.



Let's have a look at the main Egypt industries. Agriculture contributes 11.2% of the GDP and employs 25% of the active population (World Bank, 2018).

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The sector has historically been important for Egypt, and it accounts for about 20% of total exports and foreign exchange earnings. The warm climate and the abundant Nile water allow for several annual harvests. The main crops are cereals, cotton, sugar cane and beetroots.

Egypt's non-oil industry remains rather limited. With automotive manufacturing, steel manufacturing, cotton cultivation, textile production and the construction industry, the secondary sector accounts for 35.1% of the GDP and employs 25% of the workforce. In spite of economic diversification efforts, the country continues to depend on the Suez Canal for a large part of its foreign income, and in 2018 the petroleum and gas extraction and mining sectors expanded by 7.7%. Manufacturing grew by 4.8%, posting the seventh consecutive year of growth.

Finally, the services sector represents 51.4% of the Egyptian GDP and employs nearly half of the population (49%). It is largely dominated by revenues from telecommunications and tourism sectors.

The top exports of Egypt are Crude Petroleum, Gold, Nitrogenous Fertilizers, Refined Petroleum and Insulated Wire while its top imports are Wheat, Petroleum Gas, Refined Petroleum, Semi-Finished Iron and Crude Petroleum. The top export destinations of Egypt are the United Arab Emirates, Italy, Turkey, the United States and Germany. The top import origins are China, Russia, Germany, the United States and Italy.

All companies incorporated in Egypt do not have to disclose financial information, unless they are quoted on the stock exchange. In order to collect information that can be useful to give a credit appraisal on a company it is necessary to rely on expert local analysts who contact the company, make interviews and try to collect as much information as possible.



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Due to this complicated background, only local and trusted sources available on SkyMinder can be successful in compiling reports on Egyptian companies.

One of the most complete products available on SkyMinder is the Credit Report. Credit reports available on SkyMinder include the following information:

Identification	SIC, product, historical changes
Location & Contacts	Registered & Operational Address, Contact numbers, Email, Type of premise, Premise ownership, Premise size, Employee count
Legal & Registration	Registration Number, Establishment & License expiry dates, Legal Form, Tax Registration Number
Ownership & Management	Name, holding details, nationality, Management contacts
Linkages	Name, Address, relationship
Company Operation	Purchase, Sales, payment terms, import/exports, Supplier/Customer details
Risk Scores and Compliance	Credit recommendation, adverse checks, certifications
Other	Banking details, Insurance provider, Auditors, Solicitors, Investigation comments

Thanks to the skills and the experience of SkyMinder local providers, it is possible to get the best available business information on any Egyptian company.

Sources: <https://www.cia.gov/>; WWW.IBPUS.COM; www.nordeatrade.com; <https://oec.world/en/>; <https://www.lloydsbanktrade.com/>; <https://www.focus-economics.com/>; <https://country.eiu.com/egypt>