

Leading Sectors for U.S. Export and Investment

Commercial Sectors

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Architecture/Construction/Engineering Services

Overview

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	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	10160000	86000000	10700000	15700000
Total Local Production	6096000	5160000	6420000	9420000
Total Exports	0	0	0	0
Total Imports	4064000	3440000	4280000	6280000
Imports from the U.S.	850000	330000	856000	125600
Exchange Rate: 1 USD	5.9	6.00	7.00	7.00

(Market Data in Thousands USD)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Industry sources, BMI

The ACE market has been growing rapidly at a 15% growth rate since the 1980s resulting in a substantial boom in residential and commercial real estate. It accounts for around 8% of total employment with a workforce of 1.2 million people. The political unrest of January 2011 negativity affected the sector and led to a slower growth rate estimated at 6.2% by BMI. By the end of 2012, the market started to show signs of a slight recovery. . The sector needs time to regain a full growth rate similar to the pre revolution rate and to attract additional greenfield investment.

Recently the Qatari Diar announced that it would invest \$464 million in the Nile Corniche commercial and residential complex; the Majuid Al Futtaim announced a \$444 million investment in the Festival City Shopping Mall; and the Emaar-Al Futtaim Group announced an \$820 million Cairo Gate retail project. Demand in the sector is on the rise mainly because of rapid demographic growth and housing shortages, particularly in the low- and middle-income segments. Large multilateral-funded infrastructure projects are also contributing to the market's recovery.

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- Road Management Systems
- Bridges
- Green Building
- Power Projects
- New Cities
- Utilities and Infrastructure

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The Ministry of Housing, New Urban Communities Authority (NUCA) announced plans for the new cities of East Port Said and New Al Alamein, in addition to expansion projects in already existing cities, including 6th of October, 10th of Ramadan, Al Sadat, and New Cairo Cities. NUCA's planning involves the construction of completely new cities that would include urban development projects, transit investment projects, eco industrial parks, center for the shipping industry and maintenance, business and commercial centers, industrial parks, tourist centers - exhibition and conference centers. The Egyptian Government has made an annual budgetary provision of \$850 million for new city infrastructure projects for NUCA.

Government partnership with the private sector companies, under different schemes such as Public Private Partnership (PPP) or Build Operate Transfer (BOT), is becoming the trend to alleviate the burden on government spending to develop the country's infrastructure.

Upon completion, the development of the Suez Canal Corridor project under study is expected to increase Egypt's annual revenue by \$100 billion. The aim is to transform the Suez Canal area into a world class economic zone. Other projects include:

- 6th of October Wastewater Treatment Plant, design, construction, financing, operation and maintenance of a new 150,000 m³/day plant, cost \$15-29 million, (PPP Project under the Ministry of Finance's PPP Central Unit).
- Abu Rawash Wastewater Treatment Plant, upgrade the Abu Rawash Wastewater treatment plant in Giza, cost \$990 million (PPP Project under the Ministry of Finance's PPP Central Unit).
- East Port Said Port, to cover the development of the port's industrial and free-zone areas, Millennium city, East Port Said Agriculture Area, Port Said Tunnel across the Suez Canal, vast hinterland, road and rail networks, a power station, communication center, value-added services, cost \$1.5 billion.
- Alexandria Medical City, private investment for financing, designing, constructing, equipping, furnishing, maintenance, operating and provision of non-clinical facility services for two University Hospitals and a blood bank, cost \$1.45 billion

The General Authority for Investment (GAFI) announced that a list with major projects will be released by June 15, 2013. The list will include projects in power, roads, and water treatment.

U.S. companies interested in entering the Egyptian ACE market are encouraged to seek financing from U.S. financing agencies such as the U.S. Export and Import Bank (ExIm), the Overseas Private Investment Corporation (OPIC), or consider participation in the Egyptian Government PPP projects, which are expected to be announced in June 2013.

Web Resources

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Ministry of Housing: http://moh.gov.eg/en/en_design/Default_en.aspx

Egyptian Federation for Construction and Building Contractors

http://www.tasheed.org/english/eng_home.aspx

Private Sector contractor: OCI: <http://www.orascomci.com/index.php?id=home>

General Authority for Investment: <http://www.gafi.gov.eg/ar/Default.aspx#>

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Education/Training Services

Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	3800	4000	4200	4410
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	3800	4000	4200	4410
Imports from the U.S.	1490	1580	2100	2200
Exchange Rate: 1 USD	5.9	6.00	7	7

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources: Industry sources

In 2010/11 the number of schools in Egypt reached over 40,000, of which 5,662 are private. Total government investment in pre-university education is estimated at \$643 million in 2012/13. The total illiteracy rate for adults of 15 years of age and above declined from 30% in 2006 to 26% in 2012.

There are currently 3 million university students served by 39 universities (20 public and 19 private), of which 313,931 are enrolled in private institutes as of June 2012. Government investment in universities and higher education is estimated at \$586 million in 2012/13.

The Government of Egypt 2008/2012 five-year plan calls for upgrading education, educational facilities and educational equipment in order to master new technologies. The plan also links education to the job market by upgrading training and re-training. There are some 1,300 vocational training centers affiliated with various ministries and government entities with a total training capacity of 200,000 trainees per year.

Sub-Sector Best Prospects

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- English Language Instruction
- E-based programs to enhance teacher performance
- Computer Software
- Management/business training covering topics such as banking, finance, marketing, customer service, general management, and presentation skills either using multimedia software or through video training
- Vocational training with adaptable material including textile industry, engineering industries, metal industry, and health technology.

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Opportunities exist mostly in web-based education; E-learning is highly recommended especially in private schools. The Government of Egypt is looking into the same technology to be introduced into public schools in the near future. The concept of Community College is popular among Egyptian students who wish to pursue E-based learning programs.

Web Resources

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Commercial Service in Egypt <http://export.gov/egypt/>

U.S. Embassy: <http://egypt.usembassy.gov/>

USAID: <http://www.usaid-eg.org/>

World Bank: <http://www.worldbank.org/>

UNESCO: <http://www.unesco.org/new/en/education/>

General Authority for Investment (GAFI): <http://www.gafi.gov.eg/ar/Default.aspx>

American Chamber of Commerce in Egypt: <http://www.amcham.org.eg>

Egyptian Government Web Portal: <http://www.egypt.gov.eg/english/>

Ministry of Education:

<http://portal.moe.gov.eg/SiteCollectionDocuments/english/1english.htm>

AmidEast: <http://www.amideast.org/egypt>

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Electrical Power Systems

Overview

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EPS Equipment Market

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	2,139	2,400	2,600	2,900
Total Imports	1,750	1,900	2,100	2,450
Total Imports from US	490	510	549	600
Exchange Rate: 1 USD	5.9	6.00	6.95	7.15

Egypt is the largest energy producing country in the Middle East. With its significant population growth and growing economy, electricity consumption tripled over the last 20 years. Power demand is expected to grow by 6% during the next seven years, this follows 7.5 % growth during the last five years.

Energy Capacity and needs Unit: GWh

	2011	2012	2013 (Estimated)	2014 (Estimated)
Total Installed Capacity	24,726	27,049	29,074	31,255
Total Power Generated	139,000	146,796	157,406	168,740
Net Exported Power GWh	968	1443	1576	1733

The Ministry of Electricity and Energy (MOEE) acts as the owner of the state entities in the power sector. The electricity industry, which was vertically integrated under Egyptian Electricity Authority (EEA) until 2000, has been structurally unbundled, both “vertically” (along the functional lines of generation, transmission, and distribution/supply) and “horizontally” in the generation and distribution/supply segments, with a number of companies operating in each segment. This unbundled structure is linked together under the umbrella of Egyptian Electricity Holding Company (EEHC), which has 16 subsidiaries including: one hydropower and five thermal electricity generation companies; nine electricity distribution companies; and a transmission-and-dispatch company - the Egyptian Electricity Transmission Company – (EETC).

All EEHC affiliates remain fully owned by the state and EEHC coordinates plans and investments in the power sector and manages the sector’s overall finances. In addition to the EEHC affiliates, there are six authorities operating in the electricity sub-sector which report directly to MOEE. These are: (i) Rural Electrification Authority (REA), (ii) Hydropower Projects Executive Authority, (iii) New and Renewable Energy Authority (NREA), (iv) Atomic Energy Authority, (v) Nuclear Power Plants Authority, and (vi) Nuclear Material Authority.

Energy Resources 2011/2012	Based on Installed Capacity	Based on Generated Energy
Steam	44.3 %	47.5 %

Combined Cycle	35.6 %	39.7 %
Hydro	9.8 %	9 %
Gas	8.3 %	6.6 %
Wind and Solar	2 %	1.2 %

MOEE reduced the rate of fuel consumption in 2012 by 5.4 % to reach 208.1 gm/kwh. MOEE also improved the rate of electrical energy loss to reach 10.2% (an improvement of 21.1% over 2011). Nonetheless, Egypt's energy loss is still high when compared to Korea's which is just 4% waste (one of the lowest rates worldwide). The Korea International Cooperation Agency (KOICA) in Egypt has been cooperating with the MOEE's Cairo North Electricity Distribution Company on introducing the Smart Grid concept. A grant received from KOICA was used to implement the Smart Grid project phase one in the Shubra Power Station with the assistance of a Korean private sector company. The second phase of the project will be conducted by the same company using the revenues generated from the savings in phase I.

In the last three years, there has been a 10-12% electricity shortage in Egypt during the summer months due to heavy consumption. Two power stations in East Damietta and Abu Kir (Alexandria) were supposed to start operation in May 2012 to add 1,000 MW to the power grid, but due to instability the projects have been delayed.

Current Cooperation with USA

During the period 1976-2007, American Companies participated in implementing several Egyptian power projects with investments of about U.S. \$1.8 billion. There are ongoing projects since 2011 with investments of about U.S. \$369 million.

Sub-Sector Best Prospects

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- Gas turbine units
- Steam turbine
- Products and services related to power industries and electricity grid
- Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) technologies and peripherals

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To meet the increasing demand, the Egyptian Ministry of Electricity and Energy is planning to add 50,410 MW to the current installed capacity during the next three to five years, which will be diversified between oil, gas, solar, wind, hydro and nuclear resources.

The study of upgrading the interconnection voltage between Egypt and the Arab Maghreb countries has been finalized and the project is expected to be in operation in 2014. The interconnection studies are ongoing for the Egyptian/Europe direct interconnection through Greece. Procedures for starting the Egyptian/Saudi interconnection are being finalized and the project is expected to begin operations in 2015 with a total capacity of 3000 MW and total investments of U.S. \$570 million, in addition to other projects for the Eastern Nile Basin and Egyptian/Sudan interconnection.

Plans to Increase Power Generation through 2027

2012-2017	15360 (MW)
2017-2022	16450 (MW)
2022-2027	18700 (MW)
Total	50410 (MW)

Power Plant Projects 2012-2017

	Government Projects	Private Sector Projects	
Thermal Power Plants	6900 MW	5500 MW (BOO)	
Renewable Energy Power Plants	1492 MW	1250 MW (BOO)	120 MW (IPP)

Thermal Power Projects plan 2012-2017

Governmental Projects			
Project Name	Capacity (MW)	Type	Estimated Operation Date
Banha (under construction)	750	Combined Cycle	Simple cycle 3,4/2013 Combined cycle 1/2014
North Giza(1,2) (under construction)	1500	Combined Cycle	Simple cycle 5,6,7/2013 Combined cycle 5,7/2014
North Giza(3) (under construction)	750	Combined Cycle	Simple cycle 5,6/2014 Combined cycle 5/2015
Suez (under construction)	650	Steam	11/2015
South Helwan	1950	Steam	Steam unit (1) 5/2016 Steam unit (2) 8/2016 Steam unit (3) 11/2016
Safaga	1300	Steam	5/2017 7/2017

Project Name	Capacity (MW)	Type	Estimated Operation Date
Dairut	2250	Combined Cycle	Simple cycle 7/2014 Combined cycle 5,10/2014
Qena	1300	Steam	Steam unit 6/2016 Steam unit 9/2016
Ayat	1950	Steam	Steam unit (1) 2/2017 Steam unit (2) 5/2017 Steam unit (3) 7/2017

Private Sector Projects (BOO)

Commercial Service in Egypt: <http://export.gov/egypt/index.asp>

U.S. Embassy: <http://cairo.usembassy.gov>

Ministry of Electricity and Energy <http://www.moee.gov.eg/>

New and Renewable Energy Authority <http://www.nrea.gov.eg/>

Egyptian Electricity Holding Co. <http://www.egelec.com/>

Egyptian Electricity Transmission Co. <http://www.eetc.net.eg/>

Ministry of Investment <http://www.investment.gov.eg>

General Authority for Investment and Free Zones: <http://www.gafinet.org/>

Egypt state information service <http://www.sis.gov.eg/En/Default.aspx>

American Chamber of Commerce in Egypt: <http://www.amcham.org.eg>

Egyptian Government Web Portal: <http://www.egypt.gov.eg/english/>

Egyptian Businessmen's Association: <http://www.eba.org.eg/>

Alexandria Business Association: <http://www.aba.org.eg/>

Federation of Egyptian Industries: <http://www.fei.org.eg/>

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Medical Equipment

Overview

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Unit: USD Million

	2011	2012	2013	2014 (Estimated)
Total Market Size	766	842	926	930
Total Local Production	27	38	42	46
Total Exports	10	15	17	17
Total Imports	264	355	390.5	650
Imports from the U.S.	33	42	46	50

(Exchange rate used: 1 USD = LE 7.00. Values are in millions of U.S. Dollars. Figures listed are unofficial estimates.)

The healthcare sector is a resilient one and is the 12th largest industry in Egypt's diverse economy. Despite a growing GDP Egypt suffers from a low per capita income rate compared to its MENA counterparts. In 2012 Egypt's GDP per capita was approximately U.S. \$3,100, this is sub-par given Egypt's rank of 26th worldwide in terms of GDP. It is also worth noting that Egypt's wealth distribution is highly unbalanced and that per capita income does not necessarily reflect the spending power of the majority – it is estimated that 87% of households earn less than U.S. \$1,000 per month, while only 3% earn over U.S. \$2,000 per month. This means disposable income is generally low and makes unavoidable healthcare spending a serious expense for some. Nevertheless, the majority of Egyptian patients prefer to use private healthcare facilities despite being ranked some of the least affordable prices in the world, when disposable income is compared to cost. This may be one of the defining factors the new regime will attempt to alter.

Egypt's burgeoning population and its strain on the healthcare industry means that much of the technical equipment often needs replacing, and government pledges to improve healthcare have caused a recent boost in the purchase of medical devices. Similarly, the proliferation of privately-owned hospitals and clinics has seen the demand for high-tech medical equipment rocket in the last 10 years. It is estimated that the market for medical devices will be worth U.S. \$970 million by 2016 and this is almost wholly made up from imports.

In 2012 the Egyptian market for medical equipment and supplies was estimated to be U.S. \$842 million. The 2012-17 Compound Annual Growth Rate (CAGR) is projected at 10.3%. Egypt produces very little medical equipment, so the vast majority of the market is supplied by imports. Imports increased by 47% in the 12 months leading up to March 2012, reaching U.S. \$403.1 million. Since 2008 sales in medical devices increased by 25%, or at a compound average of 6.4% per year since 2008.

The medical devices market was estimated at approximately \$842 million in 2012 and is expected to reach U.S. \$1 billion by 2020 at a (CAGR) of 3.8%.

No international or multinational manufacturer of medical devices currently operates a production facility in Egypt and local production output is negligible, with just one Egyptian company producing a limited range of ultrasound scanners. 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 are thus limited in choice and price and often choose to personally import the equipment they need, which according to customs laws must be brand new and unused to be brought into the country. This can be a slow and complicated process, yet it is pursued anyway as it is popular amongst Egyptian physicians to travel abroad for medical seminars and conferences where they are kept abreast of the latest technologies and they can acquire devices not offered by El Gomhoureya.

The Government of Egypt's ongoing Healthcare Reform Project, along with the increasing population of 82 million, are generating major demand for high-tech medical and healthcare items. The Ministry of Health is currently undertaking an ambitious plan to build new hospitals and renovate and refurbish existing medical facilities with new technologies and up-to-date equipment, especially in the rural, under-served areas. The public sector is expected to account for the majority of expenditure growth the next few years due to the Healthcare Reforms Project's target of achieving universal access to healthcare. The private sector's demand for sophisticated medical equipment is also growing.

Sub-Sector Best Prospects

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- Oncology and radiological equipment
- Laboratory and testing equipment
- Surgical and medical devices and supplies
- Software for hospital management/network
- Intensive care equipment

Opportunities

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Opportunities for U.S. exports to Egypt's medical equipment and services market are substantial and cut across the entire spectrum of medical-related activities and needs. In line with the country's reform efforts to upgrade the overall healthcare system, there are several opportunities for U.S. firms with business plans that can offer the following services:

- Construction, management, and rehabilitation of hospitals and rural healthcare facilities
- Emergency care (ambulatory) services
- Training programs for nurses and physicians
- Establishing quality control biological and laboratory centers
- Providing plans for regulator and accreditation body of quality standards for hospitals, laboratories, and healthcare institutions
- Providing training courses in FDA-drug classification for MOH officials

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Commercial Service in Egypt: <http://www.export.gov/egypt/>

U.S. Embassy: <http://cairo.usembassy.gov/>

USAID: <http://www.usaid-eg.org/>

World Bank: <http://www.worldbank.org/>

American Chamber of Commerce in Egypt: <http://www.amcham.org.eg>

Egyptian Government Web Portal: <http://www.egypt.gov.eg/english/>

Ministry of Health & Population: <http://www.moHP.gov.eg/>

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Port Shipbuilding Equipment

Overview

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	2011	2012	2013 (estimated)	2014 (estimated)
Total Vessels Calls	20889	23000	24035	25117
Total TEU	6,363,962	6,600,000	6,800,000	6,950,000

Egypt's unique geographical position bordering the Mediterranean and Red Seas allows it to be a main world hub for international trade. Egypt has 15 commercial and 51 specialized ports (6 tourism, 15 petroleum, 9 mining and 21 fishing); six ports are on the Mediterranean and nine on the Red Sea. The four main ports include the multipurpose Alexandria Port, the largest in Egypt — handling over 60% of the country's foreign trade. Damietta Port is the leading Egyptian container handling port, with a handling capacity of 1.15 million twenty-foot equivalents (TEUs). The East Port Said Port serves as a regional transshipment hub for container traffic, while the Suez Port plays an important role in both cargo handling and Suez Canal transit operations.

The Egyptian government has focused on developing and upgrading ports to accommodate larger ships and to increase capacity and handling for a larger volume of trade. Offering storage, cargo handling, customs clearance and other import/export services, dry ports are an additional source of bridging the expected gap between port capacity and demand that is likely to arise from a projected 4.8% increase in import/export volume over the next 20 years. The six strategically located dry ports in Egypt (all accessible by road and one to be accessible by both road and rail) require enhancements to their service portfolios to become integrated logistics centers with efficient operations at lower costs.

Sub-Sector Best Prospects

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- Stevedoring
- Warehousing
- Freight forwarding
- Container handling equipment
- Dredgers
- Container x-ray machines
- Cold storage and refrigeration equipment

Opportunities

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- Development of East Port Said port to be the major hub in Mediterranean
- Multipurpose terminal in Alexandria port
- Dredging for Port Said West and Damietta ports
- Development and Upgrading of Sagafa mining port
- Development of Sinai Touristic Port

- Suez Canal Corridor project which includes the development of Suez Canal Area by establishing maritime services for vessels passing the canal (project under final planning)

Web Resources

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Ministry of Transport <http://www.mot.gov.eg/>

Maritime Transport Sector <http://www.mts.gov.eg/>

General Authority for Investment and Free Zone <http://www.gafinet.org/>

Ministry of Investment <http://www.investment.gov.eg>

Central Agency for Public Mobilization and Statistics <http://www.capmas.gov.eg>

Egypt state information service <http://www.sis.gov.eg/En/Default.aspx>

American Chamber of Commerce in Egypt: <http://www.amcham.org.eg>

Egyptian Government Web Portal: <http://www.egypt.gov.eg/english/>

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Renewable Energy Equipment

Overview

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Wind & Solar Statistics

Item	2010	2011	2012
Installed Capacity (MW)	490	687	687
Generated Energy (GWh)	1133	1704	2004

Egypt has the natural resources to become a major renewable energy producer, and the equipment market here is potentially worth several billion dollars. In 2008 the Egyptian Supreme Energy Council approved the Egyptian Renewable Energy National Strategy to satisfy 20% of the generated electricity by 2020 using renewable energies (Wind 12%, Hydro power 5.8%, and Solar 2.2%),

Egypt has large deserts and abundant land mass, only 7% of which is heavily populated. These areas are well suited to host renewable energy projects to increase the country's share of renewable energy as well as to export excess energy. The Egyptian national grid is extensive, providing over 99% of the population with modern electric energy services. Currently, grid connected renewable energy projects in Egypt enjoy the right of access.

New & Renewable Energy Authority (NREA) is playing a more strategic role with its recent activities. It has currently about 500 MW wind power plants in operation or under construction, and is expected to contribute substantially to the rapid expansion of wind power capacity. There are also three privately owned independent power producers (IPPs) with total generation capacity of about 2,049 MW, which started operations in 2002-2003 under 20-year long power purchase agreements with the EEHC.

Wind Energy

The GOE is planning to provide 12% of generated electricity (7200MW) via wind energy by 2020. Egypt enjoys an excellent wind regime, particularly along the Suez Gulf where the average wind speed reaches about 10.5 m/sec. Since 2001, a series of large scale wind farms were established with total capacity of 550 MW in cooperation with Germany (KFW), Denmark (DANIDA), Spain and Japan (JICA), under construction 540 MW at Gulf of Suez, in financing phase 580 MW at Gulf of Suez and a feasibility study phase for 200 MW at West Nile.

Recently, the GOE allocated an area of about 7845 km² on the Gulf of Suez region and the Nile Banks for NREA for implementing wind energy projects.

Solar Energy

The Solar Atlas was recently issued and indicated that Egypt is considered as one of the Sun Belt countries where it is endowed with high intensity of direct solar radiation ranging between 2000-32000 Kwh/m²/year from North to South, the sunshine duration ranges between 9-11 hr/day.

In 2011 the commercial operation of the first Solar Thermal Power Plant at Kuraymat was concluded. The power plant has a total installed capacity of 140MW with solar share of 20MWm based on parabolic trough technology integrated with combined cycle power plant using natural gas as a fuel. The power plant is financed by the Global Environmental Facility (GEF), and the Japanese Bank for International Development.

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- Wind Energy
- Solar Energy

Opportunities

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In 2012, GOE approved the Egyptian Solar plan, which includes adding 3500MW (2800 MW CSP and 700 MW PV) of solar energy by 2027. Currently, the GOE is also studying a mega project to build and operate the “Valley of Renewables” project in the south of Egypt to produce around 5 GW of solar energy.

Renewable Power Projects Plan 2012-2017

Governmental Projects		
Project Site	Capacity (MW)	Estimated Operation Date
<u>Wind</u>		
Gulf of Suez (under construction)	200	4/2014
Gulf of Suez (under construction)	220	2014/2015
Gulf of Suez (under construction)	120	2014/2015
Gulf of Suez	180	2014/2015
Gulf of Suez	200	2014/2015
Gulf of Suez	200	2014/2015
Gulf of Suez	200	2015/2016
<u>Solar thermal power</u>		
Kom Ombo	100	2016/2017
<u>Photo Voltaic</u>		
PV Hurghada	20	2015/2016
PV Kom Ombo	20	2016/2017
<u>Hydropower</u>		
Assiut (under construction)	32	2015/2016

Private Sector Projects		
Project Site	Capacity (MW)	Estimated Operation Date
<u>Wind</u>		
Gulf of Suez (IPP)	120	2013/2014
Gulf of Suez (BOO)	250	2013/2014
Gulf of Suez (BOO)	500	2014/2015

Gulf of Suez (BOO)	500	2015/2016
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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 plant for various industrial purposes.
- Designing a technical-financial mechanism to promote for using solar water heaters in residential sector in Egypt.
- Local manufacturing of renewable energy equipment.

Web Resources

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Commercial Service in Egypt: <http://export.gov/egypt/index.asp>

U.S. Embassy: <http://cairo.usembassy.gov>

Ministry of Electricity and Energy <http://www.moee.gov.eg/>

New and Renewable Energy Authority <http://www.nrea.gov.eg/>

Egyptian Electricity Holding Co. <http://www.egelec.com/>

Egyptian Electricity Transmission Co. <http://www.eetc.net.eg/>

Ministry of Investment <http://www.investment.gov.eg>

General Authority for Investment and Free Zones: <http://www.gafinet.org/>

Egypt state information service <http://www.sis.gov.eg/En/Default.aspx>

American Chamber of Commerce in Egypt: <http://www.amcham.org.eg>

Egyptian Government Web Portal: <http://www.egypt.gov.eg/english/>

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Security and Safety Equipment

Overview

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Unit: USD million

	2011	2012	2013 (estimated)	2014 (estimated)
Total Imports	265	278	305	335
Imports from the U.S.	80	84	88	95

The Egyptian Safety and Security market is stable and demand is expected to increase significantly over the next few years. Buyers are generally government entities such as the Ministry of Interior, the Ministry of Defense, and the Intelligence Department. The Egyptian government has set an objective to dramatically enhance its safety measures, which will require security upgrades of all the airports, seaports, and public facilities.

The Egyptian market is in need of specialized companies working in the field of security and other related business with the most up-to-date security technology available.

The Ministry of Interior is doing its best to create new horizons for investment in security technology within the Egyptian market to establish advanced industries in this field. Police agencies have the primary goal of keeping abreast of the latest innovations and strive to be familiar with the various companies and corporations working 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. Because of the quality consideration, the main suppliers to the market are from advanced countries: mainly Japan, USA, UK, Germany, Italy and France.

Sub-Sector Best Prospects

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The main products needed are:

- Search and rescue equipment
- Access control & alarm systems
- CCTV and electronic surveillance equipment
- Walk through and handheld metal detectors
- Firefighting equipment & detecting systems
- Border and perimeter control
- Bomb detection equipment
- Uniforms, Protective apparel & Accessories (industrial)
- X-ray equipment

Opportunities

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Market Demand

The Egyptian market has always been receptive to U.S. safety and security products especially for walk-through metal detectors, handheld detectors and surveillance

C.C.T.V. systems. Shops, stores, schools and small companies do not generally rely on security equipment. In some cases, safety equipment may be procured, but most commercial entities are not obliged to install safety and security equipment. However, governmental, industrial, and touristic entities are legally obliged to install certain security systems.

The Egyptian security market has a special nature requiring expertise from within as well as advanced awareness of the global market. Successful key players have enhanced working knowledge of the government and its bureaucratic regulations. Although plans for security upgrades exist, these plans are not always carried out regularly due to changes in the Cabinet and other government officials.

Market Data

There are various ways for handling security products according to the place, sensitivity, nature of the target, security level needed, funding available, size of the project, rules and conditions for license, and other factors. Generally, small projects with low to medium sensitivity levels refer to small in-country offices and proceed to make direct procurement orders. However, large projects with high sensitivity levels may require more supervision in the designing process with cooperation from specialists in the Ministry of Interior, Intelligence Departments, Ministry of Defense, and others. These product components, of the security systems, are obtained from the local market using direct procurement or a bidding process or can be obtained completely by an open request (RFQ) from the abroad.

Defense industry environment in Egypt: The amount of funds budgeted for defense purpose is not released by the GOE. However, various publications have placed defense expenditures at approximately USD 3 billion per year. The U.S. provides USD 1.3 billion annually to the Egyptian military in the form of Foreign Military Financing (FMF) grants. The Ministry of Defense in Egypt uses FMF grant money to procure its needs through Government to Government.

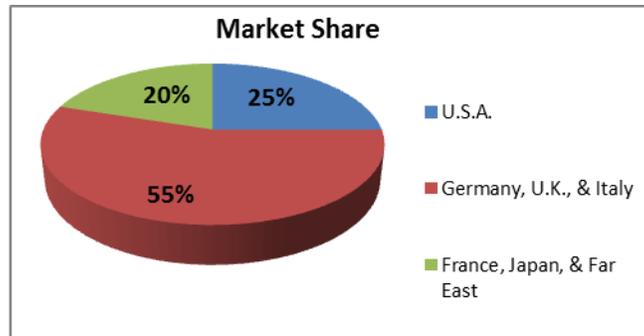
Modern advances in electronics and miniaturization have led to the wide availability of small, cheap and effective surveillance devices, as well as surveillance detectors. However, sales of all such equipment are restricted to the Egyptian government. In most cases, purchases of this type of equipment should be made by direct order to the foreign source and the Egyptian agent will only provide an introduction to the appropriate officials in the Egyptian government.

In Egypt, U.S. safety and security equipment manufacturers will find the best opportunities in the sales of metal detectors, both walk-through and hand held; stethoscopes; desk-top X-ray equipment; letter and parcel bomb detectors; bug detectors; electronic victim search equipment and anti-theft sensing equipment.

Competition

The U.S. is very well known as having 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, which impacts the American reputation. During the past two years U.S. companies have faced challenges to obtain an export license for products sold to Egypt, which has led to a slight decrease in the market share. Agents and distributors are better positioned to deal

with both public and private sector concerns because they have a local reputation for being efficient. Moreover, agents can coordinate all transactions with the buyer, including after-sales service, and are committed to finalizing the transaction to the customer's satisfaction.



German, British and Italian suppliers have captured nearly 55% of the market share in the sale of complete lines of equipment in Egypt. This is attributable to the fact that they operate through Egyptian agents, instead of trying to operate on their own. The remaining of 20 % is distributed among Japan, France and the Far East. The U.S. market share is about 25% (non-governmental)

The overall imports are estimated at about \$265 million in 2011. Accordingly, there is an expected annual increase of about 10% to 15%. This is mainly due to heightened security awareness. Government and private sector are reevaluating and upgrading security systems and technologies at all sites.

There are numerous competitive factors. Some of the most vital factors include technological advancement, high quality, and after sale services (low-cost maintenance). U.S. products have a critical price advantage over European products. However, the lengthy procedures in obtaining an export license are a disadvantage especially given that the license is not guaranteed. Currently, the US dollar maintains a better exchange over the Euro for Egyptian importers.

Prospective Buyers

There are three different sectors of end-users which consist of governmental, industrial and commercial. Within the governmental sector, the Ministry of Interior and Ministry of Defense maintain the highest purchasing capacity.

Secondly, the industrial sector includes oil & gas companies, chemical plants, manufacturing plants, ports and real estate contractors. According to the Ministry of Housing & Urban Development all these factories are required to install fire sensing and detection equipment, fire alarm systems and extinguishing equipment.

In addition all commercial entities are legally obliged to install safety products. Some of the main commercial entities include hotels, museums, banks, malls, hospitals, theaters, cinemas, & operas, schools & universities, and entertainment & conferencing 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.

Web Resources

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Commercial Service in Egypt: <http://www.export.gov/egypt/>

U.S. Embassy: <http://cairo.usembassy.gov/>

American Chamber of Commerce in Egypt: <http://www.amcham.org.eg/>

Ministry of Interior: <http://www.moiegypt.gov.eg/>

Ministry of Defense & Military Production: <http://www.mmc.gov.eg/>

Ministry of Military Production: <http://www.momp.gov.eg/>

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Telecommunications Equipment

Overview

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Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	8800000	9328000	1100000	1200000
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	NA	NA	NA	NA
Imports from the U.S.	50799	100066	105069	110322
Exchange Rate: 1 USD	LE5.9	LE6.00	LE7	LE7

Sources: Ministry of Planning, ITIDA, UN Comtrade, Industry sources, US Census Bureau, and estimates

The Information and Communications sector grew annually at about 15% prior to the January 2011 events, followed by a slow growth of 6% for the period 2011/12, a 3.2% contribution to the National GDP. It is estimated that the market will regain its strength in 2013/14 and grow at a rate of 10%, reaching the size of \$14 billion, of which \$11 billion will represent the telecommunications market. The latter is a well-developed and rapidly growing sector with 96 million total mobile subscribers (116.94 % penetration rate), in the three GSM operators Mobinil, Vodafone Egypt, and Etisalat as of the end of 2012. The number of fixed line subscribers reached 8.56 million, Internet users 32.62 million, ADSL subscribers 2.24 million, and mobile broadband subscribers 11.06 million, all for the same period January-December 2012.

Sub-Sector Best Prospects

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- Huge Data Centers and Cloud Computing Farms
- Broadband
- Mobile and open-source applications
- Adoption of Innovative Technology-based Services (Education of the 21st Century, & Mobile Health services)
- Consulting and software opportunities for migrating legacy ICT systems
- Modern methods for data storage and management (efficiency and security)
- Cyber Security

Opportunities

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The Ministry of Communications and Information Technology (MCIT) recently announced Egypt's National ICT Strategy for 2013-2017. The main objectives in the strategy are to attract foreign investments, create jobs, and establish Egypt as an ICT hub in North Africa.

The strategy is divided into two phases: Phase I for the period 2013-2014 would focus on the implementation of a mobile money transfer service, and the Communications Unified License opening up fixed and mobile services to all licensed telecom operators by July 2013. Under Phase I, MCIT plans to invest \$2.8 million in developing Egypt's fixed and mobile broadband infrastructures and up to \$42.7 million in manufacturing tablets, and create 50,000 new jobs.

During the second phase 2013-2017, MCIT's plan is to expand Egypt's outsourcings capabilities and generate FDI in the sector. The telecommunications sector represents opportunities in the National Broadband Initiative, the Unified License, and the Digital Dividend. In Information Technology, opportunities exist in joint venture between the government and the private sector for major government projects such as the national subsidy, education, health, tourism, justice, and others on a Public Private Partnership (PPP) revenue sharing models. MCIT is developing and expanding new technology parks in Maadi, Ismailia, Assiut, Mansoura, and Aswan where a number of business opportunities in infrastructure and fiber optic cable could exist.

Web Resources

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Ministry of Communications and Information Technology: <http://www.mcit.gov.eg/>
Telecom Egypt: <http://www.telecomegypt.com.eg/home-en.asp>
National Telecommunication Regulatory Authority: <http://ntra.gov.eg/emisr/index.aspx>
Information Technology Industry Development Agency: <http://www.itida.gov.eg/>
MobiNil: <http://www.mobinil.com/>
Vodafone: <http://www.vodafone.com/>
Etisalat: <http://etisalat.com.eg/>
NAB Show <http://www.nabshow.com/>
CES Show: <http://www.cesweb.org/>
Cairo ICT Show <http://www.cairoict.com/>

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Water Equipment Resources and Services

Overview

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Despite the presence of the Nile River which spans the entire length of Egypt from South to North, Egypt has suffered from water scarcity problems in recent years. The Government of Egypt has launched a number of awareness campaigns to educate Egyptians concerning best practices for developing networks to ensure effective and responsible water distribution and usage. There is currently an urgent need to expand networks of wastewater management to a huge number of rural areas throughout Egypt. The table below shows data on the development and construction of various networks throughout Egypt over the last eight years, comparing 2005 and 2013 figures.

Year	2005	2013
Service Region	12	27
Number of Subsidiary Companies	14	25
Water Service Coverage (millions)	2.5 mil. No coverage 7.5 mil. Rotation system 15 mil. Unacceptable Service	98%
Wastewater Service Coverage	40%	50% 90% Urban 10% Rural
Water Production (annual average)	18 million m ³ /day	22.8 million m ³ /day (max = 25 mil & min = 21 mil) m ³ /day
Number of Water Treatment Plants	1005 Plants	2961 Plants
Number of Wastewater Treatment Plants	149 plants	372 plants
Water Distribution Networks	74,000 km	144,000 km
Wastewater Collection Networks	28,000 km	38,000 km

TABLE SOURCE: Holding Company for Water and Wastewater.

In 2004 the Government of Egypt established the public sector Holding Company for Drinking Water and Wastewater, which unified the various public sector Companies for Drinking Water and Sanitation and other water and wastewater companies across Egypt. According to the Presidential Decree that created the Holding Company, the company's mission is to purify, desalinate, distribute, and sell drinking water; and to collect, treat, and safely dispose of wastewater. The Holding Company also has been responsible for plans to extend drinking water to deprived villages, and to improve the maintenance, replacement, and renovation of drinking and wastewater collection systems.

In 2012, in an effort to restructure the Drinking Water and Wastewater sector, the Government of Egypt established a new Ministry of Potable Water and Sanitary, in addition to the already existing Holding Company for Drinking Water and Wastewater.

The Egyptian government practices a revenue generating method to raise funds for new sewage networks and potable water stations. The government plans to expand services

in Upper Egypt and rural areas to reach the low – middle class population. The Government of Egypt has multiple projects planned through the Private Public Partnership (PPP) model, including the Abu Rawash Water Plant and the 6th of October Plant.

The Egyptian Military Commercial Unit is active in the water sector, and builds some of the Holding Company's plants. The military also plays an active role in the desalination and reverse osmosis plants in areas close to the Mediterranean and Red Sea.

The World Bank continues to finance major projects that provide potable water to areas that still are not connected to the networks. U.S. businesses have a competitive advantage in these projects, because of the advanced technology they offer.

The U.S. share of Egypt's water equipment and services market is estimated at approximately 20%.

Sub-Sector Best Prospects

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- Sanitary wastewater projects
- Composting programs
- Water and sludge treatment projects, filters and services
- Reverse osmosis
- Water desalination
- Water plants designing

Opportunities

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According to the Holding Company for Water and Wastewater, there is a strong need in the following areas:

- Project design and construction of water treatment plants ranging in size depending on the population of the governate.
- Project design and construction of desalinization plants.
- Water and waste water treatment equipment and technology.

Egypt is interested in updating its technology in the water sector in areas such as water desalination, reverse osmosis, and design and construction of new water plants in rural areas. Opportunities exist for U.S. companies in the fields of water resources consulting and the supply of water pumps and filtration equipment and devices.

The World Bank's ongoing Integrated Sanitation and Sewage Infrastructure Project, scheduled to be concluded at the end of 2013, covers a number of Egyptian governates. The allocated budget for this project is US\$ 300 million.

Web Resources

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Commercial Service in Egypt: <http://export.gov/egypt>

U.S. Embassy: <http://egypt.usembassy.gov/>

USAID: <http://www.usaid-eg.org/>

World Bank: <http://www.worldbank.org/>

Egyptian Government Web Portal: <http://www.egypt.gov.eg/english/>

Ministry of State for Environmental Affairs: <http://www.eeaa.gov.eg/>

Holding Company for Water: <http://www.hcww.com.eg>

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DAIRY

Unit: USD millions

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	649.4	754.4	878.4	1,105.4
Total Local Production	1.4	1.4	1.4	1.4
Total Exports	513	396	425	475
Total Imports	648	753	874	1,104
Imports from the U.S.	95	79.4	80	85
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: UN/FAO Statistics

Total Exports: World Trade Atlas

Total Imports: World Trade Atlas

Imports from U.S.: World Trade Atlas

RED MEATS

Unit: USD millions

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	529	510	510	510
Total Local Production	312	280	285	285
Total Exports	0	0	0	0
Total Imports	217	230	225	225
Imports from the U.S.	235	217	217	230
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: FAS Livestock and Products Annual Report 2012

Total Exports: FAS Livestock and Products Annual Report 2012

Total Imports: FAS Livestock and Products Annual Report 2012

Imports from U.S.: BICO Trade Database

TREE NUTS

Unit: USD millions

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	52.7	106	125	135
Total Local Production	0	0	0	0
Total Exports	1.1	1.1	1.2	1.3
Total Imports	52.7	106	125	135
Imports from the U.S.	24.7	28.1	30	34
Exchange Rate: 1 USD				

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A
Total Exports: World Trade Atlas
Total Imports: World Trade Atlas
Imports from U.S.: World Trade Atlas

General Agricultural Trade: U.S. food and agricultural exports to Egypt in CY 2012 reached \$1.8 billion, down \$700 million or 28 percent compared to CY 2011's exports of \$2.5 billion. With Russia and Ukraine back in the market in 2012, the hardest hit bulk commodities have been coarse grains (corn) and wheat. U.S. exports of corn have plummeted from \$706 million in CY 2011 to barely \$61 million in CY 2012, representing a loss of roughly \$645 million or about 92 percent. Similarly U.S. wheat exports have fallen by \$580 million or nearly 72 percent from \$808 million in CY 2011 to only about 228 million in CY 2012. However, imports of U.S.-origin soybeans hit a record high of \$738 million, up by \$438 million or nearly 146 percent. Similarly U.S. soybean meal imports at \$212 million in CY 2012 are up almost \$167 million or up over 366 percent compared to CY 2011. In 2012, Egypt imported some \$16.2 billion in food and agricultural products, an amount essentially unchanged from the preceding year's import values.

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