



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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NUSACC HOSTS PRIME MINISTER OF EGYPT AND HIGH-LEVEL DELEGATION OF SENIOR OFFICIALS

Prime Minister Dr. Mostafa Madbouly: “America is Egypt’s strongest partner – strategically, politically, and economically”

Economic Indicators: Economy is Growing at 6%, Inflation has Plummeted to 4.3%, and Foreign Reserves Have Reached an All-Time High of \$45 Billion

Washington D.C. – This week, the National U.S. – Arab Chamber of Commerce (NUSACC) hosted a roundtable luncheon for H.E. Dr. Mostafa Madbouly, Prime Minister of Egypt, and a distinguished delegation consisting of the Central Bank Governor (H.E. Tarek Amer) and five ministers. The event, which brought together 25 U.S. companies with senior officials from the Arab Republic of Egypt, took place at the Willard InterContinental Hotel in Washington DC. Sponsors of the event included [Bechtel](#), [Lockheed Martin](#), and the [Pharmaceutical Manufacturers of America \(PhRMA\)](#).



H.E. Dr. Mostafa Madbouly, Prime Minister of Arab Republic of Egypt (center), along with H.E. Tarek Amer, Governor of the Central Bank of Egypt (center left), and Mr. David Hamod, NUSACC President & CEO (center right). Egyptian ministers represented the following: Investment & International Cooperation, Petroleum & Mineral Resources, Finance, Telecommunication & Information Technology, Trade & Industry, and Housing. Sponsors of the event included Bechtel, Lockheed Martin, and the Pharmaceutical Manufacturers of America (PhRMA). They were joined by H.E. Yasser Reda, Egypt’s Ambassador to the United States.

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Joining Prime Minister Madbouly in the delegation were the following senior officials: H.E. Tarek Amer, Governor of the Central Bank; H.E. Dr. Sahar Nasr, Minister of Investment and International Cooperation; H.E. Tarek El-Molla, Minister of Petroleum and Mineral Resources; H.E. Dr. Mohamed Ahmed Maait, Minister of Finance; H.E. Amr Talaat, Minister of Telecommunication and Information Technology; H.E. Amr Nassar, Minister of Trade & Industry; Eng. Randa El-Menshawy, Vice Minister of Housing, Utilities and Urban Communities. Also participating in the luncheon were H.E. Yasser Reda, Egypt's Ambassador to the United States, and senior officials from the Embassy of Egypt.

"America's partnership with Egypt has never been closer, in many respects," stated David Hamod, President & CEO of NUSACC. "Our two Presidents share a common bond, and Egypt's relationship with the U.S. business community is moving from strength to strength. With Egypt's economy growing at nearly six percent per year, this is a good time for American companies to take another look at the Egyptian market."

Ambassador James Smith, a NUSACC Board member, introduced Prime Minister Madbouly. He recounted his visits to Egypt over the years, and he likened U.S. corporate relationships with Egypt to constructing strong walls, brick by brick. "Each brick makes the wall stronger," he said, "and bilateral commercial agreements help to strengthen that 'wall' against any turbulence."



Ambassador (ret.) James Smith (right), CEO of Crosswinds Strategic Consulting and a NUSACC Board member, chats with Mr. Eric Schreiber, Director of Business Development, Middle East & Africa, at Lockheed Martin (an event sponsor).

Egypt's Economy on the Rebound

"America is Egypt's strongest partner – strategically, politically, and economically," noted Prime Minister Madbouly. Ties between the two countries have grown closer over the past four decades, he said, culminating in the excellent relationship that Egypt shares with the United States today.

Egypt's economy went through some challenging years, Madbouly stated, but it has been on the rebound since 2014, when H.E. Abdel Fattah el-Sisi became President of Egypt. Consistent with President el-Sisi's vision, Madbouly noted, "Egypt's economy is growing at nearly six percent, unemployment has dropped to 7.5 percent over the past three years, and inflation has plummeted from 33 percent to 4.3 percent, the lowest level in many years."



H.E. Dr. Mostafa Madbouly (center), Prime Minister of the Arab Republic of Egypt; H.E. Tarek Hassan Amer (center left), Governor of the Central Bank of Egypt; H.E. Dr. Sahar Nasr (right), Minister of Investment and International Cooperation; Mr. David Hamod (center right), NUSACC President & CEO; Ambassador (ret.) James Smith (left), CEO of Crosswinds Strategic Consulting and a NUSACC Board member.

Across the board, these numbers beat estimates of the International Monetary Fund. The IMF predicted a GDP growth rate of 5.5 percent and an unemployment rate of 8.3 percent.

In the same spirit, Madbouly stated, foreign exchange reserves in Egypt have reached an all-time high: \$45 billion in September 2019. Such reserves averaged \$21.884 billion from 1992 to 2019, with a low of \$10.088 billion in June, 1992.

Private Sector: An Engine of Growth

Madbouly has three decades of hands-on experience with Egypt's infrastructure. He served as Minister of Housing, Utilities, and Urban Communities for five years, building new cities and hundreds of thousands of housing units across Egypt. (The Prime Minister's bio is [here](#).) Based on this experience, Madbouly is a strong advocate for business contributions to the nation's economy.



The event brought together 25 U.S. companies with senior officials from the Arab Republic of Egypt.

“The private sector is key to economic growth,” he said, pointing out that Egypt created more than one million new jobs during the last five years, especially in the construction sector. But to sustain that pace, he suggested, Egypt needs more foreign direct investment (FDI) and an even stronger private sector.



Ambassador (ret.) Stuart Jones, Bechtel’s President for Regions and Corporate Relations, represented his company (an event sponsor) at the luncheon.

“We are working hard to make Egypt’s economy more attractive to investors,” Madbouly noted. “We are bringing about economic reform so that Egypt will be increasingly attractive for investment.”

According to the U.S. Department of Commerce, Egypt was America’s third largest market in the Middle East and North Africa (MENA) in 2018. From 2017 to 2018, bilateral trade between the two countries grew 34 percent, to over \$7.5 billion. U.S. exports increased to \$5.1 billion, while America’s imports from Egypt increased to \$2.5 billion. Moreover, Egypt is the fourth largest recipient of American FDI in the MENA region, attracting \$2.2 billion in FY 2018, representing 29 percent of all FDI in Egypt.

Best Sectors in Egypt

Madbouly highlighted five sectors that the Government of Egypt considers especially attractive for foreign investors:

1) *Oil & Gas* – Egypt hopes to be a net gas exporter by the end of the year. The Eastern Mediterranean contains significant gas reserves, and Egypt is an important part of that. (Energy consultancy Wood Mackenzie estimates that Egypt’s existing fields have gas reserves of 61 trillion cubic feet, with a further 45 trillion cubic feet yet to be discovered.)



Egypt's petroleum-related imports surged by more than \$1 billion from 2016 to 2017, according to the *Observatory of Economic Complexity*. Madbouly characterized this sector as especially attractive for medium-sized enterprises offering distinctive or disruptive technologies.

2) *Industry* – In heavy industry, according to Madbouly, Egypt has an ambitious plan to make the country more environmentally friendly by using electric vehicles for public transport and personal use. Approximately 240,000 minibuses and minibuses need to be replaced, according to the Prime Minister, creating production opportunities for at least a decade.

In terms of light industry, Madbouly concentrated on consumer goods, which are doing very well in Egypt, with a population exceeding 100 million.

3) *IT and Telecoms* – The Information and Communications Technology (ICT) sector has been growing at around 15 percent in recent months, spawning commercial opportunities in data centers, cybersecurity, artificial intelligence, and block chain technologies. This has been a boon for companies in Egypt, especially those seeking overseas partners.

Madbouly highlighted Egypt's human resources in this field, touting the country's technical proficiency, well educated workforce, and very competitive pricing. According to the Telecommunications Ministry, Egypt is currently constructing "complexes of creativity" in eight different provinces, as well as a Digital Academy to strengthen IT capabilities.



Ms. Nicole Mlade, Senior Director of International Advocacy at PhRMA, an event sponsor.

4) *Medical* – Healthcare is a high priority in Egypt. According to USAID, Egypt's health challenges disproportionately affect the rural poor and have the potential to have an impact on the country's economic prosperity over the long term.

According to the U.S. Department of Commerce ("Healthcare Opportunities for U.S. Business in North Africa and Levant," 2016): Egypt's Ministry of Health operates over 1,300 hospitals, representing approximately 60 percent of the nation's hospital beds, thereby creating commercial opportunities for private hospitals; Egypt's medical device market is the second-largest in the Middle East, and growing; beds per 1,000 inhabitants surged from .5 beds in 2012 to 1.6 beds in 2014, according to the World Bank, representing an attractive business opportunity for U.S. companies.

Madbouly shared a personal anecdote: “In my visits with African leaders, all of them speak about the importance of Egyptian medicines and pharmaceutical products,” he said. “For them, these are very cheap and very competitive with what they get from Europe. So, joint ventures between Egyptian and American companies can be a very good opportunity to dominate this (African) market.”

5) *SMEs* – Youths constitute approximately two-thirds of Egypt’s population, Madbouly noted. This translates into a huge market for U.S. goods, he suggested, but it also creates excellent opportunities for Egyptian entrepreneurs and small and medium-sized enterprises (SMEs).

According to the Global Entrepreneurship Monitor (GEM) Egypt National Report, supported by the American University in Cairo (AUC), Egyptian society’s perception of entrepreneurship is very high and continues to grow. More than 73 percent of Egyptians think entrepreneurship is a good career choice. While more than 30 percent of Egyptians shy away from starting a new business due to fear of failure, 46 percent of Egypt’s adult population is actually able to recognize good market opportunities for new businesses, suggesting that more people have the capability and knowledge to be entrepreneurs.

“Entrepreneurship is a key driver of economic growth for Egypt and around the world,” says Ayman Ismail (’95,’97), Assistant Professor of Management at AUC. “This is exactly why the GEM study is so important; it provides evidence-based analysis of entrepreneurship in Egypt.”

Standing Invitation to Come to Egypt

“U.S. companies tell me that they have achieved excellent results from their investments in Egypt,” stated Madbouly. With that in mind, he encouraged NUSACC member companies to come to Egypt to see the opportunities there for themselves. “Egypt is open for business, and I invite each of you to come visit,” he said. “We can provide you with a great portfolio of potential opportunities, and you might achieve the best profits and returns on investment in the whole world.” The Prime Minister concluded, “I would be delighted to receive you in my humble office when you come to our country.”



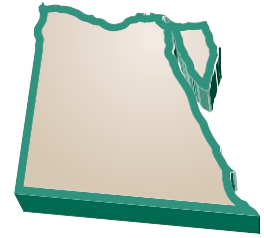
H.E. Dr. Mostafa Madbouly, Prime Minister of Egypt (left), is welcomed by Mr. David Hamod, NUSACC President & CEO.

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The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.



EGYPT

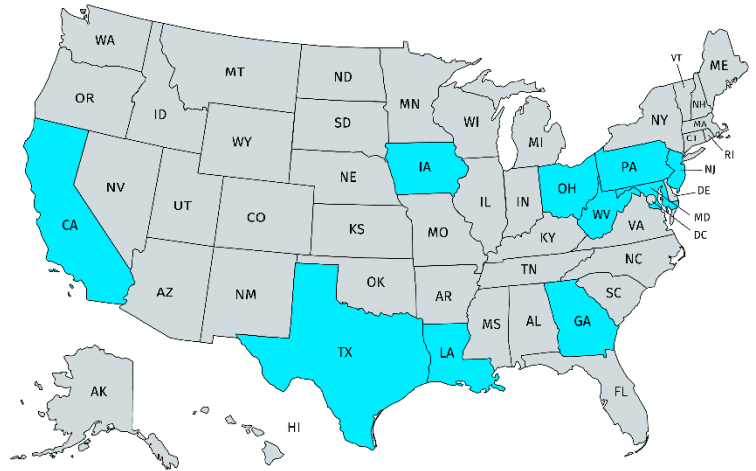


2018 Ranking: 3rd Largest Export Market for U.S. Goods in MENA

In 2018, there was a 26.58% increase in exports from U.S. states to Egypt. Egyptian goods exported to the U.S. increased by 51.52% year-on-year to \$2.5 billion. Egypt's top imported sectors were Agriculture Products, Chemicals, Transportation equipment, Machinery (except electrical), Minerals & Ores.

TOP 10 STATES EXPORTING TO EGYPT

State	Total Exports to Egypt	Percent of State's export to the Arab World
U.S. Total	\$5,050,861,159	
Louisiana	\$1,486,938,517	41.84%
Texas	\$824,054,360	7.90%
Iowa	\$381,753,952	71.44%
California	\$197,196,923	4.81%
Maryland	\$187,862,693	14.14%
New Jersey	\$161,948,962	6.56%
Ohio	\$161,341,291	8.57%
Georgia	\$139,225,626	5.77%
Pennsylvania	\$124,944,511	8.89%
West Virginia	\$108,986,053	30.59%

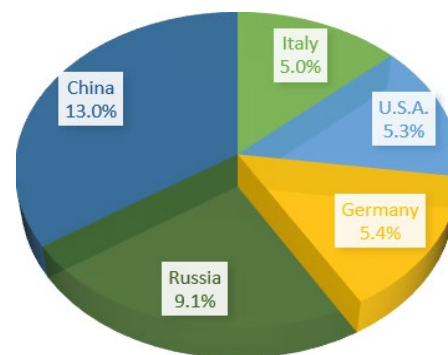


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TOP 10 IMPORT SECTORS FROM THE U.S.

Agriculture Products	\$1,616,046,878
Chemicals	\$614,398,680
Transportation Equipment	\$436,705,136
Machinery (except Electrical)	\$429,309,126
Minerals & Ores	\$285,876,964
Waste and Scrap	\$264,190,494
Food & Kindred Products	\$245,392,315
Computer & Electrical Products	\$218,678,434
Petroleum & Coal Products	\$173,859,332
Oil & Gas	\$166,048,602

Comparison of Top Five Countries Exporting to Egypt (2017)



This chart identifies the market share of only the top five countries exporting to Egypt, so the percentages do not equal 100%.

The data in this publication are drawn from the U.S. Bureau of the Census using the latest U.S. export information (June 2019). Export numbers may understate total U.S. exports because county-specific information for some products (e.g., mining, forestry, fishing, and waste and scrap) is not available.



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