



# INVESTMENT OPPORTUNITIES ACROSS KEY SECTORS IN EGYPT



The Egyptian economy is showing promising signs of recovery and transformation in 2025, with targeted growth of 4% this fiscal year and ambitious development plans across multiple sectors. Egypt's strategic location, large domestic market of over 100 million consumers, improving infrastructure, and focused government policies create significant opportunities for investors. The technology sector is booming with the ICT industry projected to reach US\$45.18bn by 2029, while the industrial manufacturing sector receives unprecedented government support. Renewable energy is positioned for dramatic growth with targets for 60% renewable contribution by 2040, including ambitious green hydrogen production plans. Agricultural exports are targeted to reach US\$5 bn in FY 2025/26 (July-June), and the financial services sector is being transformed through innovative fintech solutions. While structural economic challenges remain, international support and strategic reforms are creating an increasingly favorable investment climate across these priority sectors.



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# 1. Egyptian economic overview

The Egyptian economy is currently in a phase of gradual recovery according to recent economic analysis. Following a downturn in fiscal year 2024 (FY 2024) caused by a balance of payments crisis, growth is expected to average 4% in FY 2025. This recovery has been supported by massive international donor assistance, which has restored a degree of optimism to the economic outlook.

The stabilization of the foreign exchange market and easing of tensions over foreign currency liquidity are identified as key factors in this recovery, particularly significant given Egypt's heavy dependence on imports and expatriate remittances. The depreciation of the exchange rate is under control and inflation is clearly on a downward trajectory, which should eventually enable monetary policy easing. Household consumption, which traditionally drives Egyptian growth (around 80% of GDP), is showing signs of recovery in the first half of FY 2025 and is expected to be the initial basis for the broader economic recovery. However, some uncertainties remain in the short term, with a more balanced recovery anticipated from the start of 2026.

Challenges persist as household disposable income continues to be affected by persistently high inflation. Public sector investment is not expected to provide significant support due to fiscal consolidation efforts under the IMF program. Private sector investment is projected to pick up more substantially from 2026 onwards. Currently, capacity utilisation remains below 70% on average, which is insufficient to trigger a major investment drive (typically requiring above 90%). Additionally, nominal interest rates remain very high, with monetary easing likely to be gradual due to inflation concerns.

Against this backdrop, economic analysts project a moderate acceleration in growth to 4.7% in FY 2025–26. While structural problems remain in both public finances and external accounts, these are expected to resolve only gradually over time. For investors, this suggests a medium-term strategy that positions for growth while maintaining appropriate risk management measures.

## 2. Technology Sector Investment Landscape

Egypt's technology sector is experiencing a remarkable boom in 2025, positioning the country as an emerging tech hub in the Middle East and North Africa (MENA) region. The Information and Communication Technology (ICT) sector is projected to reach an impressive US\$45.18 bn by 2029, according to market forecasts. This robust growth has made the tech industry one of the most promising sectors for investment in Egypt.

The sector is already making significant economic contributions, accounting for 5.8% of GDP in 2024, with ambitious targets to reach 8% by 2030. This growth trajectory is being driven by developments in artificial intelligence, cloud computing, and expanding digital infrastructure across the country.

Major global technology companies have recognized Egypt's potential, with Amazon, IBM, and Microsoft all expanding their operations in Cairo. Amazon is leading internet services in Egypt, while IBM has established itself as a pioneer in IT support services. Microsoft is focusing on hardware innovations from its Cairo operations. This influx of multinational tech corporations is transforming the capital into a legitimate technology hub and creating a more mature ecosystem for startups and tech ventures.

The government's Digital Egypt strategy has been instrumental in fostering this growth through strategic investments in technology parks such as Cairo's Knowledge City. These specialized zones are attracting substantial international investment and creating concentrated areas of innovation and technological development.

Egypt's startup ecosystem is particularly vibrant, with over 600 startups driving innovation across various domains. The ecosystem is generating approximately US\$6.5bn in revenue, with financial technology (fintech) emerging as a leading subsector. Government support, tax breaks, and mentorship programs have contributed significantly to this entrepreneurial growth.

Among the standout startups in Egypt, financial services platforms are showing promise:



**Paymob** serves around 350,000 merchants, focusing on expanding financial inclusion with innovative tools like "Tap on Phone" and collaborations with major financial institutions such as Mastercard.



Fawry has established itself as Egypt's largest digital payment network, processing approximately 9 million daily transactions through an extensive network of 166,500 service points. The company has evolved from a basic payment processor into a comprehensive financial services platform, offering services like 'Buy Now, Pay Later' and forming strategic partnerships that expand its reach.



MNT-Halan leads in microfinance, offering digital lending and tailored financial solutions specifically designed for underserved communities.

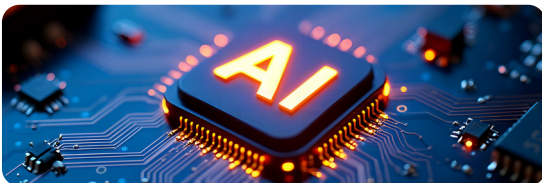


Valu has simplified consumer financing through its Buy Now, Pay Later model, effectively bridging traditional retail and modern digital services.



Lucky Financial combines cashback rewards with financial services, focusing particularly on underbanked users and pursuing regional expansion.

For investors, significant opportunities exist in several high-growth areas within Egypt's tech sector:



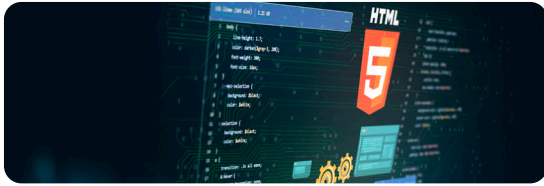
### Artificial intelligence and machine learning

Growing demand for AI-powered solutions across industries, from healthcare to financial services.



### Cybersecurity

Increasing awareness of digital security needs as businesses and government services digitize.



## Software development

Rising demand for custom software solutions and enterprise applications.



## E-commerce and digital payments

Accelerating adoption of online shopping and digital financial services.



## Educational technology

Expanding market for digital learning platforms and tools.

Challenges for tech investors include talent retention, as skilled developers and IT professionals may be attracted to higher-paying markets in the Gulf or Europe. Additionally, while improving, digital infrastructure outside major urban centers may require additional investment. Nevertheless, the combination of government support, growing market demand, and relatively lower operational costs compared to other regional tech hubs makes Egypt an attractive destination for technology investment in 2025.

### 3. Industrial Manufacturing Investment Landscape

The Egyptian government has identified industrial development as the backbone of economic development and a top national priority, creating favorable conditions for new investments.

The industrial landscape is seeing significant activity across multiple regions. Strategic industrial zones include the Suez Gulf, Sadat City, and 10th of Ramadan City, which offer strong infrastructure and accessibility, making them ideal for industrial expansion. These locations have been specifically chosen by foreign investors, including a contingent of Chinese businesses planning to establish operations in Egypt.

Foreign investment in manufacturing is showing positive momentum. Ten Chinese investors are planning to launch small and medium-sized industrial projects in Egypt with a total investment of US\$60 million. These projects are expected to enhance local production, create jobs, and strengthen Egypt's industrial base. By the end of last year, the number of registered Chinese companies in Egypt had reached 2,066, reflecting the strong and growing investment interest from China.

Several manufacturing subsectors present particularly promising investment opportunities:



#### Engineering industries

This sector is receiving focused attention from both government initiatives and foreign investors, with opportunities in machinery, equipment, and components manufacturing.



#### Electrical appliances

Growing domestic demand and export potential make this an attractive investment area, with established supply chains developing in industrial zones.



### Textile and garment manufacturing

Egypt's historical strength in cotton production provides advantages in this sector, which offers high value-added and export potential.



### Building materials

Supporting Egypt's ongoing construction and infrastructure projects, this sector benefits from both domestic demand and regional export opportunities.



### Steel production

Companies like the Arab Company for Special Steel (a subsidiary of Al-Ashry Steel Group) demonstrate the potential in specialized steel production. This company exports 70% of its annual output, showing strong international market access.

Infrastructure development is enhancing the industrial sector's competitiveness. The establishment of the Kafr Dawoud-Sadat railway line, officially opened on October 12, 2024, has been transformative for industrial operations in Sadat City. This 38-km railway line, part of the Cairo-Alexandria logistics corridor, connects industrial zones with domestic markets and export ports on the Mediterranean, significantly improving logistics efficiency.

Additional infrastructure projects are underway, including a dry port and logistics hub in Sadat City being developed through a public-private partnership model. These investments in transportation and logistics infrastructure directly support manufacturing by reducing costs and improving reliability for both input materials and finished exports.

Factory expansions demonstrate the sector's growth trajectory. GlassRock Insulation Company recently inaugurated a new production line specializing in glass wool insulation pipes, built with a US\$530,000 investment. This expansion is expected to increase the company's sales volume by 25% and boost annual revenues by US\$5 million. Similarly, the Arab Company for Special Steel is implementing expansion projects covering 163 square meters, with new production lines for cold rolling sheets, galvanized sheets, and wire drawing for railway applications, increasing production capacity by 600,000 tonnes annually.

For investors, the industrial manufacturing sector offers several advantages, including:

- Strategic location providing access to European, Middle Eastern, and African markets
- Lower operational costs compared to many competing manufacturing destinations
- Government incentives for industrial investment
- Improving logistics infrastructure
- Large domestic market

Challenges include bureaucratic procedures, though these are being streamlined, and occasional foreign currency availability concerns, which are showing improvement according to recent economic reports. Energy costs and reliability have historically been concerns for manufacturing investors, though the country's investments in power generation, including renewables, are addressing these issues.

## 4. Clean Energy Investment Landscape

Egypt stands at a pivotal crossroads in its energy landscape, with abundant natural resources positioning the country to emerge as a leader in renewable energy production in the region. The government has recognized the importance of transitioning to a greener energy economy and is implementing policies and incentives designed to attract both domestic and foreign investments in the clean energy sector.

The national energy strategy through 2040 sets an ambitious target for renewable energy to contribute 60% of the country's energy mix. This transformation aims to enhance energy security, promote sustainable power generation, and achieve decarbonization goals, creating substantial opportunities for clean energy investors.

Several flagship renewable energy projects showcase Egypt's commitment and potential in this sector:



### The Benban Solar Park

Africa's largest solar installation consists of forty solar power stations, each producing 50 megawatts, with a total production capacity of 2,000 megawatts. These stations produce approximately 90% of the output of the High Dam, demonstrating the scale and significance of solar energy development in Egypt.



### Gabal El Zeit Wind Farm

This 580 MW project is being developed in phases, with the first phase comprising 120 turbines (240 MW capacity) already partially connected to the grid. The second phase, with 110 turbines and a 220 MW capacity, is under development. This project highlights Egypt's commitment to harnessing its substantial wind energy resources.

Perhaps the most significant opportunity for investors lies in Egypt's ambitious green hydrogen plans. The country aims to become a leading producer and exporter of green hydrogen, aligning with the global shift toward decarbonization and increasing demand for renewable energy solutions. By leveraging its abundant solar and wind resources, Egypt intends to use green hydrogen to significantly reduce carbon emissions in transportation, industry, and power generation.

The Suez Canal area is being transformed into a leading hub for green hydrogen production, as emphasized by Rania Al-Mashat, Minister of Planning, Economic Development, and International Cooperation. Egypt's long-term goal is extraordinary in its ambition: by 2050, the country aims to supply 10% of global hydrogen demand, positioning itself at the forefront of the low-carbon energy economy.

For investors in clean energy, Egypt offers several compelling advantages:

- Exceptional solar irradiation levels, particularly in the Western Desert
- Strong and consistent wind resources, especially along the Red Sea coast
- Growing government support and incentives for renewable energy projects
- Increasing electricity demand creating a ready market for new generation
- Strategic location for exporting energy to Europe and other regional markets

Challenges include securing financing for large-scale projects, although strategic partnerships along with innovative financing mechanisms are helping address this issue. Additionally, grid infrastructure may require upgrades to accommodate the increasing share of variable renewable energy sources, presenting both a challenge and an opportunity for investors specializing in grid modernization and energy storage.

The government's continued policy support and international climate financing are expected to help Egypt unlock its full potential in renewable energy, solidifying its place as a leading clean energy hub in the region and beyond. Investors entering this market now may benefit from first-mover advantages as Egypt establishes itself in the green hydrogen economy that is expected to become increasingly important globally in the coming decades.

## 5. Agricultural Sector Investment Landscape

Agriculture remains a cornerstone of Egypt's economy and has been identified as a priority sector in the country's development strategy. The government has allocated 17.5 bn Egyptian pounds in public investments to the agriculture and irrigation sectors as part of its development plan for the FY 2025/26. This substantial allocation reflects the strategic importance placed on agricultural development.

Egypt has set an ambitious target of US\$5 bn in agricultural export revenues during the FY 2025/26. This export-oriented approach presents significant opportunities for investors looking to develop agricultural operations with international market access. The country's geographic position provides advantageous access to European, Middle Eastern, and African markets, with established trade relationships and logistics routes.

Land reclamation and expansion programs form a central component of the agricultural development strategy. The government is focusing on expanding cultivable land in areas such as Toshka, North and Central Sinai, and the New Delta. These initiatives aim to increase Egypt's arable land area, addressing one of the historical constraints on agricultural expansion.

The dried herbs sector exemplifies the potential for value-added agricultural processing. Dina Agricultural Investments Company recently opened a new dried herbs factory in Sadat Industrial City. This facility specialises in drying and refining herbs, contributing to Egypt's growing agricultural exports, and demonstrating the intersection between agricultural production and industrial processing.

For investors considering the agricultural sector, several specific areas offer promising opportunities:



### High-value export crops

Fruits, vegetables, and specialty items that can command premium prices in international markets.



### Agricultural processing

Adding value to raw agricultural products through sorting, packaging, freezing, drying, or other processing techniques.



### Modern irrigation systems

Water-efficient technologies to maximize productivity given Egypt's water constraints.



### Cold chain infrastructure

Facilities to maintain product quality from farm to export, reducing waste and preserving value.



### Organic and specialty production

Meeting growing international demand for certified organic and specialty agricultural products.

The transition toward sustainable agricultural practices also presents investment opportunities. The Ministry of Industry has outlined efforts to transition toward a green economy, improve product quality, and boost Egyptian exports. This alignment with sustainability trends positions Egyptian agriculture to meet evolving international market demands.

Challenges in the agricultural sector include water scarcity, which necessitates investments in water-efficient irrigation technologies and practices. Climate change impacts also pose risks to agricultural production, though investments in climate-resilient varieties and techniques can help mitigate these concerns. Land fragmentation in traditional agricultural areas can create operational complexities, though the new reclamation areas typically offer larger contiguous plots suitable for commercial-scale operations.

## 6. Additional Sectors with Potential for Investment

Beyond the core sectors already discussed, several other areas present compelling investment opportunities in Egypt based on national development priorities and market dynamics.

### 6.1. Transportation and Logistics

Egypt's strategic location and ongoing infrastructure investments make transportation and logistics a sector of significant national importance. The establishment of the Kafr Dawoud-Sadat railway line, connecting industrial zones with domestic markets and export ports, demonstrates the government's commitment to improving logistics infrastructure.

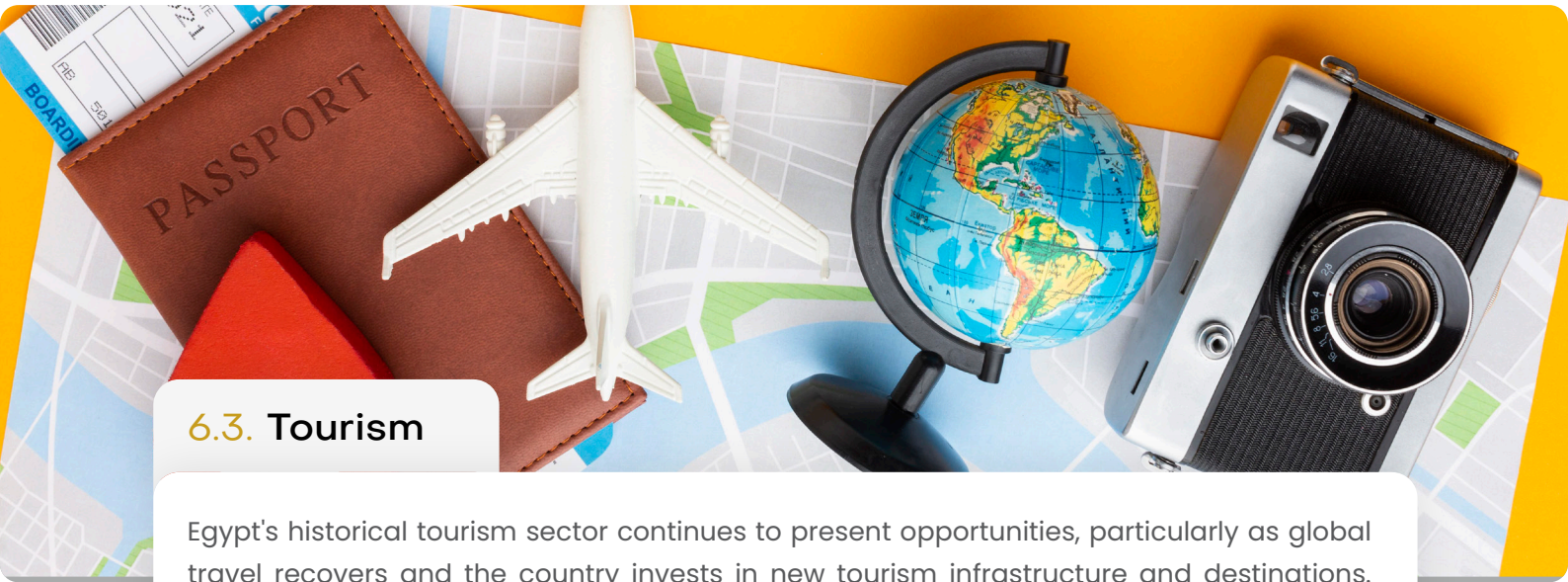
The development of a dry port and logistics hub in Sadat City through a public-private partnership model offers further evidence of opportunities in this sector. As Egypt positions itself as a regional manufacturing and trading hub, investments in specialised logistics services, warehousing, fleet operations, and supply chain management solutions present attractive opportunities.

The recent upgrades to the Cairo-Alexandria logistics corridor create improved connectivity between industrial zones, domestic markets, and export ports on the Mediterranean. This enhanced transportation network directly benefits manufacturing and agricultural exporters, reducing costs and improving reliability.



## 6.2. Healthcare

Healthcare represents a sector of critical importance to Egypt's development goals. The country's large population of over 100 million citizens creates substantial demand for healthcare services, pharmaceuticals, and medical equipment. Local manufacturing of pharmaceuticals and medical supplies represents a particularly promising intersection of healthcare and industrial development. Egypt's broader development plan for FY 2025/26 allocates significant public investments to the health sector alongside education and scientific research, indicating the government's prioritization of healthcare development.



## 6.3. Tourism

Egypt's historical tourism sector continues to present opportunities, particularly as global travel recovers and the country invests in new tourism infrastructure and destinations. Investments in hospitality, tourism services, and cultural heritage preservation align with national economic diversification goals.



## 6.4. Education

Educational services, particularly those incorporating technology solutions, align with Egypt's focus on building human capital for the knowledge economy. The growth in the ICT sector naturally creates demand for specialized technical education and training, presenting opportunities for investors in educational institutions, online learning platforms, and vocational training centers. The government's allocation of public investments to education and scientific research as part of its development plan for FY 2025/26 further underscores the priority placed on building educational capacity to support economic development goals.

## 7. Market Entry Considerations

Investors looking to enter the Egyptian market should carefully consider several key factors that will influence their success and operational experience:

### 7.1. Legal and Regulatory Framework

Egypt has been implementing reforms to improve its business environment, though navigating the regulatory landscape can still require expertise and patience. The government's prioritization of industrial development, renewable energy, and agricultural exports has led to sector-specific incentives and policies designed to attract investment.

Foreign investors should engage with relevant ministries early in their planning process. For industrial investments, the Industrial Development Authority and the Ministry of Investment and Foreign Trade have been actively facilitating investments, as evidenced by their engagement with Chinese investors planning industrial projects. Discussions between foreign investors and government authorities typically take several months to navigate permissions and regulatory requirements. Building relationships with relevant authorities and understanding their procedures is essential for efficient market entry.



## 7.2. Legal and Regulatory Framework

Strategic partnerships with local entities can accelerate market entry and navigation of the business environment. Egyptian businesses bring valuable market knowledge, established networks, and operational experience. The Committee for Developing Relations with China at the Egyptian Businessmen's Association provides one example of how business associations can facilitate connections between foreign investors and local partners.

For larger investments, public-private partnerships represent another model, as demonstrated by the development of the dry port and logistics hub in Sadat City. These structures can provide access to strategic projects aligned with national development priorities. The growing number of Chinese companies in Egypt, reaching 2,066 by the end of last year, demonstrates the viability of foreign investment, particularly when navigated through appropriate partnership arrangements.



## 7.3. Investment Incentives

Egypt offers various incentives to attract foreign investment, particularly in priority sectors and designated geographic areas. These may include tax breaks, customs duty exemptions, land allocation at preferential rates, and streamlined administrative procedures. The specific incentives available vary by sector, investment size, and location, requiring investors to engage with relevant authorities to understand the applicable benefits.

For technology startups, government support, tax breaks, and mentorship programs have been instrumental in fueling growth in the startup ecosystem. Similar supportive measures exist across other priority sectors identified in national development plans.



## 8. Potential Risks

While Egypt's economic outlook shows improvement, investors should be aware of several risk factors:

- Currency stability remains a concern despite recent improvements. The balance of payments crisis in FY 2024 demonstrates the potential for foreign exchange challenges that could affect international businesses.
- Inflation, while on a downward trajectory, continues to affect household disposable income and consumer spending patterns. This may impact businesses targeting the domestic consumer market.
- Bureaucratic procedures can create operational friction, though reforms are ongoing to streamline these processes.
- Regional geopolitical dynamics may present indirect risks that prudent investors should monitor, though Egypt has maintained relative stability compared to some neighboring countries.



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