Overview

Egypt is strategically located in the north-east corner of Africa. It plays an important historical and cultural role in the Arab world. Egypt has the largest population in the Arab region, and the second largest economy, following Saudi Arabia.

However, Egypt has a large underground, informal economy, in which about 70% of the population work. Currently, 40% of Egyptians live on or below the poverty line, in both urban and rural locations.

Access to basic rights is limited. Just 10% of Egyptians hold legal title to their homes, or have a bank account. Low access to legal and financial support for businesses hampers entrepreneurship and people’s capability to set up businesses. Building institutional capacity and protecting property as well as other basic rights are keys to solving poverty and economic inequities.

About 50% of the population is below the age of 20. Creating jobs and services for a growing population is a challenge for both the public and private sectors.

These socio-economic conditions and political dissatisfaction led to an on-going, nationwide, democratic movement in 2011, known as the ‘January 25 Revolution’ in Egypt. Reforms, through this turn of events, could create many opportunities for Egyptians.

Egypt’s natural resources and environment could be suited to the development of sustainable and progressive industries. In agriculture, high land yields in cotton, rice and wheat crops can be the basis of valuable farming activities. Partnering with or employing small farming communities could also foster innovation in new markets, such as organic or pharmaceutical products. Strategic partnerships could help by providing marketing and sourcing platforms, or technical assistance, such as efficient irrigation technology.

With proven natural gas reserves of 1.656 trillion cubic meters (2009), as well as plenty of sun and wind, Egypt is also a good source of clean energy. There is potential to integrate the poor as both customers and innovators of products that provide inexpensive and renewable energy. Also, sustainable waste management is a promising sector for employment and value-creation.

The emerging ICT sector in Egypt creates an infrastructure that could lead to initiatives encompassing education, e-business, financial services and software innovation for greater inclusion. For example, mobile phone penetration is over 70%, presenting opportunities to address a large and young population with ICT solutions to improve their access to services and livelihoods.

Market Data

Population
82.1 million (2011)
Population living in extreme poverty (<$1.25/day)
1.99% (2004)
Population living at the BoP (< $3,000/year)
95.9% (2005)
GDP (nominal)
$218.5 billion
GDP growth (2010)
5.2%
GDP / per capita
$6,200
Unemployment rate
9.7%
Gini ranking (2009)
90 / 136
HDI ranking (2011)
104 / 172
CPI ranking
98 / 178
(All data for 2010 unless otherwise noted / all $ in purchasing power parity)
How is the society going to develop?

Efforts toward political and economic reform should lead to government policies that encourage and foster greater inclusiveness. Comments from advisors to the Egyptian interim minister of labour for example, pointed to the positive global cases of inclusive development stemming from solutions in low-cost housing for labour and entrepreneurship opportunities that could be applied (El-Ehwany, 2011).

There is also an emphasis on alleviating poverty through creating employment opportunities for Egyptians over the next 5 years.

Which sectors currently offer the greatest opportunities?

- Energy,
- Agriculture (Food & Medicinal products),
- Waste & Water Management,
- Low-cost Housing,
- ICT (education, scientific research),
- Healthcare,
- Tourism.

Is the support by the government likely to change?

With Egypt’s political system undergoing transition and reform it is likely that government and policies will change. There might also be greater involvement of Egyptian civil society organisations in influencing guidelines and in their capacity to contribute towards development. However, recent events have also showed further restrictions placed on NGOs on conducting fieldwork and their source of funding.

What are future risks?

Risks are related to political uncertainty, and its’ effects on policy-making during the current transition. The strength and probity of governance will still play a role in the commitment towards more inclusion, as progress is made towards greater democracy in Egypt.

Examples

**Sekem** began as an initiative to ‘promote social and environmental development through economic and cultural activities’. Today Sekem Group holds eight companies that employ 2,000 people and source from 850 small-scale farmers. The company sells organic seedlings, fresh fruit and vegetables, herbs and spices, pharmaceuticals and organic foods, beverages and cotton.

**Orascom Telecom** is one of Egypt’s first transnational companies. Its telecom subsidiary ‘Mobinil’ has 26 million subscribers and a market share of 23 percent in Egypt. By supporting traditional small ‘business centers’ that sell multiple telecom products and services to customers, especially in low-income areas, Mobinil has gained access to new distribution channels at the BoP. The company is also exploring basic mobile phone as platforms supporting tools for managing micro-businesses.

**ADAPT (Appropriate Development, Architecture and Planning Technologies)** provides consultancy and training services to masons in slums. It combines modern planning technology and locally available construction material to build low-cost, good quality, environmentally-friendly homes and public buildings.

Throughout different regions of Egypt, the company partners with over 600 master-builders and craftsmen. It integrates their experience and construction knowledge into its designs and product innovations, such as paint.

The company also runs a grass-roots participatory urban upgrading scheme that helps marginalized communities who are customers of ADAPT’s services to build their homes and communal spaces at the same time.

Directory

**Literature & web sites**

- CSR WeltWeit Egypt Country Profile | wwwcsr-weltweit.de/en/laenderprofile/profil/aegypten/index.nc.html
- Perspective from Egypt Iman Bibars of Ashoka Arab World | http://ashokaarabworld.wordpress.com/2011/02/15/a-perspective-from-egypt-iman-bibars-of-ashoka-arab-world/

**Contacts & support**

- Ashoka Arab World Support for Social Entrepreneurship and the Citizen Sector | http://ashokaarabworld.wordpress.com/about-ashoka-arab-world/
- IDRC Egypt Development think-tank for inclusive markets | www.idrc.ca
- UNDP Egypt networking and information exchange about Inclusive Business (GIM), Corporate Social Responsibility (CSR) and PPP | http://www.un.org.eg

**Fact sheet editor**

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Trends