

Joint Press Release

Japan and Egypt Has Held the Fourth Meeting of “the Business and Investment Promotion Committee” on September 12

On September 12, 2024, the fourth meeting of “the Egypt-Japan Business and Investment Promotion Committee” was held at the premises of the General Authority for Free Zones and Investment (GAFI) in Cairo. The meeting was co-chaired by H.E. Mr. Hossam Heiba, President of GAFI, on behalf of H.E. Mr. El-Khatib, Minister of Investment and Foreign Trade and H.E. Mr. OKA Hiroshi, Ambassador of Japan to Egypt, and attended by representatives of relevant government authorities and business communities from both the Egyptian and Japanese sides.

Participants from the Japanese side included the representatives of Embassy of Japan, Japan Business Association (JBA), Japan External Trade Organization (JETRO), Japan International Cooperation Agency (JICA), Japan Bank for International Cooperation (JBIC), and Nippon Export Insurance (NEXI) as well as and several of the leading Japanese and Egyptian companies.

Mr. Heiba, President of GAFI, welcomed the participants from both sides and, through his presentation on the improvement on the Egyptian economic indicators as well as several incentive packages offered to investors; he also emphasized the determination of the Government of Egypt to continue implement the structural economic reforms as agreed with IMF and stated his strong hope that these efforts will improve the macro-economic situations in Egypt and lead to further enhancements in the business environment in Egypt which should strengthen business cooperation with the Japanese companies to fully capture the emerging business opportunities in Egypt.

Ambassador Oka highlighted the importance of this committee by showcasing the series of new investments having been made or

being advanced by Japanese companies since the 3rd meeting last year in a diversified fields including manufacturing, water, food and hydrogen, in light of stabilizing macro-economic situations in Egypt. Amb. Oka also stated that the extensive FTA networks with Europe, GCC and Africa are helping Egypt become a preferred base for Japanese manufacturing companies and that those Japanese investments are aligned with Egypt's priorities of localization and export promotion. At the same time, Amb. Oka emphasized the need to address the challenges Japanese businesses face for Egypt to fully develop its business potential. He expressed his high hope that supporting Japanese-Egyptian business collaboration in a strategic manner, including through promotion of public-private partnership, will contribute to materializing further Japanese investments when H.E. President Abdel Fattah El-Sisi will hopefully visit Japan next summer for the Tokyo International Conference on African Development 9 (TICAD9).

The Committee discussed the new opportunities of Japanese investments in Egypt, in fields such as water pumps, food supply, and manufacturing of home electric appliances and further discussed the lessons learned.

Egyptian companies operating successful business in collaboration with Japan also made their presentations on their projects in the fields of food export to Japan and power related business in cooperation with Japanese companies in the Middle East and Africa.

In addition, the Committee discussed the outcome of the business survey on Japanese companies in Africa conducted by JETRO, which highlighted areas of potential investment as well as issues that need to be addressed to improve business environment.

The Committee was presented by a Japanese company planning to develop hydrogen project in SCZone, in particular for green bunkering. The company pointed out the development of renewable energies and the location of Suez Canal, global artery of maritime transport, as

advantages of Egypt for hydrogen businesses.

JBIC, JICA and NEXI made their respective presentations about how their ODA and/or OOF (other official flows) tools will improve business environment.

JBIC explained that it intends to support business development in Egypt, including by engaging business institutions/companies in the third countries (e.g. GCC) through providing them with JBIC finances to cooperate with Japanese companies operating in Egypt, which is considered as a new type of triangular business cooperation.

JICA announced the availability of its financing facilities to support private businesses and its role for development of human and institutional capacity development, which is necessary for private business driven economic development.

NEXI introduced concrete means to support Japanese companies by reducing business related risks by using its investment and credit insurance products.

Lastly, JBA (JETRO) introduced current issues faced by Japanese business in the field of taxation and licenses. Given the broad range of concerns, the representatives of the tax authority in the committee have asserted their commitment to resolve these matters in collaboration with the committee.

The Committee decided to set up a monthly follow-up meeting mechanism, which will be co-chaired by GAFI and JETRO/Embassy, to proactively address business-related challenges, including those raised during the Committee meeting, in a timely manner.

In closing, H.E. Mr. Heiba thanked the participants for their active contribution and suggested that, in addition to the monthly follow-up meetings, online/in person meetings can also be held for each industrial sector to cover areas of common interest and challenges for

both countries.

Amb. Oka thanked Mr. Heiba, on behalf of Japanese participants, for successfully hosting the 4th meeting of ‘the Egypt-Japan Business and Investment Promotion Committee’ and proposed that the next 5th meeting be held around the same time next year and that a summary of discussion be made as a basis of follow up process to solve the challenges faced by Japanese business in an effective manner. Both of the proposals were welcomed.

‘Egypt-Japan Business and Investment Promotion Committee’ was established by agreement between then Prime Minister H.E. ABE Shinzo and H.E. President Abdel Fattah El-Sisi on the occasion of TICAD7 in 2019 to promote Japanese investment in Egypt. The first meeting was held in July 2021, which were followed by the second meeting in August 2022 and the third meeting in August 2023. All the meetings were held in Cairo.