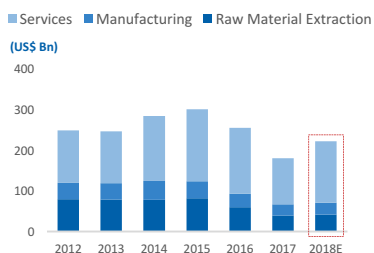


A country's macroeconomic indicators act as a platform that investors/business seekers consider reviewing prior to any corporate activity in the nation. There are over 100 indicators that can shape the view of investors towards any business attempt. Highlighted below are a number of the most relative indicators to the country's economic openness, government intervention in businesses, and the legal environment surrounding corporate entities

Economic Openness

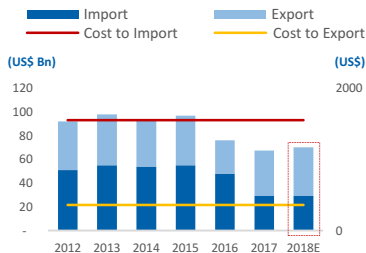
Egypt Gross Value Added by Sector



Source: BMI

The tertiary sector (services) remains the largest in terms of output reflecting the country's vast consumer market which has created huge demand for services which is expected to drive overall growth in 2018. Secondary sector (manufacturing) represent a smaller share of output

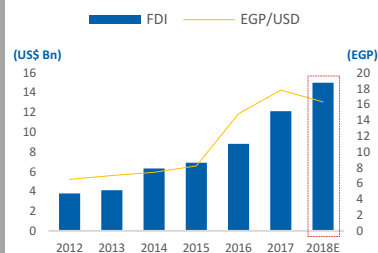
Total Imports, Exports, and their Cost



Source: BMI

Free-floating currency plus a reduction in subsidies on food, implementing a VAT and rise in price inflation, which is expected to increase for a short period, are expected to drag on import growth also on the back of increasing the cost to import and easing the cost to export

Foreign Direct Investment (FDI)

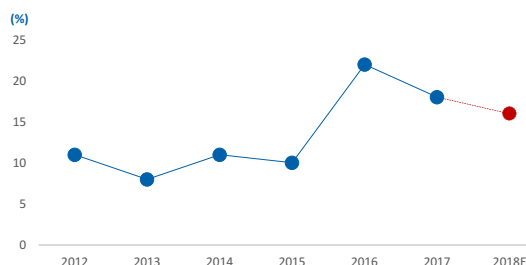


Source: CI Capital - Egypt Macro Outlook

The government is keen to attract FDI committing to providing a stable environment for foreign investors, with several reforms enacted since 2014 to improve business climate, in addition to mega natural gas fields coming on line reducing energy imports leading to a rise in FDI by an estimated US\$5.5bn

Government Intervention

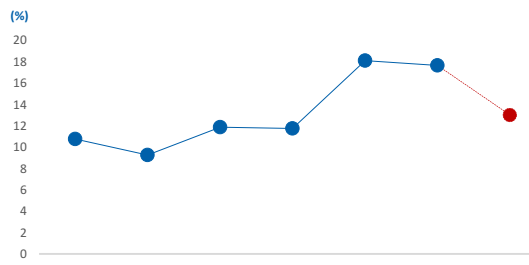
Inflation Rate



Source: CBE, CI Capital - Egypt Macro Outlook

Lingering effects of currency weakness and the impact of subsidy removals drove headline inflation higher during early 2017 before it began to fall in H217 reaching 18% from 22% in 2016. Inflation is expected to slightly decrease on the back of currency devaluation falling out of annual inflation calculation expected to reach an average 16% by the end of 2018

Lending Rate



Source: CBE, CI Capital - Egypt Macro Outlook

Despite the country's relatively good access to international financial markets and well-developed banking sector, businesses continue to face tight lending conditions and foreign currency liquidity challenges, causing delays and heavy losses for firms that rely on time-sensitive transactions. However, reforms to both the financial industry and the tax regime are underway and the country has the support of an IMF fiscal package, all of which could help to improve the operating environment for businesses in the medium-to-long term

Legal Environment

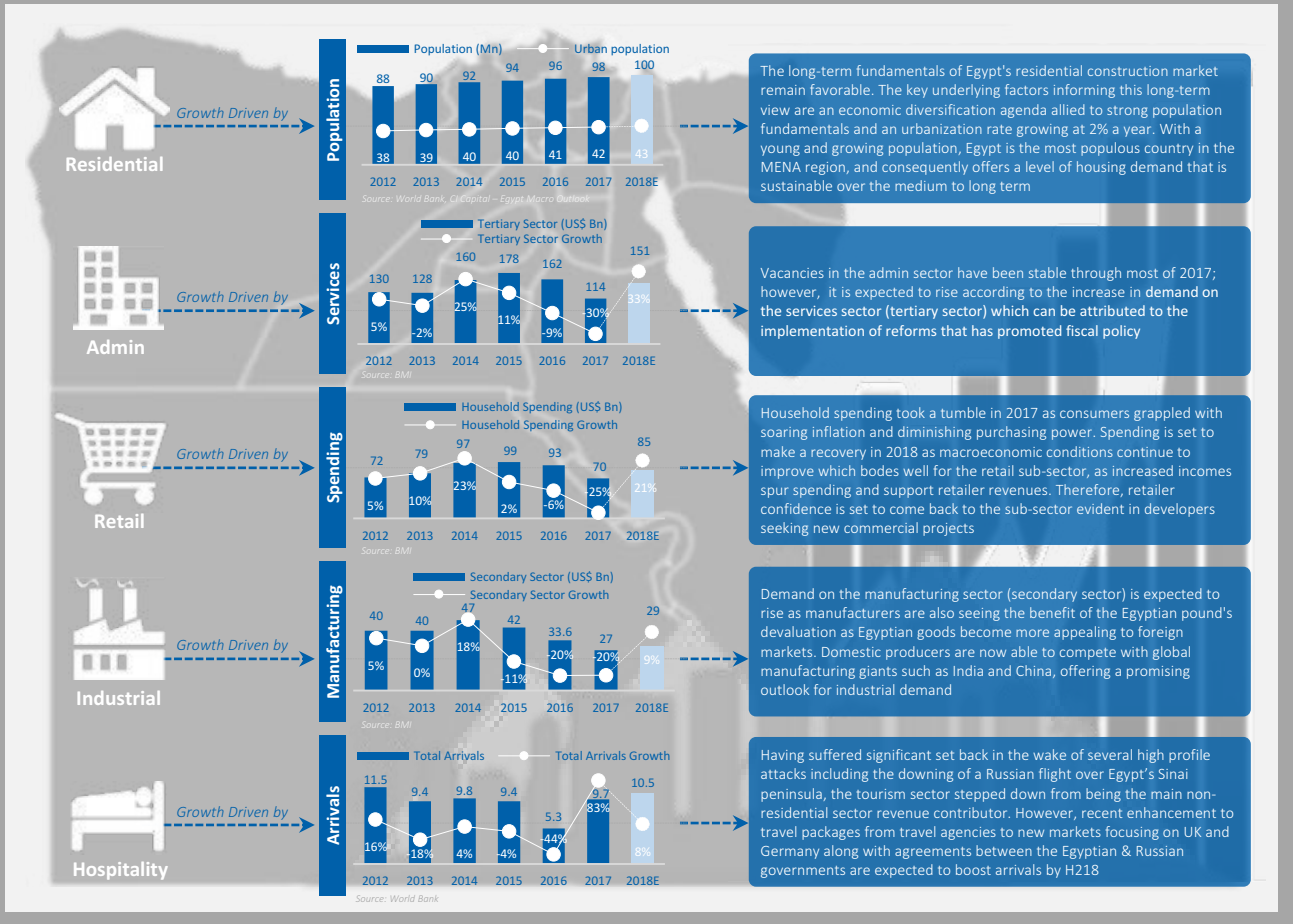
Bureaucratic Procedures

Bureaucratic Obligation	Number of Procedures		Time (Days)		Cost	
	2016	2017	2016	2017	2016	2017
Opening a New Business	7	4	8	6	8.4% of Income per Capita	7.2% of Income per Capita
Registration a Property Purchase	8	8	63	60	0.6% of Property Value	0.5% of Property Value
Obtaining Construction Permits	20	17	179	145	1.7% of Warehouse Value	1.6% of Warehouse Value
Completing Insolvency Proceedings	N/A	N/A	900	900	22% of Estate	22% of Estate

Investors face longer delays with regard to processing real estate purchases and obtaining necessary construction permits. Registering a property purchase takes 60 days on average, the longest time regionally, highlighting key issues regarding complex land ownership policies. In addition, dealing with construction permits is also a time-consuming affair, taking a total of 145 days - above the regional average of 129.5 days. However, the main procedures of business registration in Egypt are relatively efficient, taking an average of six days to complete, the fastest time regionally, while the costs are moderate, at 7.4% of income per capita, below the regional average of 26.3%. On the other hand, winding down business operations through insolvency proceedings is also relatively efficient, taking an average of 2.5 years (against a MENA average of three years). In practice, the paperwork involved in liquidating a business remains convoluted and starting a business is easier than shutting one down

Source: BMI

...some indicators could be utilized to study/monitor certain sectors, such as real estate. The sector in Egypt is one of the highest in demand being the favorable investment means for locals to hedge against any future economic turbulence. The sector's major sub-segments can be summarized into residential, admin, retail, industrial, and hospitality; moreover, some indicators can be direct drivers to these sub-sectors within the real estate sector and sometimes, in addition to economic & political reforms, draws prediction to future outcomes of the sector



Coldwell Banker Commercial Advantage (CBC Advantage)

CBC Advantage is a full service commercial real estate company located in New Cairo, Egypt. The company specializes in commercial, industrial, retail, residential, land development, and real estate investment covering the following services:

- Acquisition & Disposition Services
- Corporate Services
- Tenant Representation
- Capital Services
- Distressed Assets
- Start-up and Small Businesses
- Investment Analysis
- Landlord Representation
- Property Management
- Real Estate Development
- Market Research and Valuation

Our professional agents specialize in various property types and are able to provide a deep knowledge of our market that allows us to formulate the best possible business strategy at all times.

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For more details, please contact | **Sherif Hassan**, Development Director