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ATTORNEYS AT LAW

An aerial photograph of a city skyline, likely Cairo, Egypt, featuring a wide river (the Nile) with several sailboats and a prominent tall skyscraper on the right. The image is overlaid with a semi-transparent blue filter.

## A NEW ERA FOR INVESTMENT: UNPACKING EGYPT'S 2024 LAW AMENDMENTS

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# INDEX

**1**

**DECREE OVERVIEW**

**3**

**KEY HIGHLIGHTS**

**5**

**COMPARISON**

**7**

**BUSINESS IMPLICATIONS**

**11**

**CONCLUSION**

# DECREE OVERVIEW





# ENHANCING INVESTMENT VIABILITY THROUGH REGULATORY REFORM

In a bold stride towards revitalizing investment and economic growth, the Egyptian government has enacted the **Prime Minister's Decree No. 1203 of 2024**, significantly amending the executive regulations of the Investment Law (**Law No. 72 of 2017**). This decree represents a critical shift in Egypt's approach to facilitating investment, aimed at simplifying processes and enhancing operational efficiencies across the nation's pivotal economic zones. By modifying key regulatory frameworks, the government underscores its commitment to not only attract but also retain domestic and foreign investments by providing a more transparent, streamlined, and investor-friendly environment. The updated regulations promise to reshape the investment terrain in Egypt, making it an opportune moment for stakeholders to reassess their strategic plans and leverage these regulatory refinements for enhanced business outcomes.

# KEY HIGHLIGHTS



# KEY AMENDMENTS OVERVIEW

## UNIFIED APPROVAL PROCESS

This amendment introduces a single approval system for strategic projects, which consolidates all necessary permits and real estate allocations into one decision made by the Prime Minister. This is a significant shift aimed at reducing organizational requirements and accelerating the initiation of strategic projects.

## STREAMLINED APPLICATION DOCUMENTATION

The decree standardizes the application process by introducing a unified application form and clearly defined documentation requirements. This change is designed to eliminate inconsistencies and simplify the compliance process for investors.

## REGULATORY COMPLIANCE AND OVERSIGHT

Enhanced monitoring committees will now oversee the compliance of strategic projects with legal and regulatory standards. These committees are tasked with ensuring that projects adhere to their timelines and meet all regulatory requirements, enhancing the overall governance of investment projects.

## FOCUSED ECONOMIC DEVELOPMENT

The amendments prioritize development in economically lagging regions by defining specific zones that will benefit from targeted investment and development initiatives. This approach aims to address regional disparities and stimulate economic growth where it is most needed.

# COMPARISON



**COMPARATIVE TABLE: BEFORE AND AFTER AMENDMENT**

<b>ASPECT</b>	<b>Before Amendment</b>	<b>After Amendment</b>	<b>Expected Market Impact</b>
<b>Approval Process</b>	Multiple approvals required from various bodies	Single approval from the Council of Ministers	Reduces start-up time, attracts more investments
<b>Documentation and Application</b>	Complex, multiple forms and inconsistent requirements	Unified form with standardized documentation	Simplifies processes, enhances investor confidence
<b>Regulatory Oversight</b>	Less structured, irregular monitoring	Structured committees with clear mandates	Improves compliance, ensures project timelines
<b>Regional Development Focus</b>	Generalized economic development efforts	Targeted investment in specific regions	Promotes balanced growth, stimulates local economies

This table briefly illustrates the transformation of Egypt's investment regulations through Decree No. 1203 of 2024. It highlights a shift from a fragmented approval process to a streamlined single approval system, simplified documentation requirements, more structured regulatory oversight, and focused economic development in underdeveloped regions. These changes are designed to accelerate start-up times, improve compliance, boost investor confidence, and foster balanced economic growth, making Egypt a more attractive destination for investment.



# **BUSINESS IMPLICATIONS**



## **REVITALIZING EGYPT'S INVESTMENT FRAMEWORK:**

The Decree No. 1203 of 2024 marks a transformative shift in Egypt's regulatory framework for investments. By streamlining the approval processes and reinforcing regulatory oversight, the decree introduces a more agile and transparent environment for both local and international investors. This simplification reduces the organizational inactivity that previously hampered rapid business deployment and operational scalability. For businesses, this means a faster time-to-market and a significant reduction in the administrative overhead associated with launching and expanding operations within the country.

## **ENHANCING EGYPT'S GLOBAL COMPETITIVENESS:**

The amendments align Egypt's investment regulations with international standards, aiming to enhance its competitiveness on the global stage. The introduction of a single-window approval system is particularly noteworthy, as it is a best practice employed in numerous developed economies that have successfully attracted foreign direct investment (FDI). By ensuring that investors can navigate the investment process through a single administrative point, Egypt is not only simplifying the logistics of investing but is also mitigating potential corruption and inefficiency.

## **SECTOR-SPECIFIC OPPORTUNITIES:**

The focused development in economically lagging regions opens up new sectors for investment that were previously underexplored. Industries such as renewable energy, agriculture, technology, and tourism can significantly benefit from the decree's emphasis on targeted regional development.

## **SECTOR-SPECIFIC OPPORTUNITIES: (CONT'D)**

Investors looking to enter these markets can now leverage the improved regulatory conditions, potentially gaining first-mover advantages in regions poised for growth. This strategic focus is likely to drive a more balanced economic development, helping stabilize and diversify Egypt's economic base.

## **IMPACT ON SMALL AND MEDIUM ENTERPRISES (SMES):**

SMEs stand to benefit immensely from the decree. The reduction in bureaucratic layers can lead to increased entrepreneurship and the growth of small businesses, which are often the most affected by regulatory complexities. The streamlined processes could foster a more robust SME sector, which is crucial for job creation and innovation. Additionally, the focused investment in underdeveloped regions can provide SMEs with new markets and growth opportunities, which are essential for the long-term sustainability of the Egyptian economy.

## **INVESTOR CONFIDENCE AND LONG-TERM STABILITY:**

The decree's clear regulatory guidelines and the commitment to regular updates and oversight suggest a move towards greater transparency and governance in Egypt's investment framework. This is crucial for building long-term investor confidence and can help stabilize Egypt's economic environment. Investors are more likely to commit to long-term projects and partnerships when they perceive the regulatory environment as stable and predictable.

## **IMPLICATIONS FOR INTERNATIONAL RELATIONS AND TRADE:**

Enhanced regulatory frameworks can improve Egypt's standing in international trade negotiations and attract more bilateral and multilateral investments. The decree could make Egypt a more appealing partner in regional economic zones and trade agreements, enhancing its role as a key economic player in the Middle East and Africa.

# CONCLUSION



**THE DECREE** No. 1203 of 2024 is more than a regulatory update; it is a strategic recalibration of Egypt's economic and investment policies aimed at fostering a more inclusive, sustainable, and diversified economic growth.

For investors, this decree represents a significant shift towards a more business-friendly environment, encouraging investment not only in traditional sectors but also in new and emerging industries across less developed regions. As Egypt continues to refine its investment landscape, the opportunities for growth, innovation, and partnership will likely expand, positioning Egypt as a dynamic hub for business in the region.

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