

Egypt's Investment Landscape: Unlimited Opportunities for Japanese Partnership



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Ambassador Ragui ElEtreby is a veteran diplomat specializing in multilateral economic affairs. He previously served as Assistant Foreign Minister for Multilateral and Regional Economic Affairs (2022–2025) and Egypt's Sherpa to the G20 and BRICS. His career includes senior roles at the World Bank Group, WTO, and UN agencies, as well as Deputy Chief of Mission in Tokyo. Ambassador ElEtreby holds an M.A. in International Political Economy from the Geneva School of International Relations and a B.S. in Economics from Cairo University.

Egypt and Japan share a long-standing relationship built on mutual respect, trust, and a shared belief in the value of long-term cooperation. Today, as Egypt continues to advance an ambitious agenda of comprehensive economic reform and sustainable development, this partnership is entering a new phase—defined by expanded opportunities in renewable energy, modern infrastructure, and strategic investment. For Japanese companies seeking stable, growth-oriented markets with strong government support, Egypt offers a compelling destination.

Economic Reforms and Development Strategy

Over the past decade, Egypt has implemented wide-ranging structural reforms to enhance macroeconomic stability, improve the business climate, and strengthen private-sector participation. These efforts have laid the foundation for sustained growth and positioned Egypt as one of the most attractive investment destinations in the Middle East and Africa. The government's current focus goes beyond stabilization, placing strong emphasis on sector-specific development, particularly in energy, infrastructure, logistics, and advanced manufacturing.

Building on ongoing reform efforts, Egypt's New Narrative for Economic Development presents the country's economic model, with macroeconomic

stability as a cornerstone, while steering the economy toward higher productivity, greater economic complexity, and stronger value chains. It pivots the focus toward tradable and export-oriented sectors that capitalize on Egypt's robust infrastructure and strategic location. It also empowers the private sector as the key driver of growth and jobs, while enhancing competitiveness and innovation to ensure that economic development is both sustainable and inclusive, through redefining the role of the state.

Renewable Energy Opportunities

Renewable energy stands at the heart of Egypt's development strategy. The country has set a clear target to increase the share of renewables in its electricity mix to 42% by 2030, rising to 60% by 2040, driven by abundant natural resources, especially wind and solar. Egypt's location along the Gulf of Suez provides one of the world's most favorable wind corridors, while its vast desert areas offer exceptional solar potential. These natural advantages, combined with a transparent regulatory framework and bankable power purchase agreements, have made Egypt a regional hub for clean energy investment.

Japanese companies have already been playing a visible and successful role in this transformation. Large-scale wind projects along the Gulf of Suez, developed with Japanese participation, have

become cornerstones of Egypt’s renewable energy capacity. These projects not only contribute to energy security and emissions reduction, but also demonstrate the reliability of Japanese technology and the effectiveness of long-term partnership models in Egypt’s energy sector.

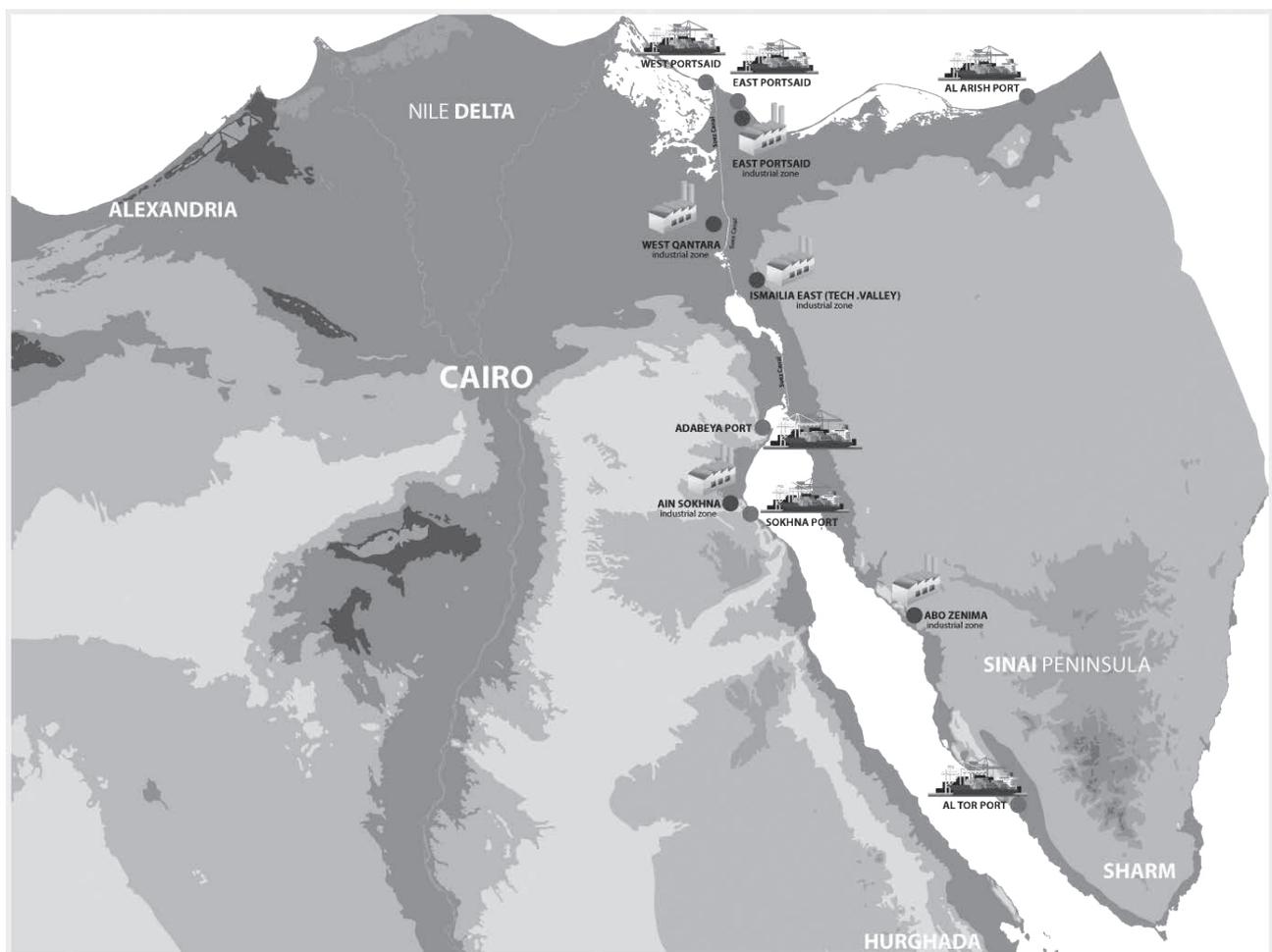
Infrastructure and Logistics

Infrastructure development represents another major pillar of Egypt’s economic vision. Massive investments are underway to modernize transport networks, ports, logistics corridors, and industrial zones, including the Suez Canal Economic Zone, which serves as a strategic platform for export-oriented industries. Egypt’s infrastructure push is designed to support domestic growth while strengthening the country’s role as a gateway connecting Africa, the Middle East, and Europe through a network of free trade agreements.

To support these priorities, Egypt offers a competitive and investor-friendly incentive framework. Key measures include competitive corporate tax rates, customs and VAT exemptions for strategic projects, streamlined licensing through a “one-stop shop” system, and investment guarantees under a modern investment law. Public-private partnership (PPP) models are actively promoted, particularly in energy, water, transport, and waste management, allowing foreign investors to participate in large-scale national projects with clear risk-sharing mechanisms. Additionally, special incentives are available for projects located in priority development zones and industrial clusters.

Japanese Companies Operating in Egypt

The success of Japanese investments already operating in Egypt provides strong evidence of the



Map of the Suez Canal Economic Zone (SCZONE), highlighting major ports and industrial zones across Egypt’s eastern economic corridor. (Source: <https://sczone.eg/uplibrary/2020/05/Egypt-map-6-ports-41-zones-1.gif>)

market's potential. **Sumitomo Electric Wiring Systems Egypt** stands as a flagship example. With major manufacturing facilities producing automotive wire harnesses for global markets, the company has helped established Egypt as a competitive export base integrated into international value chains. Its long-term presence reflects confidence in Egypt's workforce, infrastructure, and investment environment.



The Minister of Trade and Industry Ahmed Samir laid the foundation stone at Sumitomo Electric Wiring Systems Egypt's new vehicle electric-wiring harness factory in the 10th of Ramadan City. (Photo courtesy of Ahram Online)

Another notable success story is **ITOCHU Corporation**, one of Japan's leading integrated trading and investment companies. ITOCHU has maintained a diversified engagement with Egypt across sectors including energy, industrial materials, steel, and food-related supply chains. Through strategic partnerships and trading operations connected to Egypt, the company has contributed to industrial activity, enhanced trade flows, and strengthened Egypt's integration into global markets—demonstrating the advantages of Egypt's strategic location and open economy.

Mitsubishi Corporation also represents a significant example of Japanese engagement in Egypt. With global expertise in energy, infrastructure, industrial projects, and logistics, Mitsubishi has been involved in various regional value chains linked to Egypt and continues to explore opportunities aligned with the country's development priorities. Its approach—focused on long-term value creation, technology transfer, and sustainability—resonates strongly with Egypt's economic vision.

What unites these Japanese success stories is a solid belief in the strength and potential of the Egyptian economy, and a shared philosophy that prioritizes quality, resilience, and long-term partnership over short-term gains. Japanese companies in Egypt have consistently demonstrated commitment, even amid global economic challenges. Beyond commercial returns, their investments have contributed to human capital development, technology transfer, and helped Japan diversify its global supply chains in light of lessons learned during COVID and amid current geopolitical tensions in traditional key markets for Japan.

Future Opportunities for Cooperation

Looking ahead, the potential for deeper Egypt–Japan cooperation is substantial. Opportunities are expanding in renewable energy generation, green hydrogen, energy storage, sustainable infrastructure, electric mobility, industrial localization, and agro-industrial value chains. Egypt's ongoing privatization program and gradual withdrawal of the state from selected economic activities further open space for foreign investors to acquire assets, form joint ventures, and launch greenfield projects.

As Egypt continues to significantly develop and modernize, Japanese companies are uniquely positioned to benefit from this momentum. With proven success stories already in place and a strong foundation of trust between our two nations, the next chapter of Egypt–Japan economic cooperation can be even more ambitious—driven by innovation, sustainability, and shared prosperity.



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