

Egypt ... Open for Business

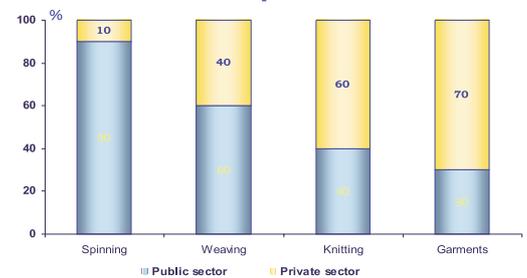


Textile Industry



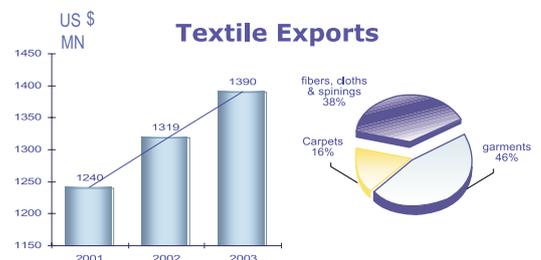
- Egypt offers investors a favorable, cost-competitive environment due to its abundant, low-cost labor; its infrastructure for supporting new businesses; and its reliable, low-cost electricity, gas and water utilities. (Source: International Textiles Manufacturing Federation, 2003)
- The Egyptian industry has an excellent opportunity to expand in both local and international markets. Per capita world consumption is about 8.67 kg while local consumption is about 4.7 kg. Moreover, Egypt's market share of the global textile trade is only 0.23%.
- The Egyptian textile industry is continually enhancing its competitive position by adopting the latest technology in all phases of the production process.
- The textile industry represented 27% of total industrial production in Egypt-EGP 20 billion in 2003.
- The Egyptian government has set a goal of doubling annual textile exports to \$3 billion for the period 2006/2010.
- Ownership of yarn and textile enterprises is distributed among 4508 private and 27 public enterprises.
- The public sector accounts for 90% of cotton spinning and 60% of fabric production. The Egyptian government is encouraging private investment in the upstream industry segments (spinning and weaving) to improve their competitiveness.
- The private sector dominates the downstream industry with 70% of all garment manufacturing.
- The textile industry is a major income generator for Egypt with exports amounting to EGP 3bn annually. Garments account for 46% of all textile exports, reflecting the modern technology now used in Egyptian garment manufacturing.
- The incentives provided under the Qualifying Industrial Zones (QIZs) agreement are expected to lead to dramatic growth in textile exports to the US due to the preferential access provided to these products.
- The US and Europe are the primary markets for Egypt's textile and clothing exports with a market share of 40% and 38%, respectively.

Ownership Structure



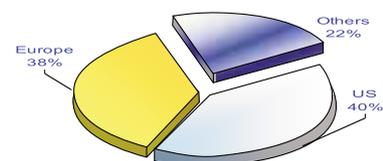
Source: Egyptian Center for Eco. Studies ECES, 2003

Textile Exports



Source: The Central Authority for Public Mobilization and Statistics (CAPMAS)-Trade Map Statistics

Trade Partners Among the World



Source: The Central Authority for Public Mobilization and Statistics (CAPMAS) - Trade Map statistics

Top international brands and clothing manufacturers are sourcing products in Egypt because of the abundant, high-quality cotton Egypt produces, the competitiveness of Egyptian textile operations, and the preferential access Egypt offers to US and European markets.

Brands Sourcing in Egypt :



Calvin Klein

EMPORIO ARMANI

