Ministry of Trade and Industry
وزارة التجارة والصناعة



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Industry and Trade Development Strategy

2016 - 2020

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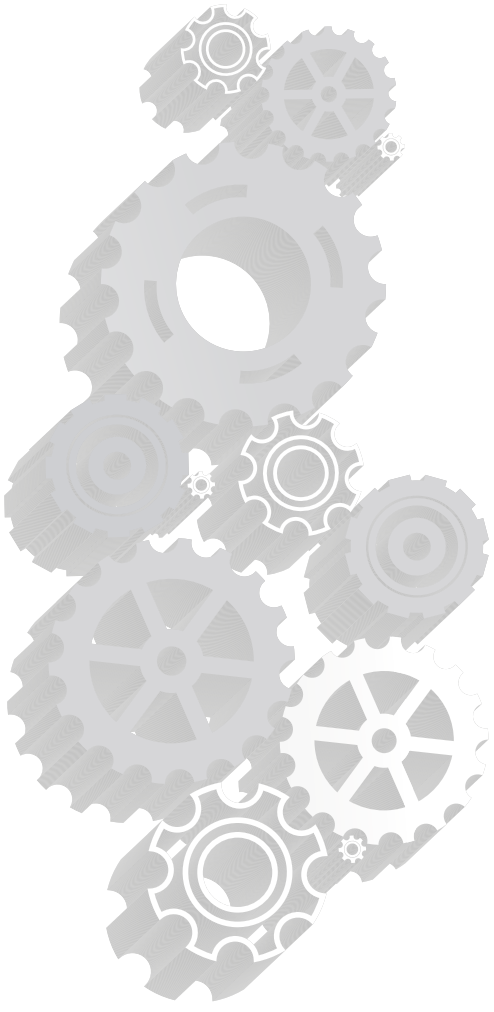


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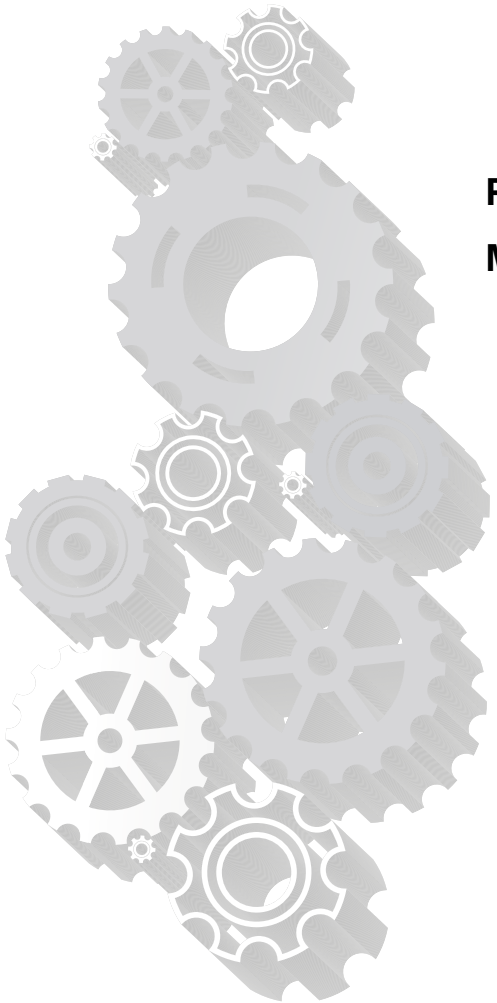
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MINISTER'S FOREWORD



Minister of Trade and Industry

Eng. Tarek Kabil

Amid the current circumstances witnessed by the world and the major political and economic turmoil that led to a slowdown in the global economic and trade growth, and the consequent change in the map of international trade. Many countries around the world had to review the financial, monetary, industrial and trade policies so as to respond and comply with the challenges and opportunities emerged for this international upheaval.

Given the significant status of Egypt at both the regional and international surroundings which made Egypt affected by these variables in addition to the two revolutions it has experienced, it became imperative to do a thorough review of trade and industrial policies and update the strategies adopted by the former Ministers of Trade and Industry in order to design and implement plans supporting the promotion of Egyptian industry and foreign trade to conform to the new challenges and opportunities. The plans are integrated with the sustainable development strategy: Egypt's vision 2030, which has been endorsed by the President and the Egyptian Parliament.

In light of this trend, a central and specialized unit has been established within the Ministry in order to undertake a comprehensive review of all policies, strategies and plans that have been previously prepared and to prepare an updated strategy in the light of local, regional and global developments, which we are witnessing, and then monitor, evaluate, and assess the impact of these policies and strategies.

Thus, a re-prioritization has been done focusing on the economic growth engines that we can depend upon to move with fast and steady steps to respond to the expected local and global economic indicators and integrate with all major national programs and projects of Egypt, which have been designed in response to the expected population growth indicators and which will result in increase of the local demand on all economic sectors of the country.

The Ministry's strategy focuses on five key pillars which will be addressed in parallel to achieve the industrial growth rates through which the desired job can be created. A response, can be made to the expected domestic and global demand, taking into account the inclusiveness of the economic, social, environmental, technological and spatial development.

These pillars include comprehensive initiatives that aim at creating a business climate that is appropriate to strengthen the national economy through the private sector, particularly Micro, Small and Medium enterprises and integrating them into the local and global supply chains and linking them to major economic entities. This will be done in order to make Egypt's economy able to cope with the global volatility and ensure the stability and balanced growth for all the relevant economic indicators, as well as rationalizing imports and increasing exports. This includes creating and developing the business climate and fulfilling the required legislative, procedural and institutional reforms.

This strategy includes several feasible ambitious goals that can be linked to the related sectoral strategies and development initiatives at the level of all the governorates. This strategy will be followed by a detailed implementation plan that specifies how to implement each program and project and include an advanced system for monitoring and evaluation. This strategy and its goals will be reviewed based on the developments of the Egyptian economy and the fluctuations in the global market if necessary in order re-correct the path.

To conclude, I would like to emphasize that this strategy is only a product of the joint efforts and fruitful consultations that began and will remain with all the concerned parties, whether they are relevant governmental bodies, or business community, private sector, civil society, development partners, or members of the Egyptian parliament. It is also developed in light of the strategies and plans previously prepared by the former ministers. The implementation of this document requires collaboration, strong determination and sincere hard work that aims at the development and welfare of our country.



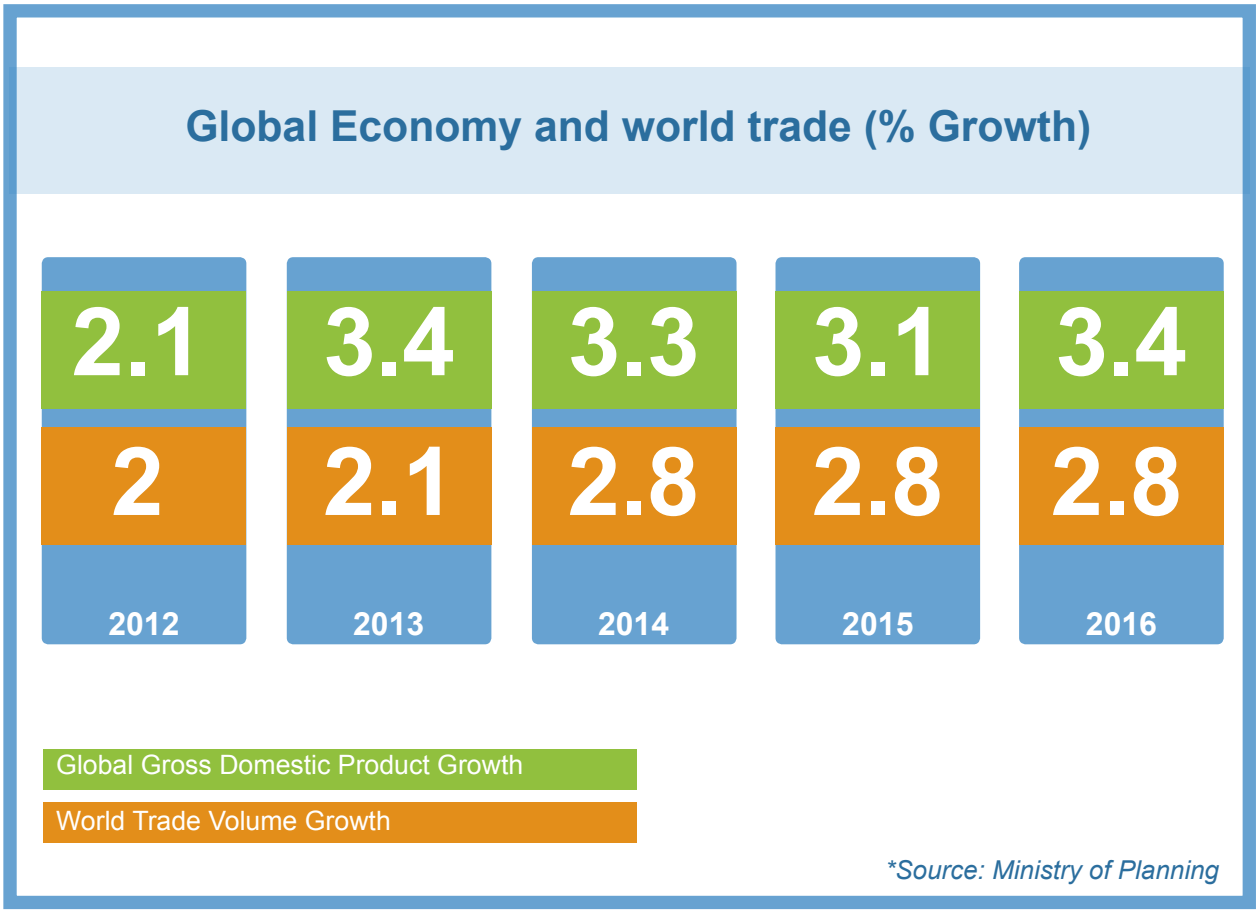
INTRODUCTION

FEATURES OF GLOBAL ECONOMY

There is no doubt that the global financial crisis that started back in 2008 led to bankruptcy of several key banks in USA, Russia, Switzerland and Japan. The crisis also caused an unprecedented increase in developed countries' unemployment rates. Both developed and developing countries adopted financial and/or monetary incentives packages to revitalize their economies, thus causing in turn an unsurpassed aggravation in budget deficits and governmental debts. The crisis also involved the 2010 Eurozone crisis, effected by high debt rates in the Eurozone countries, for instance Greece, Italy and Spain, among others. Fiscal restraints applied in such countries led to a decrease in global economic activity rates. It is worth noting that the Quantitative Easing Programs of international central banks, particularly Federal Reserve Bank, were not highly successful in stimulating household consumption, investment and growth. In addition, the International Monetary Fund (IMF) had warned of disappointing world growth forecasts. To illustrate, world growth rate had been forecasted to record low 3.4% (less than previous forecasts of 3.6%) in 2016 and 3.6% in 2017 against 3.1% in 2015. The EU also reduced the economic growth forecasts for 2016 from 2.4% to 1.7% and from 2.5% to 1.9% in 2017. The recovery from the economic slowdown that followed the global financial crisis is ongoing, dominated by two of the biggest economies in the world, namely USA and China.

Furthermore, UK exit from EU will be followed by fluctuations and long terms of uncertainty regarding stock exchange, global economies and Eurozone rates. The global economy is also expected to suffer from various shortcomings because of Federal Reserve Bank increase of US interest rate in the coming years. World Trade Organization (WTO) forecasts further indicate difficulty of world trade exchange volume returning to natural rates, estimated to reach 2.8% and 3.6% in 2016 and 2017 respectively against 2.8% in 2015.

The abovementioned reflects that the repercussions of the world financial and subsequent crises, such as the Euro crisis, are still prevailing and will remain for the coming years; the matter hindering governments' capability to apply developmental policies and leading to a decrease in national and per capita income rates across the world. This in turn leads to a decline in people welfare and expenditure levels, thus reducing purchasing power and demand on different products as well as raising unemployment rates.



The global economy has suffered from fluctuation and deterioration reflected on the average growth of global merchandise trade, reaching 1% in the first six months of 2016; which is the lowest growth rate since the financial crisis in 2009. Global trade faces dramatic sluggishness, whether in nominal value or size. This has been caused by the decline in aggregate demand from developed economies, followed by the effect of structural reform in China which aims at increasing domestic production, increasing investment and

export sectors, reducing Chinese imports (representing 10% of global imports), promoting growth based on domestic consumption, as well as the increase in protective measures and the restrained liberalization of trade policies.

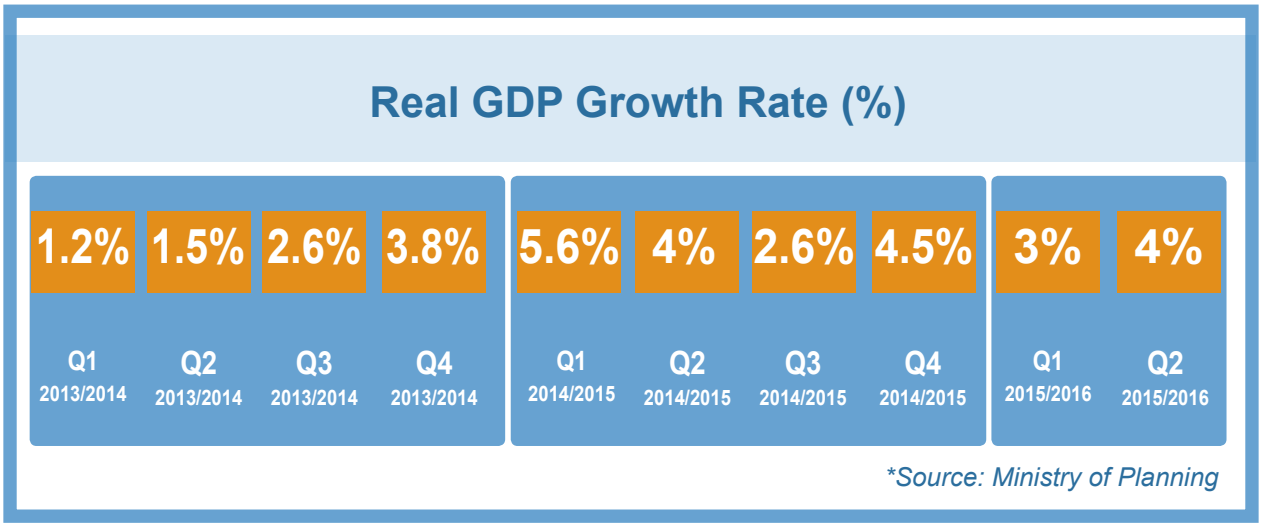
Moreover, many challenges and opportunities were added to the industry and trade files—at the local, regional and global levels—because of the change in the financial, monetary, trade and industrial policies by some countries, such as devaluation of their currencies, and transferring their industries to foreign markets because of their economic status. China being an apparent example. Regional states endured production turbulence, and few countries' exports all together ceased to particular markets due political turmoil. Such variables imposed various challenges and opportunities on trade and industry at the local, regional and global levels.

The Egyptian economy has been directly affected by world's economic developments, evidently seen in exports, direct and indirect foreign investments, tourism and remittances. Moreover, the Egyptian economy had been influenced by the decline in major countries economic growth forecasts, especially EU countries and USA, with these countries being Egypt's most significant commercial partners, and main sources of direct foreign investment and economic exchange.

FEATURES OF THE EGYPTIAN ECONOMY

Macroeconomic Indicators

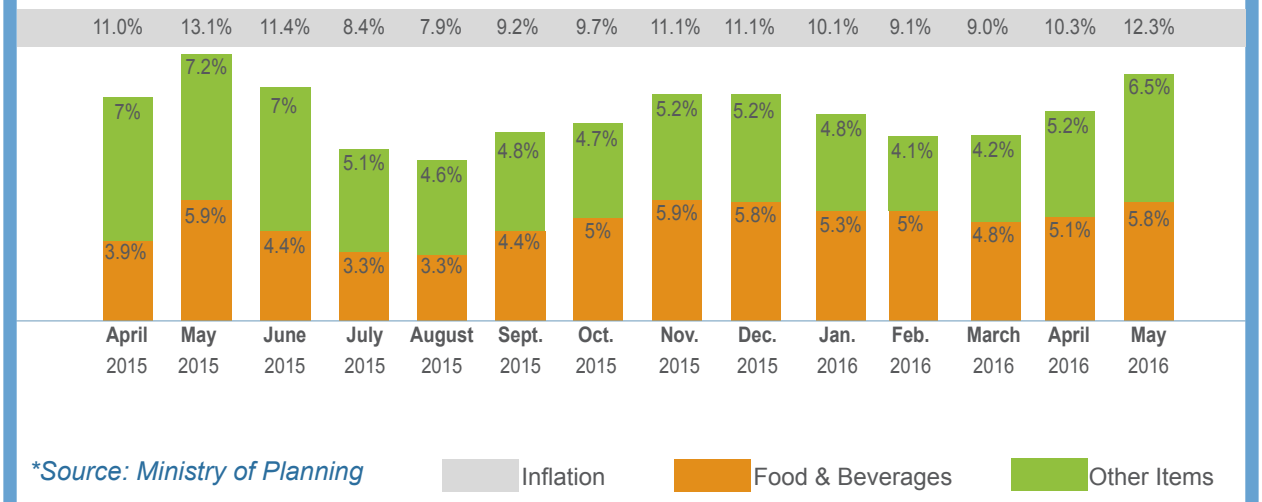
The Egyptian economy was adversely affected by the political turmoil witnessed in 2011, during 25 January Revolution, where all macroeconomic indicators were negatively impacted. A significant drop took place in economic growth rates, from an average of 5% during the five years preceding 2011 to about 2% during the four years following 2011.



Although the economic growth indicators started to increase, as the real growth rate rose to 4.2% during FY 2014/2015 compared to a growth rate of 2.3% during FY 2013/2014, such an improvement did not continue during FY 2015/2016. To note, the growth rate in the H1 FY amounted to 3.5% compared to 4.8% for the same period in the preceding year.

Despite the decrease in economic growth rate, the inflation rates remained at high levels because of the rise and scarcity in US dollars, along with drops in production rates, which in turn affected goods supply, thus heightening inflation rates. The latest statistics underscore a soaring annual inflation rate in May 2016, reaching 12.3%, after being 10.3% and 9% in April and March 2016. Accordingly, the CAPMAS forecasts indicates that the inflation rate could reach 13.93% in September 2017. While food and beverage remain the main elements of swelling inflation rates, giving a 50% rise in inflation indicator.

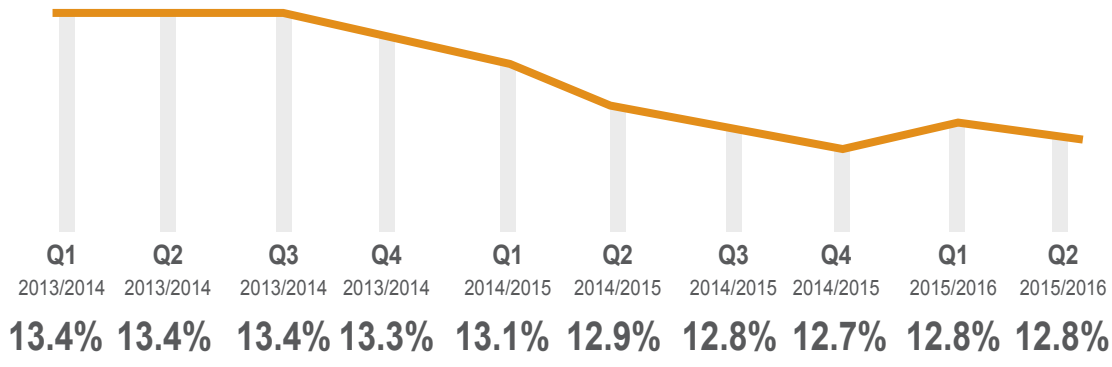
Inflation Rate (%)



Source: Ministry of Planning

The reduction in economic growth rate had a remarkable impact on intensifying unemployment rates to the highest levels, exceeding 13%, after it had been 8% prior to 2011. However, the increase in economic rates during FY 2014/2015 and the following quarters had a relatively good impact on the gradual decrease in unemployment rates to reach 12.8% in Q2 FY.

Unemployment Rate (%)



Source: General Authority for Export and import Control

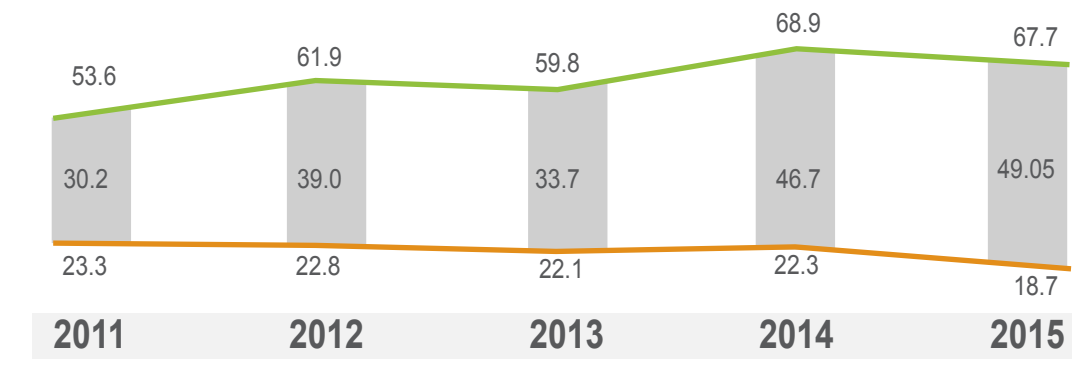
Foreign Trade Indicators

The drop in real economic growth rate and the political volatility directly affected the increase in trade deficit rates. In addition, other factors contributed to this deficit intensity, including the rise of the Egyptian Pound value against other currencies such as the Euro, lack of hard currency, and significant escalation in Egyptian budget deficit. One of the budget deficit reasons was the increase in salaries that significantly maximized consumption rates, and which were not met by sufficient rise in local manufacturing level, hence leading to a surge in import rates.

On the other hand, the Egyptian product competitiveness decreased against other countries exports, resulting from the drop in the currencies of developing and developed countries. International oil prices dropped, leading to a decrease in exported petrochemicals prices. In addition, the export reimbursement program partially stopped. All these factors had negative impact on the price competitiveness of the Egyptian exports in foreign markets.

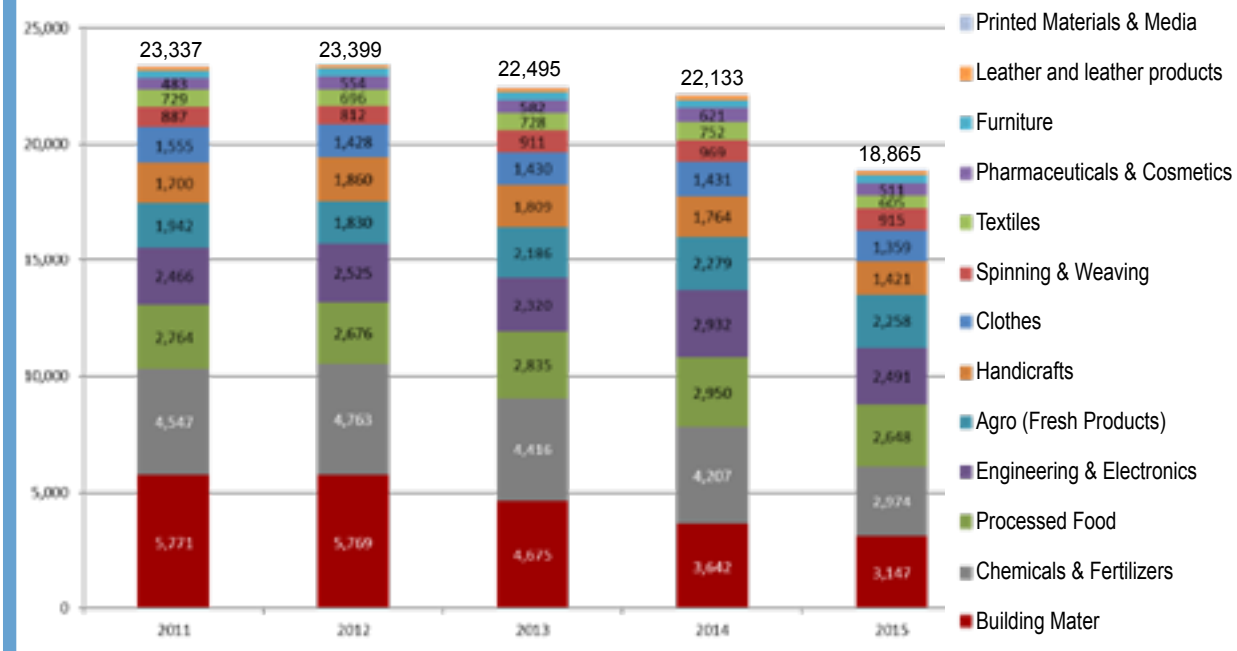
Despite the virtual decline in Egyptian exports value, based on the decrease in petrochemicals exports, one of the main reasons for Egyptian exports sustainability was the diversity of such exports, which contributed to the relative steadfastness of the Egyptian exports before the remarkable global volatility.

Trade Deficit (2011-2015) – (Billion$)



Source: General Authority for Export and import Control

Diversity of non-petroleum Exports (2011-2015) – (Million$)

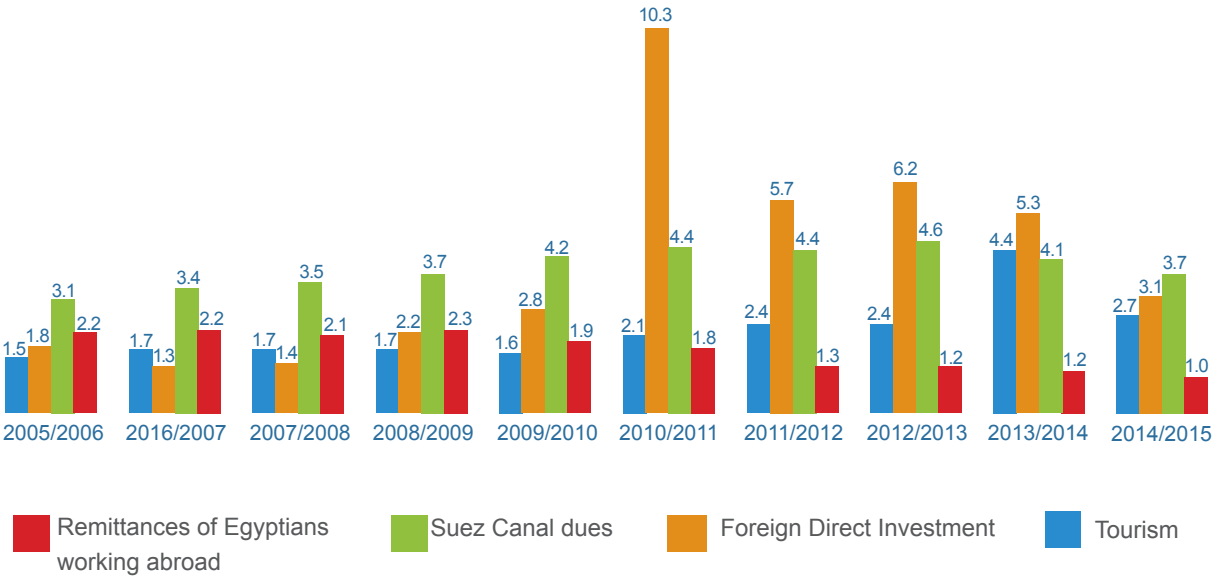


Source: General Authority for Export and import Control

This diversity, generally, applies to the Egyptian economy, as it does not depend on a specified number of sectors or industries to enhance growth and trade. The relative rise in Egyptian industry complexity is reflected in complexity index, where Egypt ranked 61st in 2014*. The Egyptian exports remain the most significant source of foreign currency, exceeding remittances, and recording 2.7 times more than tourism, 3.1 times more than Foreign Direct Investment (FDI), and 3.7 times more than Suez Canal revenues, as per 2014/2015 data. This highlights the relevance of Egyptian exports as a main source of foreign currency, such that it requires intensified development efforts. It is further observed that the decreasing fluctuation rate of exports, remittances and Suez Canal revenues compared to tourism and Foreign Direct Investment (FDI) reflects the diversity of Egyptian export basis and the necessity of developing a more profound Egyptian exports structure.

** Harvard "The Atlas of complexity Index, 2014*

Relative Importance of Non- Petroleum Exports as a main resource for foreign currency



*Source: General Authority for Export and import Control and the central bank of Egypt

Industrial Development Indicators

The industrial sector is one of the cornerstones of the Egyptian economy at large. The percentage of the sector's non-petroleum manufacturing industries amounts to 16% of the GDP. When adding petroleum refinery industry, the sector petroleum and non-petroleum industry will reach 18% of Egyptian economy industry; the greatest component of Egyptian economy.

Relative Importance of the Industrial sector (petroleum and non-petroleum) in The Economy



* According to the Data of the first half of FY 2015/2016

Real Industrial Growth Rate (%) – (2007-2015)



** Excluding Petroleum refining*

Regarding the real growth of the non-petroleum industrial sector, the data issued by Ministry of Planning for H1 FY 2015/2016 reveal a significantly impacted industry sector real growth during the last five years, particularly early FY 2010/2011. This came resulting from the monetary policies, the impact of which was apparent in the data of H1 FY 2015/2016 that witnessed a decreasing industry sector real growth reaching (-1.1%).

Industrial growth is affected by various factors related to business climate components, such business licensing, land allocation, or incentives packages to local or foreign investors.

In the light of these challenges on the international and local levels, it was essential to follow a clear policy on the medium and long terms followed by a specific strategy. Such a strategy should be applicable once declared and pursued in the following years to move forward economic indicators of foreign trade and industrial development to more ambitious indicators in alignment with the Sustainable Development Strategy (SDS): “Egypt Vision 2030”.

Ministry of Trade and Industry, therefore, prepared a five-year strategy based on a clear vision: **“Industrial development to be the engine of sustainable and inclusive economic development in Egypt, which meet domestic demand and enhance exports growth, for Egypt to become a key player in the global economy and capable of adjusting to international developments.”** This vision emerges from the Economic pillar at the

INTRODUCTION

Sustainable Development Strategy (SDS): Egypt Vision 2030: “The Egyptian economy is a balanced, knowledge-based, competitive, diversified, market economy, characterized by a stable macroeconomic environment, capable of achieving sustainable inclusive growth. An active global player responding to international developments, maximizing value added, generating decent and productive jobs, and a real GDP per capita reaching high-middle income countries level.”

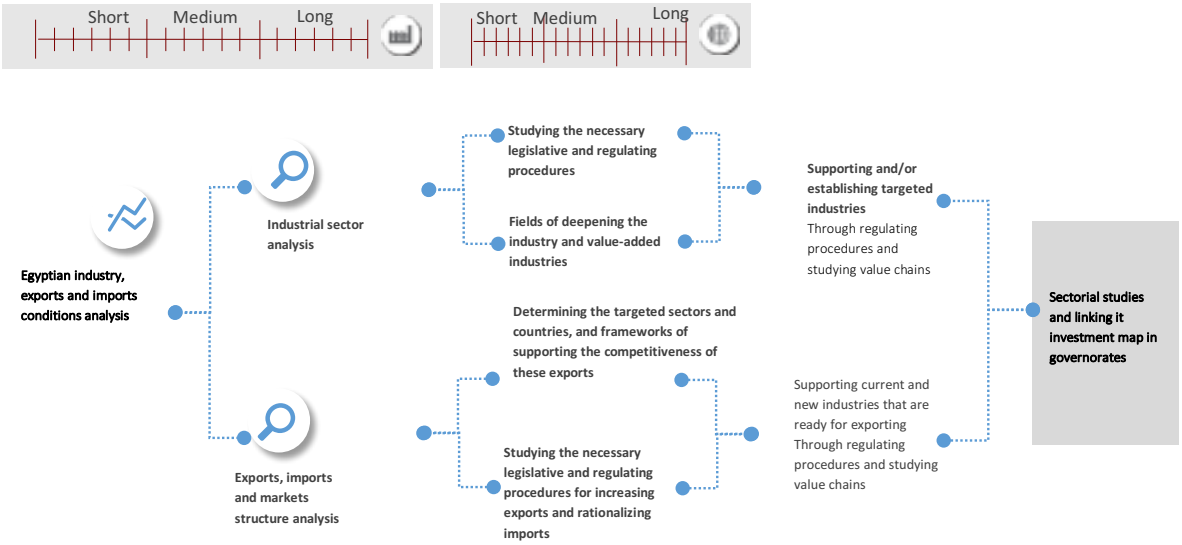
The industrial and trade public policies, together with executive strategies, were drafted on evidence based, subject to qualitative and quantitative analysis and measurement approaches and deliberations. The detailed design of the programs and projects, along with the monitoring and evaluation (M&E) plans and impact assessment, shall be developed according to a result-based management methodology to connect performance to both achievements and incentives, on the institutional and individual levels.

Moreover, the Ministry and it’s affiliated entities budget for 2017/2018 will be prepared following the same methodology. Accordingly, specialised training will be provided for drafting policies, designing programs and projects in addition to preparing and implementing monitoring and evaluation (M&E) plans, as well as, impact assessment methodology.

This strategy leads to other specific sectoral strategies, such as Automotive, Engineering, Textile and Clothing, Chemicals, Building M aterials strategies; along with thematic strategies such as resource efficiency, innovation, Micro, Small and Medium Entreprises (MSMEs) and entrepreneurship development strategy and the Technical & Vocational Education & Training (TVET) development strategies.

Process of Setting the Strategy to Link Export Development with Industrial Development

The strategy aims to participate in enhancing the economic performance indicators, in the framework of the governance program: Increasing the economic growth rate, and reducing budget deficit and unemployment.



Creating Enabling Business Environment

Developing micro, small and medium enterprises and entrepreneurship



STRATEGY'S GENERAL FEATURES

VISION

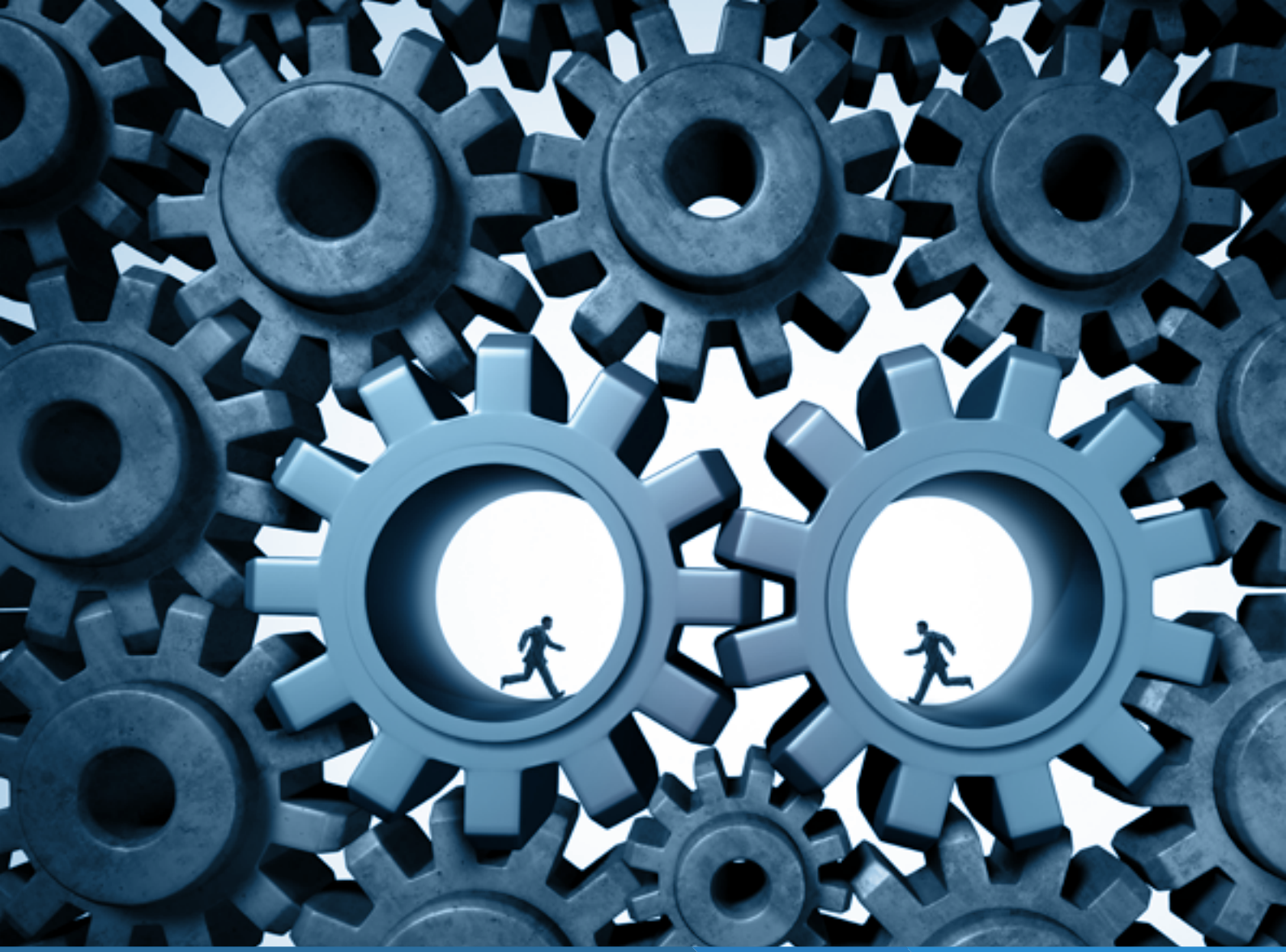
Industrial development to be the engine of sustainable and inclusive economic development in Egypt, which meet domestic demand and enhance exports growth, for Egypt to become a key player in the global economy and capable of adjusting to international developments.

MISSION

Provide an adequate environment for sustainable inclusive economy based on enhancing competitiveness, diversity, knowledge, innovation and generating decent and productive job opportunities.

MAIN GOALS

1. Increase the annual industrial growth rate to 8%.
2. Increase the contribution rate of industrial product to Gross Domestic Product from 18% to 21% .
3. Increase the micro, small and medium enterprises sector’s contribution to GDP.
4. Increase the growth rate of exports to 10% annually.
5. Provide 3 million decent and productive job opportunities.
6. Institutional Development.



PUBLIC POLICY

Considering globalization and Egypt's international commitments, and the trade openness that includes several opportunities and challenges, Egypt's development needs should be takin into account. In view of the focus on economic development engines that can be relied upon to move forward and stay in pace with global, regional and local trends, a public policy has been drafted as the base of achieving the aspired vision and goals, depending on key facts and data clearly linked to economic indicators forecasted for the next five years. Such data and facts are summarized as follows:

An expected population increase that could reach the population of 102 million by 2020, as per the estimates of the National Population Strategic Plan of 2030. Such increase entails the following:

1- A direct increase in the demand for jobs of all basic sectors such as housing, food products such as wheat and corn, garments and textiles industries, and others.

2- Indirect increase in infrastructural needs, which are now being addressed by the government through major infrastructure projects. These projects will require a quick response from the industrial sectors such as construction, building materials as cement and steel industries.

3- Increase in the demand of machinery, equipment and fertilizers, etc. to meet the demand for the Mega national Agricultural projects.

It is worth noting that the increase in manufacturing processes would inevitably lead to a high consumption of energy, which requires the rationalization of energy consumption in factories.

Since the general directions of the Government heads to 20% reliance on new and renewable energy, the industrial sector must respond to the development of such industries, and should generate energy from natural sources, whether from the wind, sun, and/or recycling of industrial and agricultural waste.

To respond to all these factors, which include challenges as well as trade and investment opportunities, several trade and industrial integrated policies have been developed which have previously proved to be successful and achieved economic leaps in the Egyptian economy and in countries with similar economic conditions. These policies aim to create jobs of high value through increasing foreign or domestic investment, especially in the non-traditional industrial sectors, to create real development at the economic, knowledge, social and spatial aspect, and to achieve the structural transformation of the Egyptian economy from a traditional economy to an advanced industrial economy, one that is based on knowledge and competition at the local, regional and international levels.

The referred to policies will be implemented through a package of legislative, procedural and institutional measures that will be developed to create an enabling environment leading to the achievement of the sought development. Another package of eclectic incentives will be designed for selected sectors, upon fulfilling the economic, social, environmental and spatial development goals of such sectors.

The applied industrial policies are concerned with enhancing local industry, with a view to achieve integration of local supply chains and consolidating with global supply chains. This is pursued by applying an integrated and comprehensive package of measures that encourage industrial productive activities, particularly in promising priority sectors which contribute to achieving sustainable development, creating decent and productive job opportunities, allowing production for structural transformation, and exporting value-added Egyptian products and services based on knowledge and best utilization of developed technologies.

To this end, and to ensure the integration of and harmony between industrial and trade policies, the trade policies tools will be utilised in conformity with the industrial development goals by encouraging infant industries, and boosting Egyptian exports presence in current export markets and heading

POLICIES THAT ARE IN PURSUIT

- Legislative and procedural measures that support the development of the enabling business environment in favor of targeted growth.

- Eclectic incentives directed towards selected sectors upon fulfilling the targeted goals.

Industrial Policies	Trade Policies
Strengthening local industries to achieve integration between local supply chains as well as the global supply chains by applying complete measurable packages to encourage industrial production activities in promising and prioritized industrial sectors.	Using the trade policy tools that comply with industrial development goals through encouraging infant industries, and export development goals promoting the inclusion of Egyptian exports in current export markets moving towards promising markets

to promising markets. In addition, the benefits of free trade agreements, whether bilateral, regional or multilateral, will be operationalized to maximize the benefits of those agreements in the favor of the Egyptian industries to achieve the required economies of scale to be more competitive.

In this regard, the Ministry pays due attention to the development of Micro, Small and Medium Enterprises (MSMEs); and the encouragement of the entrepreneurship as key driver of development, creating jobs, and supporting

innovation and creativity; enhancement of research and development and innovations; support the development of the green economy, implementation of a developed knowledge-based approach in production to achieve quality and price competitiveness; provision of skilled labor for being a main component in the production operation in line with developed technology.

Moreover, the spatial dimension is highly taken into consideration in the development process, as the integrated trade and industrial policies are applied bearing in mind the developmental needs of Egyptian governorates to maximize the benefit of each governorate's potential, and to improve the economic, social and environmental indicators of each governorate.

As mentioned hereinabove, incentives directed for certain sectors will be binded to each sectors' performance and contribution to economic, social, environmental and spatial development goals, and shall take into account mitigating the negative impacts that may result from the selected incentives.

Amidst policy implementation, coordination will always take place with the relevant bodies concerned with economic policies, particularly agricultural, energy, financial and monetary policies, to ensure consistency in supporting and fulfilling industrial and trade policies. These are particularly important to maintain the balance between the US dollar price at the bank and the free market, in addition to the availability of foreign currency and the appropriate mechanisms of financing, those being the basic requirements to achieve the targeted objective of increasing exports, rationalizing imports and enhancing the overall economic development.

GOVERNORATES CHARACTERIZED BY ECONOMIC DIVERSITY

Governorates Characterized by **ECONOMIC DIVERSITY**

Targeted Developmental Efforts

Enhancing Industry and Promoting Value-added industry.

Giza | Alexandria | Cairo Qalyubia | Al-Sharqia | Damietta | Suez | Portsaid | El-Gharbia

Governorates Characterized by **ECONOMIC COMPLEXITY**

Targeted Developmental Efforts

Industrial diversification based on the governorate's enablers; increasing production diversity; encouraging new economic sector development.

Beni Suef | Dakahlia | Ismailia | Menoufiya

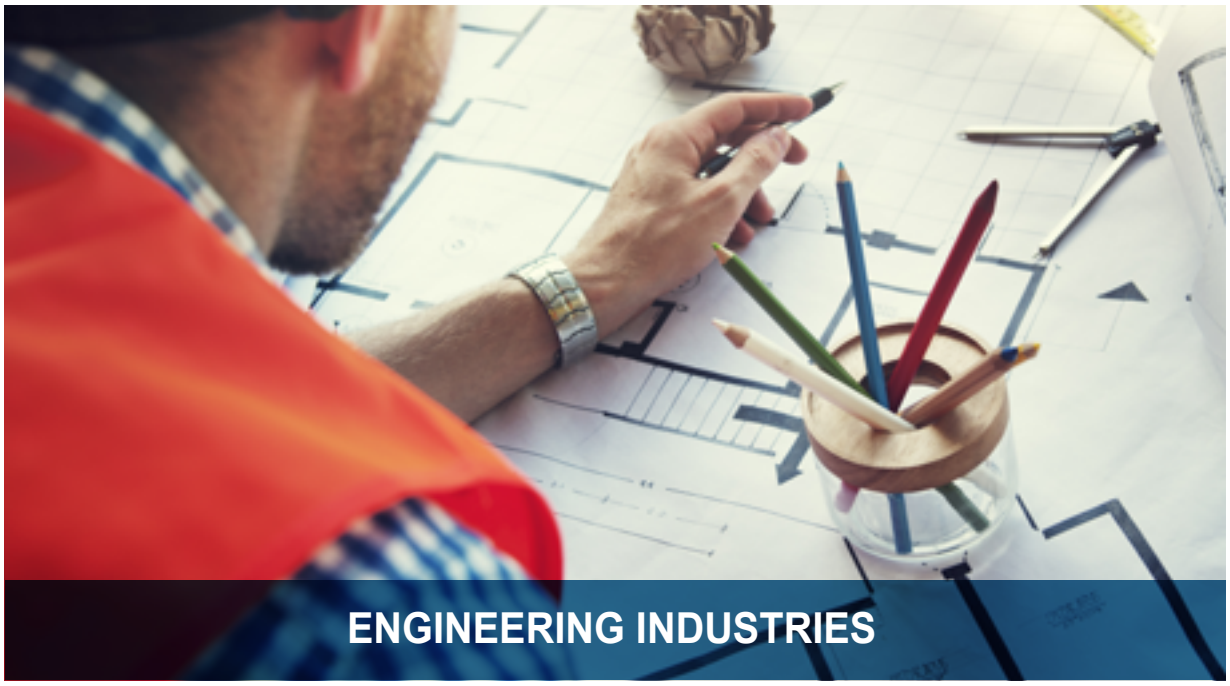
Governorates Requiring **COMPREHENSIVE DEVELOPMENT**

Targeted Developmental Efforts

Activating economy by developing infrastructure, human capital, business, focusing on industries that support governorates development.

Asyut | Minya | Fayoum | Beheira | Kafr El-Sheikh | Qena | Sohag | Luxor | New Valley | Matrouh | North | South Sinai | Red Sea | Aswan

SELECTED INDUSTRIES TO DEEPEN THE INDUSTRY, RATIONALIZE IMPORTS AND INCREASE EXPORTS



ENGINEERING INDUSTRIES



CHEMICAL INDUSTRIES



TEXTILE AND CLOTHING INDUSTRIES



BUILDING MATERIALS INDUSTRIES



MAIN PILLARS

To achieve the desired goals of delivering three million jobs and achieving an industrial growth rate of up to 8%, it is required to increase public and private investment rate in the manufacturing sector from the current value of 43 billion EGP for the fiscal year 2015/2016 to nearly 100 billion EGP by the end of 2020.

This growth may lead to increase the proportion of the contribution of the manufacturing sector in the GDP to 21%, assuming the growth of the rest of the sectors of the Egyptian economy by 5% over the next five years.

Achievement of this growth requires the availability of at least 60 million square meters of enclosed industrial land, amounting to not less than 8 billion EGP. Achieving such growth would lead to annual export growth rate increase to 10%. In other words, exports shall increase from $ 18.6 billion in 2015 to more than $30 billion by 2020. This will require dividing the expenses between the development of a competitive exports in price and quality,and the development of logistics services and infrastructure and export credits financing and risk guarantees systems.

The implementation of these public policies requires the creation of an enabling business environment that attracts local and foreign investments and the growth of existing businesses, which will be worked on in conjunction with other ministries. This is in addition to developing a group of legislative and procedural reforms linking legislations related to allocation and licensing of industrial land to legislations related to trade, tax and labor laws, fiscal and monetary policies and, legislations related to investment, agricultural, environmental, and energy policies.

Accordingly, this strategy has been divided into five main integrated and connected pillars, including result-based programs and projects with reasonable frameworks to achieve the strategy's vision and objectives. This is carried out in line with the requirements of Sustainable Development Strategy (SDS): Egypt Vision 2030, following clear indicators and established models with clear accountability frameworks, through which monitoring, evaluation and impact measurement can be applied.

MAIN PILLARS

FIVE PILLARS



1- Legislative and Procedural Reform

2- Industrial Lands Development

3- Environmentally Friendly Industrial Clusters

4- Governorates' Industrial Investment Map

5- Enhancing Industrial Competitiveness

6- Innovation, Development and Linking Industry with Scientific Research

7- Green Economy Development

8- Support the Struggling Factories

1- Legislative and Institutional Development

2- The Electronic Interactive Platform for Service Provision and Decision-Making Support

3- Business Services Development

4- Encouraging Entrepreneurship

5- Facilitating Access to Finance

6- Governance

1- Development of the Procedures and Legislations Regulating Exporting and Importing (EGY Trade)

2-Exports Competitiveness Enhancement

3-Improving the Standards, Quality, Inception and Control of Export and Import

4-Logistics Development

5- Activation of preferential agreements and trade facilitation

6- Marketing and Promoting Egyptian Exports

1- TVET Graduate Licensing

2- National Egyptian Technical Vocational Education and Training (TVET) Qualification Framework (NQF) Development and Activation

3- Integrated and Effective Labor Market Information

4- Improving Social Perceptions of TVET Project System

5- The Model School

6- Skills Development of Teachers and Trainers

7- Enhancing the Quality of TVET Institutions Project Enhancing Private Sector Partnerships for TVET Reform

1- Developing Policy Formulation, and result Based Management System

2- Restructuring

3- Human Capacity Development

4- Internal and External Communication System Development

Taking in consideration the scarce financial resources and State budget current pressures, selecting priority sectors, that have potential economic growth, was a must to direct the selective incentives towards the right sectors that could help in achieving the targeted goals. Incentive packages will be offered comprehensively for each of these sectors to ensure inclusive development and rapid growth. The legislative, procedural and institutional reforms will have horizontal comprehensive and positive effective impacts on the business climate at large.

Accordingly, some export-related and manufacturing sectors were identified, first through assessing global demand trends, followed by benchmarking current and future Egyptian exports and industries competitiveness, through the classification process of Boston Consulting.

Using the trade competitiveness map of International Trade Center (ITC), products are classified based on market growth and share evolution in global markets, to ensure the possibility of subsequently exporting such products. This pursues definition of Egyptian exports readiness, the competitiveness of which is to be enhanced subject to price and quality factors in traditional markets, in order to restore growth rates, make use of missed export opportunities, and open new markets for such products.

Transforming the Egyptian exports' structure into high value exports, was one of the main objectives that this strategy worked on to move towards high value exports that incorporate increased added value and high-tech exports.

On the other hand, the required industries for enhancing the local supply chains integration and economic complexity improvement were specified, which can be developed in the future to be incorporated in global supply chains based on value chains analysis and the revealed comparative advantages of these products to be integrated at the global value chain.

MAIN PILLARS

Industries for transforming the export structure

- Engineering Industries
- Textile and clothing Industries
- Chemical Industry
- Information Technology & Software Industries
- Craft & Traditional Industries

Industries for Increasing the Added Value

- Engineering Industries
- Textile Industries
- Agricultural Industries
- Natural Products Based Industries
- Iron & Steel Industries
- Furniture Industries
- Leather Industries



INDUSTRIES REQUIRED FOR DEEPENING THE INDUSTRY, RATIONALIZING IMPORTS AND INCREASE EXPORTS

- Engineering Industries
- Textile & Clothing Industries
- Chemical Industries
- Building Materials Industries

INDUSTRIES FOR THE INTEGRATION OF LOCAL VALUE CHAINS

- Recycling industries *(especially industrial & agricultural waste)*
- Packaging Industries
- Plastic Industries
- Mining Industries
- Agricultural Industries
- Industries Feeding Furniture & Leather Manufacturing
- New and Renewable Energy Industries
- Industries Feeding Engineering Industries
- Building Materials Industries

In relation to the spatial dimension, specific Egyptian governorates were selected as regions for development, based on the relative economic comparative advantage of each governorate. Such an endeavor aims at striking a balance between the goals of foreign trade and industrial development and the goals of regional, social and environmental development, considering the spatial and social dimension by using the Revealed Comparative Advantage (RCA)* . The classification included governorates with economic diversity and complexity, and a state of recession.

** Revealed comparative Advantage: The RCA indicates whether a country is in the process of extending the products in which it has a trade potential, as opposed to situations in which the number of products that can be competitively exported is static. It can also provide useful information about potential trade prospects with new partners – World Bank.*

Therefore, the diversified governorates will be selected to increase the degree of complexity of the industry as per its potential. Such are the governorates of Giza, Alexandria, Cairo, Qalyubia, Sharqia, Suez, Portsaid, El-Gharbia and Damietta. Despite these governorates' diversity of activities, they lack the degree of complexity required to achieve economic efficiency. The degree of complexity will thus be pursued in such governorates by focusing on vertical policies to strengthen value added chains and provide financing and technical incentives for the development of SME's, addressing required investment gaps. These policies will further tackle sectoral obstacles, especially in relation to technical aspects, labor and entrepreneurs training, in addition to business climate impediments such as licenses and/or availability of lands for goods or services industries. Such will be carried out with special attention to boosting innovation, applied researches, patents and interconnection between universities and private sector.

Regarding the complex governorates characterized by complexity, such as Beni Suef, Dakahlia, Ismailia and Munofia, horizontal policies will be adopted through increasing industry diversification and encouraging new economic sectors development. As for the governorates witnessing a state of recession, such as Asyut, Menia, Fayoum, Behira, Kafr El- Sheikh, Qena, Suhag and Luxor, a mixture of horizontal and vertical policies will be used to revitalize such governorates economies, particularly through development of infrastructure, human capital, businesses and industries conforming to the governorates nature and potentials.

Governorates Characterized by Economic Diversity	Governorates Characterized by Economic Complexity	Governorates Requiring Comprehensive Development
Targeted Developmental Efforts Enhancing industry and promoting value-added industry	**Targeted Developmental Efforts** Diversifying the industry based on the governorate's enablers; increasing production diversity; encouraging new economic sector development	**Targeted Developmental Efforts** Activating economy by developing infrastructure, human capital, business, focusing on industries conforming to governorates nature and potentials
Giza, Alexandria, Cairo Qalyubia, Al-Sharqia and Damietta	Beni Suef, Dakahlia, Ismailia, and Menoufiya	Asyut, Minya, Fayoum, Beheira, Kafr El-Sheikh, Qena, Sohag, Luxor, New Valley, Matrouh, North and South Sinai, Red Sea, and Aswan

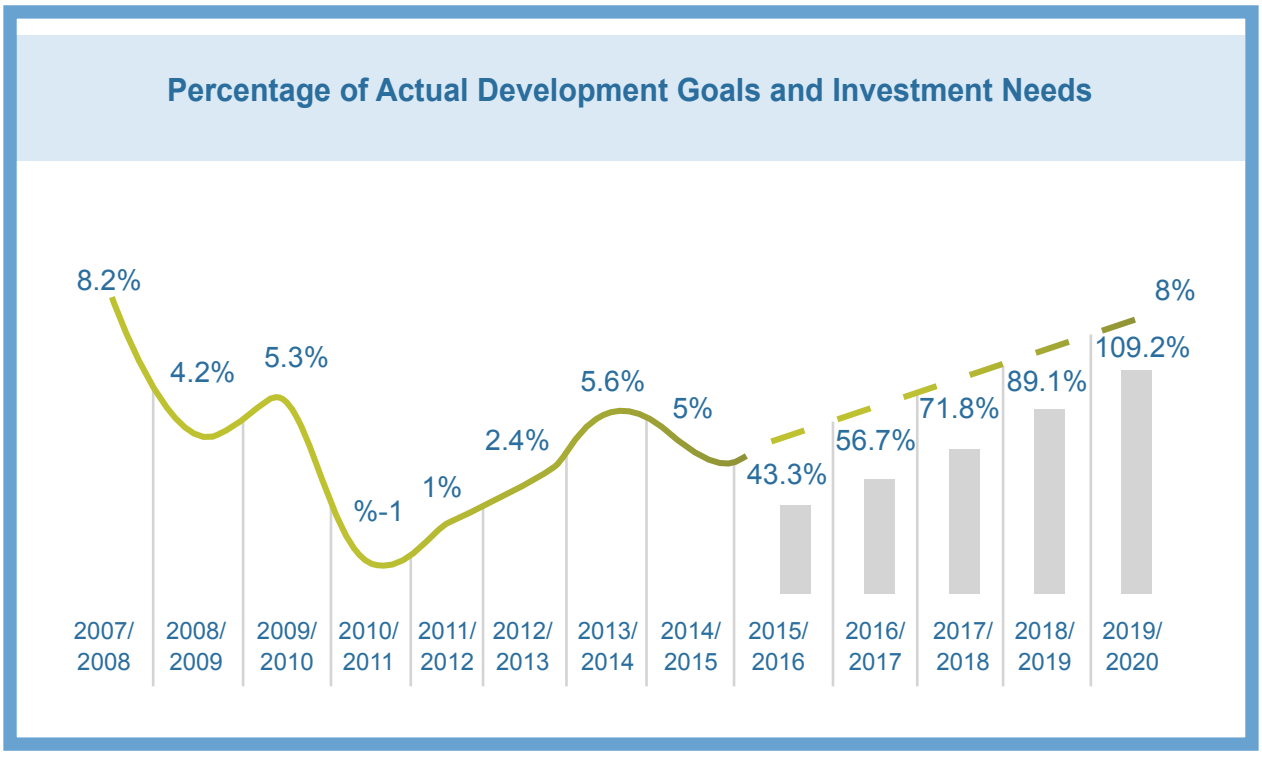
FIRST PILLAR

INDUSTRIAL DEVELOPMENT

The Ministry aims at gradually reaching 8% of industrial growth rate by FY 2019/2020 and increasing the contribution of the industrial sector in GDP from 18% to 21% by 2020.

To achieve this aim, based on investment efficiency standards set for the industrial sector, the public and private investment rates should be maximized from current 43 billion EGP per FY 2015/2016 to nearly 100 billion EGP by 2020 to achieve the industry sector targeted growth. The expected outcome due to the rise in industrial growth rate should result in a 21% increase of the economy by 2020, assuming a growth rate of remaining Egyptian economy sectors by 5% during the coming five years.

The Ministry hence sought to implement several supporting procedures to encourage industrial development. Legislative, procedural and institutional measures will be implemented which will enhance the business environment



in general, such as; reviewing the legislations regulating industrial lands allocation and licenses; mainstreaming the procedures of obtaining industrial licenses by revisiting, re-engineering and automating such processes; ensuring good governance of entities concerned with industrial development, specification, industrial quality and control; restructuring entities working in the previously mentioned field to guarantee the integration and avoid the contradiction and overlapping; to enhance the efficiency and effectiveness of these institutions through specified performance indicators subject to monitoring and evaluation.

However, it was further essential to concentrate on the selected industries to change Egyptian exports structure in alignment with fulfilling export development goals and boosting value added exports depending on developed technologies.

Along with the selected industries, there will be a direct focus on industries supporting local supply chains, particularly rapid growth industries, which provide required job opportunities and realize economic, social, and environmental goals, specified per the analysis of value added chains and Egypt manufacturing potential pursuant to international indicators of the economic complexity index. These industries are, recycling (industrial and agricultural wastes), packaging, chemicals, plastic, mineral, engineering (machines, electrical appliances, means of transportation and vehicles), engineering feeding industries, furniture feeding industries, new and renewable energy, and ready-made garments industries, as well as, agricultural industries.

Several measures supporting industrial and foreign trade development will be provided to encourage investments in these sectors. The goal, on the short term, is the integration of local supply chains, moving forward to international markets and integrating in the global supply chains. To achieve

this, industrial lands will be provided, preparing an industrial investment map across Egyptian governorates will be developed and promoted locally and globally, establishing integrated and developed industrial clusters to connect between the supply chains on the spatial or sectoral level, taking in consideration the environmental dimensions and business services required to sustain and develop such clusters. Moreover, these measures included providing licenses required for startups, coordinating the provision of raw materials, facilitating access to finance, preparing investment profiles and feasibility studies, supporting the provision of adequate technologies, introducing the latest production methods and technology, and providing skilled labor. Other incentive measures shall include developing the required local and international specifications, and provide the required training to comply with those international standards, leverage linkages to mega-purchasers of targeted industries locally and internationally, support marketing and promotion costs, utilize e-commerce, facilitate participation in exhibitions, protect infant industries by utilizing trade policies tools, and enhance the research and development activities.

Executive Programs and Projects

To implement this strategy, it has been designed in the form of specific programs. Each program has a logical results framework governed by performance Indicators and a professional team capable of implementing it.

The programs and projects of this pillar are shown as follows:

Industrial Development Program

Affiliated Projects

- Legislative & Procedural Reform
- Industrial Lands Development
- Environmentally Friendly Industrial Clusters
- Governorates' Industrial Investment Map
- Enhancing Industrial Competi--tivenes
- Innovation, Development and Linking Industry with Scientific Research
- Green Economy Development
- Support the Struggling Factories

Objective: Increase the annual industrial growth rate to 8%

MAIN PILLARS

Logical Results Framework	Indicator
•Impact: Industrialization to become a driver for sustainable inclusive development.	•Increase in the contribution of manufacturing industries in the GDP at national and governorates level. •Contribution of manufacturing industries to job creation.
•Outcomes: Increase in the value-added industries	•Increase rate of added value in the industrial sector •Growth rate of added value in industrial sector
Direct Results	**Indicator**
•Improve the industrial business environment	•Average time spent to issue industrial license. •Average time spent to establish industrial companies. •Average cost for establishing industrial companies. •Rate of using the one stop shop to issue legal approvals.
•Availability of enclosed industrial lands	•Area of available lands for industrial use on a national and governorates level, and in industrial clusters. •Average of square meter cost of enclosed lands in governorates and each industrial cluster.
•Availability of industrial clusters to deepen the industrial sector	•Number of industrial clusters in each governorate •Number of industrial incubators in each governorate
•Improving industrial competitiveness	•Average rate of money spent on research and development from the total cost of the project in each industry. •Growth rate of the funded research and development of each industry

• Availability of information on required investments and available incentive packages on governorates level for local and foreign investors	• Number of visits to the interactive investment map on the Government Portal. • Number of visits and inquiries from site's investors and governmental entities.
• Availability of specific and effective mechanism to assist struggling factories	• Number of industrial projects that were aided to overcome the obstacles. • Amount of loans and credit facilities offered to industrial projects with obstacles.
• Availability of green economic pillars to ensure sustainable development	• Number of industries supporting the green economy. • Percentage of supporting green economy factories contribution to the total number of factories at government and governorates level.

1-1 Legislative and Procedural Reform Project

First Output

Legislations that unify the allocation, pricing and management of industrial lands, in addition to other legislations facilitate obtaining industrial licenses, and others that support the industry and ensure it's sustainability.

Second Output

Automated, simplified and transparent procedures for the allocation of industrial lands and aquiring the licenses.

Third Output

Smart applications to increase the efficiency of managing industrial lands and clusters, and to allow citizens to view all projects and lands, along with providing E-payment services.

Fourth Output

A single window efficiently operating for issuing industrial licenses.

Fifth Output

A package of supporting legislations to develop industries in general, and to establish heavy industries on scientific, economic, and environmental basis; with the aim of increasing mega-industrial production. These legislations shall help develop the industry and increase its added value. Moreover, with the use of modern technology will lead to maximizing exports in general, and more specifically increase advanced technological exports with added-value or the innovative and creative ones.

Sixth Output

A complete integrated database including all industrial and energy consumption data.

1-2 Industrial Lands Development Project

This project outcome is presented in around 60 million m2 available for industrial investment over the next five years, starting from 10 million m2 for the first year in the following areas: Sariria in Menia, Quesna in Munofia, Badr, South Port Said, Sadat, 10th of Ramadan, Borg Al Arab, Fayoum, Qena and Suhag.

1-3 Environmentally Friendly Industrial Clusters Project

This project works on the establishment of industrial clusters all over the country, as a developmental solution to enhance industrial integration between large corporate factories from one side and MSME's from another side. It contributes to encouraging local and foreign investments towards complementary, value added and technological industries, in addition to the supported projects to develop greener economy. This project also encourages investment in food industries to achieve complete integration amongst agricultural and industrial sectors. Moreover, the project aims to increase the value added of the utilization of irrigation water and agricultural crops via leveraging linkages between farmers and industrial firms and increasing economic value of agricultural products. The project outcomes shall be manifested in 22 integrated industrial clusters over the coming five years.

These outcomes aim to industry enhancement and implementing policies targeting development of MSME's, and their integration in supply chains production, services and/or commercial chains.

A specialized company will be established in partnership with the private sector to manage industrial zones per the best international practices.

Industrial clusters shall be represented in several cluster gatherings as follows:

- **Roubiky Area** in Cairo: Aims at the enhancement of the leather industry sector through attracting domestic and foreign investments to develop the sector and increase the Egyptian products added value, and enhance its competitiveness in global markets.
- **Furniture cluster** in Damietta: Aims to enhance the furniture industry.
- **Golden Triangle Clusters** in Southern Egypt: Aim to enhance the mining industry, and to establish a new industrial area in Upper Egypt, with the size of around 630 thousand acres, through establishing an integrated global center (industrial — trade – logistic –touristic) which leads to the sustainability of such industries in Upper Egypt. It is also planned that the area would be developed along 6 phases, and the first phase would take 5 years.
- **Plastic Industry Cluster** in Morghem in Alexandria: Aims to enhance the plastic industry, and is completely directed to MSME's. The cluster has been designed through analysis of supply and value chains in the area, to ensure continuity and future expansion.
- **Plastic Industry Clusters** in Qalubiya and Behira.
- **Russian Industrial Cluster** in East Port Said.
- **Textile City Clusters** in Menya, Daqahleya, Sohag and Asyut.
- **Ready-made Garments Cluster** in Delta.
- **Industrial Cluster for Medical, Pharmaceutical, and Aromatic Industries** in Fayoum and Beni Suef.

- **Industrial clusters** in Qena and Sohag.
- **Waste Recycling Cluster for Producing Alternative Energy** in Luxor.
- **Electronic, programing, Engineering Industries, Feeding Industries for Engineering Industries and especially for Home Device Industries** in Asyut and Beni Suef.
- **Craft, Heritage, and Design Industrial Cluster** in Cairo.
- **Industrial Cluster for Fish Manufacturing** in Kafr El Sheikh.
- **Carpet Industrial Cluster** in Menoufiya.
- **Marble and Construction Materials Cluster** in Beni Suef, Golden Triangle region and Suez.
- **Car Components Cluster and the Feeding Industries** (Spare parts industry and equipment for heavy transport) in 6th of October and the Suez Canal Axis.
- **Technological Industrial Clusters** in Giza and Alexandria.
- **Feeding Industrial Cluster** in Qalubiya.
- **Aluminum and House-ware Industrial Cluster** in Naj Hammadi.
- **Industrial Cluster for Manufacturing Machines and Equipment** in Suez Canal Axis and 6th of October.

In addition to the above, full operation for the one thousand factories zone is aimed for, along with the full support in obtaining operating licenses, and technical and financial support.

1-4 Governorates' Industrial Investment Map Project

This project aims at providing adequate data on the industrial usage of all lands, to be included in planning for the establishment of specialized industrial clusters. This is based on analyzing layers of information, such as land elements, geographical, sectoral and natural resources, metallurgical and mining wealth, infrastructure and logistics, and linkages to roads, services, demographic distribution and new and existing urban communities.

The project outputs are as follows:

First Output

Updated industrial investment map for the governorates based on each governorate's potential, whether economic, social, environmental and spatial. The map development shall depend on accumulated information layers, that shall be in turn based on economic indicators for the targeted governorates, and their natural and logistical capacity, and integration opportunities with existing or targeted industries.

Second Output

Economic, social, and environmental feasibility studies for each targeted industrial zone.

Third Output

Specific investment characteristics for targeted investments that particularly comply with the MSME's volume.

Fourth Output

Subsidized feasibility studies for some studies specific to MSME's and entrepreneurs.

Fifth Output

A promotional and advertisement campaign to be applied internally and externally to define the investment map, required investments and incentives packages to increase local and foreign investments.

Sixth Output

A national integrated database (National Industrial Hub) for the industrial sector, similar to the foreign trade database model (Trade Warehouse Data).

1-5 Enhancing the Industrial Competitiveness Project (Technological and Industrial Progression)

The project outputs are as follows:

First Output

A program for facilitating access to finance for developing technology in industrial firms.

Second Output

A specialized program for the enhancement of production methods and knowledge transfer that increases production efficiency, reduces the waste of resources, and increases the added value, especially in food, engineering, and textile industries.

Third Output

A developed system for inspection, quality, control and compliance assessment to unify specifications in the three markets (local, subsidized and exports).

Fourth Output

A specialized program to improve the quality of packaging and activate the sector development strategy.

Fifth Output

Young trained calibers in different modern production fields, especially industrial designs, and other ones related to textiles, ready-made garments, and leather products. Moreover, the output shall deliver calibers trained on the usage of pesticides that comply with international standards, and the usage of simple techniques to maximize the value added of agricultural commodities.

1-6 Innovation Development and Linking Industry with Scientific Research Project

The outputs of the project are as follows:

First Output

Sustainable awareness program to develop culture innovation and encourage research that fulfills industry needs. The program shall also encourage innovation, and research and development, via campaigns and linkages between demand and supply. The program shall particularly target schools, universities, MSME's and entrepreneurs.

Second Output

Developed innovation mechanisms linking supply and demand to create an integrated supporting system, particularly in private and governmental

entities, to solve industry production problems or to enhance supply chains and value chains.

Third Output

A monetary fund for encouraging innovation, co-financed by the government and the private sector, to finance practical research and educational delegations, The costs of annual prize for innovation, and research and development, in addition to the support for obtaining patents.

Fourth Output

An interactive electronic platform encouraging the industrial community to innovate and research, through providing information on supporting industrial innovation programs, spreading the successful industrial examples, linking the industrial community with the research community and presenting the new innovative industrial trends.

Fifth Output

A twinning program with the international technology centers and research and development centers, whether independent or affiliated to factories, and caliber exchange for training and capacity building for the acknowledgement of latest innovations.

Sixth Output

A program for developing innovation units within projects.

Seventh Output

A specialized program for marketing innovations.

1-7 Green Economy Development Project

This project supports industries contributing to green economy, industries with low emissions, and industries based on environmental dimensions, such as waste recycling industries, whether industrial or agricultural waste, focusing on enhancing exports that comply with environmental standards, which is now a primary condition for exporting.

The project outputs are as follows:

First Output

National strategy to assist green commodities sectors.

Second Output

Complete electronic map for agricultural and industrial waste, with their locations, amounts, related recycling industries and suggested investments, especially new and renewable energy generating industries.

Third Output

A Specialized program to assist and develop industries and export products aiming improving energy efficiency in compliance with environmental requirements. This program will help activate international agreements that will set strict conditions on penetrating the international market which should be consistent with the extent of export products complying with international environmental requirements.

Fourth Output

Standardized specifications supporting industrial and agricultural production based on green economical concepts, minimizing the usage of pesticides and gradually decreasing machinery and equipment that waste large amount of energy.

1-8 Support the Struggling Factories Project

The outputs of the project are as follows:

First Output

An effective mechanism for ongoing communication with industrial projects suffering from obstacles that hinder production and exporting while provide consultation to help these projects to recover.

Second Output

A special fund to finance struggling factories that met obstacles due to both revolutions.

Third Output

Creating more Job opportunities for local industries through the activation of domestic product law, increasing exports; releasing fertilizers industries and resolving the conflict between subsidies, industrial production and local consumption needs.

SECOND PILLAR

INDUSTRIAL DEVELOPMENT

Studies show that Egypt has 2.5 million MSME's, which comprise 75% of the labor force. Only 17% of these MSME's manage to export. The informal sector is calculated to be 20% of this sector

The Ministry aims to develop this sector and use it as an essential tool to increase industrial production, create job opportunities, maximize exports, and attract investments in value chains for trade and supporting services, and different agricultural services that compliment other industrial projects. Accordingly, this sector will be encouraged and guided towards initiating and expanding in the required investments for economic, social, environmental, geographical, spatial, and technological development, whilst giving priority to women, youth and minorities. The country targets these investments through establishing industrial clusters targeting industrial sectors for industrial development, increasing exported products and services in the certain governorates that will intensify sectoral and spatial supply chains linkages.

The Ministry aims at developing this sector by taking several supportive actions whilst considering the country's economic and social needs. The ministry will also work in parallel on legislative, procedural and institutional matters to improve the business environment by reviewing legislations developed to upgrade the sector, and data verification to provide incentivized development packages, subject to the size, type, and life-cycle of the projects. Rules and regulations will be set for institutions developing these projects to ensure integration and inclusiveness of the development process, including work governance and logical outcomes targeting the expansion phase and linking it with development goals. The ministry will also work on restructuring governmental agencies working in developing this sector to ensure integrity between them, and shall set a complete project development system that targets MSME growth and Entrepreneurship.

	Statistics						
Number of stablishments	Around 2.5 Million Facilities						
Dividing Projects on Governorates by Order, (a Sample of 36492 Establishments)	Sharkeya	Cairo	Gharbeya	Alexandria	Dakahleya	Menya	Qalubiya
	16%	15%	9.2%	6.1%	6.1%	6%	5%
	Giza	Assuit	Behira	Monufeya	6th of October	Helwan	Ismaileya
	4.7%	4.5%	3.5%	3.3%	2.5%	2.4%	2.1%
	Beni Sueif	Kafr El Sheikh	Al-Fayoum	Sohag	Damietta	Port-Said	Others
	1.9%	1.8%	1.8%	1.7%	1.4%	1.3%	3.7%
Projects' Representation in the Total Non-Agricultural Projects in Egypt	99%	Labor in MSMEs facilities' sector %				75% of the total labor force	
Programs classified by Economic Activity	Manufacturing	Trade	Food/Drink	Building and Construction	Health	Agriculture	Other
	51.1%	40.5%	1.7%	1.6%	1.3%	1.10%	2.6%
Informal Sector Projects Representation Rate	20% of the total small and medium facilities		Exporters' percentage share of the total small and medium enterprises				6%
Projects According to the Legal Frame of Establishment by Order	Individual	Co-responsibility	Small participation	Joint stock	De facto	Limited Participation	Limited share	Solidarity
	58.2%	19.2%	10.7%	7.3%	2.8%	1.3%	0.3%	0.1%
Classified by Capital Value in Egyptian Pound	Less than 250 k	250 k - million	Million -5 million	5 million - 15million	14 million - 30millions	30+ million		
	82.6%	6.7%	5.3%	2.4%	1%	1%		
Projects' Distribution According to Labor force	Less than 20		20-34			35-50		More than 50
	85.4%		5.8%			2.4%		6.3%
Sales Size - Value in Egyptian Pound	Less than half million		Half million and less than million			Million and less than 20 million		More than 20 million
	50.4%		27.4%			20.2%		2%
SME Dealing with Banks	47% Deal with banks				Enterprises that get facilitations from banks		22.4%	

Sources: EL-Said, H., Al-Said, M., & Zaki, C. (2014, February). Small and Medium Enterprises Landscape in Egypt: New Facts from a New Dataset. Journal of Business and Economics, 5(2), 142-161. Retrieved 2016, from http:// www.academicstar.us
CAI. (2014). Micro,Small and Medium Enterprises in Egypt: Special Focus on Entrepreneurship, Streamlining Business Procedures and Value Chain Analysis. Cairo: Creative Associates International.

The Ministry is reviewing Law Number 141 of 2004 and other relevant legislations; the incentive packages that are required to formalize the informal sector and to prevent returning to the informal sector once again; the review and unification of definition, the establishment of a sectoral integrated database to facilitate the classification and address specific sectors through specialized developmental packages; and institutional restructure that ensure the establishment of a unified entity regulating developments in this sector.

This sector is divided into four categories the indicate enterprise life cycle:

Phase 1: Prior to startup.
Phase 2: Startup.
Phase 3: Growth.
Phase 4: Market phase out.

Accordingly, the Ministry is designing inclusive and integrated models to target each of the above phases with a set of specialized business development services in line with each phase's needs. These packages, particularly those associated with training, will be delivered through an interactive platform available to entrepreneurs, enterprises, service providers and decision makers. The first step starts with developing training curricula to encourage the culture of entrepreneurship in regular and technical schools, universities, technical institutes and specialized training programs for entrepreneurs of different ages.

As for startup growth, the Ministry shall establish and upgrade incubators and accelerators in cooperation with universities and specialized academies to encourage and develop investment ideas, particularly those serving targeted sectors, encourage the initiation of innovative ideas, provide subsidized technical packages required by startups, support investment cost reduction and development of feasibility studies, define suitable production technologies and scientific methodologies, provide startups with linkages to innovated financial intuitions that match the financing needs at this stage, and offer licensed industrial lands and factories supplemented with skilled labor and supported raw materials.

Upon MSME start-up, the required technical assistance will be offered in compliance with production specifications, along with management, marketing, and promotional support. Business opportunities will also be provided through linkages with local supply chains, large firms, public procurement and contracting. Export development techniques will be offered as well as e-marketing, and participation in local and international exhibitions to increase trade volume and growth in the various stages of the project.

In case of deterioration and bankruptcy phases, specific laws governing MSME bankruptcy will be reviewed.

Executive Programs and Projects

To implement this strategy, it has been designed in the form of specific programs. Each program has a logical results framework governed by performance Indicators and a professional team capable of implementing it.

The following displays the programs and the projects included in the framework of this pillar:

Micro, Small and Medium Enterprises and Entrepreneurship Development Program

Affiliated Projects

- Legislative and Institutional Development
- The Electronic Interactive Platform for Service Provision & Decision-Making Support
- Business Development Services
- Encouraging Entrepren--eurship
- Facilitating Access to Finance
- Governance

Objective: Increasing MSME sector contribution to GDP.

Logical Results Framework	Indicator
Impact: MSME's sector positioned as the main tool for achieving development goals.	• Growth rate of established projects in this sectors, divided by micro, small and medium enterprises. • The participation of this sector in Gross Domestic Product and the amount of investment, regarding industry and governorate. • Sector's participation in exports divided by industries. • The sector's share in providing job opportunities, divided upon industry, category, and governorate.
Outcomes: The growth of this sector to be included in state development plan	• The increase rate of the contribution of this sector in GDP, divided geographically and by sector.
Direct Results	**Indicator**
Growth of MSMEs	• Number of newly established enterprises, divided by micro, small and medium.
Enhancement in legislative environment supporting MSMEs sector	• Legislative facilitations regarding establishing MSMEs. • Number of legislations regarding MSMEs
Better mechanisms for communication and provision of electronic services	• Number of beneficiaries from different communication mechanisms and questionnaires.
Growth of MSMEs	• Average time-period of enterprise, divided by different industries.
Easiness of financing conforming to enterprise potentials	• Number of enterprises benefiting from different financial mechanisms • Number of enterprises benefiting from the Central Bank's initiative.
Increase in the confidence of entrepreneurs to enter the sector	• Number of entrepreneurs with startup private business

2-1 Legislative and Institutional Development Project

The outputs of the project are as follows:

First Output

Updated legislation for MSMEs and entrepreneurship sector development; overcoming the shortage in Law Number 141 of 2004; ensuring coordination with other laws concerned with this sector; setting financial and incentive package to develop the sector; shifting from informal to formal sector and remaining within the formal sector; protecting intellectual rights; organizing bankruptcy operations; facilitating access to concessional finance, as well as, according MSMEs the priority in Government tenders and auctions.

Second Output

A unified definition for the sector, taking into consideration the enterprises phases of development and nature of activities to direct the incentives in alignment with each phase and activity.

Third Output

A unified entity entrusted with setting the sector development policies, following up policies implementation and evaluating impacts; ensuring lack of duality with current bodies; guaranteeing the integration of service provision governmental bodies; offering an opportunity to create a private sector capable of providing sector development services in accordance with clear terms and conditions consistent to State sustainable development plan.

2-2 The Electronic Interactive Platform for Service Provision and Decision-Making Support Project

The outputs of the project are as follows:

First Output

An electronic platform, which provides services to micro, small and medium enterprises (MSME's) and entrepreneurship, and includes smart tools for supporting decision-making.

Second Output

A specialized team for managing the work of this platform and ensure its sustainability.

Third Output

Published generic manuals that include specific investment opportunities and features, as well as, pre-feasibility studies with the necessary actions needed for licensing, financing, and accessing non-financial services.

2-3 Business Development Services Project

The outputs of the project are as follows:

First Output

Specialized, integrated and inclusive programs targeting enterprises based on phases of development and sizes; effectuating and merging current programs related to connecting local and global supply chains; maximizing such enterprises benefit from public procurement and contracting, especially innovative projects; making use of industrial clusters available for MSMEs through the provision of specialized and inclusive packages starting from investment profiles up to exporting process.

Second Output

A unified standardized operation manual to be used by governmental centers to provide business services for sector in different governorates, using developed systems through unified electronic networks (electronic linkage) and following unified procedure; units established inside organizations representing private sector; consultative offices and private sector service providers.

Third Output

Upgraded MSME's that grow from micro to small and medium and then to big enterprises; benefiting from joining local and global supply chains; making use of work opportunities in the framework of government tenders, whether procurements, tenders or contracts.

Fourth Output

Financed annual program for raising competitiveness level and successive arrangement of enterprises represented in an annual competition on excellence for such enterprises to enhance competitiveness and excellence.

Fifth Output

Service trading companies to provide raw materials and export products to reduce costs and enhance integration between enterprises.

Sixth Output:

Financial and non-financial services packages for startups, women and minorities provided by financial institutions specifically NGOs.

2-4 Encouraging Entrepreneurship Project

The outputs of the project are as follows:

First Output

Accredited entrepreneurship curricula to be taught in regular, technical, professional schools and universities, as well as specialized programs for training and mentorship.

Second Output

Promotional campaign to boost entrepreneurship culture and change the risk aversion behavior.

Third Output

Business incubators and accelerators in targeted sectors; developing current incubators in accordance with the latest international systems. Graduates will have the priority in taking appropriate places in industrial zones and clusters.

Fourth Output

Egyptian entrepreneurs ready for entrepreneurship through the expansion of programs and projects that provide comprehensive supportive packages for the Egyptian youth to start their own innovative projects that have potential for growth (e.g: training, Mentorship, guidance,micro-financing , technical support, information, etc.).

Fifth Output

New enterprises established in targeted fields by State to achieve industrial development rates.

2-5 Facilitating Access to Finance Project

The outputs of the project are as follows:

First Output

Specialized studies to analyze value chains of some targeted sectors to identify investment and financing gaps.

Second Output

incentivizing and supporting financial entities to use innovative financial mechanisms adequate to enterprises needs based on the enterprise's life-cycle and activites, which do not require complicated credit warranties that prevent making use of available credit facilities.

2-6 Governance and Performance M&E of the Sector's Developmental Initiatives Project

The outputs of the project are as follows:

First Output

A funded plan for monitoring and evaluation, of the implementation of programs and projects of strategic medium term plan, for the development of MSMEs and entrepreneurship sector 2020.

Second Output

A Smart application for managing plan's programs and projects.

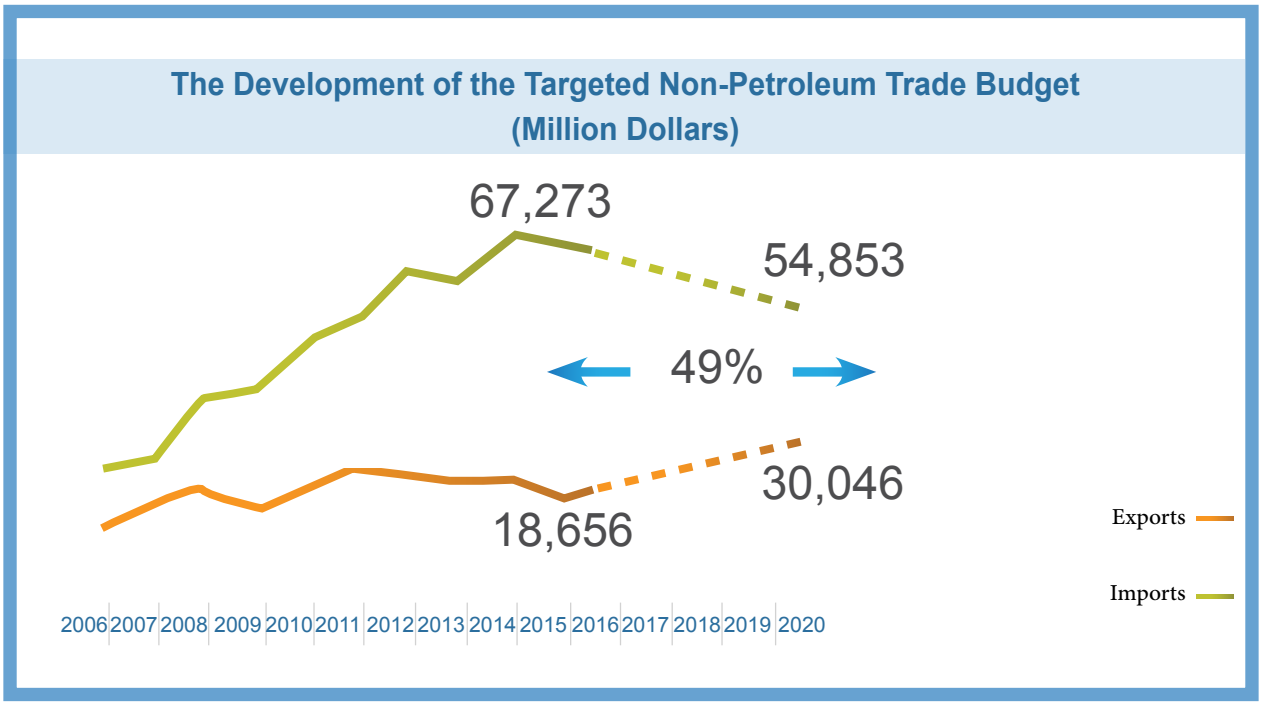
Third Output

Complete database for all SMEs, including an electronic directory for communication purposes, through a customer relations management system (CRM).

Third Pillar

Export Development

The Ministry seeks to minimize the gap in the balance of trade by increasing Egyptian exports and rationalizing imports. The achievement of this goal requires non-petroleum exports rise by 10% per annum over the five years from 2016 to 2020, bringing the total target of non-petroleum exports to rise to 61%; thus, the Egyptian non-petroleum exports will rise from 18.6 billion USD in 2015 to more than 30 billion USD by 2020.



To achieve this, the Ministry is working on the implementation of a number of incentives measurements to increase Egyptian exports, which consists of institutional legislation and procedures support the business climate in general,such as: reviewing the legislations regulating import and export law and executive regulation; simplifying export and import procedures through the reviewing and re-engineering and automating the process, governance of entities concerned with exports development, inspection and control; restructuring of entities operating in this regard

to guarantee flow of execution process, ensuring the allignment and avoiding contradiction or overlapping to ensure efficiency and effectiveness in the performance of these institutions through specific performance indicators.

Nevertheless, other measures related to a set of exporting sectors were sought to increase current exports, encourage shifting to high value exports based on incentive package, expand export bases to include SMEs exports and move toward targeted markets with promising export opportunities.

The global demand has been analysed to identify exporting opportunities, traditional and lagging export sectors, to identify a dealing policy with each sector separately. Where Egyptian exports were divided into the following:

Readiness products (Products Egypt is currently exporting):

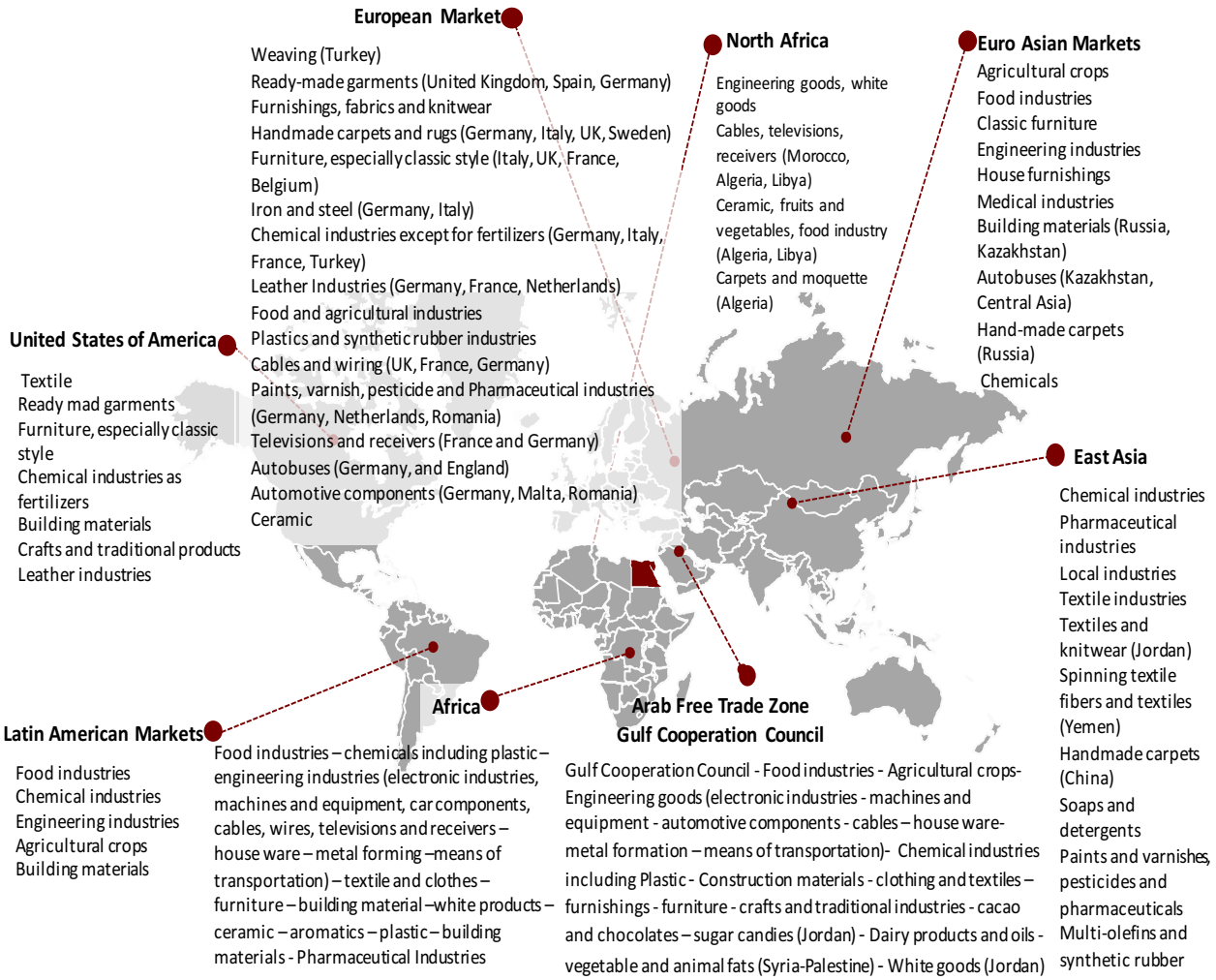
These exports will be increased by enhancing their competitiveness, particularly through pricing, whether in current or prospect markets; markets which have a growing demand for these exports yet are challenged by poor promotion. These exports sectors are agribusiness, food industries, construction and building materials, engineering industries, chemicals industries, iron and steel industries, and textiles and readymade garments industries.

Such exports will be developed at several levels:

First: At firm level, especially for MSME's, price competitiveness will be enhanced through the inclusion of export re-payment programs. Also, quality competitiveness will be pursued through the provision of quality enhancement services for companies working in the referred to sectors, in order to improve production factors, such as the availability of skilled labor, conformity to international standards, development of production and R&D approaches, promotion of applicable technology, rationalization

of operational costs through resource efficiency management programs, provision of training services on exporting processes, marketing, promotion and participation in local and international exhibitions.

Second: At market level, the current preferential agreements will be effectuated, new markets will be penetrated, particularly in Africa and Russia, required logistics will be developed in-cooperation with the private sector to facilitate trade, and promotion and marketing activities will be sought for in targeted markets.



As for changing the structure of exports to intensify the integration of value-added exports, the status quo limits a significant amount of exports to raw materials, despite local manufacturing and technological potential. An example of such export products would be, natural products (marble, building materials and gold), minerals (iron and steel used in manufacturing equipment and machinery), raw agricultural harvests (dates, medicinal and aromatic plants), leather, and cotton (advanced weaving industries and high quality ready-made garments).

A second category of export products that shall require adjusting the exports structure are those based on heritage, scientific knowledge, and advanced technology. The list includes fine electronic industries, information technology and software industries, advanced engineering industries (motor industry, vehicle and transportation industry), chemical industries (especially pharmacological and pharmaceutical industries), craft and traditional industries (Alabaster, handmade carpets and home textiles).

An integrated package of industry and trade support measures will be applied to such sectors, represented in growth-driven incentives. The package shall consist of sector development strategies, land and industrial clusters supply, facilitated license issuance, and attractive investment incentives attractive to local and foreign investment. Other incentives included support to investment profile development, feasibility studies, technology and know-how transfer, linkages to industry and to R&D entities, access to finance, support to compliance with local and international production specifications, provision of necessary protection to infant industries, support to marketing, promotion and export activities, and facilitated participation in international exhibitions.

Executive Programs and Projects

To implement this strategy, it has been designed in the form of specific programs. Each program has a logical results framework governed by performance Indicators and a professional team capable of implementing it.

The following is a general clarification for programs and projects that are working within the framework of this pillar:



Logical Results Framework	Indicator
Impact: Egyptian exports become a main contributor to development	•The proportion of exports to GDP •The value of the annual increase in exports of manufacturing industries (the level of technological progress of the industrial goods exported) •Export diversification among different governorates and industries
Outcomes: An increase in Egyptian exports' value	•Exports' value •Exports growth rate
Direct Results	**Indicator**
Enhancement in the business environment of import and export	•The average time to complete the export and import process •Average export cost by industry •Average import cost by industry •Credit facilities available for export and import
Enhancement of exports competitiveness (quality and price)	•Average exports competitive value to the total exports •Quality control for exported products
New types of value-added exports	•The new value-added exports (i.e. technical, cultural, creativity products) •The proportion of new exports to the total exports
Internal and external logistics enhancement	•Average time spent per process •Average cost per process •Average number of steps required to complete a single process
Overcoming the obstacles of accessing markets	•Growth rate of exports with accessibility obstacles •Amount of exports in these markets, divided upon industries
Opening new markets	•Number of new markets dealing with Egyptian exports •Amount of exports to new markets divided upon industries •The proportion of new markets to total exports

3-1 Development of the Procedures and Legislations Regulating Exporting and Importing Project (EGYTRADE)

The outputs of the project are as follows:

First Output

Updated, developed, simplified legislation to facilitate the foreign trade movement, based on comprehensive revision of import and export regulation to be in line with strategy directions; in which the provisions of this legislation balances between the control and trade facilitation, without any disruption.

Second Output

An integrated nationwide electronic platform to connect service providers (ports, customs, control and logistical authorities) and beneficiaries (exporters, importers, freight agents, clearance personnel)

Third Output

Interactive website, providing foreign trade and export opportunities data for exporters, along with performance indicators to measure the degree of its benefit.

Fourth Output

A communication center for technical assistance and monitoring exporters' complaints.

Fifth Output

Integrated, comprehensive and harmonious system for verifying foreign trade data.

Sixth Output

Updated legislative system for quality, inspection and control, separating jurisdictions, and compliance with international standards.

Seventh Output

Legislative package that encourages the establishment of mega-commercial companies, capable of achieving significant economies of scale, and possessing better bargaining power whether for export or import of production requirements.

3-2 Egyptian Exports Competitiveness Enhancement Project

The outputs of the project are as follows:

First Output

Efficient and effective program for export development. The program shall enhance the competitiveness of a wide range of small exporters, especially in targeted exporting sectors and governorates. The program shall also support achievement of development goals and targeted export growth rates; and shall encourage growth of new targeted export sectors, that shall primarily rely on added value, knowledge capitalization and technology, culture and innovation.

Second Output

Specialized technical services for energy saving, particularly in energy intensive industries, such as fertilizers and cement production industries, as well as in small and medium industries. Such service shall reduce costs and enable compliance to energy and environment international standards; encourage investment and usage of alternative energy sources, especially those dependent on industrial and agricultural waste recycling; support reaching acceptable standards for energy saving in production machines; provide adequate laboratories for the examination of imported production machines.

Third Output

Specialized technical services for the development and improvement of production and technology methods, that shall serve compliance to international specifications; reduce the production of pesticides, whether in agricultural harvest or export industries. Training shall be delivered in accordance with international practices for production and facilitating access to appropriate technology.

Fourth Output

Appropriate solutions to resolve the overlap amongst domestic mandatory supplying and exporting, such as the case in the fertilizers and sugar industry; by studying these files respectively in order to enable them to export.

Fifth Output

A program designed and implemented to encourage exports, particularly to African countries, by enhancing the risk guarantee programs.

3-3 Improving the Standards, Quality, Inception and Control of Export and Import Project

The outputs of the project are as follows:

First Output

Developed laboratories consisting of equipment, systems, skilled calibers and policies and procedures required to deliver quality certificates needed for exporting. This particularly includes the establishment of laboratories that are currently not available, such as those required for inspection of engineering products.

Second Output

A specialized center for inspecting Egyptian export products, recognized by international accreditation bodies.

Third Output

Specifications and production control mechanisms for production and packaging compliance with international standards.

3-4 Logistics Development Project

The outputs of the project are as follows:

First Output

A detailed five-year study to evaluate potential of Egyptian production and exports, to identify the return and costs of logistics enhancement, and in turn set priorities.

Second Output

A logistics network in priority markets linked to the private sector. The network shall cover refrigeration, stores, exhibitions, infrastructure and transportation, particularly in targeted countries with promising opportunities, such as Africa and Russia.

3-5 Activation of Preferential Agreements and Trade Facilitation Project

The outputs of the project are as follows:

First Output

An annual report on tariff and non-tariff barriers, complemented with negotiations to eliminate such obstacles.

Second Output

Effectuating of and benefit from current agreements by raising exporters' awareness of available export preferences to countries subject to such agreements; supported by finalization of negotiations and implementation of pending preferential agreements.

Third Output

New markets for competitive Egyptian exports, complemented by finalizing negotiations with different economic blocs, such Mercosur, Tripartite agreement, and Eurasia.

3-6 Marketing and Promotion of Egyptian Exports Project

The outputs of the project are as follows:

First Output

Developed system for e-commerce using modern systems of marketing, trade exchange and promotion.

Second Output

Specialized internal and external promotional campaign to define and promote the Egyptian products; and facilitates promotional delegations and trade missions.

Third Output

Exhibitions plan set in coordination with export councils, targeting specified markets to promote targeted export sectors; and complemented with clear mechanisms that support SME's participation in local and international exhibitions. The impact of the exhibitions shall be evaluated, and full involvement of the private sector will be encouraged to enhance exhibitions performance.

Fourth Output

Specialized companies in developing partnerships with the private sector to promote and market Egyptian exports in targeted markets, such as African and Russian markets.

Fifth Output

A smart application of market information to provide all market-related data, particularly data pertaining to importers worldwide, and identifying credible importers.

Sixth Output

Complete re-structuring of commercial representation offices; and their periodical redistribution based on market nature, economic relations and classification of key and subsidiary indicators for each market and its associated trade office.

Fourth Pillar

Technical Vocational Education and Training (TVET) Development

This pillar targets an essentially affecting factor associated with production, as skilled labor availability, productivity and efficiency pose crucial problems in the production sector. This challenge is addressed by setting specified indicators to implement the previously prepared strategy associated with the development of such a domain, which starts from TVET delivery and certification, passing by conformity with supply and demand markets, and ending with the improvement of work conditions to ensure productivity and sustainability. In addition to the significance of this sector for the provision of skilled labor and improvement of production quality, it is also a starting point for entrepreneurs to launch MSME's compatible with their technical and vocational expertise. The importance of this sector is further reflected as a cornerstone for several informal activities that will be handled through a package of incentives represented in legislative and procedural incentives, and for the provision of profitable job opportunities transferring the sector into a formal one.

This section will highlight labor qualification, training and guidance towards high productivity sectors, such as the industrial sector, in particular priority areas for increasing exports and enhancing industry. However, this does not mean the overlook of supporting other sectors.

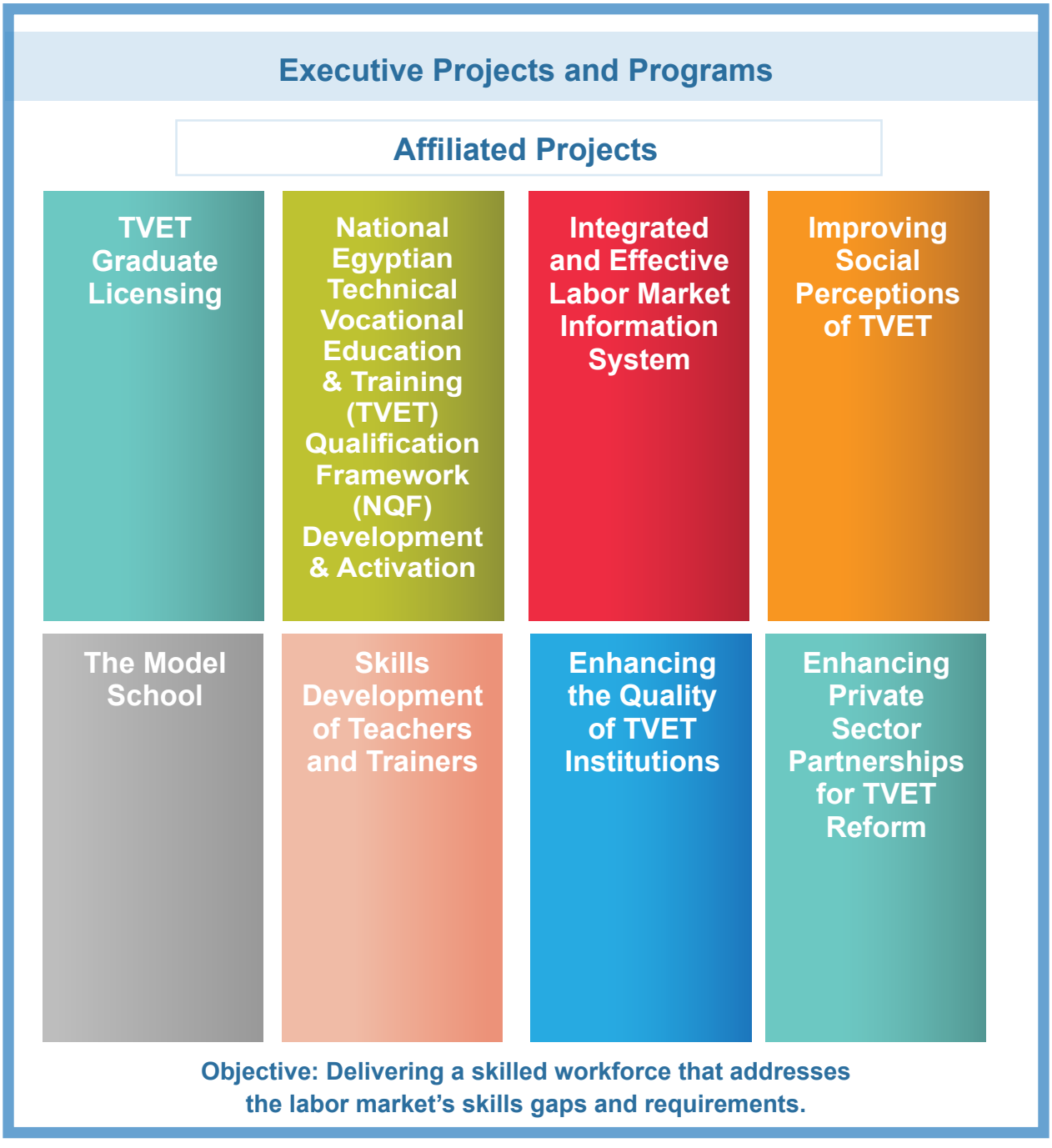
One of the main factors is the quality. This factor includes all issues related to developing TVET systems, including twinning with international institutions to accredit TVET certificates. Other factors relate to the structural and institutional reform of the sector, comprising databases and information supporting in the decision-making process, and to facilitating the transformation to the labor market.

To implement this strategy, it has been designed in the form of specific programs. Each program has a logical results framework governed by performance Indicators and a proffessional team capable of implementing

it. The programs and projects of this pillar are shown below, and shall be implemented in close cooperation with the Ministry of Education and Technical Education, particularly through Phase II of the TVET Reform Project, supervised by the Ministry of Trade and Industry

The programs and projects of such pillar are shown as follows:

Executive Programs and Projects



Logical Results Framework	Indicator
Impact: Improved response of TVET to labor market needs.	•Percentage increase in number of TVET graduates who receive job opportunities relevant to their specializations within six months from graduation (classified by gender, discipline, governorate, type of work i.e. employer or employee).
Outcomes: Improved TVET quality and relevance to labor market needs.	•Egypt's rank in the World Bank TVET indicator.
Direct Results	**Indicator**
Improved learning environment.	•Number of schools classified by educational level and specialization, and by governorate. •Average number of students in the classroom classified by educational level and specialization, and by governorate. •Number of training centers classified by industry and governorate •Ratio of teachers to students classified by educational level and specialization, and by governorate.
Improved quality of TVET graduates.	•Number of graduates employed in their field of specialization. •Number of graduates who receive grants or scholarships. •Number of internationally certified graduates.

4-1 Enhancing Private Sector Partnerships for TVET Reform Project

The outputs of the project are as follows:

First Output

A mechanism to establish mutually beneficial partnerships with the private sector, such as the commitment of industrial employers to deliver practical on-the-job

learning to trainees and students. Such an intervention should optimize the State's investments in building new schools and workshops, and simultaneously guarantee a constant flow of fresh skilled labor for the private companies.

Second Output

Income generating policies, such as the adaptation of the productive school model. Such policies encourage TVET institutions to deliver services to the private sector, such that significant revenue is generated, and could be used to cover the institutions' running costs, and serve as a source of income for teachers/trainers and students.

Third Output

Incentivized policies that encourage the private sector to invest their corporate social responsibility (CSR) resources in building, refurbishment and/or equipping TVET institutions.

4-2 Enhancing the Quality of TVET Institutions Project

The outputs of the project are as follows:

First Output

Capacity development of the National Authority for Quality Assurance and Accreditation of Education (NAQAAE) to enhance its role towards the accreditation of technical education institutions.

Second Output

A specialized body dedicated to the accreditation of training centers, supplemented with the capacity, resources and authority to undertake its role of accrediting training centers.

Third Output

Legislation that mandates periodical accreditation of TVET institutions In a specific period of the creation date, as well as, determining the time period for the renewal of accreditation, which ensures the quality in compliance with international standards.

Fourth Output

Accreditation, quality and assessment standards system that are benchmarked to global standards, and guarantee competitiveness that takes into consideration

the distinguished nature of these schools, and the broad scope of training centers in terms of content and the various sectors they serve. International standards will be implemented in a way that properly fit the Egyptian context.

Fifth Output:

Quality management with clear roles in the light of functions of the districts, regions and schools to achieve a broader coverage for schools in various governorates, and to ensure the speed of implementation and support facilities in the rehabilitation; which facilitates reliance and cooperation with Municipalities' training centers, to provide the required quality standards' training.

Sixth Output:

Morale and financial recognition programs for accredited enterprises, that connects promoting teachers and trainers with the schools' / training centers' accreditation.

4-3 Skills Development of Teachers and Trainers Project

The outputs of the project are as follows:

First Output

An assessment and evaluation system for teachers and trainers, which ensures continuous improvement and fair accountability.

Second Output

Comprehensive evaluation tests that assess teachers' pedagogical and technical competencies, as well as relevant professional experiences.

Third Output

Legislation linking teacher and trainer evaluation with wages and incentives. This should set a system that encourages and incentivizes teachers and trainer towards continuous improvement.

Fourth Output

A subsidized training program to improve knowledge and skills of teachers and trainers, taking into consideration different levels and specialties.

Fifth Output

A subsidized overseas learning program for TVET teachers and trainers,

supplemented by a monitoring and evaluation plan and a knowledge transfer program to local TVET institutes. Such intervention aims to introduce and implement international standards in local TVET institutions.

4-4 The Model School Project

The outputs of the project are as follows:

First Output

A subsidized system that guarantees continuous maintenance and preservation of the school's assets, optimum and rational resources usage for equipment and machineries.

Second Output

Partnerships with the private sector aimed at training technical school students, whereby learning outcomes are linked to labor market requirements, giving the students the chance to gain practical knowledge and applying what they had learnt in the technical school in addition to earning an income.

Third Output

A program to increase sports and cultural school activities, helping students to acquire twenty first century skills.

Fourth Output

Comprehensive reform of schools in need of a healthy learning environment for students, including restructuring of school infrastructure and equipping schools and providing them with resources, and building classrooms and equipped workshops.

4-5 Improving Social Perceptions of TVET Project

The outputs of the project are as follows:

First Output

An integrated national communication plan that utilizes mass media to improve social perceptions of TVET and vocational work and a societal outreach plan emphasizes success stories.

Second Output

Cooperation protocols with businessmen and private sector institutions to

finance awareness campaigns improving the image of the worker under the umbrella of corporate social responsibility, contributing to increase credibility and show the real role of technical and vocational education in the society.

Third Output

A national skills competition between TVET students and trainees, marketed through the media, where the participants take a role in the WorldSkills Competition that is held every two years. This will have a significant impact on encouraging and stimulating TVET and promoting a positive image of TVET students.

4-6 Integrated and Effective Labor Market Information System Project

The outputs of the project are as follows:

First Output

A monitoring mechanism that tracks and forecasts the growth of different industries specializations, geographical distribution and human resources demand.

Second Output

A system for planning schools and training centers in terms of quantity and distribution based on the needs of different industries and economic growth. The current establishments will be included in this system and there will be a possibility of transferring them from one specialization to another to achieve flexibility and efficiency.

Third Output

One entity in charge of collection of data related to industry, schools and labor market, and then analysis of this data and producing reports for decision makers.

Fourth Output

A database in different governorates to facilitate gathering of information that supports decision making.

Fifth Output

policies that require various entities in the labor market to provide the information required on time in order to ensure data integrity and accuracy.

4-7 National Egyptian Technical Vocational Education & Training (TVET) Qualification Framework (NQF) Development & Activation Project

The outputs of the project are as follows:

First Output

Nationally accredited Egyptian qualifications framework (NQF) directed to quality assurance and accreditation of qualifications. This will reflect the needs of each sector using international models compatible with the Egyptian environment.

Second Output

Accredited educational and training plans and programs adhering to the standards of the NQF that links TVET to labor market demands.

Third Output

Legislative laws mandate adjustment of TVET plans to comply with standards of the NQF, achieving the highest TVET quality, and setting the standards and national skill levels for both employers and TVET graduates.

Fourth Output

A system that links both professional standards and hierarchy in all sectors of the NQF.

4-8 TVET Graduate Licensing Project

The outputs of the project are as follows:

First Output

Legislations mandating all TVET graduates to obtain practitioner license that has an expiry date, and obligating employers not to hire unlicensed TVET graduates.

Second Output

A specific authority that provides practitioner licenses in all TVET specializations, and which shall accredit technical and vocational graduates.

Third Output

Systems for continuous communication with the various unions/syndicates to identify and update their license issuance criteria.

Fourth Output

A training program to assist graduates and employees to obtain their license.

Fifth Pillar

Governance and Institutional Development

This pillar is to enhance performance efficiency of the Ministry's affiliates and entities under its supervision, to manage national resources in a more professional and clear means. This shall be carried out by setting a clear accountability system for monitoring and evaluation, both on institutional and individual levels; to simplify procedures and serve citizens as a top priority.

Within this pillar, progressive change will take place in the Ministry's plan and budget to rely on results based management in programs and projects', where it shall comprise well-defined indicators to measure performance, as well as monitoring and evaluation plans. Moreover, based on this pillar, restructuring Ministry's subdivisions and bodies shall take place according to strategic framework outcomes defined in this strategy, to ensure integrity of implementation, optimized resource utilization, and joint efforts that shall replace of fragmentation associated with inconsistency and operation process complexity.

Restructuring processes will go in parallel with an efficient and effective Performance Management system, linked to the employees' performance annual plans. Accordingly, professional training programs shall be developed, identifying needs based on competency based frameworks, job descriptions and employee's performance annual plans. All processes will be fully automated to ensure effectiveness, transparency and decision making support.

This pillar also includes designing and implementing an integrated internal and external communication plan for communicating with key partners to manage relationships and reach strategic goals.

To implement this strategy, it was necessary to have it designed in the form of specified programs and projects with a clear accountability structure, rational results governed by measurable performance indicators, monitoring and evaluation plans with evident execution budget and staff for each program and project.

Executive Programs and Projects

To implement this strategy, it has been designed in the form of specific programs. Each program has a logical results framework governed by performance Indicators and a professional team capable of implementing it.

The following is a general clarification for programs and projects that are working within the framework of this pillar:



Logical Results Framework	Indicator
Impact: High quality services provided by the Ministry and responding to citizens' needs	• Ministry's and affiliates' service transparency levels. • Satisfaction levels of concerned related entities with services provided by the Ministry and its affiliates.
Outcomes: Improvement of governance system in the Ministry and its affiliates .	•Enhancement of performance efficiency indicators. • Enhancement of performance effectiveness indicators.
Outputs	**Indicator**
Clear strategic and executive visions, Performance Management Systems for Ministry's and affiliated entities' employees.	•Clarity degree of policies, plans and mechanisms. •Monitoring and evaluation, impact assessment and reward systems.
Calibers capable of efficient resource management and distinguished service delivery.	•Job Performance Improvement Indicators' based on revised Civil Service Law.

5-1 Developing Policy Formulation and Result Based Management Project

The outputs of the project are as follows:

First Output

A package of policies and procedural measures transformed into medium-term strategy based on previous strategies assessments, and consistent with targets and indicators set in the Sustainable Development Strategy: Egypt's Vision 2030. The Ministry and its affiliates shall work in accordance with clear performance indicators, monitoring and evaluation mechanisms, and impact assessments, managed by a trained staff.

Second Output

A comprehensive monitoring and evaluation mechanism, complemented by clear accountability mechanisms, a comprehensive monitoring and evaluation plan, as well as specific procedures for indicators' data collection, whether internally or at the level of Ministry and its affiliates.

Third Output

New and/or updated sectoral strategies matching the Ministry's Foreign Trade and Industrial Development Strategy 2020; that integrates the strategy's five main pillars.

Fourth Output

Comprehensive sectoral strategies that ensure the development of exports, industry and MSME's.

Fifth Output

A comprehensive performance based budget for the Ministry's programs and projects, also known as the programs budget, including all local and foreign financing resources.

Sixth Output

A smart data management electronic application and team that supports the management of the strategy's implementation, integrates performance indicators, and measures work progress.

Seventh Outcome

Trained calibers capable of developing policies, assessing impact, and designing programs, projects and budgets.

5-2 Restructuring Project

The outputs of the project are as follows:

First Output

An executive structure for the Ministry to limit overlap and duality in similar functions to ensure specialization and efficient work flow.

Second Output

A unified entity for MSME's development and encouragement of entrepreneurship based on integration that is free of overlap and duality.

Third Output

A specialized entity for Egyptian exports development, functioning as a focal point for addressing all export activities, including export promotion, and linking relevant stakeholders, including exporters, export and trade councils affiliated to the Ministry. This entity shall unify efforts and optimize resources utilization.

Fourth Output

Comprehensive restructure of the Industrial Development Authority (IDA) and Projects Executive Body to maximize IDA's efficiency and strengthen its institutional capacity to properly respond to targeted legislative and procedural adjustments.

Fifth Output

Complete restructure of quality, standards, inspection, and compliance assessment systems to eliminate overlap and to ensure integration and specialization of each entity. Entities with similar specializations shall be merged guarantee unified efforts, and optimize resource utilization.

Sixth Output

Fully operational Food and Safety Authority.

Seventh Output

Complete restructuring and upgrade of the Productivity and Vocational Training Department (PVTD) to regain its capacity as a trustworthy training entity dedicated to industrial labor force development in line with the TVET reform strategy.

The restructuring process comprises comprehensive institutional development, including strategy review; organizational restructure; definition of areas of specialization, job descriptions, competence frameworks and human resources procedures. Human resources procedures shall endorse application systematic methodologies for performance management to achieve targeted

results and deliver rewards based on accomplishments. These interventions shall reflect on annual plans set for employees, departments, subdivisions and entities, all in the context of achieving the goals of the Ministry's 2020 strategy.

5-3 Human Capacity Development Project

The project outputs shall be government officials trained to specific competency frameworks, dictated by job descriptions and employee's performance annual plan. The training shall create a new generation of leaders knowledgeable of modern management concepts, and capable of formulating policies, assessing impact and designing programs, projects and budgets.

5-4 Internal and External Communication System Development Project

The project output shall be a clear plan of internal and external partners that identifies means of communication, according to a well-prepared communication plan that shall support partner relationship management, and promotion of the Ministry's achievements using modern technology that facilitates internal and external communication.

CLOSING STATEMENT

The Ministry of Trade and Industry is dedicated to put in light its strategic vision and future policies towards the development of industrial and trade policies for the coming five years based on two main directives:

First, the growth and development of the industrial sector is one of the key pillars of economic and social development whether in developing or developed countries, and more so the main indicator for nations' economic progress. In addition, the industrial sector is extremely significant as it has an important role in driving economic growth and job creation.

Second, in addition to the pivotal role played by industrial development in the growth of various economic activities previously referred to, it is also the main driver in supporting Egypt's export capacities and reducing dependence on imports. Hence, a unified vision was created to develop both the industrial and commercial sectors; one that is characterized by integration, flexibility, and consistency with Egypt's Vision 2030, which shall be implemented by the support of all society.

In this context, this document contains an integrated work program and an interrelated package of programs and initiatives and operational mechanisms in all aspects of work that have been presented. Pertinent to our belief in the importance of transparency and openness when articulating development visions and initiatives, we are also keen that implementation serves equivalent levels of transparency and openness, along with flexibility, when adapting to national and global economic change. This is what will be monitored and reviewed in the implementation of all aspects of the strategy and the relevant action plans which will be annually reviewed and updated.

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