

Foreword

The current global economic and political setting is turbulent, complex and fast-changing. Governments, businesses and societies are engaged in better understanding the ongoing technological, digital and industrial reorganisation processes and their profound potential impacts on the economy and the society. At a time in which it is clear that growth is a necessary, but not exclusive, condition for development and that incentives are needed to guarantee that growth is inclusive and sustainable, planning and implementing strategies for economic transformation become paramount. This is even truer in the middle of the global COVID-19 pandemic that has exposed the vulnerabilities of the global economic system.

The Production Transformation Policy Reviews (PTPRs) are an OECD policy assessment and guidance tool that supports policy makers in the creation and implementation of better strategies for transforming their economies. They benefit from international peer dialogue and discussions under the aegis of the OECD Initiative for Policy Dialogue on Global Value Chains, Production Transformation and Development. The PTPRs are enriching the OECD Development Pathways Series with their perspective on economic transformation and governance for change.

The PTPR of Egypt is the first PTPR carried out in Africa, at the request of the Ministry of Trade and Industry (MTI) and was implemented in co-operation with the Industrial Modernisation Centre (IMC), and with the financial contribution of German International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ). The PTPR benefited from co-operation with the United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic Commission for Africa (ECA) and the United Nations Industrial Development Organization (UNIDO). The African Import Export Bank (Afreximbank) contributed to the process.

The PTPR of Egypt involved an extensive process of consultation with multiple stakeholders and benefited from peer learning from Italy (International Centre for Advanced Mediterranean Agronomic Studies, CIHEAM) and Malaysia (Mara Corporation). The PTPR of Egypt has been a process of dialogue and knowledge sharing and provided an opportunity to identify future reforms to enable the country to flourish in a post-pandemic future. The PTPR benefited from global peer learning through three Peer Learning Group (PLG) meetings conducted online during 2020, which gathered more than 127 international high-level participants from government, academia and the private sector.

Egypt is one of Africa's industrial heavyweights. Transforming the country's economy to sustain job-rich and sustainable growth are pivotal steps in its march towards prosperity. Today's search for new development models, accelerated by the unfolding of the COVID-19 pandemic, calls for shifting up a gear in raising Egypt's industrial capabilities to compete in an Industry 4.0 and Agro 4.0 landscape.

The *PTPR of Egypt* uses a forward-looking framework to assess the country's readiness to embrace change. This includes an analysis of the game-changing potential of the African Continental Free Trade Area (AfCFTA) and perspectives on agro-food and electronics (i.e. what in Egypt is referred to as part of the engineering sector), as well as identifying priorities for future reforms.

Acknowledgements

The Production Transformation Policy Review (PTPR) of Egypt is the result of an in-depth policy review consensus building process.

The PTPR process has been co-ordinated by the OECD Development Centre. It has benefited from co-operation with the United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic Commission for Africa (ECA) and the United Nations Industrial Development Organization (UNIDO). The African Export-Import Bank (Afreximbank) has also contributed to the process. The report and the PTPR process have come together under the strategic guidance of Annalisa Primi, Head of the Economic Transformation and Development Division at the OECD Development Centre. Vasiliki Mavroeidi (OECD Development Centre), acted as project co-ordinator and main analyst. Stephen Karingi (ECA), Lily Sommer (ECA), Piergiuseppe Fortunato (UNCTAD), Anders Isaksson (UNIDO), Frank Hartwich (UNIDO), Ahmed Rezk (UNIDO) and Manuel Toselli (OECD Development Centre) contributed to the drafting. Ahmed Badawy (OECD Development Centre) provided research assistance. The report benefited from valuable comments from Temwa Gondwe (Afreximbank), Alin Horj (OECD), Mariarosa Lunati (OECD), Luis Padilla and Lorenzo Pavone (OECD Development Centre). Antonela Leiva and Eugenia Klimenka (OECD Development Centre) provided valuable administrative support. Delphine Grandrieux and Elizabeth Nash co-ordinated the publication process. Aida Buendia and Irit Perry contributed to the publication process. The report benefited from editing by Chris Marquardt.

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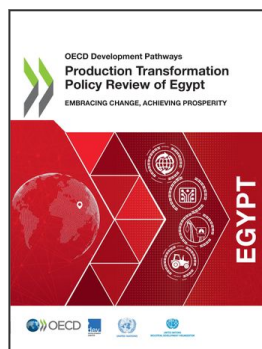
The PTPR is the result of an extensive and open consultation with diverse stakeholders in Egypt:

- One meeting of the Task Force on Economic Transformation kick-started the PTPR process. The meeting was held back-to-back with the 13th Plenary Meeting of the OECD Initiative for Policy Dialogue on Global Value Chains (GVCs), Production Transformation and Development in Cairo, Egypt. The Task Force Meeting was chaired by the Industrial Modernisation Centre (IMC). It took place with the participation of 35 members, including high level representatives from MTI and IMC, representatives of the business sector, such as the Federation of Egyptian Industries, the

Engineering Export Council, the Food Export Council, and the Federation of Egyptian Chambers of Commerce, and bilateral development agencies, such as the German International Cooperation (GIZ) and the Japan International Cooperation Agency (JICA).

- Two roundtables for production transformation in Egypt, where more than 20 high-level participants from the public and private sectors discussed strategies, policy tools, and partnerships needed for sustaining the Egyptian agro-food and electronics and electrical (E&E) industries. Strategic partners and leading companies have been key in sharing their views about the future and shaping the content of this report. We thank the Engineering Export Council (EECE), and in particular the two Chairpersons, Sherif El-Sayyad and Amr Abu Freikha, the two Executive Directors, May Helmy and Maha Salem, as well as Mohamed Samy; and the Food Export Council (FEC), and in particular the Chairperson, Hani Berzi, and the two Executive Directors, May Khairy and Manar Nasr. In addition, we are thankful to (in alphabetical order of company): Sherif Farouk, Managing Director, Ameco Technology; Mohamed Magdy, Director of Research, Elaraby Group; Alaa Omar, Deputy CEO, LG Egypt; Ahmed El-Shafei, Deputy Chairman, Medical Engineering Group; Seham Atta, Government relations, Samsung Electronics Egypt; Mohamed Salem, CEO, SICO; and Shady Alagaar, CEO, Ultramed.
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