
VISION 2020

EGYPT TEXTILE NATIONAL STRATEGY

Prepared for
INDUSTRIAL MODERNIZATION CENTRE – [IMC]

EXECUTIVE SUMMARY

Prepared by



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Introduction

The Egyptian textile industry has the potential to grow to USD 10 billion and to generate additional employment for 1 million workers, within the coming 5 – 10 years.

The industry enjoys a number of advantages such as Competitive labour and energy costs, preferential access to key markets and closeness to the EU market, Additionally, Egypt is well positioned to replace a number of key supplying countries, exiting the textile industry.

Gherzi believes that with such advantages and an enabling environment, the key challenges that Egypt is facing today are to ensure that the required resources for the growth of the industry are made available and to accelerate regulatory changes in some key areas that are currently affecting the flow of trade and investment.

The strategy for Egypt will be to become a “Quick Full Package Supplier”, offering total buying solutions for Textile importers and retailers in Europe, the US and the Arab world. Such a positioning requires for the Egyptian textile industry to:

- a. Be integrated
- b. Produce higher value added products
- c. Have product development capabilities
- d. Provide high end service
- e. Rely on quick and efficient trade and manufacturing cycles

Egypt will focus on expanding its finished product sector (garments and hometextiles) using imported raw material to create the critical mass required to attract investments in primary textiles.

The action plan for the Egyptian textile industry (covering 2-3 years) will focus on making available the required resources for the growth of the industry as well as the fine tuning of key regulatory issues to facilitate both trade and investment. The nine objectives covered by the action plan are:

- 1. Build Higher Council for Textiles (HCT) with the authority and resources to implement VISION 2020.**
- 2. Secure Labour Force through expatriate management in short term while building the required institutions to secure the required human resources.**
- 3. Make the needed industrial infrastructure available in terms of industrial land suitable for textiles in terms of closeness to labour markets and transportation infrastructure.**

- 4. Textile Investment Promotion Fund (TIPF) to make available funds at reduced interest rates and relaxed payment conditions for investments in the textile sector.**
- 5. Promote Foreign Direct Investment in Textiles through the attraction of key international players and the facilitation of investment procedures.**
- 6. Upgrade Existing Factories through the extension of the IMC funding for a minimum of five years with focus on conversion of non-exporters and start-ups.**
- 7. Facilitate Access to Raw Materials through regulatory changes in the imports and trade of cotton as well as the establishment of textile dedicated customs units.**
- 8. Facilitate Access to Markets through supporting logistics companies to make available quick and regular transit schedules to key EU and US ports.**
- 9. Redefine the Role of the Public Sector to guarantee the complete exit of the Public Sector by 2013 from the industry.**

The key to the implementation of VISION 2020 is the existence of a responsible body, with the authority and resources required to implement the strategy and to coordinate the efforts of the industry. Without such a body, the outcome of the government, private and institutional efforts will be diluted by the fragmentation that is currently governing the sector.

The Higher Council for Textiles (HCT) as designed in VISION 2020, has the authority and access to the textile specific resources of the Ministry of Trade and Industry. The HCT should be the first priority in the implementation of VISION 2020.