Karim Wissa – Managing Director, French Chamber of Commerce Egypt



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06.07.2022

Tags: Egypt, French Chamber of Commerce, Chamber of Commerce, Association, Investment, Economy, France

The head of the French Chamber of Commerce in Egypt, Karim Wissa, dives into the current state of the Egyptian economy, the reasons behind its healthcare boom, explains why companies are rushing in under the umbrella of the universal healthcare law, and the role of France in helping Egypt grow. In addition, he comments on the impact of the Ukraine conflict, the upcoming COP27 climate conference in Sharm El-Sheikh, and the benefits of healthy competition with the Gulf countries.

We understand that you have a decades-long career in diplomacy. Can you begin by briefly introducing your career and what led you to the French Chamber of Commerce Egypt?

I have spent most of my career, 30 years, as a diplomat, working in different posts from New York to Paris, Washington DC, and Cairo. My last assignment was as Egypt's executive director on the board of the World Bank from 2013 to 2016. Afterwards, I decided to quit and join a French law firm that wanted to open an office in Cairo. Following that, the pandemic came, and I was approached by the French Chamber of Commerce to join as managing director.

What can you share about the current state of the Egyptian economy and the role that France is playing to foster its development?

I am very happy to be at the French Chamber at this particular time. Why? Because French-Egyptian relations are currently in a honeymoon period. Apart from being a historical relationship, Egypt represents the most attractive potential market in the region for several reasons. It is a very big country, a very big consumer with a population of more than 104 million that must be fed, given medicine to, and so on. In addition, Egypt is the only politically stable country in the region; it is surrounded by Libya, Sudan, Ethiopia, and Palestine. Moreover, the country is now aiming to become the hub for European countries and companies that wish to enter the African market. Finally, Egypt has signed many trade agreements with its neighbours in the Gulf, Morocco, Algeria and throughout Africa.

Why honeymoon? Because France is now Egypt's main financial supporter, recently announcing a huge EUR 8 billion package. Plenty of French companies that had this country on their radar were hesitant 18 months ago, but things have changed; companies are now coming, are interested, and see the huge potential.

We saw this in the last international medical fair organised in June 2022, the Africa Health ExCon. As a chamber of commerce, we encouraged companies to attend and were surprised by the attendance. I was extremely impressed by the organisation, the level of attendance, the variety of participants, the political will and presence of the Egyptian government at this fair, which gave a lot of credibility and a lot of attractiveness to French companies to come and work in Egypt.

You mentioned that French companies were hesitant to come to Egypt 18 months ago. What made them change their minds?

First of all, the regulatory framework in Egypt is in constant evolution; the authorities are trying to close the loopholes, make things clearer and digitalise all government services. This constant evolution has attracted a lot of companies that were previously hesitant. All of the big French health companies have been present here for a long time – 40 years in the case of Sanofi. However, a lot of the medium-sized and small companies have always been hesitant, first because of the language, they think Egypt is not a Francophone country, second, because they always tie Egypt with the Pharaonic past, and third, because Egypt has also been linked to conflicts. However, today, with the financial backing of the French government and the presence of industry leaders, they are now willing to invest.

Egypt is a place where it takes longer to do business, there are hurdles because we have a huge administration and bureaucracy, but it is worth it. You gain a lot of white hair, but you make a lot of money at the same time. The potential is huge.

Looking at recent numbers, the Egyptian economy grew 8.3 percent in the second quarter of the fiscal year and, according to the International Monetary Fund (IMF), it was one of the few emerging economies to grow during 2020, the year of the pandemic. Why do you think that is?

The first thing is political stability; it is extremely important for a country to be stable, and we have been lucky enough to enjoy such stability since 2016. Second is the political will to make very harsh economic decisions such as taking away subsidies, investing massively in infrastructure and racing to digitalise all the services. The Egyptian economy is very resilient, just as we saw during the 2008 financial crisis where it was not touched, and the banking system is extremely liquid.

During the pandemic, honestly speaking, people were apprehensive, but the government managed this crisis in a very efficient way. After two months, they opted to let the economy continue because markets needed to work. In hindsight, it was a wise decision.

Also, they showed an urgency to invest in the health sector, continuing a trend that started just a few years earlier with the universal healthcare law. The Ministry of Health divided responsibilities into three, creating the Egyptian Authority for Unified Procurement (UPA) to take care of procurement, gave more power to the Egyptian Drug Authority (EDA), and delegated registration responsibilities to another body. This has helped companies understand where to go, it shows that Egypt is a country of institutions.

The law was very much welcomed by everyone when it came out because it was badly needed. Healthcare in Egypt was not up to standard and had to cover a huge population. Then came the executive regulations that have been given ten years to be implemented. Personally, I believe that ten years is a long time, but it is a needed time because there are a lot of investments – whether it is in human resources, hospital infrastructure or training – that must be done. As the pandemic showed, years can go very quickly.

The law is attracting interest from all around the world because when you have universal healthcare, you have hospitals willing to invest, insurance players looking to join, and brokers wanting to do business.

How can Egypt continue to gain ground in attracting the global healthcare industry when it must compete with nearby Gulf countries that have a higher purchasing capacity?

It is true that countries in the Gulf have higher purchasing power at the moment, but Egypt has its advantages with more and cheaper labour, lower energy prices, and an amazing geographical situation. Healthy competition with the Gulf is good but they do not have this smashing youth population.

What about the current situation in Ukraine? To what extent has the conflict impacted Egypt?

The war in Ukraine has unfortunately hit Egypt extremely violently because we depend on Ukrainian and Russian wheat – Egypt is the biggest importer of wheat in the world. Second, Russia and Ukraine represented 35 percent of our tourist industry, a third of the total industry. Also, we have many agreements with both countries such as the nuclear plant that Russians are going to build; too many traditional businesses have been put at risk.

Moreover, Egypt is in a politically sensitive situation because our political relationships are quite good internationally. We are fortunate that the country’s market remains interesting as shown by Gulf countries deciding to take part in it. I am not pessimistic about the future; the situation is not good, but we have overcome greater challenges.

With Egypt set to host the COP27 climate change conference shortly, how would you characterise the nation’s role in the region?

That is a very good question and a very sensitive one. We are hosting the COP27 United Nations Climate Change Conference on behalf of Africa. Egypt has for a long time tried and succeeded many times to champion African political, health and economic causes. Egypt is part and parcel of Africa.

To conclude, do you have a final message for our audience?

My message is that now is the time for the healthcare industry to invest in Egypt because the system is opening up, it is like a volcano erupting. The sector has been underinvested for a long time. Companies are rushing in because they see the potential. My advice is to look to the market now.

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