

# Strengthening US–Egyptian trade

By **HISHAM FAHMY**

CHIEF EXECUTIVE OFFICER, AMERICAN CHAMBER OF COMMERCE IN EGYPT



**HISHAM FAHMY** has been CEO of the American Chamber of Commerce in Egypt since 1999. He previously served as acting director of the Egyptian Centre for Economic Studies. Prior to that, Mr Fahmy worked with one of Egypt's largest international corporations, the International Group of Investment (IGI). He has a degree in Chemistry from the American University in Cairo (AUC), serves on the advisory board of AUC's School of Business, and is a member of the American Society of Association Executives (ASAE).

The United States is Egypt's largest trading partner: commerce with the United States was worth US\$7.3 billion in 2009, equivalent to 3.88 per cent of Egypt's GDP. US exports to Egypt are the fourth largest in the MENA region, representing 9.8 per cent of the region's total, while US imports from Egypt are 2.8 per cent of the region's total.

The United States also topped the list of countries investing in Egypt in 2008–09, and is the largest petroleum investor in the country. Apache Egypt, an AmCham member company, is Egypt's largest American investor with a total stock of investments of US\$8 billion.

AmCham Egypt was established in 1982, since when we have served the interests of our 1,750 members by promoting a healthy business environment in Egypt, strengthening Egypt-US economic ties, and providing access to high-quality information and business services. Today, our organisation is one of the largest and most active overseas affiliates of the US Chamber of Commerce, and is also the founding member and the permanent secretariat of the AmCham MENA Regional Council. Our mission is threefold: firstly, we inform. We let our members know about issues that could affect their businesses; we also host more than 150 networking events annually with Egyptian government officials and visiting dignitaries from the United States. In 2009, we hosted a number of big events featuring high-profile quest speakers, including the Honourable Former US Vice President, Al Gore, who was the keynote speaker at AmCham's Business Summit on Climate Change in October. Our events continue to attract a large crowd, and our flagship monthly luncheons represent a great opportunity for networking.

Secondly, we advocate on behalf of our members, making their voice heard to the government, as well as assisting in making Egypt a more business-friendly country. AmCham's advocacy agenda is driven by the concerns and needs of AmCham member companies. AmCham's primary mechanism for developing and implementing advocacy and lobbying-related initiatives are through the active work of the AmCham Committees, whose Chairs and Co-Chairs are appointed by the Board on an annual basis. Committees form the backbone of the Chamber's success. Each committee is a specific action group, working out ways to reach common goals. Committees organise forums, invite guest speakers

and present position papers. A number of ministers and US agencies have designated liaison officers to facilitate communication with Chamber committees. The Committee structure enables AmCham to engage interested members over an extended period of time in industry and sector-specific policy-related issues. The Chamber is independent from both governments, so it can express its independent opinion in support of its members.

Thirdly, AmCham offers a wide range of specialised business services, both to its members and the business community at large, including online training, web development, video-conferencing, and exclusive advertising opportunities to assist members' marketing efforts. AmCham's Career Development Centre (CDC) is the examination site for 16 US certificates in the field of financial management and Human Resources, and also offers a large number of management workshops and computer courses. While CDC's priority is to tailor programmes to meet the needs of AmCham members, its services are also available to the wider business community: 3,000 candidates were trained through the AmCham CDC in 2009.

AmCham's *Business Monthly* magazine is rated among the highest circulation local English-language magazines in Egypt, with more than 9,500 copies distributed. Every month, *Business Monthly* covers corporate, market and political news of interest to Egypt watchers. *Business Monthly* also features monthly sections on personal finance, business lifestyle and AmCham Egypt news. AmCham's Business Studies & Analysis Centre produces a large number of comprehensive reports covering all sectors of the economy. Our latest publication is the *Egypt-US Guide to Trade*, an extensive publication produced to familiarise businesses with import procedures in the United States and export procedures in Egypt. AmCham's website now receives more than two million hits per month, which makes it an attractive 24/7 channel for advertisers to reach their target customers.

AmCham further advocates for favourable business relations with the United States by organising an annual DoorKnock mission to Washington DC. This is an opportunity for AmCham to tell US investors about the positive business atmosphere in Egypt, as well as exploring ways to increase bilateral trade, while safeguarding the long-standing strategic relationship between the two countries. This year's 52-member AmCham delegation was

the largest ever. Over five days, members attended more than 110 meetings with senior executive branch officials, members of Congress and their staff, think tanks, business associations and other agencies. The delegation reported the success stories of American companies operating in Egypt and presented a candid view of the challenges and rewards of being a part of Egypt's success story.

AmCham offers its members several opportunities to put something back into the Egyptian community. This is primarily done through the AmCham Foundation, AmCham's charity arm, through which it carries out all its corporate social responsibility initiatives. AmCham Foundation has supported a number of national initiatives in the past, and continues to do so.

AmCham Egypt is also a member of the United Nations' Global Compact, the world's largest global corporate citizenship initiative, and the leading such entity concerned with developing the social legitimacy of business and markets. AmCham's Corporate Social Responsibility Committee facilitates cross-sectoral partnerships, and fosters effective and mutually beneficial relationships between businesses and the Egyptian community. AmCham is very supportive of the current government, which comprises ministers who are former captains of industry with first-hand knowledge of the problems facing both domestic and foreign partners, and thus are receptive to the advice of organisations like ours.

Several free trade endeavours have been set into motion stimulating bilateral trade. Our efforts to push forward a free trade agreement with the United States have been put on hold for the past two years, while other alternative options for increasing cooperation between Egypt and the United States have contributed positively to the economic relationship between both countries; including adding Egypt as a beneficiary country of the US Generalised System of Preferences (GSP) and establishing Qualifying Industrial Zones (QIZ), where the textile industry in particular has been able to take

real advantage of the opportunities on offer.

An economic leader in the Arab world, Egypt is also a gateway to the Middle East and North Africa culturally, linguistically, and geographically, and a regional export hub for companies wanting to break into surrounding countries, whether in MENA, Sub-Saharan Africa, or Europe. Egypt is also the most populous Arab nation, with an educated, tech-savvy and multilingual labour force. Its economy is diversified; it manufactures and exports more than just oil and gas like many of its neighbours. Egypt's strategic location, its young, skilled workforce, its preferential access to Europe, Arab countries, and Sub-Saharan Africa through a range of preferential trade agreements makes it the logical regional trading partner of choice for the United States. Egypt can help enhance US companies' competitiveness: it offers a young and dynamic domestic market, as well as competitive access to international markets, thus lowering the costs associated with exports and ultimately creating more jobs for US citizens.

AmCham Egypt has been leading an initiative to promote Egypt as a manufacturing, trade, and services hub for the United States. This initiative directly addresses President Barack Obama's concerns in his State of the Union address, in which he urged the nation to aggressively seek new markets and expressed his goal of doubling US exports over the next five years, an increase that will support two million jobs in America. As for Egypt, the prospect of becoming a regional hub would expand the possibilities for FDI, job creation, and skills upgrading.

Finally, we at AmCham aspire to see more US companies locate their regional headquarters to Egypt; the companies that have already done so, such as Coca-Cola, Procter & Gamble and others, have proved that Egypt is the best place to be, and have success stories to tell. We have the 'genius of the location'. If you want to pick the right place, Egypt is it. **F**

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