



The Suez Canal Economic Zone as a strategic asset for competitiveness and resilience

High-level public-private roundtable

Summary of the discussions

21 April 2026, Cairo

The OECD and the Suez Canal Economic Zone Authority organised a high-level roundtable on how Egypt can better leverage the Suez Canal Economic Zone (SCZONE) as a platform for investment attraction, industrial development, global value-chain integration and international trade connectivity. Across three panels, speakers emphasised that SCZONE should not be understood only as a logistics or transit platform linked to the Suez Canal, but as a broader industrial, investment, and trade ecosystem capable of supporting Egypt's economic transformation.

The discussions moved across three major themes. The first panel focused on Egypt's investment climate, exchange-rate flexibility, investor confidence, and SCZONE's competitiveness. The second panel examined how SCZONE can deepen linkages between foreign investors and domestic firms, particularly SMEs, and support Egypt's integration into global value chains. The third panel looked outward, focusing on how SCZONE can become a reliable and competitive gateway to global and African markets.

A strong cross-cutting message was that SCZONE has major strategic advantages, including Egypt's location between Africa, Europe and Asia, its port infrastructure, competitive labour and energy costs, and its potential role in nearshoring and regional value chains. However, speakers also stressed that location alone is not enough. The zone's future competitiveness will depend on predictable policies, efficient customs and trade facilitation, digitalisation, investor aftercare, skills development, stronger SME linkages, transparent governance, green infrastructure and better branding.

The meeting was opened with high-level welcome remarks from:

- HE Dr Ahmed Rostom, Minister of Planning and Economic Development, Egypt
- Mr Andreas Schaal, Director of Global Relations and Co-operation, OECD

- Ms Marta Blanco, Co-Chair of the MENA-OECD Business Advisory Board and President of the International Relations Committee, Spanish Confederation of Business Organisations CEOE
- HE Agostino Palese, Ambassador of Italy to Egypt and Co-Chair of the MENA-OECD Competitiveness Programme
- HE Mr Waleid Gamaleldien, Chairman, Suez Canal Economic Zone



HE Dr Ahmed Rostom, Minister of Planning and Economic Development of Egypt at the opening

Panel 1 – Boosting FDI into the Suez Canal Economic Zone

Moderator: Mr Said Hanafi, Partner at White & Case and Board Member of Orascom Development

Panellists:

- HE Mr Waleid Gamaleldien, Chairman, Suez Canal Economic Zone Authority
- Dr. Dahlia El Hawary, Vice President of the General Authority for Investment and Free Zones (GAFI)
- Mr Omar El Mougny, Chief Operations Officer of Saraya Middle East

Summary

The first panel focused on Egypt's macroeconomic reform trajectory, the investment climate, and the role of the Suez Canal Economic Zone as a platform for attracting foreign direct investment. Discussions covered exchange-rate flexibility, investor confidence, investment regimes, regulatory reform, digitalisation, export facilitation and the practical experience of investors operating in Egypt.

The discussion reflected a broadly positive but realistic assessment of Egypt's investment environment. Progress in macroeconomic stabilisation and investor engagement was acknowledged, including the move towards greater exchange-rate flexibility, which was seen as improving Egypt's ability to absorb external shocks such as externally induced inflation, geopolitical uncertainty and supply chain disruptions. At the same time, it was noted that managing perceptions around currency movements remains important to maintain investor confidence.



Panel 1 — Boosting FDI into the Suez Canal Economic Zone

Egypt's investment framework was described as offering multiple regimes, including special economic zones, free zones and investment zones. While incentives such as tax and customs advantages remain relevant, they are not sufficient on their own and may not be suitable for all investors. Greater emphasis is being placed on attracting investment into priority sectors such as renewable energy, ICT, textiles, chemicals, logistics and business services, aligned with both national priorities and investor demand.

Macroeconomic stability and policy predictability were highlighted as essential conditions for attracting investment. Ongoing reform efforts include a wide range of measures aimed at improving the investor journey across all stages of the business lifecycle. Digital transformation was identified as a key tool to reduce bureaucracy, improve efficiency and strengthen competitiveness.

From the private sector perspective, investment decisions were described as strongly influenced by the experience of existing investors. Successful operations within the Zone can play a critical role in attracting additional investment, particularly from more risk-averse investors. At the same time, several practical bottlenecks were identified, including slow and insufficiently digitalised export procedures and challenges related to financial operations, such as payments, profit repatriation and access to foreign currency.

The discussion emphasised that improving the day-to-day experience of investors is critical. This includes faster administrative procedures, full digitalisation, and more efficient financial systems. The investor journey was seen as depending on clear and consistently applied rules, reduced bureaucracy and a well-functioning financial environment, with a need to move towards more advanced digital and technology-enabled systems.

The Suez Canal Economic Zone was consistently identified as a key platform for investment and exports, supported by its strategic location, port infrastructure, industrial zones and logistics capabilities. It is also contributing to the gradual development of industrial value chains, including in sectors such as automotive

components. However, its competitiveness will depend not only on these structural advantages, but also on its ability to deliver efficient services, predictable regulations and strong investor support after establishment.

Finally, the discussion highlighted that Egypt has a significant window of opportunity to strengthen its position in global investment and trade flows, supported by its cost competitiveness, location and trade agreements. Realising this potential will require continued reforms, stronger public-private dialogue and a sustained focus on implementation.

Panel 2 – Leveraging the SCZone for Egypt’s integration into GVCs

Moderator: Mr Raffaele Trapasso, Manager, MENA-OECD Competitiveness Programme, OECD

Panellists:

- Dr Annalisa Primi, Head of the Economic Transformation Division, OECD Development Centre
- Ms Maren Diale-Schellschmidt, CEO, German - Arab Chamber of Industry and Commerce
- Mr Mohamed Abou Basha, President of the Egyptian Junior Business Association
- Mr Antonio Garcia – Zarandieta, Financial Director, CAF (Railway Construction and Auxiliary Company), Spain

Summary

The second panel focused on how to strengthen linkages between foreign investors and the domestic economy, particularly SMEs, and how the Suez Canal Economic Zone can support Egypt’s integration into global production networks. A central message was that investment should not remain confined within the Zone, but should generate wider economic benefits through supplier development, skills upgrading and stronger connections with domestic firms.

The discussion emphasised that the SCZone should not function as an enclave, but as a place-based platform for industrial development, where linkages between investors, suppliers, workers and institutions can be built over time. However, it was widely acknowledged that such linkages do not occur automatically and require targeted policy support.

A number of constraints affecting SMEs were identified, including limited awareness of opportunities within the Zone, high financing costs, restricted access to credit, shortages of trained labour, and challenges in meeting international standards and certification requirements. Uncertainty about the ability of domestic firms to supply multinational companies was also highlighted. At the same time, it was stressed that supplier development must remain commercially viable, as firms engage in such processes based on business considerations rather than purely developmental objectives.

The discussion highlighted the need for a combination of policy tools to support SME upgrading, including access to finance, vocational training, certification support, and targeted supplier development programmes. The importance of flexible financing mechanisms, contractual guarantees and stronger links between large firms and smaller suppliers was also underlined, particularly for younger firms and startups.



Panel 2 — Leveraging the SCZone for Egypt's integration into global value chains

There was also strong emphasis on the role of skills and workforce development. While Egypt benefits from a large and young labour force, further investment is needed in technical and vocational training to meet the requirements of international investors and more advanced value chains. The availability of trained workers, transport links and training infrastructure were identified as important enabling factors.

From an industrial policy perspective, the discussion highlighted the importance of integrating the SCZone within a broader national development strategy. Zones should not focus solely on job creation, but also on productivity, technology transfer and long-term industrial upgrading. This requires aligning investment attraction with policies on local content, standards, certification and access to development finance.

The importance of maintaining an open and diversified investment strategy was also noted. While targeting priority sectors can be effective, it was cautioned that overly narrow sectoral strategies may limit opportunities. At the same time, nearshoring trends and Egypt's proximity to European markets were identified as important advantages, particularly in sectors where time sensitivity and reliability are critical.

Finally, the discussion highlighted the importance of communication and branding. Despite the strengths of Egypt and the SCZone, awareness remains limited among both international investors and domestic firms. Strengthening the visibility of the Zone as an integrated industrial and investment platform, rather than only a maritime or transit location, was identified as a key priority.

Panel 3 – Accelerating the SCZone's role as a gateway to the world

Moderator: Mr Jorge Galvez Mendez, Senior Policy Analyst, Global Relations and Co-operation Directorate, OECD

Panellists:

- Ms Camila Moreno, Free Trade Zone Specialist, Trade and Agriculture Directorate, OECD
- Mr Abdourahmane Diaw, Country Manager for Egypt, African Development Bank
- Mr Douglas Van den Berghe, CEO, NxtZones
- Mr Osama Sedawy, General Manager, Africa Global Logistics

Summary

The third panel focused on how the Suez Canal Economic Zone can position itself as a reliable and competitive gateway in global trade. The discussion covered global logistics, trade facilitation, industrial clustering, infrastructure financing, governance, transparency, green logistics and South-South trade. A central message was that the Suez Canal remains Egypt's core strategic asset, and that the SCZone should build on this advantage to attract investment, connect the domestic economy to global value chains and strengthen Egypt's role in the global economy.



Panel 3 — Accelerating the SCZone's role as a gateway to the world

A key theme was the need to move beyond a transit model towards a value-added industrial and logistics platform. This requires strengthening port-hinterland connectivity, developing dry ports and multimodal logistics systems, improving digital customs and tariff competitiveness, and expanding value-added services. The importance of investor aftercare, coordination with national and international partners and the development of industrial clusters was also highlighted.

Governance and trust emerged as critical factors. While special economic zones can attract high-quality investment, weak governance can create risks, including illicit trade. Strengthening transparency, due diligence, data management, certification mechanisms and policy predictability was identified as essential to ensure credibility and long-term competitiveness. In this context, enhancing oversight and aligning with international standards were seen as important steps.

The discussion also emphasised that traditional zone models based primarily on fiscal incentives are no longer sufficient. Competitive zones increasingly rely on value-added services, operational support, functioning one-stop shops, and stronger integration with surrounding ecosystems, including universities,

communities and business networks. Investor retention and reinvestment were highlighted as key priorities, requiring sustained support to firms already operating in the zone.

From a global perspective, the panel highlighted ongoing shifts towards more regionalised, resilient and multimodal trade systems. These trends create opportunities for Egypt to position itself more strongly, particularly in relation to Africa, nearshoring to Europe and South-South trade. The SCZone has the potential to act not only as a gateway, but as an industrial anchor connected to regional value chains.

At the same time, several infrastructure and operational gaps were identified. These include the need to strengthen port-hinterland links, freight rail, logistics corridors and inland transport, as well as to improve soft infrastructure such as digital customs, single-window systems, regulatory efficiency and dispute resolution. Addressing these gaps will be essential to improve reliability and reduce transaction costs.

The logistics perspective highlighted Egypt's growing role as an integrated industrial and logistics platform, with the SCZone increasingly supporting value-added activities rather than simple transit. Strengths such as port capacity, industrial zones, connectivity and cost competitiveness were recognised, alongside challenges related to customs procedures, administrative processes, last-mile connectivity and specialised logistics services such as cold-chain and hazardous goods storage. Opportunities linked to green logistics, including green terminals and hydrogen, were also identified.

Finally, the discussion underlined the importance of aligning the SCZone more closely with African markets and trade frameworks, including regional trade agreements. Strengthening digitalisation, reducing dwell times, expanding logistics infrastructure and attracting manufacturing and assembly activities were seen as key steps to position the Zone as a platform for African growth. Across all contributions, the need to move beyond incentives towards a model based on efficiency, services, trust and integration was consistently emphasised.

The meeting produced several recurring messages across all three panels.

First, SCZONE has strong strategic foundations, but its competitiveness cannot rely only on geography. Egypt's location, the Suez Canal, ports, labour costs, energy costs, and trade agreements are major advantages, but they must be matched by efficient services, predictable rules, and strong institutions.

Second, investment attraction must be followed by investment linkages. Foreign investors should not remain isolated inside the zone. The zone's success will depend on whether it can connect investors to Egyptian SMEs, suppliers, workers, universities, training institutions, and domestic production networks.

Third, digitalisation is central to the investor journey. Speakers repeatedly referred to the need for digital customs, single-window systems, faster export procedures, functioning one-stop shops, better data management, and reduced paperwork.

Fourth, financing remains a major constraint. High interest rates and expensive financing affect SMEs, suppliers, and productive investors. Development finance, blended finance, concessional resources, and targeted financing instruments were discussed as important tools for productive investment and infrastructure.

Fifth, skills and training are essential. Speakers agreed that Egypt has human capital and a young workforce, but the challenge is to develop the technical and vocational skills required by international investors and advanced value chains.

Sixth, governance, trust, and predictability are essential for competitiveness. Transparency, due diligence, certification, policy stability, responsible business conduct, and effective customs cooperation were presented as necessary to attract high-quality investors and avoid reputational risks.

Seventh, SCZONE needs stronger branding and communication. Several speakers noted that the zone's offer is not yet sufficiently understood internationally or even among Egyptian SMEs. The zone should be marketed as a broad industrial, logistics, investment, and trade platform, not only as a maritime location linked to the canal.

Finally, SCZONE's future opportunity lies in becoming both a global and African gateway. The zone can position itself at the intersection of Asia-Europe trade, Mediterranean nearshoring, Africa-Europe corridors, and South-South trade. To do this, it must strengthen connectivity with African markets, align with African trade frameworks, and develop value-added logistics, manufacturing, assembly, green energy, and industrial services.