

# Entrepreneurship in Egypt

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# AGENDA

- Entrepreneurship in Egypt
- Factors constraining & fostering entrepreneurship
- Menu for promoting entrepreneurial culture
- Searching for the "right" formula for sustainable entrepreneurship

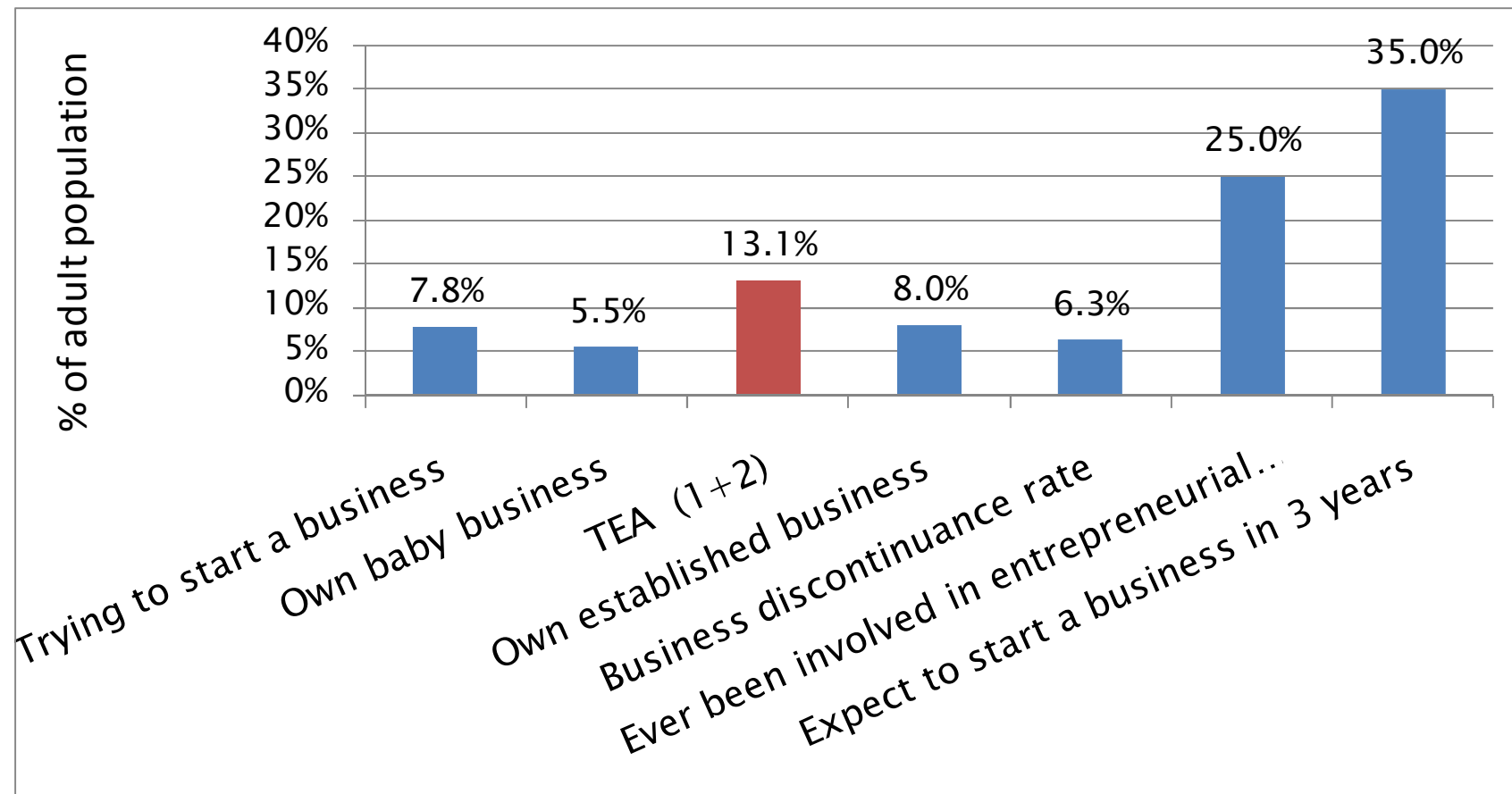
# Entrepreneurship in Egypt



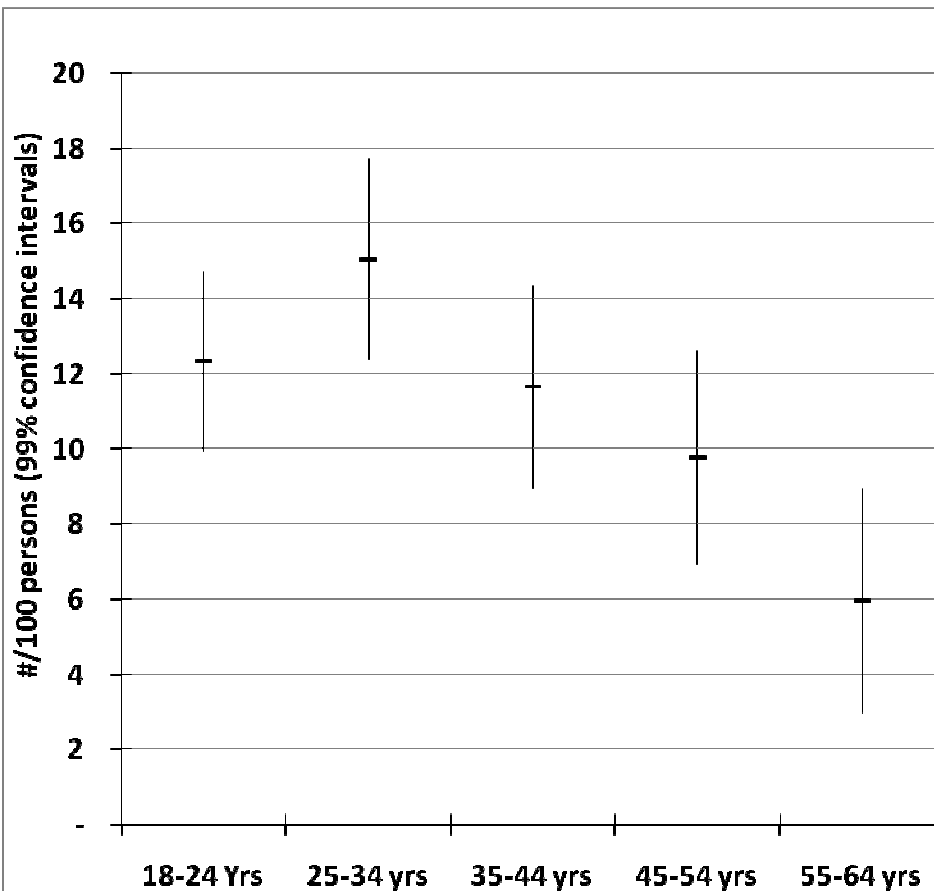
# Egyptian entrepreneurial market

- Early-stage entrepreneurial activity – 13.1%
  - Actively trying to start a business (7.8%); or
  - Own a young business that is less than 42 months old (5.5%)
- Number of enterprises
  - 1.34 million new enterprises
  - 938,000 early-stage young enterprises

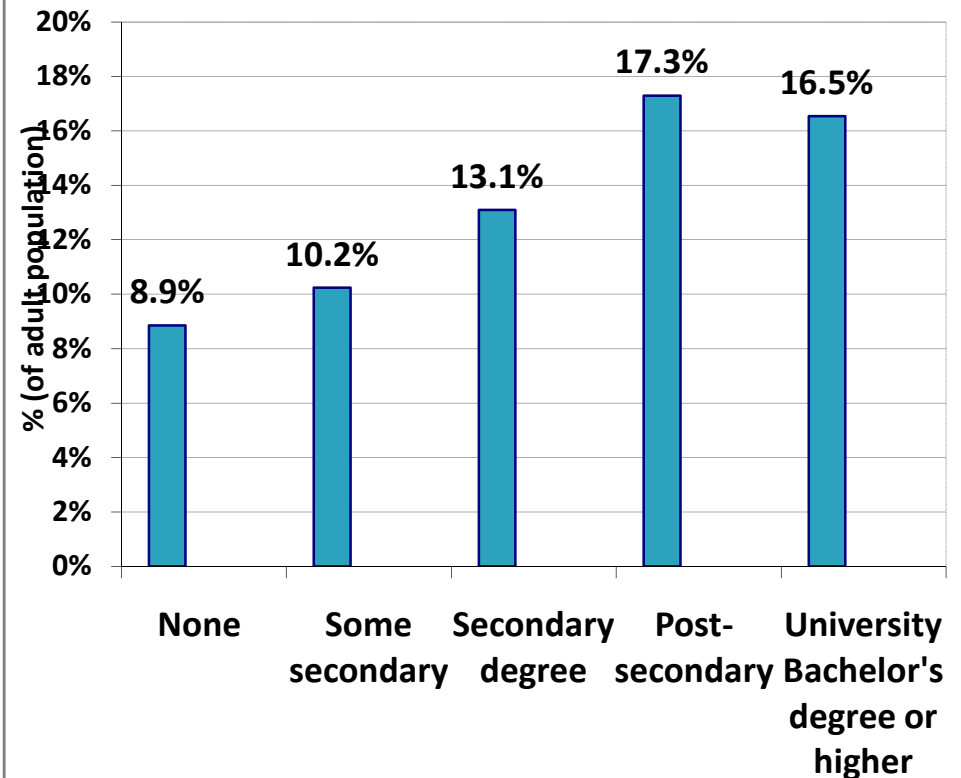
# Status in the Egyptian market



# TEA rates: Age and Education



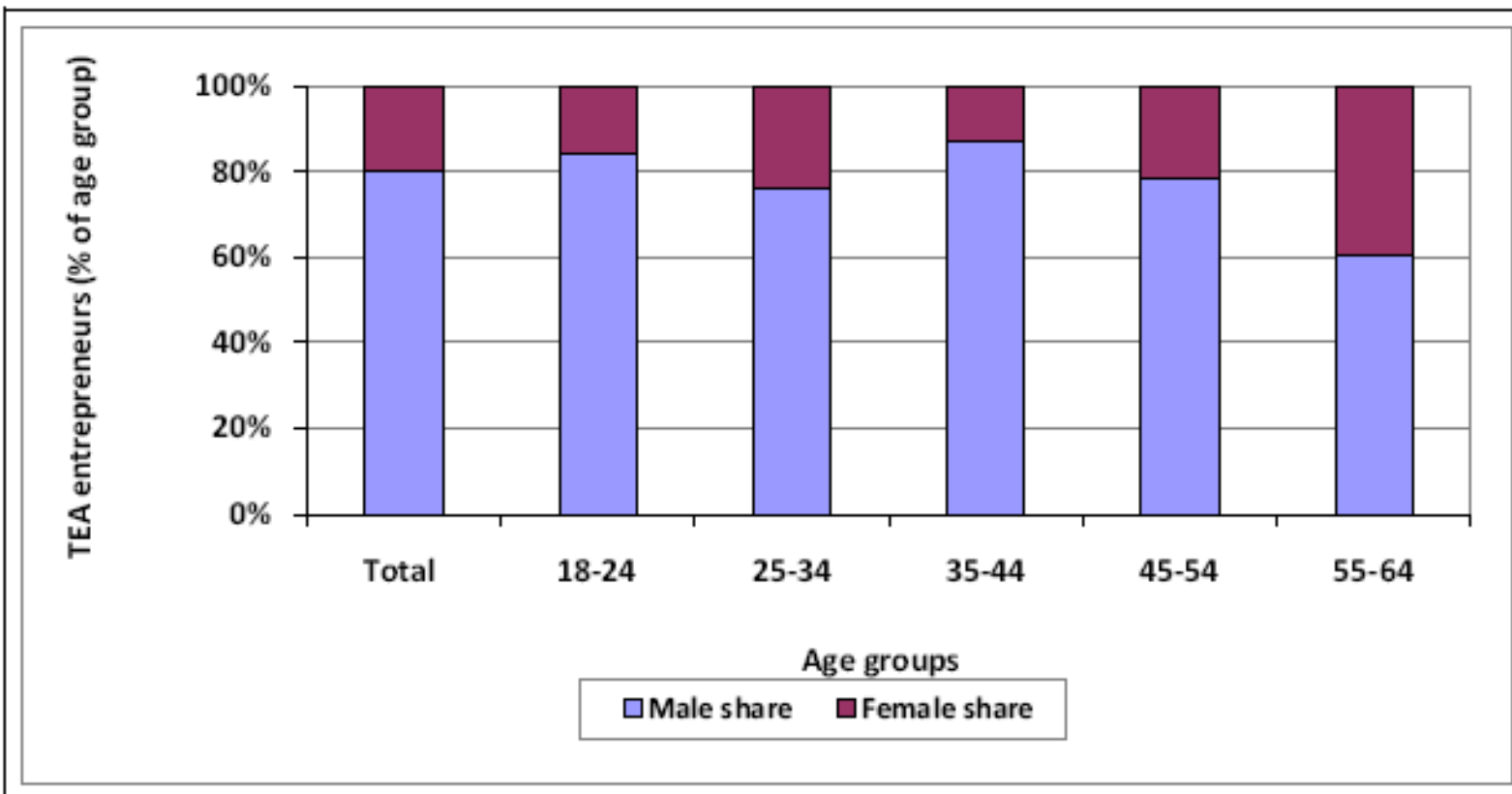
**Under 34 year olds have highest TEA rates**



**TEA rates rise with education level**

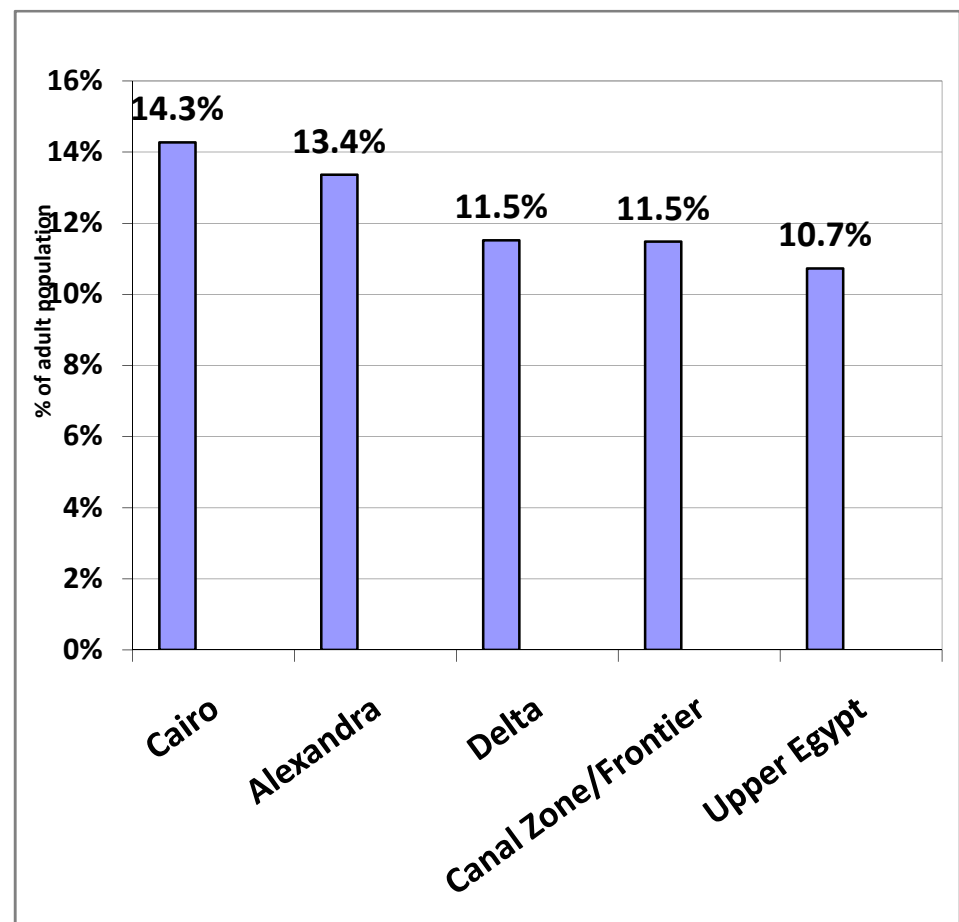
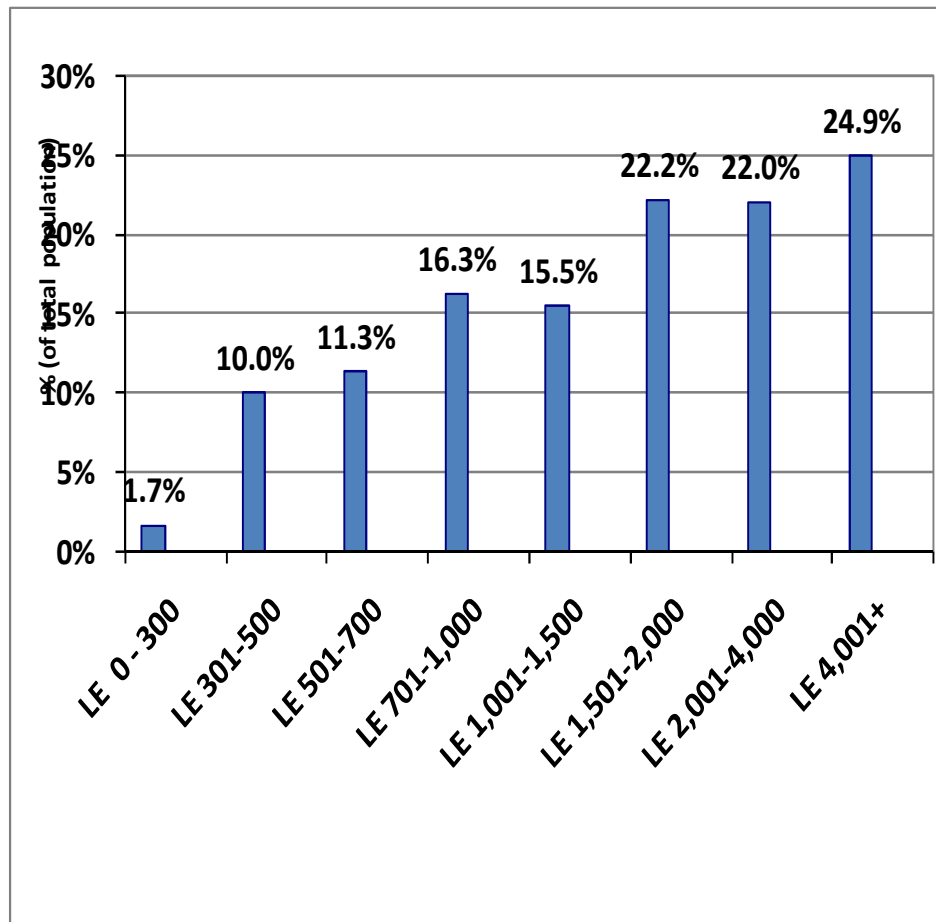
# TEA rates: Age and Gender

Figure 10. Male-Female Share of Early-Stage Entrepreneurs by Age Group – Egypt, 2008



Source: GEM APS 2008.

# TEA rates: Household income and region

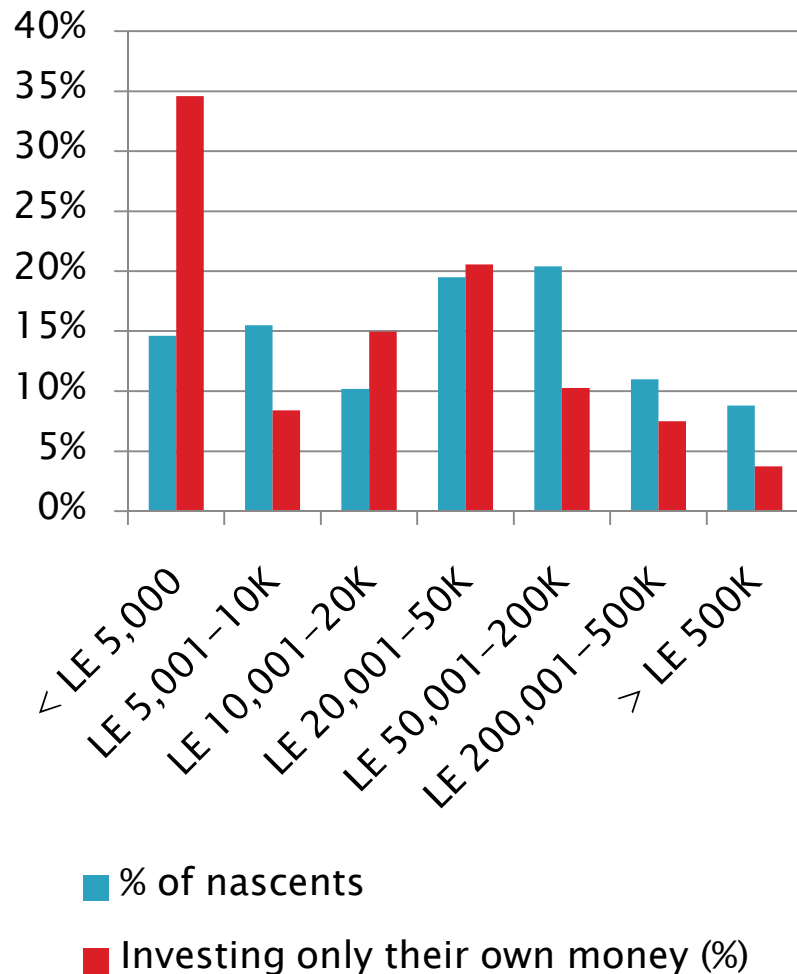


**TEA rates rise with household income level**

**TEA rates highest in urban areas**

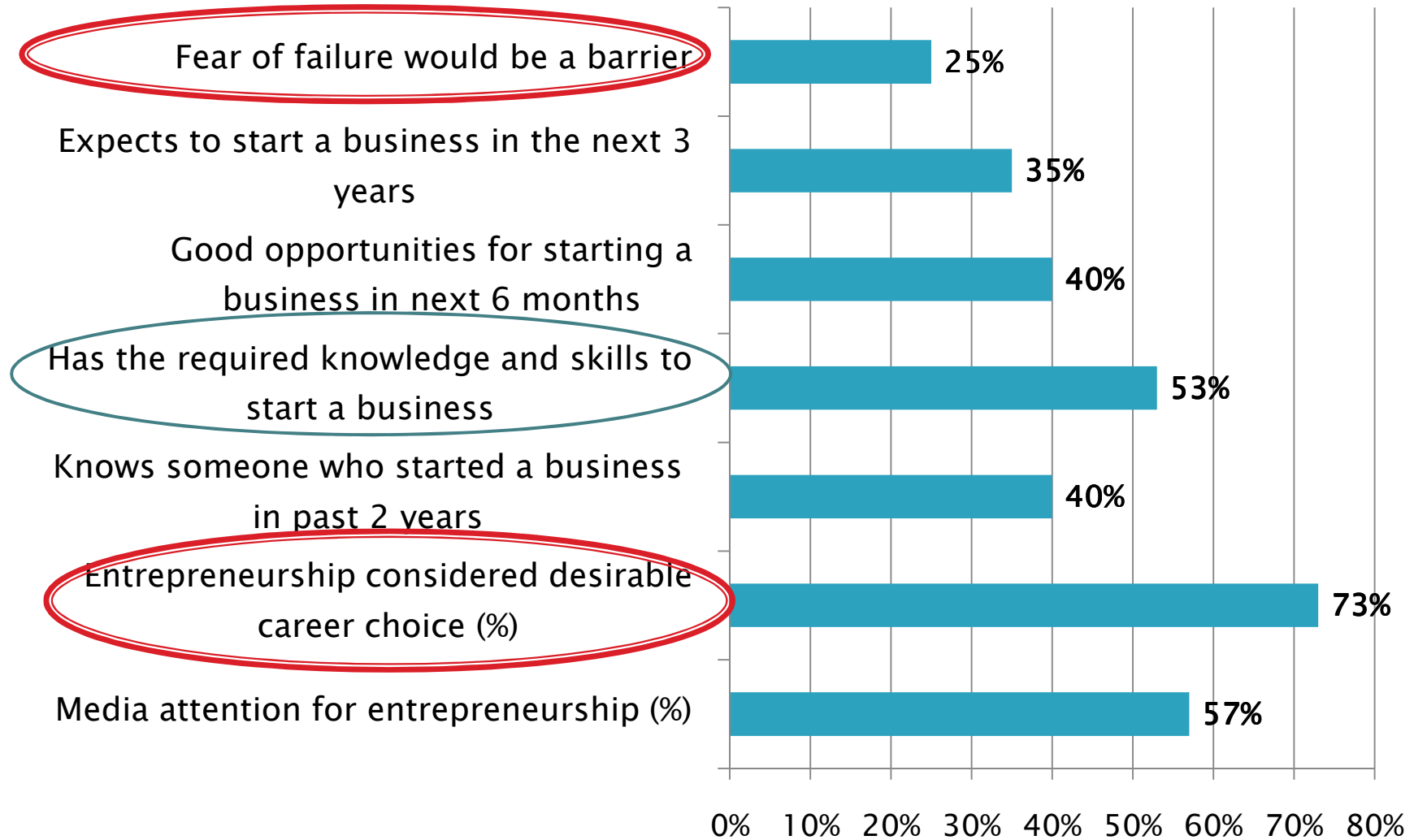


# The financing of start-ups



- ▶ Median start-up capital – LE 50K
  - 40% need < LE 20K
  - Only 9% need > LE 500K
- ▶ The larger the start-up capital needs, the more likely external financing will be sought
  - 44% will finance with own money
  - 80% will invest up to LE 50K of own money
- ▶ Males require 2.2X more capital than women; 3.6X more likely to expect external financing

# Attitudes and perceptions



# Factors constraining & fostering entrepreneurship



► Constraining factors

- Lack of support in the education system; lack of entrepreneurial training
- Inadequate access to finance
- Culture and social traditions

► Fostering factors

- Egyptians looking for a better quality of life
- Government efforts to reduce legal & regulatory barriers & costs; growth in sources of capital
- Cultural change to accept concept of entrepreneurship & self-employment

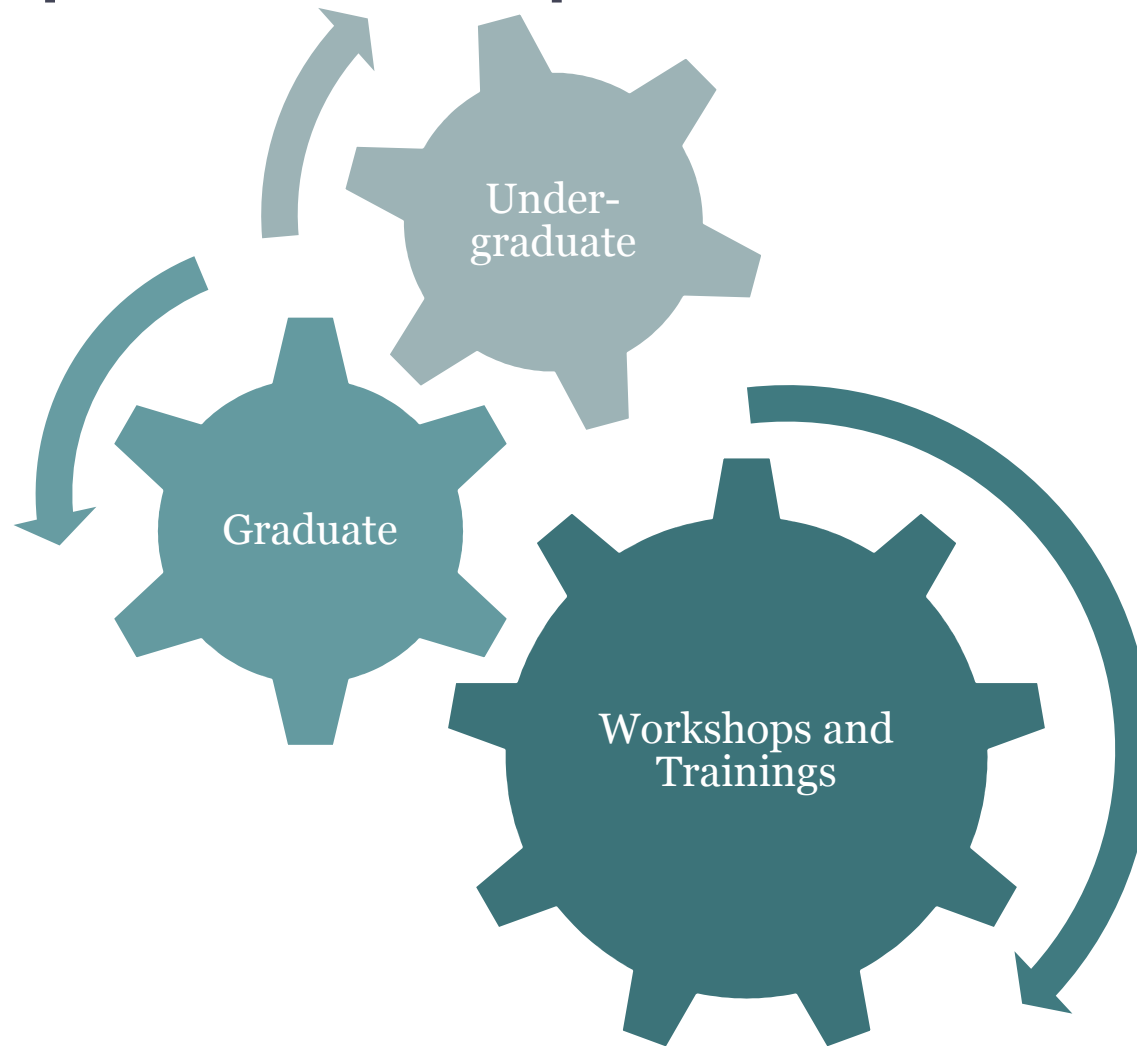
# Menu for promoting an Entrepreneurial Culture



# What is currently offered

- Entrepreneurship Education
- Financial Support
- Organizational support
- Sustainability of businesses

# Entrepreneurship Education



# Organizational Support

NGO,  
CSR,  
GOV

Programs



Mentorship



Competitions

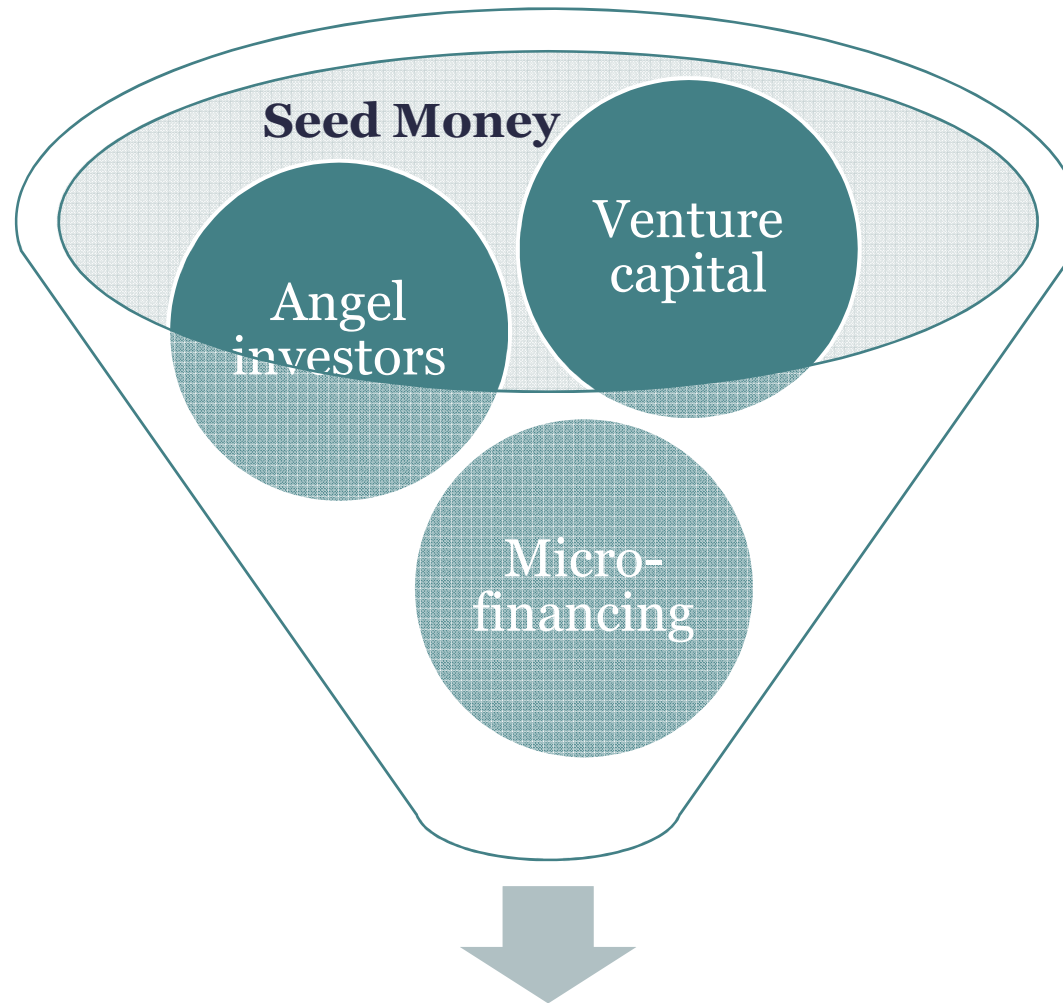


Incubators



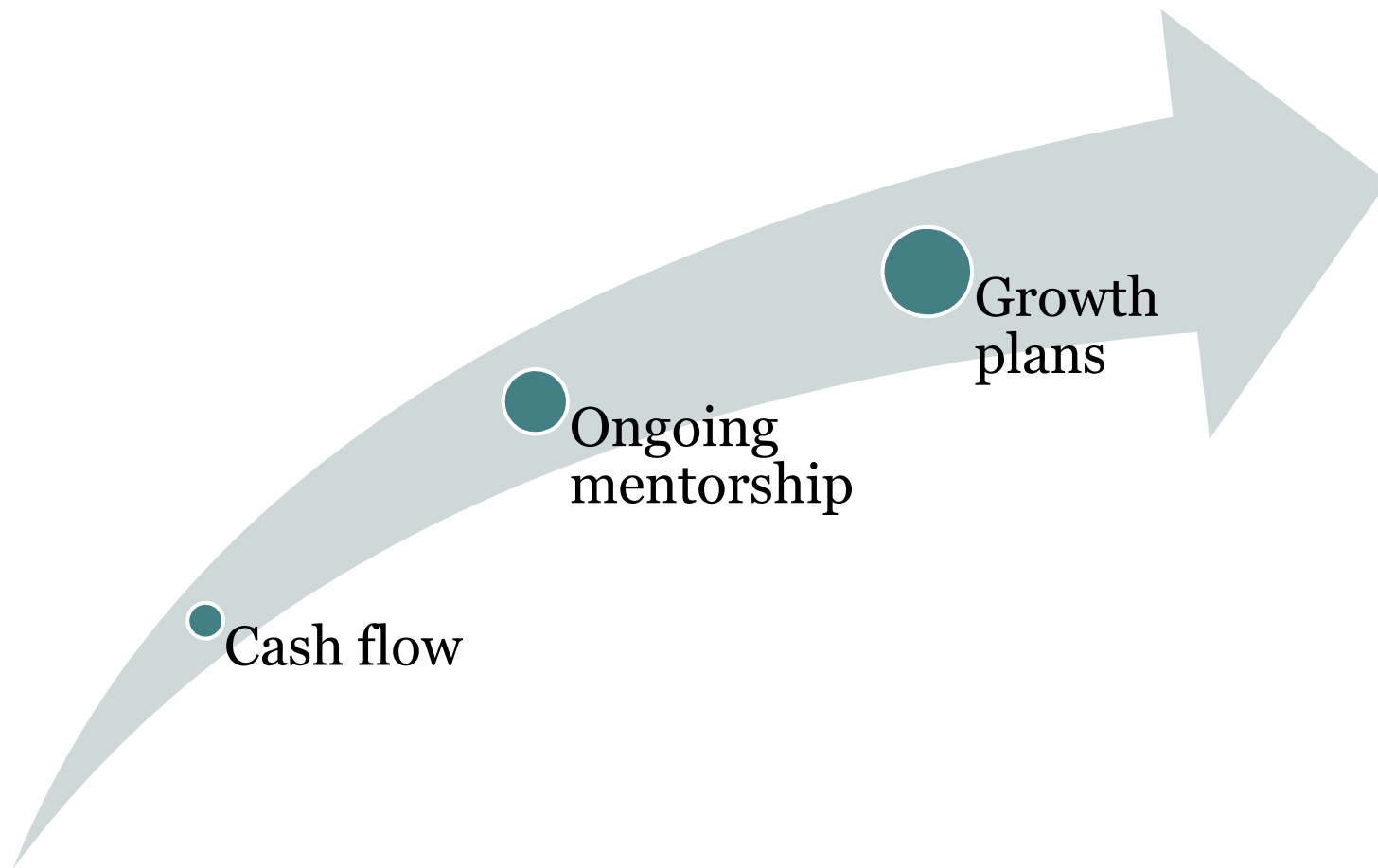


# Financial Support



**Sustainable Entrepreneurship**

# Sustainability of businesses



# Searching for the "right" formula for sustainable entrepreneurship



# Aknowledgment

Credit for figures on the status of entrepreneurship in the Egyptian market goes to Dr. Hala Hattab and the contributors of GEM APS report, 2009