



PRESS RELEASE

FOR IMMEDIATE RELEASE

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THE EGYPTIAN-AMERICAN ENTERPRISE FUND WELCOMES ANNOUNCEMENT OF IMF AGREEMENT WITH EGYPT

NEW YORK, NY—The [Egyptian-American Enterprise Fund](#) (“EAEF”) welcomes the announcement that the International Monetary Fund (“IMF”) has reached a [staff level agreement](#) with Egypt on a comprehensive economic reform program that will be supported by a \$3 billion, 46-month extended fund facility arrangement. According to the IMF, the agreement will seek to broaden Egypt’s structural and governance reforms to “unleash private sector growth.”

Based on our experience over the last 10 years, EAEF has confidence in Egypt’s private sector, which has come a long way since the 2011 revolution. The growth of the private sector is a testament to Egypt’s reservoir of talented entrepreneurs and investment managers. Since 2011, Egypt’s private sector has witnessed the creation of what are now the leading private equity and venture capital funds in the Middle East and North Africa. In recent years, these funds have helped Egypt become one of the [largest startup ecosystems](#) in all of Africa by investing in the country’s most exciting companies.

To date, EAEF has invested \$300 million in over 100 companies, including [Fawry](#), Egypt’s largest e-payment platform, and [Abu Auf](#), the country’s most popular healthy snacks company. As a testament to the caliber of Egypt’s fund managers and the strength of its companies, our portfolio is estimated to be worth more than \$500 million. In addition, we have helped to create over 12,000 jobs and to attract nearly \$700 million in foreign direct investment into the Arab region’s most populous country.

This success and the attractiveness of Egypt as an investment destination have made other investors take notice. In the past year, [Tiger Global](#) and [Sequoia Capital](#), two of the world’s leading venture capital firms have invested in cutting-edge Egyptian startups. Coupled with an [influx of money from neighboring Gulf states](#), this deal-making is yet another signal of confidence in Egypt’s private sector.

“I am pleased that Egypt and the IMF have come to an agreement that will help Egypt sustain the macroeconomic gains it has made in recent years and allow the government to double down on its commitment to creating an inclusive, private sector-led economy. It is not a surprise that

global and regional investors are investing significant capital in Egyptian companies and investment funds. Egypt has a vibrant private sector with companies that are accelerating technological change. The private sector's growth will help Egypt continue to execute on its plans to reduce the state's footprint in the economy. These reforms will not be easy, but we believe in the long-term fundamentals of the Egyptian economy. We look forward to expanding our mission to help the private sector become the leading engine of growth in Egypt," according to James Harmon, EAEF's Chairman.

Background on EAEF and Enterprise Funds

Following Egypt's 2011 revolution, the U.S. Congress created the Egyptian-American Enterprise Fund to help rebuild the country's private sector. To stimulate Egypt's private sector after a sharp decline in tourism and foreign direct investment, the U.S. Congress reintroduced a bipartisan initiative pioneered by the first Bush administration in the early 1990s: private sector-led investment funds that used public funding to build market-based economies in the former Soviet Union. These enterprise funds provide flexible equity and debt financing to private enterprises in undersupplied capital markets to help attract additional foreign investment. Current enterprise funds are managed by the The U.S. Agency for International Development ("USAID"). According to the [BUILD ACT](#) of 2018, new enterprise funds will be managed by the Development Finance Corporation ("DFC").

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Further Information about the Egyptian-American Enterprise Fund

The Egyptian-American Enterprise Fund is a United States government-funded private entity. Since the inception of the Enterprise Fund Program, over US \$1.1 billion has been invested directly alongside US \$6.9 billion invested by private parallel funds.

With capital of \$300 million, EAEF is committed to promoting financial inclusion, job creation, and increasing foreign and domestic investment in Egypt for long-term sustainable economic development. EAEF's primary mission is to stimulate the Egyptian private sector by providing access to finance, human capital, modern technologies as well as best business practices, while also achieving financial profitability.

The fund is led by an independent board of directors composed of 3 Egyptian citizens and 6 American citizens, as prescribed by the U.S. Congress.

USAID administers the U.S. foreign assistance program, providing economic and humanitarian assistance in more than 80 countries worldwide.



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The contents are the responsibility of the Egyptian-American Enterprise Fund and do not necessarily reflect the views of USAID or the United States Government. Further details on EAEF can be found at <http://www.eaefund.org>.