EXCLUSIVE Make the Move into New Markets

More Than a Market: Egypt as a Strategic Hub for Industrial Expansion

Egypt is the hub connecting Africa, the Middle East, and Europe. Strong fundamentals, a supportive political environment, competitive costs, and good market access create attractive opportunities for machinery suppliers.

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Egypt Market

Make the Move into New Markets: An Interview with Alaa Kamal

Alaa Kamal is Managing Director of INP Egypt LLC and Vice President of the German-Arab Chamber of Industry and Commerce (AHK Egypt). He holds a Bachelor's degree in Civil Engineering from Alexandria University.

He brings more than three decades of experience in the engineering and construction sector, having held senior positions with companies such as Uhde Engineering, London Mining, Jacobs. He started to work for INP in 2016 and acts as Managing Director since 2017.

VDMA: INP is an owner-managed engineering company from Römerberg in Rhineland-Palatinate. You head the Egyptian subsidiary in Cairo. Egypt is often described as a strategic hub between Europe, Africa, and the Middle East.

What makes the Egyptian market particularly attractive from your perspective?

Egypt's attractiveness is based on a combination of strong fundamentals. With a population of over 110 million, it represents a large and growing domestic market. At the same time, its geographic position at the Suez Canal makes it a key logistics hub connecting Europe, Africa, the Middle East, and Asia.

For industrial companies, this means that Egypt is not only a destination market, but a potential production and service base for serving multiple regions efficiently. Compared to many other countries in the Middle East and North Africa, this combination of market size, location, and infrastructure development is particularly strong.

In addition, Egypt offers access to multiple free trade agreements, a qualified workforce, and competitive labor costs. The government is actively promoting industrialization to create jobs, reduce imports, and increase exports—creating significant opportunities for industrial investment.

VDMA: Since when has INP been active in Egypt, and what activities are you pursuing there?

INP has been active in Egypt since 2016, when we established our subsidiary in Cairo as part of our expansion into North Africa and the Middle East. Our core business focuses on services for large-scale infrastructure and energy projects, particularly in power generation.

We provide construction and installation supervision, commissioning, and quality assurance, as well as mechanical installation, engineering, and project management services.

VDMA: For which industries have you built plants in Egypt so far?

We have worked in several industries, including fertilizer production, steel manufacturing, gypsum production, and gas-related projects, where we provided specialized services such as Piping and equipment cold and hot insulation and complete Electro-Mechanical installation.

Pump skid forming part of INP's mechanical installation scope for gypsum / plasterboard works. INP Egypt LLC

VDMA: For your mechanical installation activities: Do you rely on your own workforce, or do you work with subcontractors? And how do you source qualified personnel for projects?

We rely on a hybrid approach. Our core team—engineers, supervisors, surveyors, as well as staff for material management, safety, and quality control—is permanently employed by INP.

In addition, we complement this team with skilled workers from the market as needed, including welders, fitters, grinders, and helpers. This flexible setup allows us to scale efficiently depending on project requirements while maintaining consistent quality and supervision standards.

VDMA: To what extent can you support European companies in accessing qualified installation teams—also for short-term or smaller assignments?

Yes, we can actively support companies in identifying and mobilizing suitable personnel. We provide both long-term teams for large-scale projects and flexible resources for short-notice or short-term service assignments.

Currently, our construction and mechanical installation activities are focused on Egypt, with first steps underway to expand into Saudi Arabia. This combination of local presence and flexibility makes us a reliable partner for a wide range of project sizes and timelines.

VDMA: What sectors are currently driving demand, and where do you see future opportunities?

Key growth areas include energy—particularly renewable energy such as solar and wind—as well as transport infrastructure, automotive, and traditional industries such as textiles.

At the same time, we see increasing demand for automation, as international investors bring global production standards into the Egyptian market.

VDMA: Who are the investors?

Investors are a balanced mix of domestic and international companies, active across sectors such as steel, ceramics, textiles, food processing, automotive manufacturing, cement, renewable energy, and fertilizers.

Rolling mill equipment / a mill stand component for the Heavy Section & Rail Mill Plant Project. INP Egypt LLC

VDMA: With regard to European mechanical engineering companies: Who should seriously consider entering the Egyptian market, and what could be a realistic entry strategy?

Egypt is particularly relevant for companies that want to use the country as a platform for regional market access. This includes firms seeking to serve not only Egypt itself, but also African, Middle Eastern, and, in some cases, European markets more efficiently.

In terms of strategy, large, internationally active companies may consider local production or assembly, especially if they already operate global production networks. For many companies, however, a phased approach is more realistic: starting with a service presence or project-based activities and expanding step by step into local value creation.

This approach is particularly suitable for SMEs in mechanical engineering, which can use Egypt as a regional hub with shorter distances to key markets, lower operating costs, and improving infrastructure.

VDMA: How does procurement typically work in your projects, and where can new suppliers enter?

For large-scale projects, suppliers must usually undergo a pre-qualification process by the end customer. This is followed by tenders where technical compliance is essential, while pricing often becomes decisive in the final selection.

VDMA: Do your customers follow a localisation strategy?

Localization plays a significant role, particularly in government-backed projects that aim at technology transfer. It helps reduce costs and mitigate currency risks, and it can improve competitiveness in tenders.

At the same time, Egypt differs from several other countries in the Middle East in that it does not enforce rigid, formalized localization programs. This provides more flexibility for international companies without local production, although it can also make procurement processes less predictable.

Local content currently accounts for around 40–50%, meaning that a gradual increase in local involvement is often the most practical strategy..

Installation team in front of a large storage tank during insulation works. INP Egypt LLC

VDMA: To what extent do you take into account "Made in Germany" or "Made in Europe"?

In large industrial projects, particularly in sectors such as fertilizers, steel, and high-tech plants, European suppliers are often pre-selected by project owners. Alternative suppliers are usually only considered where no suitable option is available.

How can potential suppliers get in touch with you or the project owners?

Building personal relationships and maintaining a local presence are crucial for market entry. At the same time, companies do not have to start from scratch: established networks such as the German-Arab Chamber of Industry and Commerce (AHK) and industry associations like VDMA provide valuable support.

Through my role as Vice President of AHK Egypt, we actively support companies in establishing contacts, identifying business opportunities, and navigating administrative processes. VDMA, in turn, offers a strong platform to connect with partners and other companies from the sector active in Egypt, gain market insights, and position companies in relevant industry networks.

Using these structures supports market entry and reduce risks, particularly for companies entering the region for the first time.

VDMA: What advice would you give European engineering companies entering the Egyptian market?

Companies should approach Egypt not only as a single market, but as a strategic entry point into a wider region. A successful strategy is typically phased: starting with services or project participation, building local partnerships, and gradually increasing the local footprint.

Take advantage of VDMA as well as the German-Arab Chamber of Industry and Commerce (AHK) to start establishing a network and to understand regulatory requirements, managing administrative complexity, and addressing financial risks. Handling these challenges as well as building long-term relationships is decisive for business success.

Egypt is particularly attractive for companies in sectors such as energy, infrastructure, automation, and industrial plant engineering that are seeking a cost-efficient base with strong access to African and Middle Eastern markets.

Those companies that align their strategy with this regional perspective can benefit significantly from Egypt's role as a hub between Europe, Africa, and the Middle East.

VDMA: Thank you for your time and insights.

Make the Move into New Markets

International Market Diversification

Changes in the global trade policy environment require machinery and component manufacturers to reorient their strategies and expand their international sales markets. On this page, the VDMA provides its members with an overview of the various aspects that must be considered when entering international markets.

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