

UNLEASHING THE VENTURES OF EGYPT: A LOOK AT RECENT TRENDS

Posted on 7 February 2023



Categories: [Egypt](#), [News](#)

Tags: [cn1](#), [IT Industry Development Agency](#), [ITIDA](#), [Magnitt](#), [Report](#)



Venture Capital funding in Egypt maintained its growing path for the fifth consecutive year, rising by 3% to USD517M in 2022, without reporting any MEGA deal. Egypt is quickly becoming an attractive destination for venture investment, and given its potential, it is likely that we will see even more growth in the coming years. The country is on its way to becoming a major player in the global venture capital market, and investors should keep an eye on Egypt as one of the most promising investment destinations.

The 2022 Egypt Venture Capital Report, released by **Magnitt** and **IT Industry Development Agency** ("ITIDA"), is the latest snapshot of Egypt's rapidly growing VC marketplace. The report breaks down Egypt's venture capital space through a variety of lenses, including investments, exits, startups, and investors.

Investments in Egypt

The report reveals that Egypt has seen a considerable increase in venture capital investments in 2022, with USD517 million across 160 deals in VC investments, despite the absence of any MEGA

rounds. This is a significant jump from 2020, when investments totalled only USD164 million across 118 deals. While foreign investors continue to be the largest source of capital, domestic investors are rapidly gaining momentum. Additionally, the report reveals that E-commerce captured the highest share of deals with 23%, gaining 7PP over its 2021 share. The industry surpassed FinTech, which dropped to second with no change from 2021.

Exits, Startups, and Investors

The report also highlights Egypt's impressive startup ecosystem, with 160 startups being founded in 2022. Egyptian startups closed 23% of the total deals in Africa, accumulating 18% of the total capital deployed in the continent. - Egypt maintained its rank as second in total number of deals closed in Africa in 2022. The country was surpassed by Nigeria which captured a share of 29%. As for funding, Egypt came in the third position, capturing a share of 18% of Africa's total funding. The country followed Nigeria and Kenya.

Total number of investors investing in the Egyptian ecosystem peaked in 2022. The share of Egypt-based investors rose from 22% in 2021 to 24% in 2022. At the same time, the participation from Middle East and Africa-based investors accounted for 38% in 2022, up - from 32% in 2021. On the other hand, international investors (investors from outside Middle East & Africa) captured 38% of total investors in 2022, with 500 Global being the investor with the second highest number of deals - closed in the country.

Mirroring the trend seen across the Middle East and Africa, the Egyptian ecosystem saw a record-high number of 17 exits, more than double the number recorded in 2021.

Future Outlook

The 2022 Egypt Venture Capital Report paints a hopeful picture of Egypt's booming venture capital landscape. With ample investments, strong returns on investment, and an impressive startup ecosystem, it's clear that Egypt is well-positioned to continue to be an important part of the global venture capital scene. Furthermore, the data in the report suggests that Egypt's venture investors are well-positioned to capitalize on the region's growth potential.

Overall, the 2022 Egypt Venture Capital Report provides a comprehensive view of the current state of venture capital in Egypt. With the continued growth of the sector, there is no doubt that Egypt will continue to be an influential player in the venture capital space for years to come.