

## Doing Business in Egypt | Egyptian Social and Business Culture

### An Egyptian Culture Overview

#### Fact File

- **Official name** – Arab Republic of Egypt
- **Population** – 78,887,007 \* (July 2006 est.)
- **Official Language** – Arabic (official), English and French widely understood by educated classes
- **Currency** – Egyptian pound (EGP)
- **Capital city** – Cairo
- **GDP** – purchasing power parity \$339.2 billion (2005 est.)
- **GDP Per Capita** – purchasing power parity \$4,400 \* (2005 est.)



#### Overview

One of the world's earliest civilisations, Egypt has formed the crossroads of Arab culture for over millennia. Today, it continues to serve as a bridge between the European west and the Arab east, with its size and position establishing the country's central role in the region. Egypt is now the most populous Arab country in the world and draws its culture from Mediterranean, African and Arab influences. The Egyptians take great pride in their heritage and varied culture that has developed into a modern unified society.

#### Key concepts

**Islam** – Islam is practised by the majority of Egyptians and plays a vital role in all aspects of society. It is a critical component of Egyptian life that influences day-to-day conduct and affects decisions made on a personal, political, economic and legal level. In Egypt, truth and problem solving are often governed by faith and the interpretation of Islamic law. However, you may find that in a business context, empirical evidence is used more in an attempt to be objective.

**Family** - Patronage, kinship and the family unit are central to Egyptian society. Family defines social status and can determine values and behaviour. In Egypt, the individual is subordinate to the family or collective. Consequently, Egyptians observe a respectful attitude among relatives and demonstrate a sense of responsibility towards both the nuclear and the extended family at all times. Loyalty and family pride take precedence over all social relationships; therefore nepotism is somewhat customary in many business environments and viewed in a positive way.

**Fatalism** – The concept of fatalism is closely linked to Islam, as destiny is believed to be in the hands of God. This notion generates a feeling of acceptance and an unconcerned acknowledgment of the status quo. The fatalistic approach to life is often significant in the decision-making process of many Egyptians. It also influences the concept of time in Egypt and as a consequence business negotiations may take longer and should not be rushed.

## **Egyptian Economy**

The nation of Egypt developed as a unified kingdom in approximately 3200 BC. Early Egypt was ruled by a succession of dynasties and saw numerous conquerors of Persian, Greek, Roman, Turkish and Arab descent. In 1922, following a period of British occupation, Egypt acquired its independence and full sovereignty was established. However, on 23 July 1952 Colonel Nasser overthrew the monarchy and declared the country a republic later that year. Further invasions persisted, including the British-French-Israeli invasion in 1956 prompted by the nationalisation of the Suez Canal. Egypt was finally re-admitted to the Arab league in 1989.

The Suez Canal was built during the reign of Khedwey Ismail in 1869 and turned Egypt into an important world transportation hub. Together with tourism and oil and gas exports, the Canal continues to be one of Egypt's major sources of revenues. Economically, the current government has recently revived a stalled economic reform programme begun in 1991 aimed at reducing the size of the public sector and expanding the private sector. As a result, a growth in the Egyptian economy has improved Egypt's competitiveness creating a new market for foreign business.

## **Egypt business Part 1 - Working in Egypt (Pre-departure)**

- **Working practices in Egypt**
  - It is necessary to make appointments before doing business in Egypt. These should be scheduled in advance and confirmed, either in writing or by telephone, approximately one week before the appointment and then again the day prior to the meeting.
  - Punctuality in Egyptian business culture is not seen as a main priority. However, even if your Egyptian business associates arrive late for an appointment, you will be expected to attend on time.
  - Generally, business hours in Egypt vary according to the time of the year. During the winter, many businesses close for much of the afternoon and reopen for a few hours in the early evening. Typical working hours are 9.00 a.m. to 5.00 p.m. from Sundays to Thursdays. Public sector and services work from 9.00 a.m. to 2.00 p.m., and close only Fridays.
- **Structure and hierarchy in Egyptian companies**
  - The structure of business in Egypt is hierarchical. The highest ranking person makes final decisions, but not before they have received group consensus.
  - Rank and status are key in the structure of Egyptian companies. You will tend to find that your Egyptian colleagues will favour age and experience in a business environment and therefore, it is wise to include older people with notable titles in your team.

- **Working relationships in Egypt**
  - Egyptian business people place a substantial emphasis on networking and make cultivating and nourishing business affiliations a high priority. It is not uncommon to have a family member or close friend in a position of employment where they can help you to secure future appointments.
  - The concept of honour governs all interpersonal relationships in Egypt. Therefore, showing due respect to others, particularly those older than you and those in authority, is a duty.

## **Egypt business Part 2 - Doing business in Egypt**

- **Business practices in Egypt**
  - When addressing your Egyptian counterparts for the first time, you should use their title followed by their surname until invited to do otherwise. Titles are a sign of stature and are viewed with pride, therefore it is important to use them. If an Egyptian does not have a title, a courtesy title such as “Mr”, “Mrs”, or “Miss” is appropriate.
  - Initial business contacts are a crucial part of Egyptian business culture and can often mean the difference between success and failure. Egyptians prefer to do business with those they know and trust. For that reason, before doing business in Egypt, it is advisable to find an Egyptian representative who can assist in setting up meetings and act as a go-between.
  - The old and established custom of giving a small gift in a business meeting may still be practised in many Egyptian businesses today. It is important not to select a business gift that is too expensive, as this may cause embarrassment. When giving or receiving a gift in Egypt, it is appropriate to use either both hands or the right hand only.
  - Preliminary business meetings with Egyptians tend to be relatively formal affairs. As part of Egyptian business culture, an Egyptian will welcome you several times at your first meeting. It is also traditional for drinks to be served and social conversation to be observed before any business is conducted. At the end of the business meeting, it is vital to secure the next appointment by making specific arrangements; otherwise your efforts may be wasted.

## **Egyptian business etiquette (Do's and Don'ts)**

- ✓ DO attempt to learn at least a few words or phrases of Egyptian Arabic, such as thank you, hello, good-bye, and please. Your attempts will not go unnoticed and your Egyptians counterparts will appreciate and respect this type of gesture.
- ✓ DO wait for your Egyptian counterpart to initiate the greeting at a first meeting. There are a number of greeting styles in Egypt, especially between men and women; however, shaking hands is the most common in business settings.
- ✓ DO make eye contact when meeting with your Egyptian business associates, especially with male colleagues. Looking an Egyptian in the eye is a sign of honesty and trust.

- ✘ DON'T rush or force your Egyptian counterparts into making a quick decision as this will prove ineffective. The pace of business in Egypt is much slower than in the west, for example so patience is necessary.
- ✘ DON'T be surprised if your Egyptian business colleagues stand very close to you during business conversations. Try not to back away if this happens as it may create the impression that you find their physical presence unpleasant and consequently cause offence.
- ✘ DON'T ask detailed questions about your male Egyptian counterpart's family, especially female members, whilst making small talk. Enquiring about their general welfare is usually acceptable, however further discussions would be viewed as personal and inappropriate.

### **Egypt Culture Quiz - true or false**

1. When exchanging business cards in Egypt, it is important that you carefully examine the information on it and show interest in your Egyptian counterpart's details.
2. Exposing the sole of the foot is considered offensive in Egypt. Therefore, you should always sit with both feet on the floor.
3. The right hand is considered unclean in Egyptian culture and should not be used for gesturing in any way. You must always use the left hand.
4. Egyptians are very direct with their language and often get straight to the point. A direct "yes" or "no" answer will always be given.
5. It is not uncommon to see traditional Egyptian men walking hand in hand in public. If your Egyptian counterpart initiates any physical contact when greeting, accept this as a gesture of friendship.

### **Answers**

1. True. In Egyptian business culture, it is considered polite to pay a little more attention to your colleague's business card.
2. True. You should always avoid pointing the soles of your feet at anyone.
3. False. It is the left hand that is considered unclean in Egypt.
4. False. Arabic is a language of exaggeration and Egyptians love to be flowery in their speech. A "yes", for example, may actually mean "possibly".
5. True.

\* Source: CIA The World Factbook 2006

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