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From Diagnosis to Delivery: A Roadmap for Egypt's Innovation Economy

> A Practical Roadmap for Egypt Following the OECD Reviews of Innovation Policy: Egypt 2026

About This Roadmap

Egypt asked the OECD to review its innovation system. This slide summarizes the findings and the proposed roadmap.

The Diagnosis

A concise assessment of Egypt's current innovation landscape: strengths such as startups, and bottlenecks where research stalls.

The Delivery

A practical, stepwise guide outlining six workstreams and a timeline to convert potential into measurable economic impact.

Source: OECD Reviews of Innovation Policy: Egypt 2026

Where Egypt Stands

The OECD identified three key paradoxes in Egypt's current innovation system:

1.02%

R&D Intensity

Egypt spends 1.02% of GDP on R&D, but only 0.2% comes from the business sector. The government carries the load.

Lab vs. Market

Egypt produces a high volume of academic research, but struggles to turn those discoveries into commercial products.

The Startup Island

A thriving tech startup scene exists, but it operates in isolation. The broader economy remains largely disconnected from innovation.

Source: OECD Reviews of Innovation Policy: Egypt 2026

The Roadmap: Six Workstreams

To bridge the gap between diagnosis and delivery, the OECD recommends focusing on six core areas:

1 Fix Governance

Establish clear leadership, accountability, and coordination across ministries to drive the innovation agenda.

2 Build Data

Create a robust evidence base to measure what's actually happening and inform policy decisions.

3 Fund Business

Shift funding focus to support business innovation, not just academic research, to drive economic growth.

4 Connect Science

Bridge the lab-to-market gap by encouraging collaboration between universities and industry.

5 Invest in People

Build the talent pipeline by investing in STEM education, vocational training, and researcher mobility.

6 Go International

Tap into global networks, leverage the Egyptian diaspora, and position Egypt as an innovation hub.

Source: OECD Reviews of Innovation Policy: Egypt 2026

Fix the Governance Architecture

> Who in Egypt's government is actually accountable for delivering innovation policy, and how are competing initiatives across ministries reconciled?

Build the Evidence Base

How can Egypt make policy decisions on innovation if the country does not yet produce reliable, internationally comparable data on its own innovation system?

5

Interoperable STI Data

Agree on common data standards and exchange protocols across funding agencies, universities, and CAPMAS, modelled on OECD norms.

6

Budget Visibility

Tag STI-relevant line items across the national budget so that aggregate public R&D investment is auditable and traceable to outcomes.

7

National Innovation Survey

Conduct a regular, methodologically standard Community Innovation Survey on the OECD model every two years.

8

STI Data Community

Bring together statisticians, economists, and policy researchers to translate data into usable policy advice.

Reinvigorate the Business Innovation Engine

How can Egypt motivate the bulk of its private sector — not just the start-up tip of the iceberg — to invest in research, development, and innovation?

09

Introduce R&D Tax Credits

Evaluate, design, and pilot R&D tax credits available to firms regardless of size or sector, using the OECD's Frascati Manual as the technical baseline.

10

Launch Innovation Vouchers

Provide modest grants (EUR 5,000 to 25,000) that SMEs can spend on services from universities, research centres, or accredited consultants.

11

Matching Grants

Target the demonstrator and proof-of-concept stages to share project risk between government, businesses, and research institutions.

12

Reduce SOE Footprint

Accelerate the State Ownership Policy implementation, with transparent reporting on divestments and competitive-neutrality compliance.

13

Streamline Regulations

Reduce friction across the firm lifecycle: customs delays, foreign-board-member restrictions, contract enforcement, and licensing.

14

Expand Alternative Finance

Develop angel investor networks, deep-tech co-investment vehicles, and dedicated finance for SME upgrading into knowledge-intensive industries.

Connect Science to Industry

> How can Egypt ensure that the knowledge generated in its universities and research centres actually reaches the market?

15 Egyptian Bayh-Dole Act

Pass legislation clarifying that universities and research centres own the IP generated by publicly funded research, providing a clear legal basis for commercialisation.

16 Reform Law 23/2018

Remove legal ambiguities that prevent researchers from holding equity in spin-offs or taking leave to commercialise their discoveries.

17 Operationalise EAIP

Fully fund and staff the Egyptian Agency for Intellectual Property to serve as the central node for patenting, licensing, and tech transfer support.

18 Scale Alliance & Development

Expand ASRT's successful matching-grant programme that forces consortia of universities and businesses to co-invest in solving specific industrial problems.

19 Transform GRCs into RTOs

Shift Government Research Centres away from academic publishing toward applied, industry-facing Research and Technology Organisations (like Germany's Fraunhofer).

20 Support Deep-Tech Spin-offs

Create dedicated incubation facilities and early-stage risk capital specifically for science-based, deep-tech ventures emerging from universities.

Build the Human Capital Base

> How can Egypt equip its massive youth population with the skills required for a knowledge-intensive economy?

21 Lift Hiring Freeze

Selectively lift the public-sector hiring freeze for critical research and technical positions to prevent the hollowing out of Government Research Centres.

22 Expand Doctoral Education

Increase funding for PhD programmes, particularly in STEM fields, and introduce industrial PhDs where candidates split time between academia and business.

23 Scale Tech Universities

Accelerate the rollout of Technological Universities to provide high-quality vocational and applied engineering pathways alongside traditional academic routes.

24 Flexible Career Paths

Reform academic promotion criteria to reward patents, industry collaboration, and start-up creation, not just peer-reviewed publications.

25 Brain Circulation

Shift from trying to reverse the ”brain drain” to enabling ”brain circulation” — creating structured programmes for the Egyptian diaspora to co-invest and co-research.

26 Research Integrity

Establish a national framework for research ethics and integrity to ensure Egyptian science maintains credibility in international collaborations.

Position Egypt Internationally

How can Egypt leverage its geographic and diplomatic position to become a regional hub for science and technology?

27	**National Strategy**	Publish a National Internationalisation Strategy for STI to align scientific cooperation with broader diplomatic and economic goals.
28	**Tracking System**	Develop a centralised tracking system for international STI agreements to measure actual outcomes against signed MOUs.
29	**Horizon Europe**	Establish dedicated support offices to help Egyptian researchers and firms maximise returns from EU framework programmes like Horizon Europe.
30	**Lead in MENA/Africa**	Position Egypt as the gateway for technology transfer between the Global North and Africa, leveraging its existing diplomatic networks.
31	**Reform Foreign-Talent Rules**	Streamline visa and residency requirements for foreign researchers, entrepreneurs, and highly skilled technical workers.

Sequencing the Workstreams — Four Phases

PHASE 1: 2026

Foundations

Operationali[illegible] ICERI, clarify governance boundaries, and establish the STI data infrastructure.

PHASE 2: 2026–2027

Legal & Fiscal Architecture

Pass the Egyptian Bayh-Dole Act, reform Law 23/2018, and design R&D tax credits.

PHASE 3: 2027–2029

Implementation at Scale

Roll out inno[illegible]on vouchers, matching grants, and transform GRCs into applied RTOs.

PHASE 4: 2029–2030

Stocktake & Vision 2[illegible]0

Evaluate KPI progress, conduct foresight exercises, and draft the successor to Vision 2030.

How to Know if it is Working — KPI Dashboard

INDICATOR	BASELINE (2022/2024)	TARGET (2030)
Gross Domestic Expenditure on R&D (GERD) as % of GDP	1.02%	1.5%
Business Enterprise R&D (BERD) as % of GDP	0.2%	0.5%
SMEs collaborating with academia/research institutes	7%	20%
PCT Patent Applications	~40/year	5x increase
Researchers per million inhabitants	829	1,500
Share of researchers in the business sector	22.6%	35%
High-tech exports (% of manufactured exports)	25.4%	35%
Publications in top 10% most cited journals	11%	12%

A Final Word

> "Egypt's challenge is organisational, not analytical."

Egypt has the **strategies**, the **talent**, the **diaspora**, the **relationships**, and the **geographic position**.

What it needs now is the delivery infrastructure: the secretariats, the data systems, the legal frameworks, and the financing instruments.

The next four years are decisive.

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