

## **Meeting with Russian SME Corporation JSC**

EBA has received Ph. D. Pavel Kondrashov, Head of SME International Cooperation Directorate of Russian SME Corporation JSC, on the 19th of March 2023 at its premises.

The meeting was headed by Eng. Hassan El Shafei, EBA Board Member and Chairman of SMEs Committee, and attended by Eng. Magd Eldin El Manzalawi, EBA Secretary General and Chairman of Industry & Scientific Research Committee and Dr. Mohamed Youssef, EBA Executive Director.

Dr. Pavel said that his visit to Egypt is within the framework of the visit of the Russian Prime Minister to Egypt, then he gave a brief introduction about Russian SME Corporation which was established in 2015, to develop the SMEs in Russia by providing financial and non-financial services. It aims to open new markets for the SMEs.

He added that the growth of SME is faster than the large companies, they decrease the unemployment that leads to the stability of the society.

The institution has created a digital platform to combine all the SMEs, the number of companies registered on this platform is 44 and containing 5000 items that can be exported and imported. The companies have succeeded to do business with Turkey, UAE, Central Asia, Oman, and the institution is looking forward to deal with the Egyptian Companies and help the Russian SMEs to enter the Egyptian market and vice versa, as Egypt is a hub for all the MENA Region and the Egyptian and Russian Companies can use Chinese yuan in their deals

He said that by law, the Russian state-owned companies have to purchase 25% of their needs from SMEs.

Eng. Hassan El Shafei welcomed Dr. Pavel and gave a brief introduction about SMEs Committee in EBA and the necessity to establish it 4 years ago as 65% of the population in Egypt is under 36 years, which means that the future is in the hand of the young people, the SMEs in Egypt are representing 20 – 25% of the GDP

He said that the SMEs are facing lot of problems: experience, financial issue, know-how, marketing

He announced that EBA is very willing to cooperate with the Russian institution by exchanging visits between the 2 sides, focusing on unique products such as food industry, medical equipment, medicines and organizing business events (B2B Meetings) online or face to face.

Dr. Mohamed Youssef said that this will be a good start for cooperation and assured on the importance of the presence of MSME.

He added that the number of informal companies in Egypt has reached 2 million with 60 – 65 million workers, so that it will be very important to benefit from the know how of the Russian institution especially in transferring the informal companies into legal to help them to grow

He said that 90% of the micro – finance through mediators with interest rate between 22 – 23% because they have no papers, and 99% of them pay back their loans

Dr. Youssef has demanded to send more details about the portal of the Russian institution in order to disseminate these information among EBA members and to focus on the products that can be imported and exported from the 2 sides.

Eng. Magd Eldin El Manzalawi said that the joint venture between the Egyptian and Russian sides is very important now, and to benefit from the high technology in Russia in order to export the products to a third country.

At the end, Dr. Pavel invited EBA to participate in the Islamic Cooperation Conference that will be held in Kazan in May 2023, and he agreeded on sending the conditions of SMEs in Russia.