

# Overview of industry trade and commerce economics essay

[Economics](#)



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certified that this Global Country Report on Egypt is the bonafide work of students of Sigma Institute of Engineering who carried out the research under our supervision. We also certify further, that to the best of our knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate. DirectorSigma Institute of Engineering

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# 1

## **INTRODUCTION OF EGYPT**

Egypt, commonly known as " The Motherland of the World", " Land of Civilizations" and " The Greatest Power in Human History", is reputed worldwide for its distinct 7, 000-year-old record of civilization and immense wealth of knowledge. This has made Egypt a master and pioneer of science, arts, culture, architecture as well as almost all fields of human knowledge. Egypt has been referred to as the " Gift of the Nile" due to the river that has nourished the desert land and sustained one of the most ancient and everlasting civilizations in the world. The country has long captured the world's imagination as the magic land of the Pharaohs and their awe-inspiring Pyramids of Giza, the only one of the Seven Wonders of the Ancient World to survive. Egypt is located in the north eastern tip of Africa and is bounded by Israel to the East, the Mediterranean Sea to the North, Libya to the West and Sudan to the South. Officially, Egypt is known as the Arab Republic of Egypt. Between the hotels in Tel Aviv to those in Cairo, the region is home to some of the finest hotels in the world. Cairo, which happens to be the largest city in Africa and the Middle East, is Egypt's capital. Egyptian Pounds is the official national currency and is divided into 100 Piaster's. The main religion in Egypt is Sunni Moslem (about 90%) with the rest of the population being predominantly of Christian (Coptic) faith. The main language is Arabic, with English and French also commonly spoken amongst the more educated classes.

## 2

### **INTRODUCTION OF INDIA**

India is one of the only two regions of the world where a great human civilization took birth several millennia ago and has survived more or less uninterrupted to this day. Geographically, India is not as vast as China, Europe or the Americas. But in terms of natural resources essential for the flourishing of human civilization - cultivable land, water and sunshine India is as well if not better endowed than these. India, officially the Republic of India (Bharat Ganrajya) is a country in South Asia. It is the seventh-largest country by area, the second-most populous country with over 1.2 billion people, and the most populous democracy in the world. Bounded by the Indian Ocean on the south, the Arabian Sea on the south-west, and the Bay of Bengal on the south-east, it shares land borders with Pakistan to the west;] China, Nepal, and Bhutan to the north-east; and Burma and Bangladesh to the east. In the Indian Ocean, India is in the vicinity of Sri Lanka and the Maldives; in addition, India's Andaman and Nicobar Islands share a maritime border with Thailand and Indonesia. The Indian economy is the world's tenth-largest by nominal GDP and third-largest by purchasing power parity (PPP). Following market-based economic reforms in 1991, India became one of the fastest-growing major economies; it is considered a newly industrialized country.

### 3

## **DEMOGRAPHIC PROFILE OF EGYPT & INDIA**

**The Egyptians also hosts some 90, 000 refugees and asylum seekers, made up mostly of 70, 000 Palestinian refugees and 20, 000 Sudanese refugees. The once-vibrant Jewish community in Egypt has practically disappeared, with only a small number remaining in Egypt and few who visit on religious occasions.**

### **Population:**

The total population presents one overall measure of the potential impact of the country on the world and within its region.

### **Country**

#### **Egypt**

#### **India**

200068, 359, 9801, 014, 004, 000200169, 536, 6401, 029, 991, 000200270, 712, 3401, 045, 845, 000200374, 718, 8001, 049, 700, 000200476, 117, 4201, 065, 071, 000200577, 505, 7601, 080, 264, 000200678, 887, 0101, 095, 352, 000200780, 335, 0401, 129, 866, 000200881, 713, 5201, 147, 996, 000200983, 082, 8701, 166, 079, 000201080, 471, 8701, 173, 108, 000201182, 079, 6301, 189, 173, 000201283, 688, 1601, 205, 074, 000

### 4

### **Population density:**

Population density is the number of people per unit of area.



## Country

### Egypt

### India

200374. 61319. 29200476. 01323. 97200577. 39328. 59200678. 77333.  
18200780. 22343. 68200881. 6349. 19200982. 96354. 73201080. 36356.  
86201181. 96361. 75201283. 57366. 59

## 5

### Population growth rate:

The average annual percent change in the population, resulting from a surplus (or deficit) of births over deaths and the balance of migrants entering and leaving a country. The rate may be positive or negative. The growth rate is a factor in determining how great a burden would be imposed on a country by the changing needs of its people for infrastructure (e. g., schools, hospitals, housing, roads), resources (e. g., food, water, electricity), and jobs. Rapid population growth can be seen as threatening by neighboring countries.

## Country

### Egypt

### India

20001. 721. 5820011. 691. 5520021. 661. 5120031. 881. 4720041. 831.  
4420051. 781. 420061. 751. 3820071. 721. 6120081. 681. 5820091. 641.  
55201021. 3820111. 961. 3420121. 921. 31

## 6

### **Birth rate:**

This entry gives the average annual number of births during a year per 1,000 persons in the population at midyear; also known as crude birth rate.

The birth rate is usually the dominant factor in determining the rate of population growth. It depends on both the level of fertility and the age structure of the population.

### **Country**

#### **Egypt**

#### **India**

200025. 3824. 79200124. 8924. 28200224. 4123. 79200324. 3623.  
28200423. 8422. 8200523. 3222. 32200622. 9422. 01200722. 5322.  
69200822. 1222. 22200921. 721. 76201025. 0221. 34201124. 6320.  
97201224. 2220. 6

## 7

### **Death rate:**

This entry gives the average annual number of deaths during a year per 1,000 populations at midyear; also known as crude death rate. The death rate, while only a rough indicator of the mortality situation in a country, accurately indicates the current mortality impact on population growth. This indicator is significantly affected by age distribution, and most countries will eventually show a rise in the overall death rate, in spite of continued decline in mortality at all ages, as declining fertility results in an aging population.

**Country****Egypt****India**

20007. 838. 8820017. 78. 7420027. 588. 6220035. 358. 4920045. 38.  
 3820055. 268. 2820065. 238. 1820075. 116. 5820085. 096. 4020095. 086.  
 2320104. 857. 5320114. 827. 4820124. 87. 43

**8Net migration rate:**

This entry includes the figure for the difference between the number of persons entering and leaving a country during the year per 1, 000 persons (based on midyear population). An excess of persons entering the country is referred to as net immigration (e. g., 3. 56 migrants/1, 000 population); an excess of persons leaving the country as net emigration (e. g., -9. 26 migrants/1, 000 population). The net migration rate indicates the contribution of migration to the overall level of population change. High levels of migration can cause problems such as increasing unemployment and potential ethnic strife (if people are coming in) or a reduction in the labor force, perhaps in certain key sectors (if people are leaving).

**Country****Egypt****India**

2001-0. 24-0. 082002-0. 24-0. 072003-0. 23-0. 072004-0. 22-0. 072005-0.  
 22-0. 072006-0. 21-0. 072007-0. 21-0. 052008-0. 21-0. 052009-0. 2-0.  
 052010-0. 21-0. 052011-0. 21-0. 0520129-0. 2-0. 05

**Infant mortality rate:**

This entry gives the number of deaths of infants under one year old in a given year per 1, 000 live births in the same year; included is the total death rate, and deaths by sex, male and female. This rate is often used as an indicator of the level of health in a country.

**Country****Egypt****India**

200062. 3264. 9200160. 4663. 19200258. 661. 47200335. 2659. 59200433.  
957. 92200532. 5956. 29200631. 3354. 63200729. 534. 61200828. 3632.  
31200927. 2630. 15201026. 249. 13201125. 247. 57201224. 2346. 7

**10****Maternal mortality rate:**

The maternal mortality rate (MMR) is the annual number of female deaths per 100, 000 live births from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes). The MMR includes deaths during pregnancy, childbirth, or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, for a specified year.

**Country****Egypt****India**

200882230201066200

## **Children under the age of 5 years underweight:**

This entry gives the percent of children under five considered to be underweight. Underweight means weight-for-age is approximately 2 kg below for standard at age one, 3 kg below standard for ages two and three, and 4 kg below standard for ages four and five. This statistic is an indicator of the nutritional status of a community. Children who suffer from growth retardation as a result of poor diets and/or recurrent infections tend to have a greater risk of suffering illness and death.

## **Country**

### **Egypt**

### **India**

Year6. 8 (2008)43. 5 (2006)

## **11**

## **Physicians' density:**

This entry gives the number of medical doctors (physicians), including generalist and specialist medical practitioners, per 1, 000 of the population. Medical doctors are defined as doctors that study, diagnose, treat, and prevent illness, disease, injury, and other physical and mental impairments in humans through the application of modern medicine. They also plan, supervise, and evaluate care and treatment plans by other health care providers. WHO estimates that fewer than 23 health workers (physicians, nurses, and midwives only) per 10, 000 would be insufficient to achieve coverage of primary healthcare needs.

## Country

### Egypt

### India

Year 2.83 (2009) 0.6 (2005)

### Hospital bed density:

This entry provides the number of hospital beds per 1,000 people. Hospital beds include inpatient beds available in public, private, general, and specialized hospitals and rehabilitation centers. In most cases, beds for both acute and chronic care are included. Because the level of inpatient services required for individual countries depends on several factors - such as the burden of disease - there is no global target of number of hospital beds per country.

## Country

### Egypt

### India

Year 1.71 (2009) 0.9 (2005)

## 12

### Obesity - adult prevalence rate:

This entry gives the percent of a country's population considered to be obese. Obesity is defined as an adult having a Body Mass Index (BMI) greater than or equal to 30.0. BMI is calculated by taking a person's weight in kg and dividing it by the person's squared height in meters.

## Country

### Egypt

### India

200630. 3

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### **Life expectancy at birth:**

This entry contains the average number of years to be lived by a group of people born in the same year, if mortality at each age remains constant in the future. The entry includes total population as well as the male and female components. Life expectancy at birth is also a measure of overall quality of life in a country and summarizes the mortality at all ages. It can also be thought of as indicating the potential return on investment in human capital and is necessary for the calculation of various actuarial measures.

## Country

### Egypt

### India

200063. 333. 11200163. 693. 04200264. 052. 98200370. 412. 91200470.  
712. 852005712. 78200671. 292. 73200771. 572. 81200871. 852.  
76200972. 122. 72201072. 42. 65201172. 662. 6220121372. 932. 58

### **Total fertility rate:**

This entry gives a figure for the average number of children that would be born per woman if all women lived to the end of their childbearing years and

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bore children according to a given fertility rate at each age. The total fertility rate (TFR) is a more direct measure of the level of fertility than the crude birth rate, since it refers to births per woman. This indicator shows the potential for population change in the country. A rate of two children per woman is considered the replacement rate for a population, resulting in relative stability in terms of total numbers. Rates above two children indicate populations growing in size and whose median age is declining. Higher rates may also indicate difficulties for families, in some situations, to feed and educate their children and for women to enter the labor force. Rates below two children indicate populations decreasing in size and growing older. Global fertility rates are in general decline and this trend is most pronounced in industrialized countries, especially Western Europe, where populations are projected to decline dramatically over the next 50 years.

## **Country**

### **Egypt**

### **India**

20003. 153. 1120013. 073. 0420022. 992. 9820033. 022. 9120042. 952.  
8520052. 882. 7820062. 832. 732007142. 772. 8120082. 722. 7620092.  
662. 7220103. 012. 6520112. 972. 6220122. 942. 58

### **HIV/AIDS - adult prevalence rate:**

This entry gives an estimate of the percentage of adults (aged 15-49) living with HIV/AIDS. The adult prevalence rate is calculated by dividing the estimated number of adults living with HIV/AIDS at yearend by the total adult population at yearend. Country



**Egypt****India**

19990. 020. 720010. 10. 92007

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0. 320090. 10. 3

**15****HIV/AIDS - people living with HIV/AIDS:**

This entry gives an estimate of all people (adults and children) alive at yearend with HIV infection, whether or not they have developed symptoms of AIDS.

**Country****Egypt****India**

2001

--

3, 700, 0002002

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3, 700, 000200380003, 970, 000200480003, 970, 0002005120005, 100,  
 0002006120005, 100, 0002007120005, 100, 0002008120005, 100,  
 000200992002, 400, 000201092002, 400, 0002011110002, 400,  
 0002012110002, 400, 000

**HIV/AIDS – deaths:**

This entry gives an estimate of the number of adults and children who died of AIDS during a given calendar year.

**Country****Egypt****India**

200916500170000

**Literacy:**

This entry includes a definition of literacy and Census Bureau percentages for the total population, males, and females. There are no universal definitions and standards of literacy. Unless otherwise specified, all rates are based on the most common definition - the ability to read and write at a specified age.

**Country****Egypt****India**

199551. 4522001

--

61200357. 759. 5200571. 4

--

201072

--

**Health expenditures:**

This entry provides the total expenditure on health as a percentage of GDP. Health expenditures are broadly defined as activities performed either by institutions or individuals through the application of medical, paramedical, and/or nursing knowledge and technology, the primary purpose of which is to promote, restore, or maintain health.

**Country****Egypt****India**

20096. 42. 4

**17****18****SUMMARY****ECONOMIC OVERVIEW OF EGYPT:**

Egypt's economy is the second largest in the Arab world (after Saudi Arabia) and its economic sectors reflect its size. The service sector is by the far the largest and fastest-growing economic sector and accounts for almost 51 percent of GDP. Tourism, trade, banking, and shipping services on the Suez Canal constitute the main sources of service sector revenue. Both tourism and the Suez Canal were hit hard by Islamic violence in the 1990s, with tourism in particular suffering badly after the 1997 Luxor attack, in which 58 foreigners were killed by Islamic militants. The massacre is estimated to

have cost the tourism sector 50 percent of its annual US\$3.7 billion revenues in 1998, when foreign visitors stayed away from the country. The government has moved to aggressive promotion of domestic tourism to compensate for the loss of foreign tourism, and managed to restore more than 60 percent of the pre-1997 tourist traffic by late 1999. The sector's performance improved dramatically in the first 2 quarters of 2000, growing by 43 percent on the previous year. The prospects of recovery in the Suez Canal sector, however, have been less promising, with growth in that area rather slow, despite government plans to revive it.

Egypt's economy improved dramatically in the 1990s as a result of several arrangements with the International Monetary Fund (IMF) and the move by several, mainly Arab, countries to relieve a large proportion of its debts. These decisions were primarily to reward Egypt for its stand with the U. S.-led coalition against Iraq in the 1990-91 Gulf War. Since that time, Egypt has managed to maintain positive growth rates. Inflation has been kept down, the country's budget deficit decreased, and its foreign reserves increased, while gross domestic product (GDP) has averaged annual growth of 4-5 percent. Despite the slow pace of privatization and new business law enactment mandated by the IMF reform program, the country has succeeded in attracting foreign investment by moving towards a market-based economy. Having successfully stabilized the economy since 1995, the government embarked on a privatization plan in 1997 aimed at expanding the role of the private sector.

Egypt entered the twentieth century as a British protectorate, heavily dependent on agriculture—mainly cotton production—which accounted for 90 percent of its exports in 1914. The British fostered the development of a small industrial base, mainly

concerned with processing raw materials, but further industrial development was stifled by a British trade policy that focused on selling British products at the expense of local goods. Although Egypt was granted independence in 1922, Britain continued to control the country in an alliance with the Egyptian monarchy until 1952, when a group of young army officers overthrew King Farouk. In 1954, Gamal Abdel Nasser ousted the first president Muhammad Maguib and became a popular and influential leader. Egypt is the world's largest exporter of cotton and its textile industry is large. Other industries include the production of cement, iron and steel, chemicals, fertilizers, rubber products, refined sugar, tobacco, canned foods, cottonseed oil, small metal products, shoes, and furniture. Although the agriculture sector continues to employ almost one-third of the workforce, most of the arable land is used to cultivate cotton, and Egypt must import about half of its food requirements. Unemployment in 1998 was reported at 20 percent, and the income disparity between the highest and lowest strata of society remains high. By contrast, unemployment in the United States in 1999 was just 4.2 percent. 20The economy of Egypt was highly centralized under President Gamal Abdel Nasser. In the 1990s, a series of International Monetary Fund arrangements, coupled with massive external debt relief resulting from Egypt's participation in the Gulf War coalition, helped Egypt improve its macroeconomic performance. Since 2000, the pace of structural reforms, including fiscal, monetary policies, privatization and new business legislations, helped Egypt move towards a more market-oriented economy and prompted increased foreign investment.

**Brief Fact File:-**

Capital Cairo  
Currency Egyptian pound (EGP)  
Language(s) Arabic (official), English and French widely understood by educated classes.  
Local time GMT + 02: 00 & GMT + 03: 00  
Note:- Egypt operates 'Daylight-Saving Time' between the last Friday in April and the last Thursday in September when the clocks are 3 hours ahead of Greenwich Mean Time.  
Telephone code 20  
Major cities Alexandria, Ismailia, Port Said, Asyût, Giza

**Business Dress:-**

Business attire is formal and conservative in Egypt. For making a good impression, one should dress well. Men should wear dark colored, lightweight and conservative business suits, at least for the first meeting. Men should avoid wearing visible jewellery. Women should be very careful while covering themselves. The skirts and dresses should be below knee and the sleeves should cover most of the arm.

**Communication Guidelines:-**

The names are often confusing so, it is best to get the names ahead of time of those to meet with. Frequently, the appointments are interrupted by phone calls or visits from friend or family. The business cards should be printed in both English and Arabic on either side. All documents should carry two dates, the Gregorian (Western) date and the Hijrah (Arabic) date. Space relationships among same sex members are much closer. They tend to stand close; moving away is a sign of aloofness. For eating, only the right hand should be used. Never sit with crossed legs. Showing the sole of shoes is considered as insult to them. Tapping the two index fingers together is

considered to be a crude gesture. Smoking in public is common but do bother to others present and do offer cigarettes. Leave food after dining. This shows that it was enough.

## 22

### **Public Holidays**

#### **Festival**

#### **Date**

#### **Detail**

Coptic Christmas Day January 7 Day of Sinai Liberation April 25 Observed in the Sinai only Labour Day May 1 Evacuation Day June 18 Revolution Day July 23 Flooding of the Nile August 15 Armed Forces Day October 6 Suez Victory Day October 24 Victory Day December 23 Eid ul-Adha Variable Date Eid ul-Fitr Variable Date Easter Sunday and Easter Monday Variable Date Islamic New Year Variable Date Coptic New Year's Day September 11 Not a national holiday

## 23

### **Travel Tips:-**

Travel light. Get wheels for the luggage and leave heavy items at home. Sunglasses are a must in Egypt as the sun is very strong. Stay out of direct sunlight, especially once the sun is high. Move from shade to shade. Wear cloths to protect the skin from the sun, particularly the head and the neck. Use high Sun Protection Factor (SPA) cream to minimize the effects of Ultraviolet-B. Drink good quality water regularly and fully. Approximately 10-15 liters are needed by a healthy person per day to avoid water deficiency in the desert conditions. The nights are very cold, so take some warm cloths.

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Stay in quarters or vehicle if there is a sand storm. Visitors are permitted to enter Egypt with 250 grams of tobacco, or 50 cigars, one liter of alcohol and personal affects. Cairo International Airport and few others have a duty free shop upon arrival and departure. Expensive electronic equipment like cameras, are required to list in the passports to ensure that they will be exported upon departure. Travelers are free to buy and export Egyptian goods but antiquities are restricted. Precious jewels, carpets, paintings, etc. older than 100 years are also restricted. Tourist Police wear green armbands and stand guard at all the major tourist sites and hotels. Traffic Police are in black and white in winter and white in summer.

## 24

### **Macroeconomic trend:-**

Egypt has a stable economy enjoying continuous growth, averaging 4%-5% in the past quarter-century. The economy embarked on various stages of development during which the public and private sectors played roles varying in relative importance as follows:

### **The First Republic: 1952-2012,**

Import substitution and nationalization, 1952-1966, during which the first program of industrialization in 1957 was established and led by the public sector in heavy industries such as iron and steel and chemical industries. Nationalization reduced the relative importance of the private sector. Inter-War, 1967-1973, adversely affected the performance of the economy and public sector role in import substitution. Openness Euphoria, 1974-1982 during which policies were introduced to encourage Arab and foreign



investment through a series of incentives and liberalizing trade and payment; the economy expanded but this proved unsustainable and growth consequently scaled back. External Debt Crisis, 1982-1990, the external debt crisis and re-scheduling and debt reduction.

## 25

Economic Reform, 1991-2007, reform policies were introduced to meet the terms of international institutions, lenders and donors, including wider incentives to the role of the private sector in all economic activities. The Post Global Financial Crisis, 2008-2011, soaring food prices, especially for grains, led to calls for the government to provide more immediate assistance to the population of more than 40% in the "poverty tunnel" and to strike a "new deal" on agriculture policy and reform. Egypt faced the long term supply- and demand-side repercussions of the global financial crisis on the national economy. Egypt's gains from annual growth rates benefited the rich and failed to trickle down and reduce the poverty which increased to about 50% in 2011 leading to socioeconomic political instability and popular revolution on 25 January 2011.

## **The Second Republic: 2012 –**

26 Egypt need to strengthen the economy to exogenous shocks, improve productivity, competition, get out of the "informality trap," invest in human capital via social protection from a human right-based approach to correct for market failures and build good trust in governance. The biggest questions for the new president-elect and new government are how to address corruption at the level of the bureaucracy, citizens and parties; how to

address the expectations of the Egyptian people; how to bring people from different backgrounds and different voices to support social accountability during economic and political transition to an active developmental state.

### **Reform era:-**

Under comprehensive economic reforms initiated in 1991, Egypt has relaxed many price control deuced subsidies, reduced inflation, cut taxes, and partially liberalized trade and investment. Manufacturing had become less dominated by the public sector, especially in heavy industries. A process of public sector reform and privatization has begun to enhance opportunities for the private sector. GDP is rising smartly by 7% per annum due to successful diversification. Gross domestic product (GDP) per capita based on purchasing power parity (PPP) increased fourfold between 1981 and 2006, from US\$ 1355 in 1981, to US\$ 2525 in 1991, to US\$ 3686 in 2001 and to an estimated US\$ 4535 in 2006. Based on national currency, GDP per capita at constant 1999 prices increased from EGP 411 in 1981, to EGP 2098 in 1991, to EGP 5493 in 2001 and to EGP 8708 in 2006. Based on the current US\$ prices, GDP per capita increased from US\$ 587 in 1981, to US\$ 869 in 1991, to US\$ 1461 in 2001 and to an estimated US\$ 1518 (which translates to less than US\$ 130 per month) in 2006. According to the World Bank Country Classification, Egypt has been promoted from the low income category to lower middle income category.

**27****External trade and remittances:-****Egyptian exports in 2011:-**

Egypt's trade balance marked US\$10.36 billion in FY2005 compared to US\$7.5 billion. Egypt's main exports consist of natural gas, and non-petroleum products such as ready-made clothes, cotton textiles, medical and petrochemical products, citrus fruits, rice and dried onion, and more recently cement, steel, and ceramics. Egypt's main imports consist of pharmaceuticals and non-petroleum products such as wheat, maize, cars and car spare parts. The current account grew from 0.7% of GDP in FY2002 to 3.3% at FY2005. Egypt's Current Account made a surplus of US\$4478 million in FY2005 compared to a deficit of US\$158 million in FY2004.

**Public finances:-**

On the revenues side, total revenues of the government were EGP 89.1 billion in FY2002 and are projected to reach EGP184.7 bn in FY2008. Much of the increase came from a rise in tax revenues, particularly personal income and corporate taxes which constituted the bulk of total domestic taxes, due to recent tax reforms.

**The financial sector:****Monetary and exchange rate policy:-****Monetary policy:-**

28 There have been several favorable conditions that allowed the central bank of Egypt to accumulate net international reserves, which increased from US\$ 20 billion in FY2005, to US\$23 billion in FY2006, and to US\$30

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billion FY2007 contributing to growth in both reserve money and in broad money (M2). Exchange rate policy:-The exchange rate has been linked to the US dollar since the 1950s. Several regimes were adopted including initially the conventional peg in the sixties, regular crawling peg in the seventies and the eighties and crawling bands in the nineties. Over that time period, there were several exchange rate markets including black market, parallel market and the official market. With the turn of the new millennium, Egypt introduced a managed float regime and successfully unified the Pound exchange rate vis-à-vis foreign currencies.

## **Natural resources:**

### **Land, agriculture and crops:-**

Warm weather and plentiful water permit several crops a year. Land is worked intensively and yields are high. Cotton, rice, wheat, corn, sugarcane, sugar beets, onions, and beans are the principal crops. Increasingly, a few modern techniques are applied to producing fruits, vegetables and flowers, in addition to cotton, for export. Further improvement is possible. The most common traditional farms occupy one acre (4, 000 m<sup>2</sup>) each, typically in a canal-irrigated area along the banks of the Nile. Many small farmers also own cows, water buffalos, and chickens.

### **Water resources:-**

" Egypt", wrote the Greek historian Herodotus 25 centuries ago, " is the gift of the Nile." The land's seemingly inexhaustible resources of water and soil carried by this mighty river created in the Nile Valley and Delta the world's

most extensive oasis. Without the Nile, Egypt would be little more than a desert wasteland.

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### **Mineral and energy resources:-**

#### **Main article: Energy in Egypt**

Egypt's mineral and energy resources include petroleum, natural gas, phosphates, gold and iron ore. Crude oil is found primarily in the Gulf of Suez and in the Western Desert. Natural gas is found mainly in the Nile Delta, off the Mediterranean shore, and in the Western Desert. Oil and gas accounted for approximately 7% of GDP in fiscal year 2000/01. Export of petroleum and related products amounted to \$2. 6 billion in the year 2000. In late 2001, Egypt's benchmark " Suez Blend" was about \$16. 73 per barrel (\$105/m<sup>3</sup>), the lowest price since 1999.

### **Main economic sectors:-**

#### **Agricultural sector:-**

This article is about agriculture in modern Egypt. For agriculture in ancient Egypt, see Ancient Egyptian Agriculture. During the 1970s, despite significant investment in land reclamation, agriculture lost its position as the leading economic sector. Agricultural exports, which were 87% of all merchandise export by value in 1960, fell to 35% in 1974 and to 11% by 2001. In 2000, agriculture accounted for 17% of Gross Domestic Production and 34% of total employment.

## **Industrial sector:**

### **Automobiles manufacturing:-**

30 El Nasr Automotive Manufacturing Company is Egypt's state owned automobile company, founded in 1960 in Helwan, Egypt. Established in 1977, the company manufactures various vehicles under license from Daimler AG, Kia, and Peugeot. Their current lineup consists of the Jeep Cherokee; the open-top, Wrangler-based Jeep AAV TJL; the Kia Spectra; the Peugeot 405; and the Peugeot 406.

### **Chemicals:-**

Abu Qir Fertilizers Company (AFC) is one of the largest producers of nitrogen fertilizers in Egypt and the Middle East. It produces about 50% of the Egyptian Nitrogen Fertilizers. The company and the 1st Ammonia Urea plant was established at 1976.

### **Consumer electronics and home appliances:-**

Olympic Group is the largest Egyptian group of companies operating mainly in the field of domestic appliances. The main products it manufactures are washing machines, refrigerators, electric water heaters and gas cookers. It also operates in the fields of IT and real estate.

### **Steel industries:-**

EZDK is the largest steel company in Egypt and the Middle East. Now a part of Ezz Industries, which consists of four steel plants in Alexandria, Sadat City, Suez and 10th of Ramadan City. In addition, it includes also Al-Jawhara (Gemma) Company for Ceramic and Porcelain tiles. EZDK is the largest independent producer of steel in the Middle East and North Africa (MENA)  
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region and is the market leader in Egypt. It is ranked at the 65th place in the world biggest steel producers as per the World Steel Institute with total production of 4.5 Million Tons per year representing about three quarters of Egypt total annual production (6 Million Tons).

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### **Textiles and clothing:-**

Textiles and clothing is one of the largest manufacturing and exporting processes in the country and a huge employment absorber. The Egyptian apparel industry is attractive for two reasons.

### **Construction and contracting sector:-**

Orascom Construction Industries is a leading Egyptian EPC (engineering, procurement and construction) contractor, based in Cairo, Egypt and active in more than 20 countries. OCI was established in Egypt in 1950 and owned by Onsi Sawiris. The company is the first multinational Egyptian corporation, and is one of the core Orascom Group companies.

### **Services sector:-**

#### **Banking & insurance:-**

The banking sector has gone through many stages since the establishment of the first bank in 1856, followed by the emergence of private sector and joint venture banks during the period of the Open Door Policy in the 1970s. Moreover, the Egyptian banking sector has been undergoing reforms, privatization, and mergers and acquisitions from 1991 up to today.

## **Communications:-**

Egypt has long been the cultural and informational centre of the Arab world, and Cairo is the region's largest publishing and broadcasting centre.

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## **Transport:-**

Transport in Egypt is centered in Cairo and largely follow the pattern of settlement along the Nile. The main line of the nation's 4, 800-kilometer (3, 000 mi) railway network runs from Alexandria to Aswan and is operated by Egyptian National Railways. The badly maintained road network has expanded rapidly to over 21, 000 miles (34, 000 km), covering the Nile Valley and Nile Delta, Mediterranean and Red Sea coasts, the Sinai, and the Western oases.

## **Tourism sector:-**

The Egyptian tourism industry is one of the most important sectors in the economy, in terms of high employment and incoming foreign currency. In 2009/10 tourism in Egypt constituted 1% of the world's tourism market. It has many constituents of tourism, mainly historical attractions especially in Cairo, Luxor and Aswan, but also beach and other sea activities.

## **Emerging sectors :**

### **ICT sector:-**

The Egyptian information and communications technology sector has been growing significantly since it was separated from the transportation sector.



The market for telecommunications market was officially deregulated since the beginning of 2006 according to the WTO agreement.

### **Investment climate:-**

The Egyptian equity market is one of the most developed in the region with more than 633 listed companies. Market capitalization on the exchange doubled in 2005 from USD 47.2 billion to USD 93.5 billion, with turnover surging from USD 1.16 billion in January 2005 to USD 6 billion in January 2006.

### **Response to the global financial crisis:-**

The challenges of the global food crisis followed by challenges of the global financial crisis made room for more integrated policy reforms. Considering the massive economic measures that have been taken over the past 12 months or so, Egyptian economic policymakers score high based on the inside lag, i. e. the lapse of time between the moment that the shock began to affect the economy and the moment that economic (monetary and fiscal) policy as well as the regulatory policy are altered and put into effect in response to the shock to various markets:

### **Medical sector:-**

HealthCare is simply caring for people and their lives. It is the art of delivering hope and attention in an active process that requires communication, collaboration, and decision-making across care providers and care settings. HealthCare in Egypt is a vital sector that is always aspiring for further enhancements and innovations to face growing demands and challenges. We are all always looking for the highest quality of care yet at

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the lowest cost possible. Siemens is uniquely positioned to help address these challenges, with its mission of finding answers to the toughest questions facing the healthcare industry. We innovate to advance human health and improve the quality of life. We innovate to advance human health and improve the quality of life. 34 Medical devices: EGP3. 02bn (US\$508mn) in 2011 to EGP3. 31bn (US\$473mn) in 2012; 9. 6% in local currency terms and -6. 9% in US dollar terms. Forecast is down from Q112 due to currency devaluation impacting local production and imports. Key Trends And Developments- In December 2011 Egypt's government announced that the health sector would receive an additional EGP700mn (US\$115. 8mn) in funding, the Egypt State Information Service has said.- In January 2012, Chairman and former CEO of Medical Union Pharmaceuticals (MUP), Zakaria Gad, died - just over two weeks after handing over his CEO position to his successor. BMI has created a new company profile for MUP in the company strategy section. Companies Mentioned- Egyptian International Pharmaceutical Industries Co (EIPICO)- South Egyptian Drug Industries (SEDICO)- Medical Union Pharmaceuticals (MUP)- Amoun Pharmaceutical Company (APC)- VASCERA- Misr Pharmaceuticals- GlaxoSmithKline (GSK)- Sanofi-Aventis- Pfizer- Novartis- Merck & Co<sup>35</sup>- AstraZeneca

### **Education sector:-**

Egypt has the largest overall education system in the Middle East and North Africa (MENA) and it has grown rapidly since the early 1990s. In recent years the Government of Egypt has accorded even greater priority in improving the education system. According to the Human Development Index (HDI), Egypt is ranked 123 in the HDI, and 7 in the lowest 10 HDI countries in the

Middle East and Northern Africa, in 2009. With the help of World Bank and other multilateral organizations Egypt aims to increase access in early childhood to care and education and the inclusion of ICT at all levels of education, especially at the tertiary level. The government is responsible for offering free education at all levels. The current overall expenditure on education is about 12.6 percent as of 2007. Investment in education as a percentage of GDP rose to 4.8 in 2005 but then fell to 3.7 in 2007. The Ministry of education is also tackling with a number of issues: trying to move from a highly centralized system to offering more autonomy to individual institutions, thereby increasing accountability. The personnel management in the education also needs to be overhauled and teachers should be hired on merit with salaries attached to the performance. 36The public education system in Egypt consists of three levels: the basic education stage for 4-14 years old: kindergarten for two years followed by primary school for six years and preparatory school for three years. Then, the secondary school stage is for three years, for ages 15 to 17, followed by the tertiary level. Education is made compulsory for 9 academic years between the ages of 6 and 14. Moreover, all levels of education are free in any government run schools. According to the World Bank, there are great differences in educational attainment of the rich and the poor, also known as the "wealth gap." Although the median years of school completed by the rich and the poor is only one or two years but the wealth gap reaches as high as nine or ten years. In the case of Egypt, the wealth gap was a modest 3 years in the mid-1990s.[3] Overall, the composite education Index in the MENA Flagship Report: The Road Not Traveled showed promising results of Egypt's relative

educational achievements. Of the 14 MENA countries analyzed, Egypt achieved the universal primary education and has also reduced the gender gap at all levels of instruction, but there is still a need to improve the quality of education.

### **Poverty and income distribution:**

Behind the facade of an affluent nation, Egypt is actually facing high levels of unemployment and immense poverty. The majority of its younger population is struggling with unemployment and destitution, and heightening food prices in Cairo.

### **Various statistical databases show that Egypt has:-**

A population of 80 million, with 33 percent who are 14 years and below; and 20 percent of the population living below the poverty line. A labor force of 26 million, with 32 percent working in agriculture, 17 percent in industry, and 51 percent in the service sector. An unemployment rate of 9.7 percent. A literacy rate of above 71 percent, with males at 83 percent and females at 59.4 percent

### **Causes of poverty:-**

#### **High population growth**

Fertility rates have declined since the 1960s but are still high and Egypt's population grew from 44 million in 1981 to more than 80 million today. Egypt's youth experience massive unemployment, with an estimated 7.7 million youths (aged 15–24) jobless in 2010.

## **Low employment opportunities**

Egypt's unemployment rate reached 11.8 percent in the second quarter of 2011, down from 11.9 percent in the first quarter (although higher than last year's 8.96 percent) Egypt's high fertility rate hence gave rise to significant socioeconomic burdens - economic development is delayed and there is reduced access to jobs and education

## **High illiteracy rate**

One in every four Egyptians is illiterate in spite of the provision of free education and continuous literacy programs. Almost 17 million adults lack proper education and are hence less likely to secure jobs and improve their financial status since education and employment are positively correlated.

## **Ineffective policies**

Egypt is not deficient in resources but instead, it is in need of sustainable pragmatic policies that will prevent more people from falling into the poverty trap. Hania Sholkamy, an economist for the Social Research Center at the American University in Cairo, disclosed that although the government had subsidized 270 million loaves of bread/day at 19 Piasters/piece, 29 percent of the children in Egypt remained malnourished.

## **Statistics:-**

Overall about 44.4% of the Egyptian population are in the range of extreme poor to near poor: 38.21% of the Egyptian population was near poor, meaning that about 14.6 million Egyptians can obtain their basic food requirements in addition to some basic services. 19.6% of the Egyptian population was poor, meaning that about 13.6 million Egyptians (one out of

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every five) had consumption expenditure below the poverty line and could not therefore obtain their basic food and non-food needs. 3. 8% of the Egyptian population was extreme poor, meaning that about 2. 6 million of the Egyptian poor could not obtain their basic food requirements even if they spent all their expenditure on food.

## **GDP OF EGYPT:-**

### **More women in jobs makes GDP skyrocket**

It's not fuzzy wisdom. Clear numbers show the economic benefits of empowering women - and the numbers are big. An international report finds different countries' GDP growing exponentially if female employment rates match those of men. Energy policy reform: key to unlock new Egypt Egyptian policymakers have a once-in-a-generation opportunity to capitalize on the nation's newfound democracy dividend by enacting a sweeping package of meaningful reforms that will transform Egypt not just into a regional powerhouse, but a more just and comfortable society for all citizens, a top Egyptian business leader told attendees at the annual Euro money conference in Cairo. Egypt deficit in first quarter of 2012/13 reaches \$8 billion.

### **Domestic travelers offer lifeline to ailing Egyptian tourism industry**

39With international tourist numbers still significantly low in Egypt in the wake of the Arab Spring, domestic tourism has taken on added importance for the ailing industry. (Reuters) A small number of tourists recently climbed the crumbling ramparts of Shali fortress to photograph the oasis town of

Siwa in Egypt. Between the 13th to early 20th century the fortress was home to Siwans who lived inside the salt and mud brick walls to protect themselves from marauding Bedouins who came from the north coast and over what is now the nearby Libyan border to steal. In the 1930s damaged the walls, which left them now resembling a collapsing sand castle. IMF economists remain hopeful over some outcomes from the Arab Spring while pulling back on other nations' prospect. The latest data from the agency pegs Egypt's GDP at \$276 billion in 2013, an increase from the estimate in April and a 23% jump from 2010, before things began to unravel for dictator Hosni Mubarak. Given the coverage of continued violence in Tahrir Square, and the bloody skirmishes in border areas, this economic growth track is a bit mysterious. The Muslim Brotherhood may have some special sauce.

### **Egypt output and consumption of finished steel in balance this year**

Arab Steel cited Mr George Matta marketing director at Ezz Steel as saying that in Egypt the output and consumption of finished steel are nearly in balance this year; consumption that is estimated to be at 7.2 million tonnes while output will be around 7.4 million tonne. Production will be in line with last year's while consumption is getting slightly better and long product demand is recovering faster than flats. In 2011, due to the revolution, steel consumption fell by 13% to 6.8 million tonne well below the 7.8 million tonne seen in 2010 and 8.7 million.

## **WTTC: Travel & Tourism still robust despite uncertain global economic picture**

40 Growth in the global Travel & Tourism industry in 2012 will be broadly in line with expectations set at the beginning of the year. WTTC expect the direct contribution of Travel & Tourism to global GDP to grow by an average of 4% per annum between 2011 and 2021 with North East Asia making up a growing share of the overall Travel & Tourism contribution to GDP. Highlights of the report include: The volume of Travel & Tourism movements has been positive so far in 2012 and has exceeded expectations from the start of the year. International tourist arrivals have grown 4.9% in the year from January to June, airline passenger traffic is up 6.8%, and hotel occupancy rates are up in many markets apart from Southern Europe. The best performing countries for international tourist arrivals are those rebounding from difficult times in 2010 and 2011. In the period from January to June this year, Japan's arrival figures were up 44.4%, Tunisia was up 41.7% and Egypt was up 23.4%. South Korea, where visitors from its main market of Japan stayed home after the tsunami, has also been incredibly strong this year with arrivals figures increasing 21.8% YTD. Although international visitor's arrival figures are looking robust, there is evidence of declines both in terms of average spend and hotel average daily room rates (ADRs) in some regions - notably Europe, Northern and Southern Africa. In weaker markets, especially Europe, the data is suggesting that the industry could be holding prices down in order to stimulate demand and consumers are choosing lower priced trips.



## **Egypt output and consumption of finished steel in balance this year**

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## **POPULATION:**

According to a survey conducted in July 2007, is estimated to be around 80,335,036. The estimated rate of growth of population in Egypt is 1.721%. Egypt is considered to be one of the populous countries in Africa. The sex ratio of Egypt population is 1.017 males per female. The total area occupied by Africa is 1,001,450 sq km. The Egypt population is mainly dense in and around the Nile basin. The fertile river plains have always attracted people to settle down in this region. Thus the population of Egypt comprises immigrants as well as the local inhabitants. People of Egypt comprise different ethnic groups. The nationality of the people of the country is Egyptian. They comprise of 98% of the total population. Bedouin, Nubian and Beja cover only 1% among the population. Rest of the 1% of population is comprised of the Europeans mainly of French and Italian origin. Armenians and Greeks also form part of the population. The religion of population of Egypt is mainly Islam. Muslims dominate 90% of the total population, most of which are Sunni Muslims. Christianity is also practiced by some people. 9% of them are Coptic and only 1% is consists of other Christian communities. Egypt is one of the most populated countries not only in the African continent but also in the Middle East and in the Arab world. According to the 2006 census conducted by government's statistics agency, the population of Egypt has sprung up to 72.6 million with a growth rate of 2.0 percent each year in the past decade. In the year 1996 and 1986, the growth rate had been 2.1 and 2.8 respectively thus suggesting that the current growth rate has diminished. There was a huge population shift during the period of 1960s

and 1970s when there was an influx of migrants from the rural areas to the cities

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## **Regulation and competition**

### **State says go home and sleep, 24/7 Egypt resists**

**Two Egyptian men play cards at a local coffee shop in downtown Cairo, Egypt, Wednesday, Oct. 31, 2012. Egypt's capital prides itself on being a city that never sleeps, with crowds filling cafes and shops open into the small hours. So the government is facing a backlash from businesses and the public as it vows to impose new nationwide rules closing stores and restaurants early. Officials say the crisis-ridden nation has to conserve electricity, but they also seem intent on taming a population they see as too unruly. Photo: Nasser / AP**

Simply put, officials say, Egyptians should stop thinking they can do whatever they want, should go to sleep early and work in the morning."

Egyptian life has turned nocturnal. Egypt should not be a nocturnal state, but a morning state like all countries," Legal Affairs Minister Mohammed Mahsoub, an Islamist, told reporters on Wednesday. "Energy, endeavor, labor and working hard should be the foundation." He and other officials said the regulations will come into effect on Saturday. Under the new rules, shops would be required to close at 10 p. m. and restaurants and cafes at midnight. A business that has a tourism license — which comes at a fee — would be exempted, meaning that most bars and upscale restaurants would stay open later. Violators would face a fine and, if they persist, closure. But many are

furious over what they see as an outright violation of the nation's psyche. 44The proposed regulation has dominated the national conversation for weeks. Opponents, including chambers of commerce around the country, warn that it will damage an already suffering economy. Those who work night shifts will lose their jobs and, with Egyptians unable to shop late, sales will be stifled and small businesses will be forced to lay off workers, they say. Others argue that it is biased against the poor, given that venues catering to rich Egyptians will be able to get tourist licenses — which are not necessarily linked to actual business with tourists — at a time when small business owners are struggling to make ends meet because of the economic crisis.

### **Mubarak's Egypt, where everything was for sale:**

CAIRO // Nearly 21 months after the fall of Hosni Mubarak, Egyptians are only beginning to grasp how riddled with corruption their country has become in the past three decades. Much attention has been focused on the high-profile, Mubarak-era businessmen and politicians who have been convicted of bribery and cronyism. Their excesses and comeuppance are regular fodder in Egypt's media, their lives portrayed as seamy morality tales of the powerful brought low. Little notice has been paid, however, to the less extortionate but far more prolific acts of graft and double-dealing that have spread like a noxious weed through everyday life in Egypt, drawing away the resources needed for a healthy economy to thrive. Although the new government of President Mohammed Morsi has pledged to tackle corruption, it has been hobbled by the political ferment that has roiled Egypt since Mubarak was forced from power.

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## **Export And Import:**

### **Major Exports:**

Crude Oil And Petroleum Products Cotton Textiles Metal Products Chemicals

### **Major Imports:**

Machinery And Equipment Foodstuffs Chemicals Wood Products Fuel

### **Egyptian Exports:-**

Natural gas ... US\$828.7 million (34.6% of Egyptian to U. S. exports, up 10.2% from 2005) Cotton household furnishings & clothing ... \$576.6 million (24.1%, up 35.8%) Semi-finished iron & steel mill products ... \$344.6 million (14.4%, up 259.3%) Other petroleum products ... \$131.9 million (5.5%, down 41.2%) Textile floor coverings including rugs ... \$106.9 million (4.5%, up 10.9%) Non-cotton household furnishings & clothing ... \$95.6 million (4%, up 55.1%) Aluminum ... \$34.6 million (1.4%, up 17.8%) Items returned to U. S. then reimported ... \$33.6 million (1.4%, down 55.9%) Stone, sand, cement & lime ... \$28.7 million (1.2%, down 33.1%)

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### **Fastest-Growing Egyptian Exports :-**

Synthetic rubbers, wood, cork, gums & resins ... US\$10.6 million (up 531, 250% from 2005) Feedstuff & foodgrains ... \$10 million (up 5, 197%) Semi-finished iron & steel mill products ... \$344.6 million (up 259.3%) Unmanufactured steelmaking & ferroalloying materials ... \$2.3 million

(up 205%)Other finished items (e. g. shingles, molding, wallboard) ... \$2. 5 million (up 140%).

### **Egyptian Imports:-**

Corn ... US\$476. 1 million (11. 6% of Egyptian from U. S. imports, up 21. 5% from 2005)Civilian aircraft ... \$304. 7 million (7. 4%, up 1, 506. 7%)Drilling & oilfield equipment ... \$296 million (7. 2%, up 41%)Miscellaneous ... \$253 million (6. 2%, up 134. 1%)Telecommunications equipment ... \$240. 7 million (5. 9%, up 238. 4%)Wheat ... \$235. 3 million (5. 7%, up 23. 7%)Military vehicles (e. g. armored cars & trucks) ... \$203. 2 million (5%, down 19%)Tanks, artillery, missiles, rockets, guns & ammunition ... \$147. 1 million (3. 6%, up 4. 8%)Military parts ... \$125. 8 million (3. 1%, down 14. 9%)Steel making materials \$98. 7 million (2. 4%, up 87. 4%).

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### **Fastest-Growing Egyptian Imports :-**

Vessels ... US\$17. 5 million (up 87, 370% from 2005)Civilian aircraft ... \$304. 7 million (up 1, 507%)Civilian aircraft engines ... \$27. 4 million (up 702%)Dairy products & eggs ... \$37 million (up 320%)Coal ... \$70. 2 million (up 271%).

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## OVERVIEW OF EGYPT

### Overview

Egypt is located in Northern Africa, bordering the Mediterranean Sea, between Libya and the Gaza Strip, and the Red Sea north of Sudan, and includes the Asian Sinai Peninsula. Egypt is the most populous country in the Arab world and the second-most populous on the African Continent. Nearly all of the country's 79 million people live in Cairo and Alexandria; elsewhere on the banks of the Nile; in the Nile delta, which fans out north of Cairo; and along the Suez Canal. These regions are among the world's most densely populated, containing an average of over 3, 820 persons per square mile (1, 540 per sq km), as compared to 181 persons per sq mi for the country as a whole. Egypt borders the Mediterranean Sea to the north, the Gaza Strip and Israel to the north-east, the Red Sea to the east, Sudan to the south, and Libya to the west. The great majority of its estimated 82 million live near the banks of the Nile River, in an area of about 40, 000 sq km (15, 000 sq m), where the only arable agricultural land is found. The large areas of the Sahara Desert are sparsely inhabited. About half of Egypt's residents live in urban areas, with the majority spread across the densely populated centres of greater Cairo, Alexandria, and other major cities in the Nile Delta. 50Egypt is famous for its ancient civilisation and some of the world's most famous monuments, including the Giza pyramid complex and its Great Sphinx. The southern city of Luxor contains numerous ancient artefacts, such as the Karnak Temple and the Valley of the Kings. Egypt is widely regarded as an

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important political and cultural nation of the Middle East. Egypt, sometimes referred to as the ' Motherland of the World' and the ' Land of Civilisations,' is famous throughout the world for its ancient civilisation and 7, 000-year history along the Nile River. It is an important political and cultural centre of the Middle East.

## **Overall**

### **Band**

### **Score (PS & BE)**

### **Rank**

Ready7. 18First

## **Infrastructure**

### **Score**

### **Rank**

### **Band**

6. 83ReadyWhile achieving the third position in score for ' Infrastructure', Egypt is second in electricity availability and telecommunications and data-transfer costs, fourth in network readiness, seventh in infrastructure cost, third in availability and penetration, and sixth in the roads and rail network.

## **People and Skills (PS)**

### **Score**

### **Rank**

3. 620151Egypt is the best in the case of ' People and Skills,' being first in quantity, second in quality, and third in working satisfaction and ICT  
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exposure; it has scored seven in human resource costs. At the other end it has fallen to thirteenth position in education, language, and domain skills.

## **Business Environment (BE)**

### **Score**

### **Rank**

3. 5582Egypt ranked second in this lower level abstraction. In achieving this position it has come fifth in ICT security, Cyber and IPR laws, and share of services in GDP. Egypt has the third highest foreign exchange reserves and ranks seventh in ease and cost of finances. Egypt has come in the sixth position for legislative risk and in the eighth for share of ICT in exports. In the tax rate, Egypt is twelfth and in the share of services in exports it has come fifth. Also, Egypt is fifth and first, respectively, in geopolitical risk and currency risk.

## **Country, Political, and Economic Profile**

### **Geography**

52At 1, 001, 450 sq km (386, 660 sq m), Egypt is the world's thirty-eighth-largest country. In terms of land area, it is approximately the same size as all of Central America, twice the size of France, four times the size of the United Kingdom, and equals the combined size of the U. S. states of Texas and California. Nevertheless, due to the aridity of Egypt's climate, population centers are concentrated along the narrow Nile Valley and Delta, meaning that approximately 99 per cent of the population uses only about 5. 5 per cent of the total land area. Alexandria is Egypt's second largest city. Egypt is bordered by Libya to the west, Sudan to the south, and by the Gaza Strip and

Israel to the east. Egypt's important role in geopolitics stems from its strategic position. Its coast line is along the Mediterranean Sea and the Red Sea; a transcontinental nation, it possesses a land bridge (the Isthmus of Suez) between Africa and Asia, which in turn is traversed by a navigable waterway (the Suez Canal) that connects the Mediterranean Sea with the Indian Ocean via the Red Sea.

### **To summarize the data:**

Area: 1, 001, 450 sq km (386, 000 sq mi); approximately equal to Texas and New Mexico combined. Cities: Capital—Cairo (pop. estimated at 16 million). Other cities: Alexandria (6 million), Aswan, Asyut, Port Said, Suez, Ismailia. Terrain: Desert, except Nile valley and delta. Climate: Dry, hot summers; moderate winters.

### **People**

Nationality: Egyptian(s). Population (July 2012 est.): 80 million. Annual growth rate (2007 est.): 1. 72 per cent. Ethnic groups: Egyptian, Bedouin Arab, Nubian.

### **53**

Religions: Muslim 90 per cent, Coptic Christian 9 per cent, other Christian 1 per cent. Languages: Arabic (official), English, French. Education: Years compulsory—ages six to fifteen; Literacy—total adult 58 per cent. Health Infant mortality rate (2006 est.): 31. 33 deaths/1, 000 live births. Life expectancy (2006 estimate): Seventy-one years.

## Government

Type: Republic. Independence: 1922. Constitution: 1971. Branches: Executive—President, Prime Minister, Cabinet; Legislative—People's Assembly (444 elected and ten presidentially appointed members) and Shura (consultative) Council (176 elected members, eighty-eight presidentially appointed). Administrative subdivisions: Twenty-six governorates. 54 Principal political parties: National Democratic Party (ruling); Principal opposition parties—New Wafd Party, Liberal Party, National Progressive Unionist Grouping (Tagammau), and Nasserite Party. Suffrage: Universal at eighteen.

## Economy

GDP : \$525. 6 billion (2011 est.) GDP growth : 1. 8% (2011) GDP per capita: \$6, 200 (PPP) (2010 est.)

## GDP by sector

Agriculture: 13. 5%; Industry: 37. 9%; Services: 48. 6% (2010 est.) Inflation (CPI) 12. 8% (2010 est.) Population below poverty line 20% (2005 est.) Gini coefficient 34. 4 (2001) Labour force 26. 1 million (2010 est.) Labour force by occupation Agriculture (32%), Industry (17%), Services (51%) (2001 est.) Unemployment 11. 9% (2010 est.) Natural resources: Petroleum and natural gas, iron ore, phosphates, manganese, limestone, gypsum, talc, asbestos, lead, zinc. Agriculture: Products—cotton, rice, onions, beans, citrus fruits, wheat, corn, barley, sugar.

## Industry

55Types: Food processing, textiles, chemicals, petrochemicals, construction, light manufacturing, iron and steel products, aluminium, cement, military equipment. Exports : \$25. 34 billion (61st; 2010 est.)Export goods : Crude oil and Petroleum products, Cotton, Textiles, Metal Products, Chemicals, Agricultural goodsMain export partners : United States 7. 95%, Italy 7. 26%, Spain 6. 78%, India 6. 69%, Saudi Arabia 5. 53%, Syria 5. 3%, France 4. 39%, South Korea 4. 27% (2009)Imports : \$46. 52 billion (47th; 2010 est.)Import goods : Machinery and Equipment, Foodstuffs, Chemicals, Wood products, FuelsMain import partners : United States 9. 92%, China 9. 63%, Germany 6. 98%, Italy 6. 88%, Turkey 4. 94% (2009)FDI stock : \$72. 41 billion (31 December 2010 est.)Gross external debt : \$30. 61 billion (31 December 2010 est.)

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### Foreign Relations

Geography, population, history, military strength, and diplomatic expertise give Egypt extensive political influence in the Middle East and within the Non-Aligned Movement. The Arab League headquarters is in Cairo, and the Secretary General of the League is traditionally an Egyptian. Former Egyptian Foreign Minister Amr Moussa is the present secretary general of the Arab League. President Mubarak has often chaired the African Union (formerly the Organization of African Unity). Former Egyptian Deputy Prime Minister Boutros Boutros-Ghali served as secretary general of the United Nations from 1991 to 1996. Egypt has maintained friendly diplomatic and trade Relations with USA, EU, UK, France, India and Japan. Egypt has

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maintained strong partnership agreements with India, UK, and USA in the areas of ICT, science and technology. Similarly there are strong industry-government partnerships with multinationals. Several Joint ICT Related Projects with International and United Nations Agencies.

## **Living, Security, and Safety Perceptions**

57The crime rate in Egypt is low. While incidents of violence are rare, purse snatching, pick pocketing and petty theft does occur. Travellers are strongly cautioned not to leave valuables such as cash, jewellery, and electronic items unsecured in hotel rooms or unattended in public places. There have been instances of terrorism in the bordering areas, but there is no reason to be alarmed. There is a need to be cautious while travelling by road and public transport. Proper medical insurance is necessary. Living conditions are moderate.

## **ICT Policy, Infrastructure, and Service**

There has been an ICT Policy in place since 1999 resulting in the setting up of the Ministry of Communication and Information Technology (MCIT). A positive strategy has been in place to implement the policy, and the strategy and master plans are reviewed and updated regularly; the current strategy is from 2007 to 2010. All departments and ministries work harmoniously in matters relating to ICT. The strategy is providing all that is needed for a positive growth of Egypt's ICT Sector. The ICT infrastructure and services are of a very high-quality coverage and service levels have been fixed at a reasonable cost. Ministry of Communications and Information

Technology<sup>58</sup>An important goal of Egypt's ICT Policy & Strategy is to create

state of art ICT Infrastructure that gives an enabling environment for Government and business to link globally in an efficient and cost effective way. A vibrant and export-oriented ICT Industry promotes Public Private Partnerships, enables society to absorb the benefits from expanding sources of information, creates a learning community that exploits its own potential fully, support the developments of skills needed by the ICT Industry, and gives support for research and innovation in the field of ICT. In Egypt the ICT Sector has grown at 25% as compared to 7% overall growth in all sectors of the Egyptian economy as a whole. Self-sustaining human resource base of 250, 000 plus, ratification of necessary Telecommunication, e-signature, and related Cyber Laws make ICT and cyberspace safer; high Foreign Direct Investent(FDI) in the ICT sector, subscription-free internet access at the cost of local calls for all Egyptians, and low-cost PCs for all hosting global policy dialogues on related issues like Internet governance.

## **Physical Infrastructure**

Office market: The Cairo office market operates in a number of key locations across the city reflecting its enormous geographical and demographic scale including the five areas known as Downtown, Ma'adi, Heliopolis, Mohandiseen, and Nasr City. The new ring road has made areas around the city accessible. An out-of-town market developing in the three areas is known as sixth October, Smart Village, and Emaar's New Cairo. Retail market: There are a number of shopping malls in Cairo, including Arkadia, First Mall, Talaat Harb Center, and City Stars, which is the largest shopping mall in North Africa. Western retailers were historically slow to open in Cairo due to trade issues; however, there are now international retailers in the city

including Toys 'R' Us, Versace, Timberland, and Habitat. The market is destined to grow on the back of developments proposed by Emaar and Damac. Industrial market: There has been a growing trend for industrial users to move out of the city to areas where there is less congestion and communications are better—sixth October City. However, due to the success of this area, traffic congestion issues are increasingly affecting the new occupiers. 59 Residential market: Traditionally the best residential areas have been on the island of Zamalek and in Ma'adi. Due to issues with pollution and quality of life, however, the trend is for housing to be concentrated in out-of-town areas like Pyramids and Katameya Heights. A recent phenomenon in the market is the entry of some of the major UAE developers including Emaar and Damac who are proposing to construct on a scale previously unseen in the Cairo market.

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