

Egypt, the troubled giant



**ASSIGN
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Egypt, The Troubled Giant Name_____ Note: This textbook case was prepared “ prior” to the Egyptian revolution that occurred early in 2011. The questions should be answered based on the situation at the period of time considered in the question. QUESTION 1: How would you describe the economic policy that Egypt implemented during 2004-2008? The new economic policy was one that promoted trade and put less regulation on Egyptian businesses. 1a. Do you think this policy helped to boost Egypt’s growth rate? Why or why not? I absolutely believe this policy helped boost their growth rate.

Virtually all of the statistics used to measure an economy showed that they were growing rapidly during this period. It is only reasonable to assume their policy, which promoted trade and increased domestic business opportunities would have had a large hand in this. QUESTION 2: How vulnerable was the Egyptian economy to a slowdown in global economic activity such as that which occurred in 2009? They were very vulnerable to economic slowdown due to the fact that much of the revenue that promoted their growth was coming from foreign outlets such as investments, tourism, and Egyptian expatriate workers.

If these foreign countries experienced a slowdown in economic activity it would, and did, have a great affect on the Egyptian economy. 2a. What would the countries objectives be to reduce this vulnerability? To reduce this vulnerability, I believethy should focus on having strong domestic areas that don’t have as much dependence on foreign companies. QUESTION 3: What were some of the risks in Egypt’s current political system may of led to

the revolution of 2011? The main risk in Egypt's political system is that it went against the norms of most industrialized countries.

As people gain standing financially, they begin to expect better treatment and expect their voices to be heard more. 3a. What is the best case scenario going forward, what is the worst case scenario? The best case scenario is that they evolve into a more democratic country and give their citizen more rights. Worst case, they once again fall to an autocratic leader and rescind their economic policy changes. QUESTION 4: Post revolution; is Egypt an attractive market for international business?

I think Egypt is now a very attractive market for international business. Egyptians must feel more empowered than they have in a long time, this attitude will be perfect for expanding their economy and reaching new areas of business that they couldn't before. 4a. What advice would you give to a multinational enterprise considering investment in Egypt? I would advise a multinational enterprise to invest in companies' area that promoted growth in the Egyptian economy to help them emerge as a strong member of the global economy.