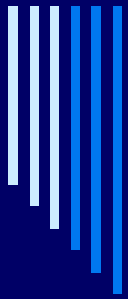


Country Narrative: Egypt

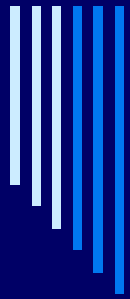
Assessing Development Strategies to Achieve the MDGs in Arab Region

By
Egypt Expert Team



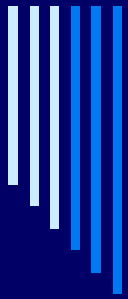
Introduction

- The country narrative is divided into two parts:
 - A brief account of recent macroeconomic trend
 - Recent trend of MDGs in Egypt



The Macroeconomy

- Economic Growth
- Investment
- Inflation
- Unemployment
- External Sector
- Fiscal Policy
- Monetary Policy



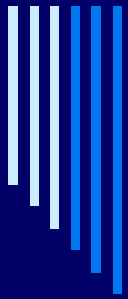
General Trends

□ During the 1980s

- Structural weaknesses manifested in chronic inflation, fiscal dominance, growing budget deficit, low private investment→ Low growth

□ During the 1990s

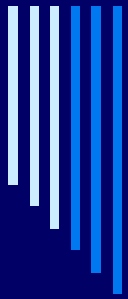
- Start of ERSAP in 1991
- Success in stabilizing the economy (Budget deficit, inflation,...)
- Boom-bust phenomenon



General Trends

□ End of the 1990s

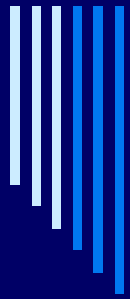
- End of the 1990s, three major external shocks + ill government intervention→ Recession + exchange rate pressure.
- “Official” floatation of the Egyptian pound in 2003→Inflation kicked in!
- New CBE governor in 2003 & new cabinet in 2004.



General Trends

□ Second Wave of Reforms

- New CBE governor in 2003 & new cabinet in 2004.
- Implementing reforms focusing on revitalizing the supply side via improving the business climate & implementing trade & tax reforms.
- Signs of success of reforms: ↑ growth & share of private I, ↑ FDI → ↑ Real ec growth

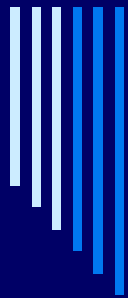


Current Macroeconomic Challenges

- Sustainability of high growth
- Low public investment in key sectors
- Labor market problems:
 - Absorb new entrants
 - “Quality” mismatch
- Poverty is not contained & equity is not improving.
- Major regional disparities

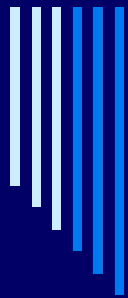


QUICK REVIEW OF SELECTED MDGs in EGYPT



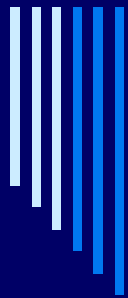
Poverty

- National long-term objective: ↓ poverty to 6% by 2022.
- Near poverty ↓ since 1996, but poverty rate ↑ from 2000 to 2006.
- Major discrepancies:
 - Regional: urban poor of Upper Egypt are expected to ↑ to 39% by 2015.
 - poverty is concentrated among female-headed households.
- Egypt can attain the MDG on poverty if the prevailed trends on economic performance continues.



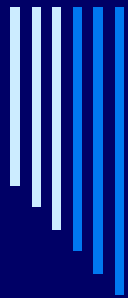
Education

- Net enrollment rates in primary education went up by 8% between 1995 and 2005 (MoP, 2005).
- Net primary enrollment estimate stood at 97.2% in 2005 (UN, 2008).
- If this trend continues, Egypt will achieve primary education by 2015 at the national level.
- Regional discrepancies:
 - Frontiers governorates will not be able to achieve the target for girls
 - Upper Egypt will not be able to achieve universal coverage neither for boys nor girls.



Gender

- Growing access of girls to education in primary & secondary.
- There are still more girls than boys out of school; e.g. net enrollment rate in primary education are 99.8% for boys and 94.4% for girls in 2005 (UN, 2008).
- In terms of employment, ↑ in women share in labor force, but
 - Female participation rate is 18% (males account 65.7%) in 2001
 - Unemployment is higher 22.6% in 2001 compared to 5.6% to men.



Health

- Infant mortality (25/1000): On track to achieve this target at the national level by 2015. Again upper Egypt is lagging behind (reach 30/1000 in 2015)
- Maternal mortality (43.5/100,000): On track to achieve this target at the national level by 2015. Given MM 84/100,000 in 2000. Discrepancies among regions (48/100,000 in urban areas & as high as 120/100,000).
- Combating HIV/AIDS, malaria and other diseases: Problem re Hepatitis C. 7 to 9% of the population are carriers. HIV is low but it can potentially ↑.