Economy

Overview: Half of Egypt's GDP originates in the public sector, most industrial plants being owned by the government. Overregulation holds back technical modernization and foreign investment. Even so, the economy grew rapidly during the late 1970s and early 1980s, but in 1986 the collapse of world oil prices and an increasingly heavy burden of debt servicing led Egypt to begin negotiations with the IMF for balance-of-payments support. Egypt's first IMF standby arrangement concluded in mid-1987 was suspended in early 1988 because of the government's failure to adopt promised reforms. Egypt signed a follow-on program with the IMF and also negotiated a structural adjustment loan with the World Bank in 1991. In 1991-93 the government made solid progress on administrative reforms such as liberalizing exchange and interest rates but resisted implementing major structural reforms like streamlining the public sector. As a result, the economy has not gained momentum and unemployment has become a growing problem. Egypt probably will continue making uneven progress in implementing the successor programs with the IMF and World Bank it signed onto in late 1993. Tourism has plunged since 1992 because of sporadic attacks by Islamic extremists on tourist groups. President MUBARAK has cited population growth as the main cause of the country's economic troubles. The addition of about 1.2 million people a year to the already huge population of 62 million exerts enormous pressure on the 5% of the land area available for agriculture along the Nile.

National product: GDP - purchasing power parity - $151.5 billion (1994 est.)

National product real growth rate: 1.5% (1994 est.)

National product per capita: $2,490 (1994 est.)

Inflation rate (consumer prices): 8% (1994 est.)

Unemployment rate: 20% (1994 est.)

Budget:
revenues: $18 billion
expenditures: $19.4 billion, including capital expenditures of $3.8 billion (FY94/95 est.)

Exports: $3.1 billion (f.o.b., FY93/94 est.)
commodities: crude oil and petroleum products, cotton yarn, raw cotton, textiles, metal products, chemicals
partners: EU, US, Japan

Imports: $11.2 billion (c.i.f., FY93/94 est.)
commodities: machinery and equipment, foods, fertilizers, wood products, durable consumer goods, capital goods
partners: EU, US, Japan

External debt: $31.2 billion (December 1994 est.)

Industrial production: growth rate 2.7% (FY92/93 est.)

Electricity:

capacity: 11,830,000 kW

production: 44.5 billion kWh

consumption per capita: 695 kWh (1993)

Industries: textiles, food processing, tourism, chemicals, petroleum, construction, cement, metals

Agriculture: cotton, rice, corn, wheat, beans, fruit, vegetables; cattle, water buffalo, sheep, goats; annual fish catch about 140,000 metric tons

Illicit drugs: a transit point for Southwest Asian and Southeast Asian heroin and opium moving to Europe and the US; popular transit stop for Nigerian couriers; large domestic consumption of hashish from Lebanon and Syria

Economic aid:

recipient: US commitments, including Ex-Im (FY70-89), $15.7 billion; Western (non-US) countries, ODA and OOF bilateral commitments (1970-88), $10.1 billion; OPEC bilateral aid (1979-89), $2.9 billion; Communist countries (1970-89), $2.4 billion

Currency: 1 Egyptian pound (#E) = 100 piasters

Exchange rates: Egyptian pounds (#E) per US$1 - 3.4 (November 1994), 3.369 (November 1993), 3.345 (November 1992), 2.7072 (1990); market rate: 3.3920 (January 1995), 3.3920 (1994), 3.3704 (1993), 3.3300 (1992), 2.0000 (1991), 1.1000 (1990)

Fiscal year: 1 July - 30 June