Egypt

Introduction

Egypt is a country in North Africa that borders the Red Sea and the Mediterranean Sea. Neighboring countries include Libya, the Gaza Strip, and Sudan. Egypt includes parts of the Sahara Desert, Libyan Desert, and the Nile River, which runs from south to north. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Egypt has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Egypt is a member of the League of Arab States (Arab League) and the Common Market for Eastern and Southern Africa (COMESA).

Key Economic Facts

- **Country Memo Provided by:** globalEDGE.msu.edu and TRADE.GOV
- **Country Rating:** C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.
- **Business Climate Rating:** B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

**Strengths**
- Large market: over 100 million inhabitants, youthful and growing population
- Advantageous geopolitical situation, Suez Canal
- Tourism potential
- Gas (Zohr field) and mineral potential (gold, kaolin, potash, copper, zinc, lead, feldspar)
- Political and financial support from Gulf monarchies and Western countries
- IMF support program
- Limited external debt (29% of total public debt)

**Weaknesses**
- Poverty (one-third of the population), low employment rate among young people, low female participation
- Tensions between part of the Muslim majority and the Christian minority (10%)
- Jihadists active in Sinai region
- Lack of water and dependence on the Nile
- Public deficit and public debt: financing needs exceed 30% of GDP
- Banking system vulnerable to sovereign risk, with the public sector absorbing 2/3 of credit
- High cost of credit
- Low and low value-added manufacturing exports, food dependency
- Non-transparency of military-controlled companies (30% of the economy)
- Corruption, lack of competition and bureaucracy

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**Key Websites**

- **Main Government Page:** opengov.unescwa.org
- **Commerce Ministry:** mb.gov.eg
- **Export Promotion Agency:** expoegypt.gov.eg
- **Investment Promotion Agency:** gafi.gov.eg

**Rankings**

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<td>EY Globalization Index</td>
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<tr>
<td>Global Competitiveness Index</td>
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<td>Global Enabling Trade Index</td>
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<td>Index of Economic Freedom</td>
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<td>96 / 139</td>
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<td>Open Budget Index</td>
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**Budget Balance**

- **Budget Balance (current US$):** $71.93 billion (2022)

**Income Level (by per capita GNI):** Lower Middle Income

- **Level of Development:** Developing
- **GDP, PPP (current international $):** $1,674.95 billion (2022)
- **GDP growth (annual %):** 6.59% (2022)
- **GDP per capita, PPP (current international $):** $15,090.99 (2022)
- **External debt stocks, total (DOD, current US$):** $143,245,782,750.80 (2021)
- **Manufacturing, value added (% of GDP):** 15.97% (2022)
- **Current account balance (BoP, current US$):** -$18.61 billion (2021)
- **Labor force, total:** 31,166,284 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 31.166,284 (2022)
- **Inflation, consumer prices (annual %):** 13.90% (2022)
- **Exports of goods and services (current US$):** $71.93 billion (2022)
- **Imports of goods and services (current US$):** $104.39 billion (2022)

**GDP Composition %**

<table>
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<tr>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
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<tr>
<td>51</td>
<td>33</td>
<td>16</td>
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**Risk Assessment (Provided by Coface)**
(including in foreign trade) are detrimental to investment, particularly foreign investment

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