

IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Egypt Profile



A fruit vendor in Cairo displays an array of fruits. Despite pockets of poverty in the population, Egypt, with Africa's second largest economy, has no food security problems.

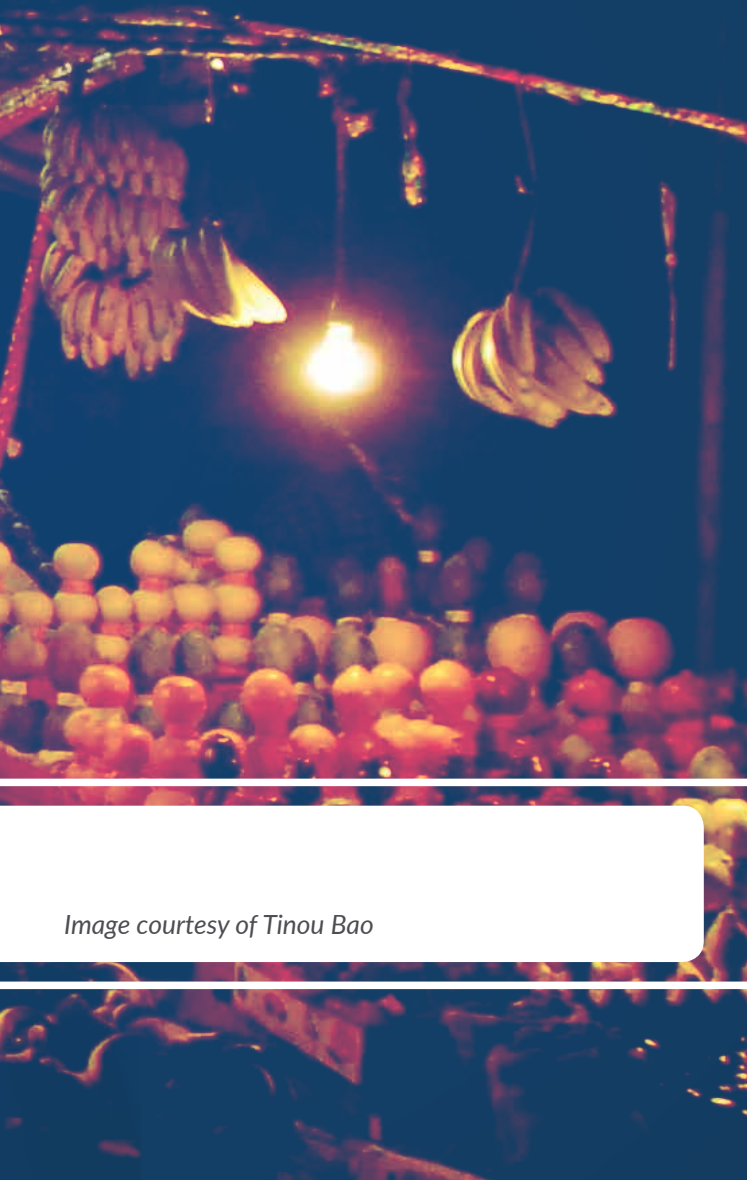


Image courtesy of Tinou Bao



EGYPT

#17

EGYPT

OVERVIEW ANALYSIS

Still amongst Africa's largest economies, Egypt has seen a return to the authoritarianism of pre-Arab Spring administrations that ruled with an iron fist. The government of President Abdel Fattah el-Sisi, who led a coup d'état against his predecessor President Mohamed Morsi, faces legitimate security concerns. Islamic militants clash with Egyptian forces regularly in the Sinai, with deaths suffered by both Egyptian soldiers and the Islamic terrorists they pursue. Terrorists target Egyptian military and civilian soft spots, most notably Coptic Christian churches. Sisi has used these legitimate security problems as an excuse to shrink the country's democratic space, neuter his political opposition and limit civil liberties. Improving economics scores account for Egypt's five country position rise on ACRB 2019, from 22 last year to 17 at present.

KEY OPPORTUNITIES

- Egypt is strategically positioned between Europe, the Middle East and the rest of Africa
- Egypt continues to attract 90% of Africa's tourists
- An improving economy is being led by communication technologies

KEY CONCERNS

- The Sisi administration's authoritarian actions are setting back democracy
- Islamic militants continue warfare in the Sinai
- Terrorists continue to target the country's military installations and churches

COUNTRY HIGHLIGHTS

PREDOMINANT
RELIGION

Islam

PREDOMINANT
LANGUAGE

Arabic

POPULATION
WITHOUT
ELECTRICITY0%
(#1) ▲¹LITERACY
RATE73.8%
(#26) ▼²PRIMARY
ELECTRICITY
SOURCE

Gas

IMPORT/
EXPORTMachinery/
Crude OilEXTERNAL
DEBTUS\$ 76.31
billion
(#2) ▲¹ACTIVE
CONFLICT

No

LAND
SIZE1,001,450 km²
(#12)INTERNET
PENETRATION39.2%
(#11) ▼¹

11.9%



AGRICULTURE

33.1%



INDUSTRY

55%



SERVICES

33.3%



0-14

18.9%



15-24

37.6



22-54

10.2%



55+



Term:
08/06/2014 - current
4 years (2 term limit)



Political Party:
Independent



Recent Electoral Information:
28/03/2018
21 835 387 Votes
97.8%
Voter turnout: 41.05%



President
Abdel Fattah el-Sisi

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

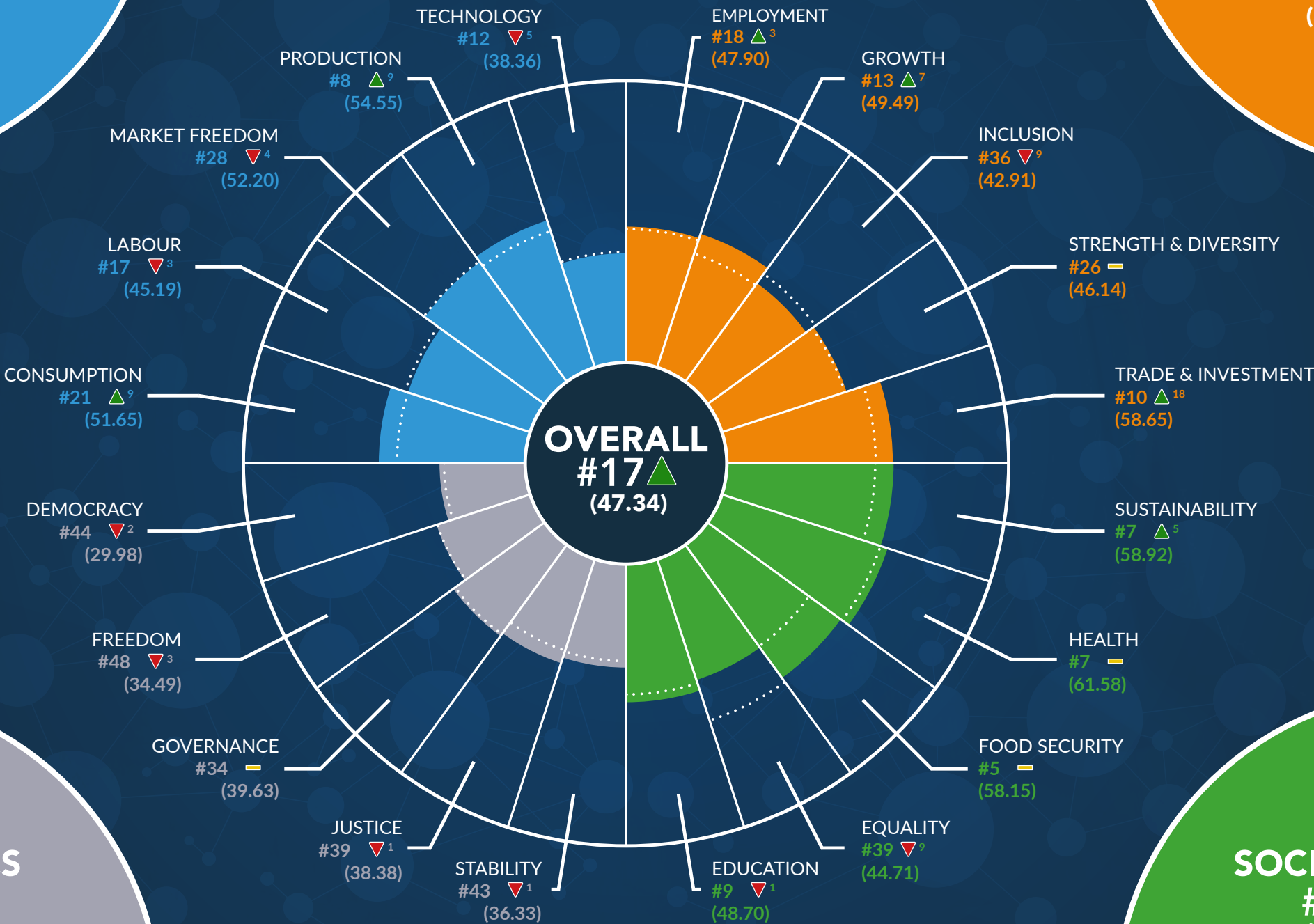
BUSINESS

#15
(48.39)

EGYPT PERFORMANCE OVERVIEW

ECONOMICS

#12
(50.85)



POLITICS

#43
(35.76)

SOCIETY

#8
(54.36)

EGYPT BUSINESS ANALYSIS



BUSINESS OVERVIEW

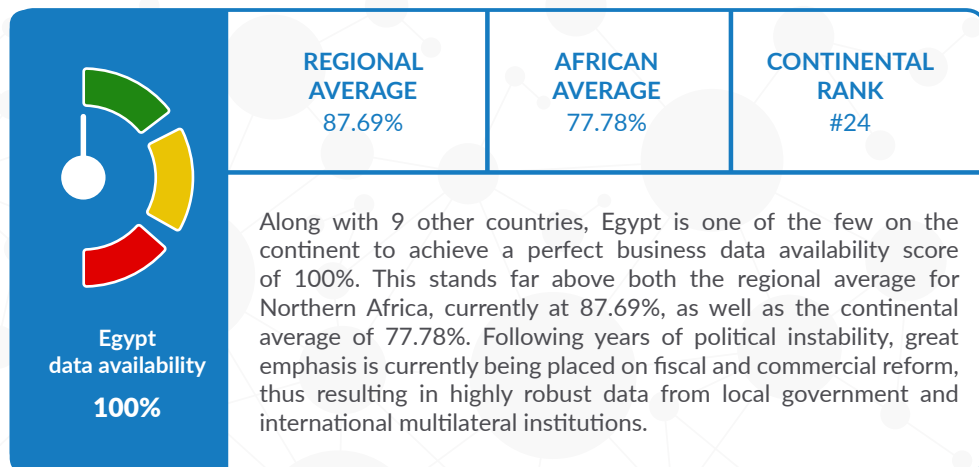
A strategic Middle East ally for the West and with a large, educated and healthy population, Egypt provides a thriving domestic market. Egypt possesses the key to West-to-East shipping with its recently-expanded Suez Canal waterway, resulting in a robust shipping and transportation sector. Tourism continues to thrive, as international visitors are drawn to Egypt's antiquities of which more and more are discovered every year, keeping the excitement high.

While greater ICT growth is a factor in Egypt's good economic record in recent years, investing in the media is problematic under a Sisi administration that censors the media. Other concerns to the business community, particularly in the agriculture

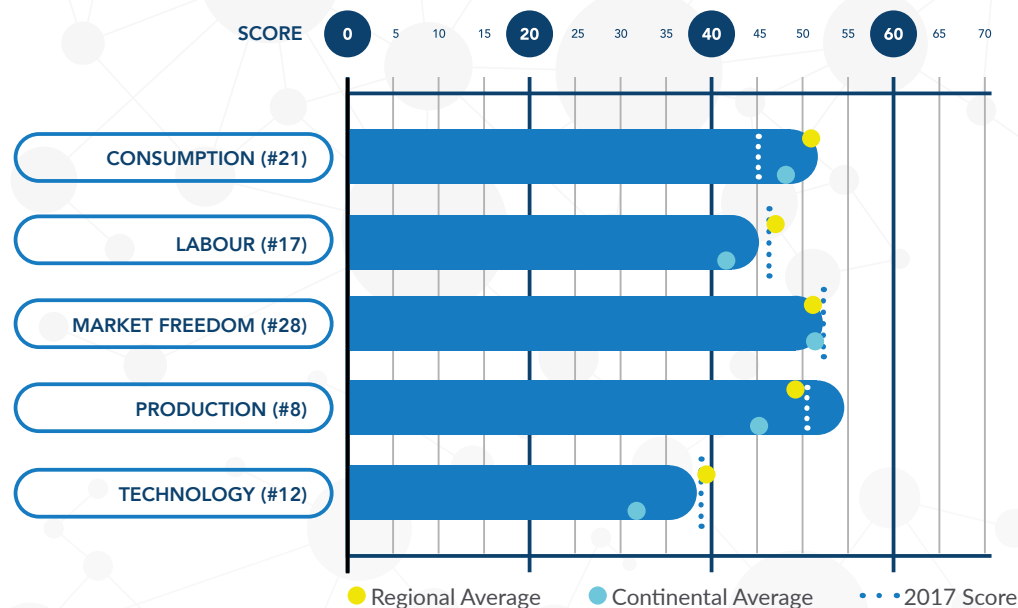
sector, are availability of Nile River waters once Ethiopia's Grand Renaissance Dam is completed and climate change also affects river flow. Egypt is the world's largest exporters of dates, and with cotton and rice also major exports, the agricultural sector contributes more to GDP (26%) than this sector does in most African economies. Textiles and food processing are Egypt's leading industries.

In a year when Egypt surpassed South Africa as Africa's second largest economy, business conditions have reflected this growth. Consequently, Egypt advances two country positions in ACBR 2019's Business quadrant, to 15 from 17 last year.

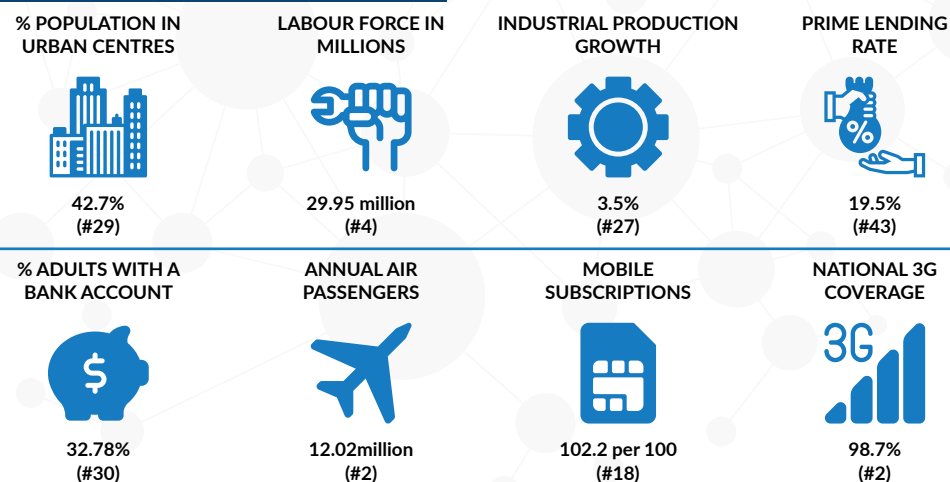
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



EGYPT ECONOMIC ANALYSIS



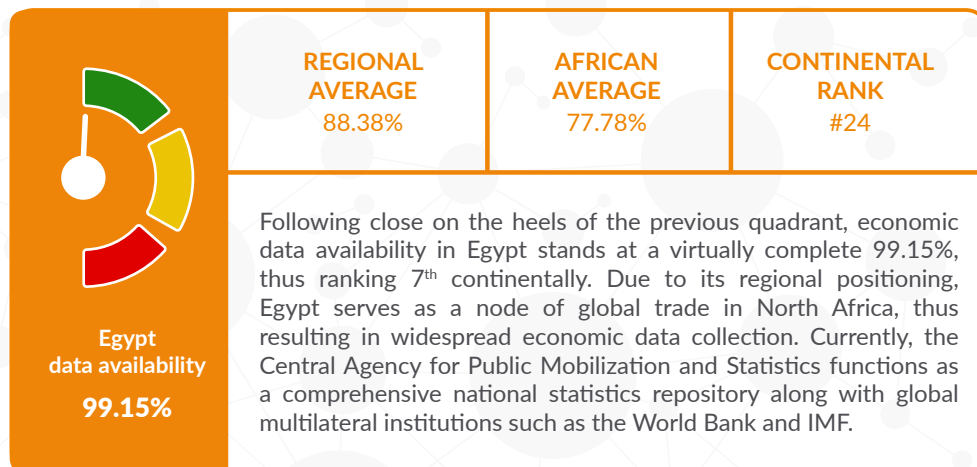
ECONOMIC OVERVIEW

The finance ministry's 2016 decision to devalue the national currency, the Egyptian pound, began an economic boom that continued in 2018, primarily by boosting industrial growth by facilitating exports. The International Monetary Fund bestowed a US\$ 12 billion loan – a record amount from the IMF to a North African or Middle Eastern country – as a reward for Egypt's monetary policy. On one hand, the policy saw a huge influx of foreign buyers of Egyptian treasury bills. On the other hand, the currency devaluation sparked an inflation rise that was the worst in decades, hitting 30% in 2017 before declining to 13% in April 2019. Inflation has added to the economic woes of the average Egyptian, and put pressure on government to ease the economic burden

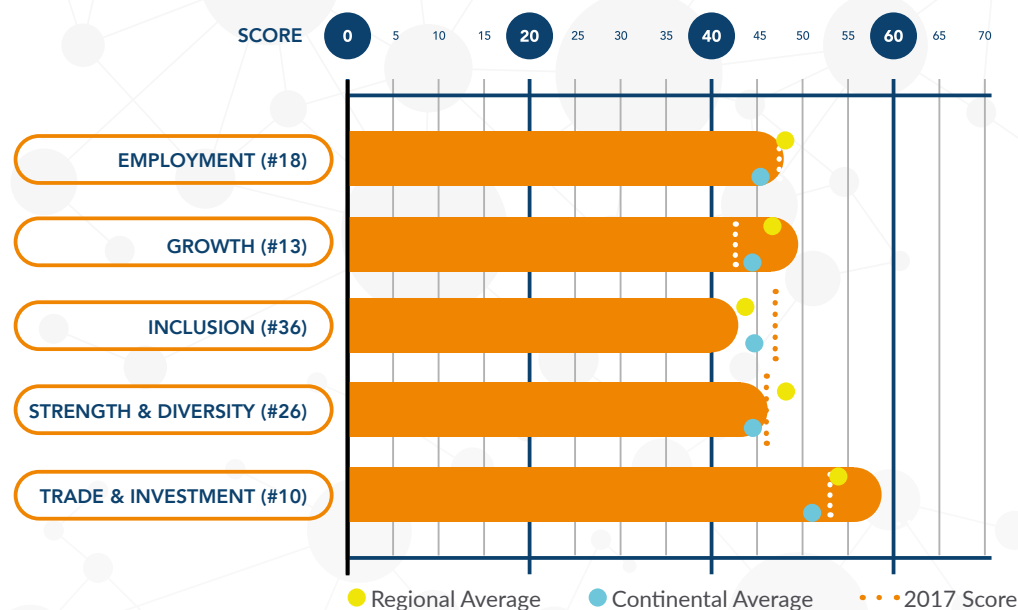
of the masses. Government is also under pressure from the business community to enact business reforms on a host of issues from enforcing contracts to easing licensing and taxation burdens, which for decades have inhibited foreign investment in the country.

Egypt also needs to strengthen African trade ties. Of the seven trade partners who purchase Egypt's exports and from whom Egypt imports its needs – Saudi Arabia, Italy, Turkey, UAE, the US, the UK and India – none are African. Egypt achieves its best quadrant scores in Economics, which propelled the country up ten positions in the ACBR 2019 rankings, from 22 last year to 12 currently.

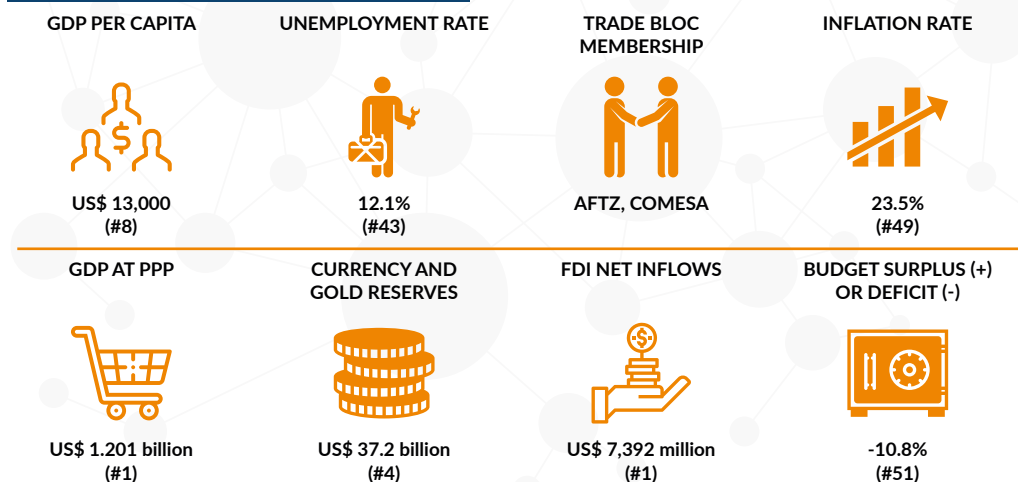
ECONOMIC DATA COMMENTARY



ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS



EGYPT POLITICAL ANALYSIS

#43

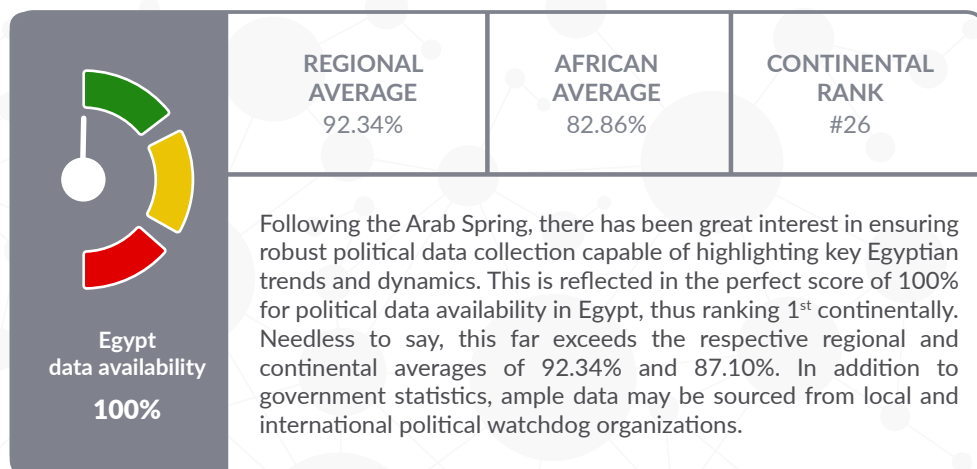
POLITICAL OVERVIEW

The military mentality of President Sisi, a former general, has characterised his administration over a civilian population whose democratic rights he has consistently shrunk in the name of national security. International human rights groups see these actions against freedom of speech, assembly and the press as thinly-veiled moves to stifle a political opposition. Some of Sisi's political opposition is anti-democratic too, and how Egypt's struggle with the achievement of popular government against a tendency toward autocratic regimes will be the country's political theme into the foreseeable future. The Israel-Palestinian conflict is being fought in Egypt's Sinai Peninsula, where Egyptian soldiers are also regularly attacked and killed by Islamic militants.

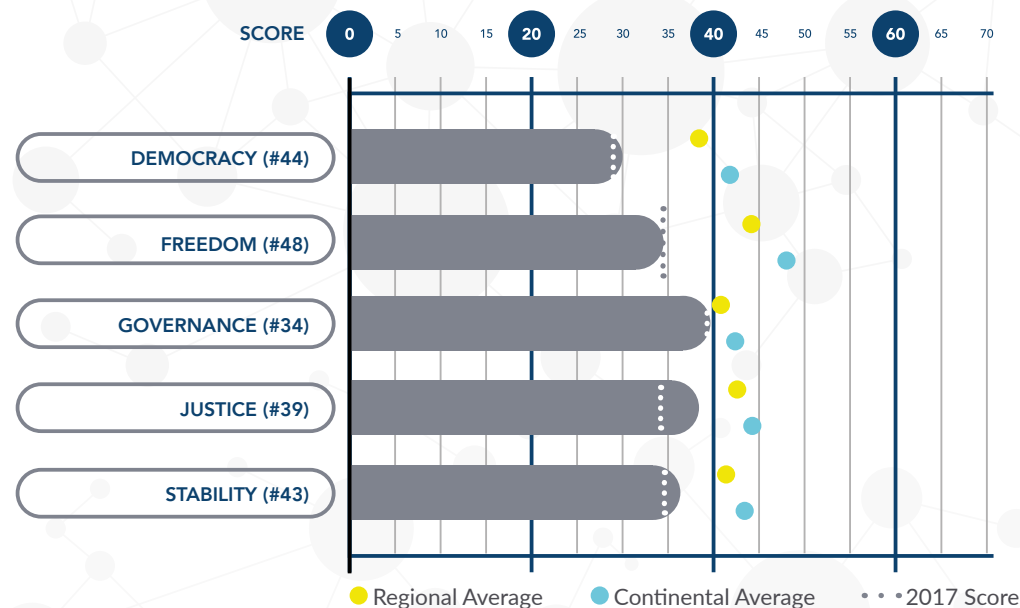
The Islamic State is also targeting Egypt's Coptic Christians, with attacks on churches yielding high casualties.

Egypt's complex political situation is reflected in the country's declining scores and country positions within ACBR 2019's Politics quadrant. Overall, Egypt remained stable with a country position of 43 in the quadrant, unchanged from the previous year. This low score contrasts with Egypt's impressive positions in the other quadrants. Individual indicators show Egypt declining three country positions in Freedom and two positions in Democracy, showing the deleterious impact of a quasi-military government on civil liberties. Egypt also dropped one country position in both the Justice and Stability indicators, and remained unchanged in Governance.

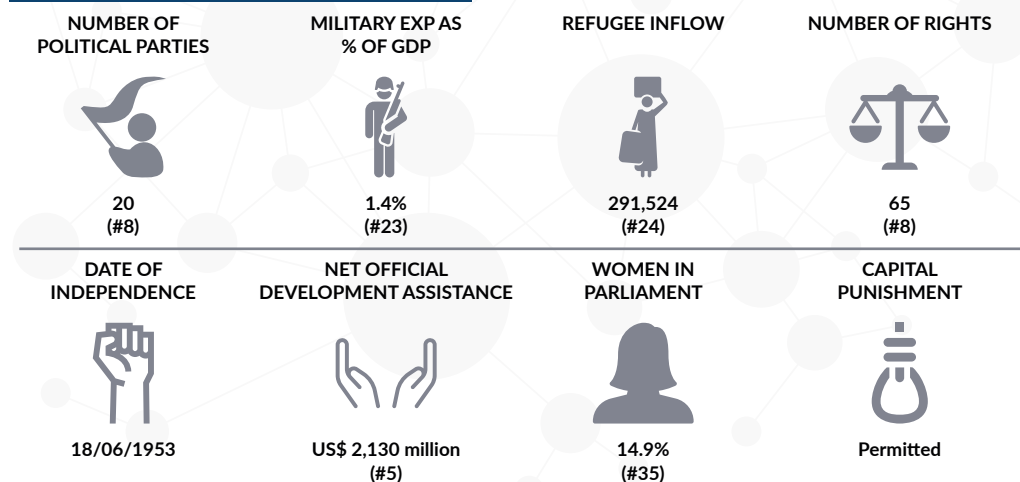
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



EGYPT SOCIETAL ANALYSIS

#8

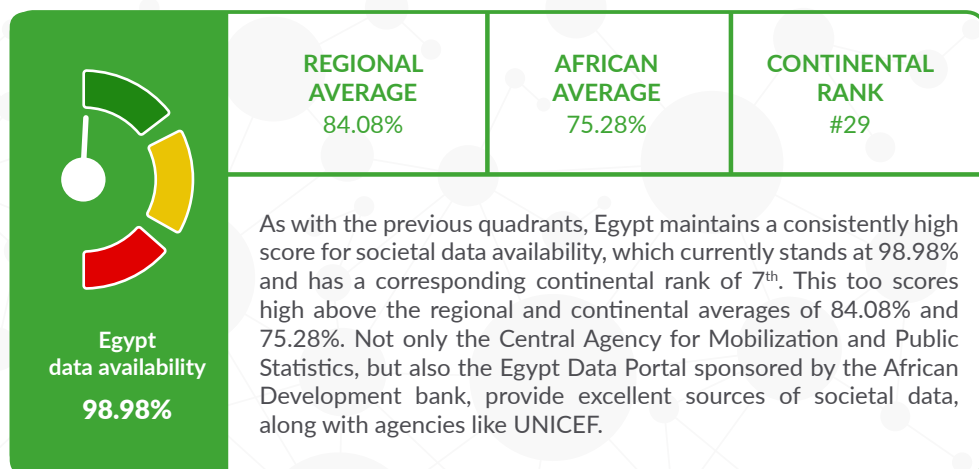
SOCIETAL OVERVIEW

Egyptians enjoy an established, technologically and economically well-developed society that has brought them, relative to the rest of Africa, long life expectancies. The average Egyptian lives 73 years. Education levels are also high. While 95% of Egyptians live within 20 km of the Nile River, including Egypt's major cities, a prominent social concern is internal migration from rural to urban areas, where 43% of Egyptians now reside. Traffic congestion and air pollution are severe. Despite Egypt's economic prosperity, poverty is a problem. As the national population approaches 100 million, the 28% of Egyptians who live below the poverty line represent a substantial demographic of the economically dispossessed. Assisting the poor is a good health infrastructure.

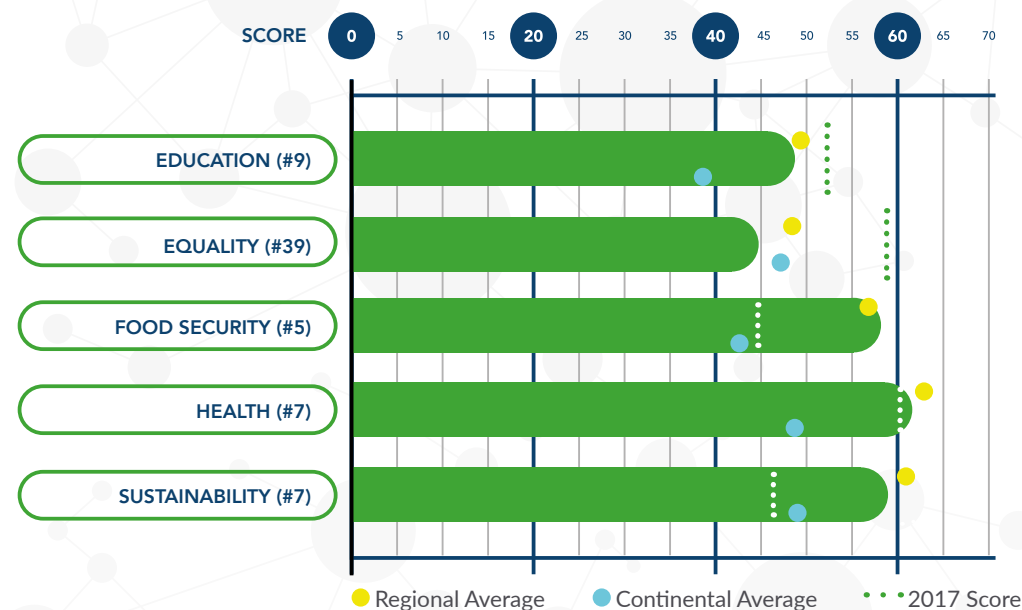
Credit must be given to local and national governments for assuring that 100% of Egyptians have access to clean drinking water and nearly all (97%) enjoy improved sanitation facilities. Obesity, the disease of prosperity, is a growing public health concern. One-third of Egyptians are obese, while an unacceptable 7% of children under the age of five are underweight, the result of poverty.

In fact, economic inequality has led to Egypt's largest drop in the ACBR 2019 Societal quadrant, by nine country positions in the Equality indicator from 30 last year to 39 currently. Due to the aforementioned favourable societal conditions, Egypt's overall country ranking in the quadrant remained unchanged, at a high country position of eight.

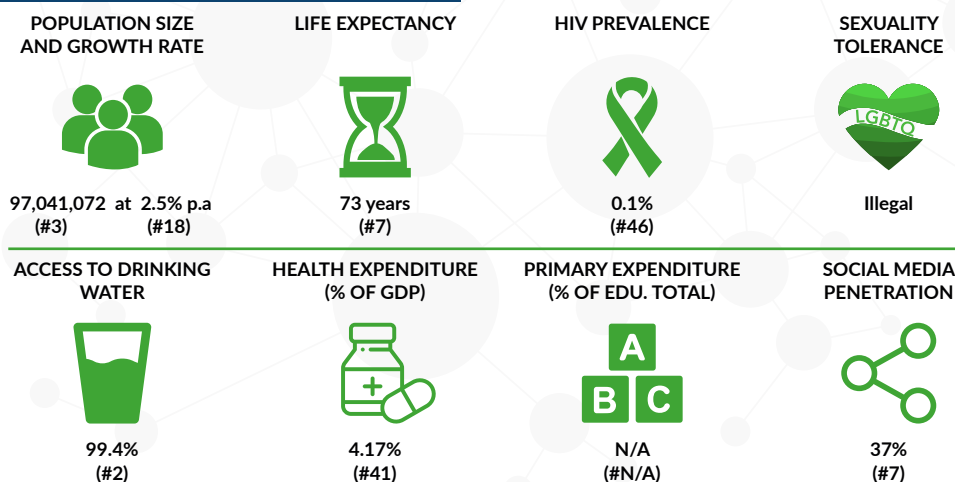
SOCIETAL DATA COMMENTARY



SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS



CONTACT

IN ON AFRICA

PHONE: + (27) 11 027 4027

EMAIL: info@inonafrica.com

WEB: www.inonafrica.com

ADDRESS: 146 Beyers Naude Drive, Franklin Roosevelt Park, Johannesburg, 2195



@inonafrica



In On Africa



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