

Egypt sees 2009/10 spending of \$57.6 bln

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Egyptian Finance Minister Youssef Boutros-Ghali

Egyptian the Finance Ministry announced Monday that Egypt expects to spend 323.9 billion Egyptian pounds and receive 225 billion pounds in revenue in the fiscal year starting July 1

The budget figures equate to a shortfall of 98.9 billion pounds, equivalent to a deficit of 8.4 percent of expected GDP, in line with previous government forecasts.

The deficit was expected to be 6.9 percent in 2008/09, the government said in March.

The statement also said nominal gross domestic product -- which is not adjusted for inflation -- would grow 13 percent to 1,181 billion pounds. Egypt's real GDP growth has fallen from highs of around 7 percent in 2007 and 2008 to 4.3 percent in the first quarter of 2009.

Inflation in the most populous Arab country has also fallen in recent months but remains high, at an annualised 9.8 percent across the country in May.

The budget statement did not include estimates for actual spending in the 2008/09 fiscal year.

For the first nine months of fiscal 2008/09, revenue was 189.6 billion pounds and spending was 243.6 billion pounds, according to Egypt's Finance Ministry figures on the central bank website.

The Egyptian government spends heavily on a subsidy programme which provides cheap petrol and bread to Egyptians, representing 18.5 percent of the 2009/10 budget spending.

Its total budget for subsidies in 2009/10 is 59.8 billion pounds, including 33.7 billion pounds for petroleum products and 13.8 billion for food subsidies.

For his part, Egyptian Finance Minister Youssef Boutros-Ghali reported that the subsidy bill is expected to decline from this year as "a result of the decrease of global oil and commodities prices"

"But Egypt's government is careful not to decrease the quantity of commodities allocated to citizens and without any increase in their prices," he said.

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