

Egypt seeks 7 percent plus growth in two years

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Egypt's prime minister said on Tuesday he aimed to get economic growth back above 7 percent a year within two years but this would depend on a recovery in foreign investment and other external factors.

Prime Minister Ahmed Nazif also told a Reuters Middle East Investment Summit that the government's growth target was about 5 percent for this financial year, which runs to the end of June 2010.

Other officials have suggested growth could exceed that level this year after slowing to 4.7 percent in 2008/09 as the world financial downturn hurt some of Egypt's main sources of revenues such as tourism and Suez Canal receipts.

"We need to get back to the level that we were growing at, 7 percent plus," Nazif said, referring to the level of growth reached before the financial crisis.

"Hopefully we can get back to those numbers in the next year or two," he said but added that much would depend on the country's ability to attract foreign direct investment.

"We can't grow to 7 percent depending on our own local, indigenous capacity alone. We need to be able to attract investments from abroad," he said.

Nazif said foreign direct investment fell to about \$8 billion a year as a result of the crisis -- a level which was still better than expected -- but he said the government was aiming to attract around \$10 billion a year.

"We think that we can maintain the average of the last four to five years, which has been about \$10 billion a year."

The prime minister also said economic indicators suggested the worst effects of economic crisis in Egypt may be over.

"We feel that the whole crisis is bottoming ... We have seen indicators in tourism, in the Suez Canal, and otherwise, to show that the last few months there is -- although a small but very distinct -- change of direction in all indicators."

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