

Egyptian GDP grows 6.85pct

Contributed by Egypt News
Thursday, 29 November 2007

The Egyptian Ministry of Economic Development announced that yesterday The Egyptian economy grew 6.85 per cent in the July-September quarter of 2007

The rate of growth compared with 7.2 per cent in April-June and 7.1 per cent in the whole of the fiscal year 2006/2007 which ended in June.

Meanwhile, in September, the International Monetary Fund said it expected the Egyptian economy to grow about 7 per cent in the 2007/2008 year starting in July.

The Egyptian Government announced that it expects the economy to grow at least as fast as last year.³

According to a detailed report issued by the ministry showed that growth was the strongest in the construction sector, at 16.2 per cent compared to 15.2 per cent in the same quarter of 2006, and in the tourism sector, at 16.1 per cent against 6.8 per cent, reported Reuters.

It said Telecommunications, transport, the Suez Canal and manufacturing also performed above average.

A survey conducted by the government statistics agency CAPMAS found that unemployment had fallen to 8.9 per cent of the workforce, from 11.1 per cent a year earlier, it added.

Economic growth in Egypt has been helped by the dramatic increase in foreign direct investment which followed economic liberalization starting in 2004.

The report said foreign direct investment into Egypt in the July-September quarter was worth \$3 billion, down from \$3.3 billion in the same quarter of 2006.

Foreign direct investment can fluctuate sharply from quarter to quarter, depending on big sales of state assets and licenses.

Before Prime Minister Ahmed Nazif took office in 2004 with a liberalization agenda foreign direct investment into Egypt was running at less than \$500 million a year.

Meanwhile, the Egyptian Ministry of Economic Development declared that unemployment in Egypt fell to 8.9 per cent of the workforce in the July-September quarter of 2007 against 11.1 per cent in the same period of 2006.

Egypt had 2.1 million unemployed people during the quarter, out of a workforce of 23.54 million, compared to 2.5 million unemployed in the July-September period of 2006, it added.