

COUNTRY PROFILE



Egypt

GLOBAL RANK: 67th of 104



Egypt's 67th overall place is based on an Economic Competitiveness rank of 56th and a Comparative Liveability rank of 79th, owing in part to weaknesses in governance and environmental quality.

● BACKGROUND

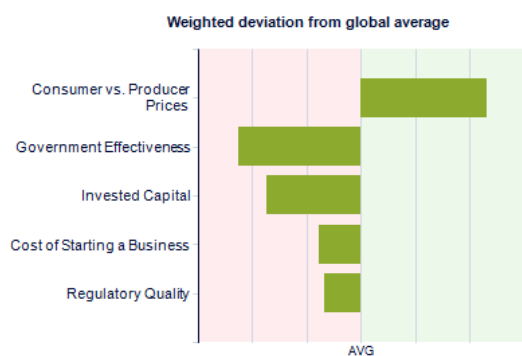
For the last five thousand years, Egyptian civilisation has depended on the Nile River, and in the twenty-first century this country faces serious challenges from the over-exploitation of its limited fertile land. Water and air pollution is severe, and sanitation and transport infrastructure are generally underdeveloped. Although the government has recently undertaken economic reforms designed to liberalise the economy and attract investment, living standards have been slow to improve for the average Egyptian, and female literacy rates are low. Egypt's human rights record is also poor, particularly with regard to press freedom, religious freedom, and the treatment of women.

FAST FACTS

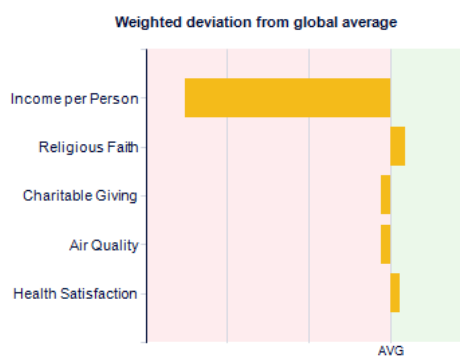
Population:	81.7 million (2008 est.)	FDI (net inflow):	3.62% (2006 est.)
Life Today	5.4 (2007 est.)	Exports	12.79% (2006 est.)
GDP (PPP)	\$404 billion (2007 est.)	Imports	16.43% (2006 est.)
GDP (Growth)	7.1% (2007 est.)	Unemployment:	9.1% (2007 est.)
GDP (per Capita)	\$5,500 (2007 est.)	Life Expectancy	71.85 years (2008 est.)
Political System:	Republic		
Foreign Aid:	0.42% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Egypt has a sizeable economy, second only to that of Saudi Arabia in the Middle East, and has achieved solid growth over the last few years. The ratio of movements in consumer prices vs. producer prices indicates a good level of competitiveness in Egypt's domestic markets in some sectors. However this may be undermined by the recent price inflation on basic commodities.

Another positive factor is Egypt's lack of dependence on foreign aid, which accounts for only 0.3% of GDP, despite the large sums involved. However, the lack of capital investment indicates that Egypt's economy is still underdeveloped. The government has failed to attract much investment from overseas, as shown by the low

Egypt's low average income per capita of \$4,031 has a detrimental effect on Comparative Liveability. This is compounded by the high unemployment rate, which currently stands at 10.7%. This burden falls especially on the young. Most of the unemployed are under the age of 30, and have at least a secondary school degree. Charitable giving is also low, perhaps reflecting the poverty of many Egyptians.

Religious belief has a positive influence, and faith is perceived as very important by 96%^w of people, according to the World Values Survey. However, a lack of religious freedom is one aspect of Egypt's generally poor provision of political rights and civil liberties,

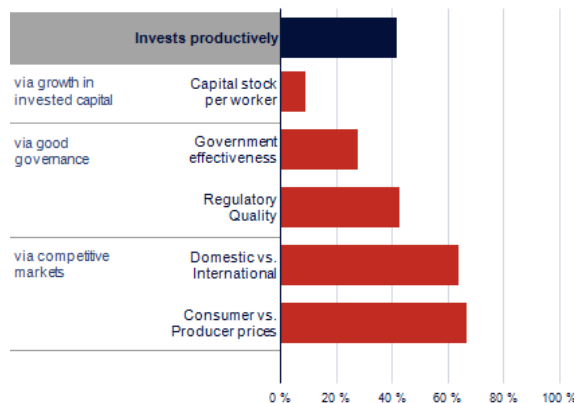
openness score, partially due to burdensome and complicated regulations. Foreign trade and direct investment constitute only around 33% of Egypt's GDP, compared with 67% in Lebanon and 127% in neighbouring Jordan.

Quality of regulation and government effectiveness are both below par, partly as a result of the overstaffed bureaucracy. The government's failure to implement reforms, notably of expensive and inefficient energy subsidies, will negatively affect the budget deficit.

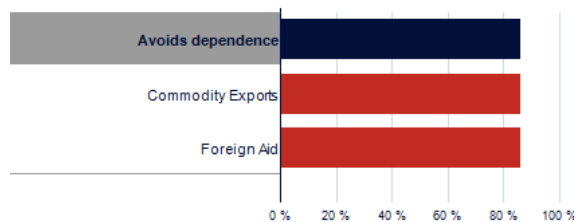
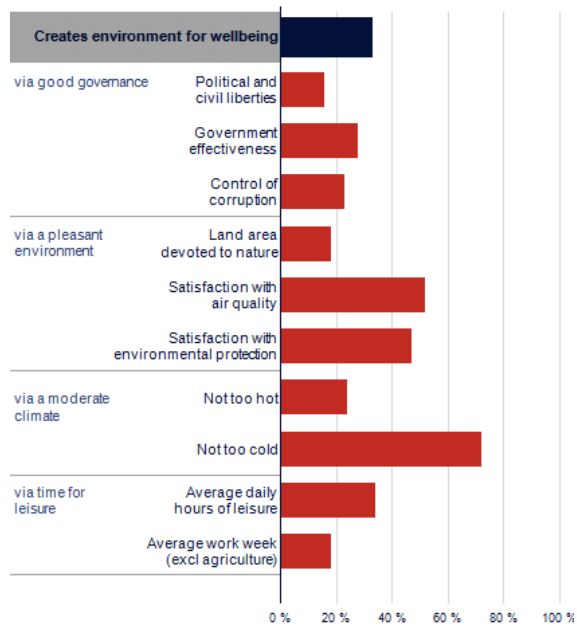
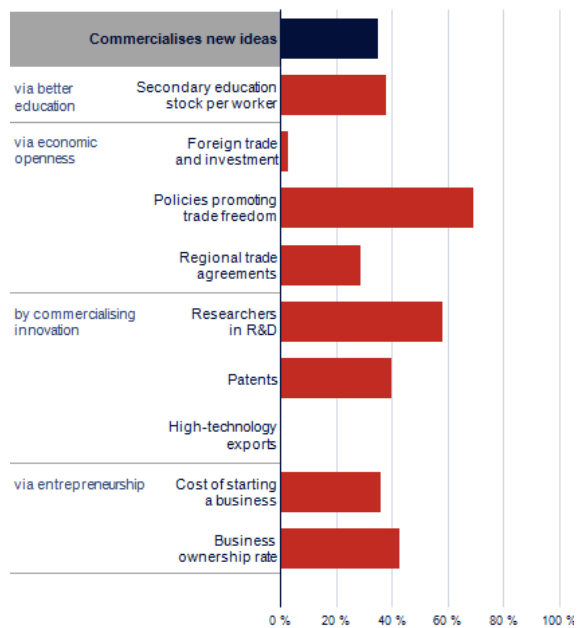
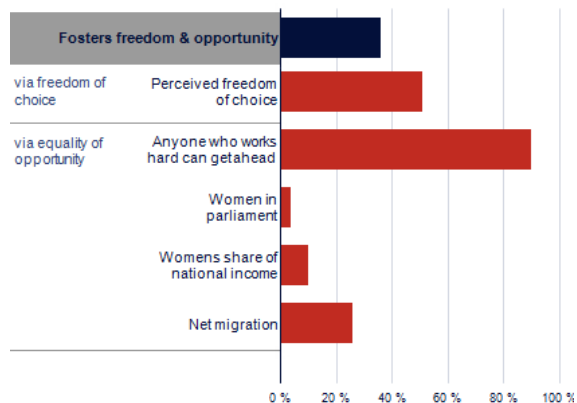
contributing to a low governance score.

Egypt's population is mainly centred in the Nile Delta. The desert environment makes for hot summers, and the pollution, along with sandstorms and drought, make life difficult for a large part of the population. The Gallup World Poll finds that air quality is noted as a key source of dissatisfaction. Despite this, and the low health-adjusted life expectancy of 59 years, satisfaction with personal health is high.

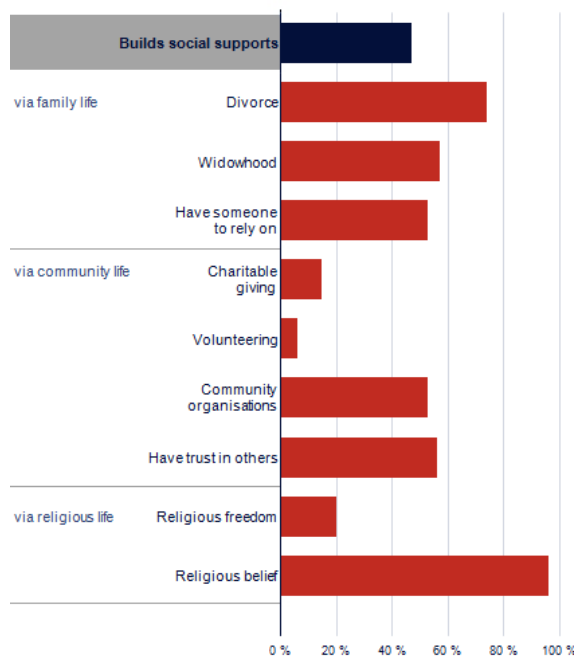
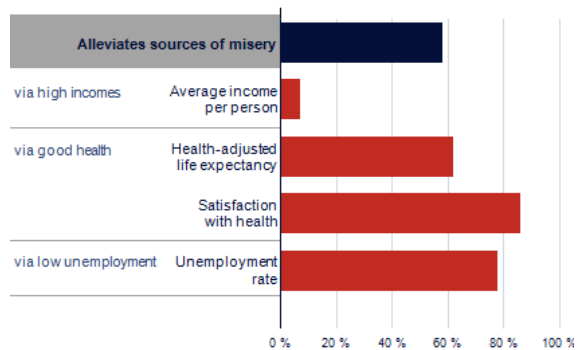
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.