



Egypt

Conclusion

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Conclusion

Chart 38: Policy recommendations

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Chart 38 summarises the policy recommendations.

The Sustainable Development Strategy: Egypt Vision 2030 is the broad framework for attaining Egyptians' dreams and aspirations of an advanced and prosperous nation inspired by the ancient Egyptian civilization's achievements. Its overall vision is that "By 2030, Egypt will be a country with a competitive, balanced, and diversified economy, depending on knowledge and creativity, and based on justice, social integration, and participation, with a balanced and varied ecosystem, a country that uses the genius of the place and the citizens in order to achieve sustainable development and improve the quality of the life for all.

Over the years, the country has made significant progress in advancing human development and its economic growth prospect is higher than its income peers. However, it will still lag behind its Vision 2030 targets if nothing is done to accelerate its development potential and harness its economic opportunities. Even by 2030 which is the end of the implementation of the vision, Egypt will not meet its growth target of 12% on the Current Path. Indeed, by 2043, the average growth rate will be about 4.7% far below the desired target in Vision 2030.

The country still suffers from the impact of fiscal and monetary instability. The economy is challenged in all spheres, including weakening domestic currency, high inflation rate, capital flight, and rising public debt. Also, Egypt's high growth

rates have not translated into the jobs needed to reduce unemployment.

Thus, while Egypt has made progress and will continue progressing on the Current Path, it is not transformative enough to address the structural challenges. Without aggressive interventions, such as significant investment in key sectors and major policy reforms, the country will not achieve most of its Vision 2030 targets even by 2043. Therefore, a comprehensive and targeted set of socio-economic policy interventions across demographics, health, education, agriculture, infrastructure, manufacturing, trade, financial flows, and governance is necessary to redirect the country's current development trajectory towards a more sustainable and inclusive path. Based on these, we recommend the following policy options in these sectors:

Demographics and Health

- Promote inclusive family planning practices as a shared responsibility between men and women, increase access to modern contraceptives and reduce barriers to participation in the economy for women.
- The government should allocate more funding to the health sector to ensure the provision of vital medical equipment and other infrastructure.
- Also, the working conditions of doctors and other health professionals in the country should be reviewed and improved to minimise the drastic brain drain in the health sector.
- The government, through the appropriate ministries and agencies, should intensify education on healthy lifestyle practices to reduce the burden of non-communicable diseases such as strokes, cancer, diabetes and respiratory infections in the country.

Education

- Dedicate more funding towards public schools to mitigate the challenges of capacity shortages and overcrowded facilities, especially in denser regions like Cairo, Alexandria and Giza.
- Teacher remuneration and motivation should also be reviewed and improved to reduce the drop in the number and availability of qualified teachers in public schools.

Agriculture

- The commendable effort to reclaim lands for agriculture and initiatives to promote green farming should be encouraged.
- More efficient and better agricultural policies geared towards incentivising farmers to focus on food products for which Egypt has a comparative advantage are also needed

Manufacturing

- The government should encourage foreign investors to invest in capital and knowledge transfer to build the needed workforce in the Country.
- Higher educational institutions should also collaborate and partner with the private sector and businesses to design curricula that equip students with the required industrial and critical skills.

- Promoting manufacturing sector growth requires improving the country's macroeconomic conditions so that financial institutions can advance cheaper credit to micro, small, and medium-scale enterprises, which constitute the majority of firms in Egypt.

AfCFTA

- Commit to and take advantage of the full implementation of AfCFTA to trade more with other African countries.

Infrastructure

- The government should ensure rapid completion of the El Dabaa Nuclear Power Plant, which will add 4.8GW to electricity generation capacity. This significant increase in capacity will not only help the country end electricity shortages emanating from the high and rising demand but also pave the way for surplus electricity, supporting the country's vision of exporting electricity by 2035.
- To address the looming water crisis in the country, more investment in building desalination plants for water treatment is needed. This must be accompanied by a drive for better water management and more efficient use of this scarce resource, especially in agriculture.
- With the completion of the Grand Ethiopian Renaissance Dam (GERD), the government should collaborate with Ethiopia to avoid losing yearly water allocation from the Blue Nile and benefit from the dam.

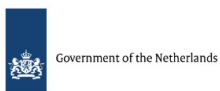
Financial Flows

- With the massive remittance inflow into the country, the Government should encourage its expatriate community to invest in the economy by establishing diaspora bonds, as countries such as Israel, India, Nigeria, and Ethiopia have done. These bonds not only provide a secure investment opportunity for the diaspora but also inject much-needed capital into the economy, fostering growth and development.
- The government should prioritise creating an attractive environment for foreign investors. This can be achieved through reforms such as guaranteeing international arbitration clauses in commercial contracts and agreements, as is the case with petroleum investment mega projects. By fostering international collaboration and inspiring investor confidence, these measures can significantly boost foreign direct investment, paving the way for global partnerships and economic growth.

Governance

- Allocating more funding and resources to combat corruption in the public sector, especially in procurement, should be of the utmost importance.
- The government should also address the perception of nepotism and favouritism in the administration. However, the most crucial step is to ensure that the state prosecution of corruption is uniform and non-discriminatory, as this will inspire confidence in the public prosecution system and reassure the public about the fairness of the measures.
- Promote good governance and civil liberties to reduce the risk of instability amid economic challenges given its relatively large youth bulge.

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Mr Enoch Randy Aikins joined the AFI in May 2021. Before that, Enoch was a research and programmes officer at the Institute for Democratic Governance in Accra. He also worked as a research assistant (economic division) with the Institute for Statistical Social and Economic Research at the University of Ghana. Enoch's interests include African politics and governance, economic development, public sector reform, poverty and inequality. He has an MPhil in economics from the University of Ghana, Legon.

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