

Egypt:

Occupying the northeast corner of the African continent, Egypt is bisected by the highly fertile Nile valley where most economic activity takes place. Egypt's economy was highly centralized during the rule of former President Gamal Abdel NASSER but opened up considerably under former Presidents Anwar EL-SADAT and Mohamed Hosni MUBARAK. Agriculture, hydrocarbons, manufacturing, tourism, and other service sectors drove the country's relatively diverse economic activity.

Despite Egypt's mixed record for attracting foreign investment over the past two decades, poor living conditions and limited job opportunities have contributed to public discontent. These socioeconomic pressures were a major factor leading to the January 2011 revolution that ousted MUBARAK. The uncertain political, security, and policy environment since 2011 has restricted economic growth and failed to alleviate persistent unemployment, especially among the young.

In late 2016, persistent dollar shortages and waning aid from its Gulf allies led Cairo to turn to the IMF for a 3-year, \$12 billion loan program. To secure the deal, Cairo floated its currency, introduced new taxes, and cut energy subsidies - all of which pushed inflation above 30% for most of 2017, a high that had not been seen in a generation. Since the currency float, foreign investment in Egypt's high interest treasury bills has risen exponentially, boosting both dollar availability and central bank reserves. Cairo will be challenged to obtain foreign and local investment in

manufacturing and other sectors without a sustained effort to implement a range of business reforms.

Key information about Egypt:

The capital	Cairo
Continent:	Africa
Area	1,001,450 km ²
Population (2016)	95.69 million
The main language (official)	Arabic
Geographic Location	The Arab Republic of Egypt is located in the northeastern part of the continent of Africa. It has an Asian stretch across the Sinai peninsula from the south-west, linking the continents of Asia and Africa, and supervises a distinct water border, including the Mediterranean Sea, the Red Sea, In addition, it is bordered by many African and Asian countries, such as: Gaza Strip, Sudan, Libya.
Currency	Egyptian Pound

Economic indicators about Egypt

GDP(2017)	\$ 235.37 billion
GDP growth(2017)	4.18%
GDP per capita(2017)	2,785 dollars
Gross domestic savings as a percentage of GDP(2017)	11% of GDP
Unemployment rate (2017)	11.90%
Inflation rate(2017)	13.81%
Labor force(2017)	31.1 million
Exports(2016)	22.5 billion dollars
Imports(2016)	58 billion dollars
Trade balance(2016)	- 40.5 billion dollars
Current account(2016)	- 5.7 billion dollars

FDI in Egypt:

Before the political crisis, Egypt was a very attractive Middle Eastern market for FDI. The dynamic growth of the Egyptian economy (around 7% before the crisis), its strategic geographical position, low labour costs, skilled workforce, unique tourist potential, substantial energy reserves, large domestic market and the success of the reforms undertaken by the authorities (including many privatizations) all sharply drove up FDI. The regional context must also be taken into account, as Egypt benefited from abundant liquidity coming from the Gulf States.

FDI decreased sharply as a result of the global economic crisis and following the socio-political revolution of 2011, but has been growing since at a steady rate. According to UNCTAD's World Investment Report 2018, inward investment flows decreased slightly by 9% between 2016 and 2017, a moderate decline from the global trend. FDI inflows in 2017 amount to \$ 7,391 million. The rise in Chinese investment in manufacturing industries and the fact that government reforms are beginning to pay offset the decline in commodity prices. In 2017, Egypt remains the largest recipient of FDI inflows in Africa. The stock of FDI between 2016 and 2017 increased from 102 to 109 billion dollars.

Inflows to Egypt, to its hydrocarbons sector in particular, have been increasing constantly since the discovery of gas reserves first in the country's western desert. FDI comes mainly from the EU, the United States and the Arab countries. The UK is by far the largest investor in Egypt. FDI is concentrated in the oil sector, followed by construction, manufacturing, real estate and financial services sectors.

Foreign direct investments in Egypt during the period (2014-2017)

year	FDI (million/USD)
2014	4,612
2015	6,925
2016	8,107
2017	7,392

Egyptian - Jordanian Economic Relations

Egyptian - Jordanian Economic cooperation is an exemplary example. Egypt represents a gateway to Jordanian exports to European and African market. While Jordan represents Egypt's gateway to the Iraq and the Arab Gulf markets, and it is worth noting that the bilateral relations between the two countries have improved significantly over the past years.

International trade between Egypt and Jordan during the period (2015-2017)

year	the value of Egyptian import from Jordan / million JD	the value of Egyptian export to Jordan / million JD	trade balance/ million JD	total trade/ million JD
2017	80.4	336	255.3	416.1
2016	70.1	336.5	266.4	406.6
2015	76.9	348.1	271.2	425

The most important products imported by Egypt from Jordan:

product type	Jordanian exports to Egypt (million JD)
Products of the chemical industry	44
Textile materials	13
Plastics and rubber	4

The most important products exported by Egypt to Jordan:

product type	Jordanian import from Egypt (million JD)
Food industry products	59.8
Kingdom Plant Products	43.7
Ordinary metals and articles thereof	44.9
products Chemical industry	42.8
Articles of stone ,glass and articles thereof	32.2
Machinery and equipment, electrical equipment.	24.7