
Macroeconomic indicators - Egyptian growth seen above 5pct

Thursday, 01 Oct, 2009

Reuters reported that Egypt's economy should grow by more than 5% in 2009 to 2010 and could be higher still under some scenarios.

Mr Mahmoud Mohieldin investment minister of Egypt said that "The projection for 2009 is north of 5% and some of the scenarios are even more promising of more than 5.5%."

Mr Mohieldin said that he expected a budget deficit of 7% to 7.5% of GDP for the fiscal year 2009 to 2010.

Mr Youssef Boutros Ghali finance minister of Egypt said that gypt's budget deficit in the fiscal year 2008 to 2009 was 6.9% of gross domestic product, unchanged from the previous year despite a turbulent world economy.

Egypt's economy has been hurt by a decline in tourism, Suez Canal revenue and foreign investment since world financial markets seized up in the H2 of 2008. But economic growth for 2008/09 was 4.7% which was ahead of analyst expectations and the government expects the economy to grow by more than 5% in 2009 to 2010.

Analysts said that Egypt's economy has proved relatively resilient to the world downturn in part because its banks are flush with cash and were not weighed down by toxic assets.

The Egypt government said that in August the economy was expected to grow by 5.3% to 5.5% in 2009 to 2010, saying it would be aided by plans for a new stimulus package.

(Sourced from Reuters)

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