

EGYPT

STATEMENT BY DR. SAHAR NASR, GOVERNOR FOR EGYPT

On behalf of the Government of Egypt, let me begin by extending our gratitude for the generous welcome and hospitality of the EBRD. The EBRD has been a key development partner of Egypt, through extending continuous and valuable support throughout our fruitful and strategic partnership since 1991. Egypt has become the largest country of operation for the EBRD in 2018, also achieving a balanced and well-performing portfolio with private sector and equity share on the rise reaching almost 60% of the total portfolio. Our portfolio with the EBRD is distributed evenly between infrastructure, energy and financing institutions, with a special focus on SMEs, women in business, energy efficiency and credit lines, where the Bank has cumulatively invested approximately €4.8 billion.

With Egypt's chairmanship of the AU in 2019, we are renewing our focus on expanding our strong partnership with African countries, ensuring the extensive potential of the continent is unlocked. This can only happen through increased investment in sustainable infrastructure, connectivity, and accelerating digital transformation. Additionally, Egyptian private-sector companies have prioritised several African markets – some of which are EBRD clients – in their international expansion strategies. Egypt supports the EBRD in moving forward with the preparatory work for the strategic and capital framework 2021-2015 to enable a SCF decision for review by the Board of Governors by 2020 annual meetings, promoting sustainable and smart cities through EBRD projects, fostering skills, applying and deploying new technologies, and continuing to increase, strengthen and expanding its countries of operations, in both the SEMED region and the African continent. With heading the African Union in 2019, Egypt can become EBRD's gateway to the Africa. In that regard, there is ample investment potential in both the SEMED region and developing the African countries to build a strong infrastructure which will result in economic growth, job creation, improving regional trade as well as minimize illegal migration. Africa can benefit from EBRD's expertise in areas related to infrastructure projects, renewable energy and the development of value chains to enhance production and export activities, as well as for enhancing access to finance for SMEs.

The Bank's projects are the actual proof that public-private partnership is a success with the Damietta Port, and the Dry Port in 6th of October projects, Egypt is going hand in hand with the bank and the private sector as main partners for success.

More projects in the railways and urban transportation are moving forward, with the help of the bank we were able to bring in the best global practices to this vital sector. Moreover, Alexandria, the second biggest city in Egypt has joined the bank's Green Cities initiative, and we are working with the bank to develop a complete green transportation strategy for the city.

Egypt is working successfully to restore once again its position on the World Investment Map. Several important measures have been already taken in that regard, which have reflected positively on the investment climate in Egypt in particular, and on the economic indicators in general, marking significant improvements, most importantly:

- Egypt growth rate registered 4.2% during FY16/17, 5.3% during FY17/18, reached 5.3% during 1st half FY17/18, targeting around 6% by 2018/19 and 12% by 2030.
- FDI recorded \$ 7.7 bn in FY 2017/18, \$2.8 bn in 1st half FY2018/19, targeting \$30.0 bn by 2030.
- Net international reserves reached \$ 44.1 billion by the end of Mar. 2019
- Annual Inflation rate reached 14.4% by the end of Feb. 2019
- Unemployment rate reached 11.8% in 2017, compared to 12.5% in 2016, and recorded 10.0% in Q3 2018
- Egypt has moved up eight spots to rank at number 120 out of 190 countries in the World Bank's Doing Business 2019 Report, and 94th among 140 countries in global competitiveness index 2018/19.

Moreover, a full-fledged Legislative and Regulatory Reform plan has been taking place complimenting the economic reform Egypt is undergoing, of which some laws are amended and newly decreed such as the New Investment Law, Insolvency & Debt Restructuring law, Sole Partnership Companies, Commercial Registry Law, Commercial Companies Law, Real Estate Registration Law and Capital Market's Law. Concurrently, the government of Egypt views the private sector as the key driver of economic growth, with private sector-led investment and technology expected to play a critical role in increasing the Egyptian economy's level of competitiveness.

Under the guiding principle that private-sector-led growth is the cornerstone of job creation, we have been moving forwards to enhance the policy and business environment, to bridge opportunity gaps, and stimulate private-sector participation in the economy. Concerted efforts are underway to eliminate constraints on private enterprise development and boost investment among both foreign and domestic firms, large and small. These actions are already translating into concrete results on the ground, and we are receiving positive signals from around the world. This is evident from the improvement in Egypt's macroeconomic trends, as well as the increase in foreign direct investment flows, which are reflecting increased investor confidence.

The Government is firmly committed to continue moving forward at full force, to ensure our strong development momentum is maintained, and to stimulate efficiency, dynamism and overall shared prosperity.

Finally, on behalf of the Arab Republic of Egypt, I would like to extend our full appreciation to President Chakrabarti and the excellent EBRD Egypt team for their dedication and commitment, as well as their extensive efforts to support Egypt's development and improve the lives of the Egyptian people.