

# Egypt



## **Introduction**

**History and Background:** The regularity and richness of the annual Nile River flood, coupled with semi-isolation provided by deserts to the east and west, allowed for the development of one of the world's great civilizations. A unified kingdom arose circa 3200 B.C. and a series of dynasties ruled in Egypt for the next three millennia. The last native dynasty fell to the Persians in 341 B.C., who in turn were replaced by the Greeks, Romans, and Byzantines. It was the Arabs who introduced Islam and the Arabic language in the 7th century and who ruled for the next six centuries. A local military caste, the Mamluks took control about 1250 and continued to govern after the conquest of Egypt by the Ottoman Turks in 1517. Following the completion of the Suez Canal in 1869, Egypt became an important world transportation hub, but also fell heavily into debt. Ostensibly to protect its investments, Britain seized control of Egypt's government in 1882, but nominal allegiance to the Ottoman Empire continued until 1914. Partially independent from the UK in 1922, Egypt acquired full sovereignty following World War II. The completion of the Aswan High Dam in 1971 and the resultant Lake Nasser have altered the time-honored place of the Nile River in the agriculture and ecology of Egypt. A rapidly growing population (the largest in the Arab world), limited arable land, and dependence on the Nile all continue to overtax resources and stress society. The government has struggled to ready the economy for the new millennium through economic reform and massive investment in communications and physical infrastructure.

## **Geography**

**Location:** Northern Africa, bordering the Mediterranean Sea, between Libya and the Gaza Strip, and the Red Sea north of Sudan, and includes the Asian Sinai Peninsula.

**Area:** *total:* 1,001,450 sq km

*land:* 995,450 sq km

*water:* 6,000 sq km

**Coastline:** 2,450 km

**Climate:** desert; hot, dry summers with moderate winter.

**Terrain:** vast desert plateau interrupted by Nile valley and delta.

**Natural resources:** petroleum, natural gas, iron ore, phosphates, manganese, limestone, gypsum, talc, asbestos, lead, zinc

**Environment - current issues:** agricultural land being lost to urbanization and windblown sands; increasing soil salination below Aswan High Dam; desertification; oil pollution threatening coral reefs, beaches, and marine habitats; other water pollution from agricultural pesticides, raw sewage, and industrial effluents; very limited natural fresh water resources away from the Nile which is the only perennial water source; rapid growth in population overstraining the Nile and natural resources

### **People**

**Population:** 77,505,756 (July 2005 est.)

**Population growth rate:** 1.78% (2005 est.)

**Net migration rate:** -0.22 migrant(s)/1,000 population (2005 est.)

**Languages:** Arabic (official), English and French widely understood by educated classes

### **Government**

**Country name:** *conventional long form:* Arab Republic of Egypt

**Government type:** republic

**Capital:** Cairo

**Independence:** 28 February 1922 (from UK)

**Legal system:** based on English common law, Islamic law, and Napoleonic codes; judicial review by Supreme Court and Council of State (oversees validity of administrative decisions); accepts compulsory ICJ jurisdiction, with reservations

**Executive branch:** *chief of state:* President Mohammed Hosni Mubark

### **Economy**

**Economy - overview:** Lack of substantial progress on economic reform since the mid 1990s has limited foreign direct investment in Egypt and kept annual GDP growth in the range of 2%-3% in 2001-03. However, in 2004 Egypt implemented several measures to boost foreign direct investment. In September 2004, Egypt pushed through custom reforms, proposed income and corporate tax reforms, reduced energy subsidies, and privatized several enterprises. The budget deficit rose to an estimated 8% of GDP in 2004 compared to 6.1% of GDP the previous year, in part as a result of these reforms. Monetary pressures on an overvalued Egyptian pound led the government to float the currency in

January 2003, leading to a sharp drop in its value and consequent inflationary pressure. In 2004, the Central Bank implemented measures to improve currency liquidity. Egypt reached record tourism levels, despite the Taba and Nuweiba bombings in September 2004. The development of an export market for natural gas is a bright spot for future growth prospects, but improvement in the capital-intensive hydrocarbons sector does little to reduce Egypt's persistent unemployment.

**GDP:** purchasing power parity - \$316.3 billion .

**GDP - real growth rate:** 4.5%.

**GDP - per capita:** purchasing power parity - \$4,200.

**GDP - composition by sector:** *agriculture:* 17.2%  
*industry:* 33%  
*services:* 49.8% (2004 est.)

**Investment (gross fixed):** 15.8% of GDP (2004 est.)

**Population below poverty line:** 16.7% (2000 est.)

**Inflation rate (consumer prices):** 9.5% (2004 est.)

**Labor force:** 20.71 million (2004 est.)

**Unemployment rate:** 10.9% (2004 est.)

**Budget:** *revenues:* \$15.42 billion  
*expenditures:* \$20.76 billion, including capital expenditures of \$2.7 billion (2004 est.)

**Agriculture - products:** cotton, rice, corn, wheat, beans, fruits, vegetables; cattle, water buffalo, sheep, goats

**Industries:** textiles, food processing, tourism, chemicals, hydrocarbons, construction, cement, metals

**Oil – production:** 740,000 bbl/day

**Oil - consumption:** 562,000 bbl/day

**Oil - proved reserves:** 2.7 billion bbl

**Natural gas - production:** 21.2 billion cu m

**Natural gas - consumption:** 21.2 billion cu m

**Natural gas - proved reserves:** 1.264 trillion cu m

**Current account balance:** \$2.113 billion

**Exports:** \$11 billion f.o.b.

**Exports - commodities:** crude oil and petroleum products, cotton, textiles, metal products, chemicals

**Exports - partners:** Italy 13.1%, US 11.6%, UK 7.5%, Germany 5.1%, Spain 4.5%, France 4.2%

**Imports:** \$19.21 billion f.o.b.

**Imports - commodities:** machinery and equipment, foodstuffs, chemicals, wood products, fuels

**Imports - partners:** US 13.2%, Germany 7.2%, Italy 7.1%, France 6.1%, China 5.5%, UK 4.9%, Saudi Arabia 4.4%

**Currency:** Egyptian pound (EGP)

**Exchange rates:** Egyptian pounds per US dollar – 5.81

## **Transportation**

**Railways:** *total:* 5,063 km

*standard gauge:* 5,063 km 1.435-m gauge (62 km electrified) (2004)

**Highways:** *total:* 64,000 km  
*paved:* 49,984 km  
*unpaved:* 14,016 km

**Waterways:** 3,500 km  
*note:* includes Nile River, Lake Nasser, Alexandria-Cairo Waterway, and numerous smaller canals in delta; Suez Canal (193.5 km including approaches) navigable by oceangoing vessels drawing up to 17.68 m.

**Pipelines:** condensate 289 km; condensate/gas 94 km; gas 6,115 km; liquid petroleum gas 852 km; oil 5,032 km; oil/gas/water 36 km; refined products 246 km.

**Ports and harbors:** Alexandria, Al Ghardaqah, Aswan, Asyut, Bur Safajah, Damietta, Marsa Matruh, Port Said, Suez.

**Merchant marine:** *total:* 77 ships (1,000 GRT or over) 1,194,696 GRT/1,754,815 DWT  
*by type:* bulk carrier 14, cargo 34, container 2, passenger/cargo 5, petroleum tanker 14, roll on/roll off 8  
*foreign-owned:* 10 (Denmark 1, Greece 6, Lebanon 2, Turkey 1) *registered in other countries:* 34.

**Airports:** 87