

EGYPT

Statement on the occasion of EBRD
Annual Governors' Meeting
Astana - Kazakhstan, May 20-21, 2011

Mr. President,

Honourable Governors,

- On behalf of the Government of Egypt, I would like to express our sincere appreciation to the Government and people of Kazakhstan for their hospitality and for the perfect set up of this important event; and I would like to thank you for the opportunity to share with you future prospects for Egypt's economy during such a historic period. Allow me also to convey our sincere appreciation for the EBRD's efforts to undertake Egypt's technical assessment at such a critical phase of transformation.

- After January 25th revolution, the road to democracy has indeed become clear and within reach. The necessary steps will be taken to strengthen the framework and the practice of

democracy across the Egyptian society as our primary objective is to institute the foundations of freedom and social justice. These are our greatest guarantees for realising sustainable development for the average citizen.

- In this context, I wish to stress that the current transition government remains committed to the open market approach, which Egypt will further pursue at an accelerated rate following upcoming elections.

- The private sector will continue to play a leading role in the country's economic activities within a stronger framework of social equity and justice, as well as transparency and accountability. We also believe that public-private partnerships have much potential as an effective modality for designing and implementing development projects, particularly in infrastructure and service sectors (transport, health, etc.). Therefore we will encourage PPP initiatives.

- We have a more integrated vision for development with special emphasis on pro-poor policies; and to mention a few examples: we are embarking on a national low cost housing programme, we are giving priority to development of small and medium enterprises (SMEs), in addition to social services such as water, transportation networks...etc.

- Egypt is also committed to thoroughly review previous policies at various levels; with the objective of streamlining rules and regulations for foreign direct investment (FDI) in a manner that helps create a more sound and attractive environment for investment. Special attention will be given to overcoming the previous shortcomings of excessive government centralisation. In addition, we will build on existing initiatives to achieve a greater level of decentralisation, especially in terms of local planning and financial management.

- Within that framework, we would welcome the Bank's proposals in accelerating our process of decentralisation in light of the Bank's expertise, especially in the municipal and environmental infrastructure (MEI) sector.

- We are also aware of the need for citizenship participation in the decision-making process; including the youth who represent a large portion of our population. Towards that end, we have already established a number of citizenship consultation committees to work collaboratively with the government in the various areas.

As a result, these “popular committees” have taken part in the recent discussions on Egypt's foreign policy with our Nile Basin neighbours, and they have also been included in consultations on budgeting, wage reforms, elections and other topics.

Distinguished guests,

- Extending the Bank's operation to Egypt in support of its economy and giving it its rightful place among the international community of nations as a democratic country would provide Egypt with a genuine opportunity, putting it on the right track, to become a truly modern state.

- Against this background, the Bank's strategy and activities have become particularly relevant to Egypt's needs in the years to come. Through the Bank's technical expertise, Egypt could support infrastructure and service sector reforms in a manner that meets the rising and legitimate expectations of the people of Egypt and the urgent need for development after the revolution.

- The EBRD could provide particularly attractive investment opportunities through equity investment and other financing mechanisms which do not add to Egypt's financial burdens. The flexibility which the Bank offers in the most suitable manner through its various financing mechanisms could allow Egypt to maximise the potential of its market economy.

- This would also complement Egypt's efforts to mobilise all available resources needed for its development. In this context, prompt action is of paramount importance to support current efforts for installing the necessary foundations for sustainable political, social and economic development in Egypt.

Thank you for your kind attention.