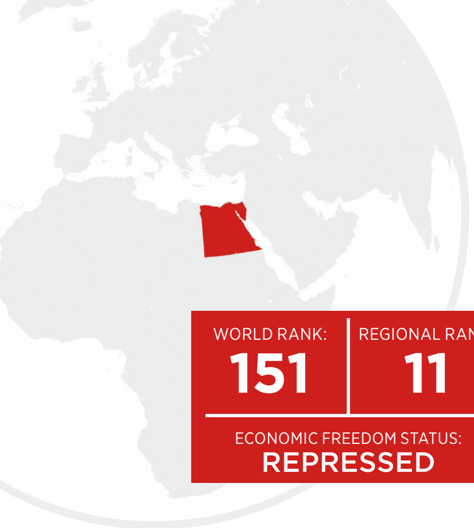


WORLD RANK: **151** | REGIONAL RANK: **11**

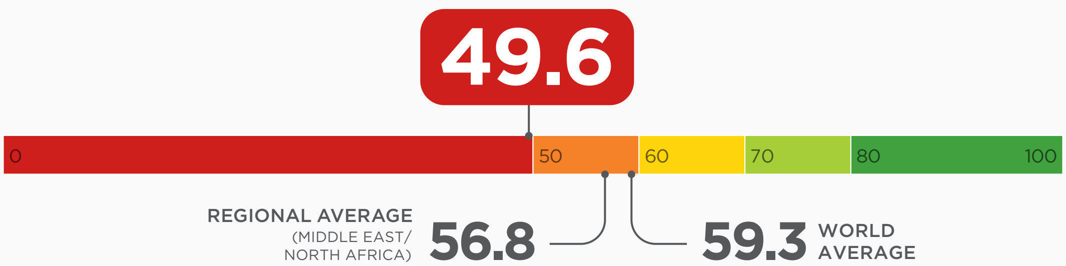
ECONOMIC FREEDOM STATUS: **REPRESSED**

EGYPT

Egypt's economic freedom score is 49.6, making its economy the 151st freest in the 2023 *Index*. Its score is 0.5 point higher than last year. Egypt is ranked 11th out of 14 countries in the Middle East/North Africa region, and its overall score is below the regional and world averages.

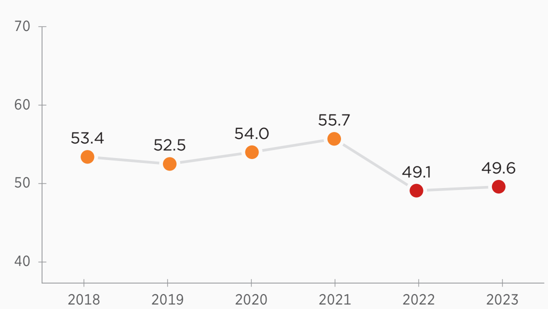
Deeper institutional reforms needed to sustain long-term growth and stable economic development include strengthening of the judicial system, better protection of property rights, and more effective eradication of corruption. Policies that might have helped to open markets have been undercut by the heavy state presence in the economy.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.9

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
104.3 million

GDP (PPP):
$1.4 trillion
3.3% growth in 2021
5-year compound annual growth 4.4%
$13,530 per capita

UNEMPLOYMENT:
7.9%

INFLATION (CPI):
4.5%

FDI INFLOW:
$5.1 billion

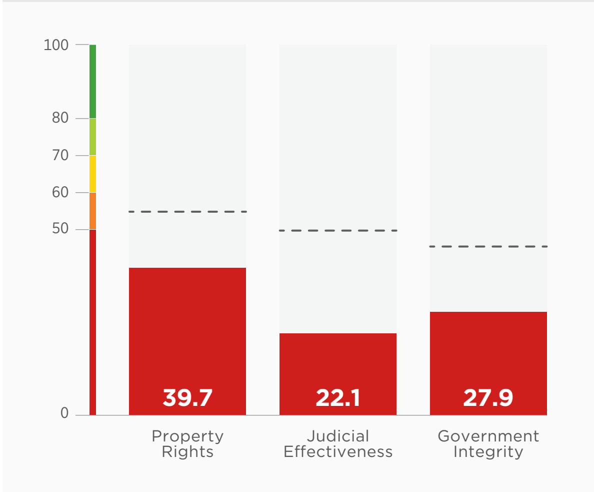
PUBLIC DEBT:
89.2% of GDP

2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: After the army deposed President Hosni Mubarak in 2011, the ensuing political instability eventually led it to oust Mubarak's elected but increasingly unpopular successor, the Muslim Brotherhood's Mohamed Morsi. Under a new constitution, President Abdel Fattah el-Sisi was elected to a four-year term in 2014 and reelected in 2018; constitutional amendments approved in 2019 strengthened presidential authority and could permit him to rule until 2030. Most economic activity takes place in the highly fertile Nile Valley. Despite sporadic terrorist attacks, post-pandemic tourism is beginning to rebound, but Egypt remains dependent on aid from Saudi Arabia and international financial institutions.

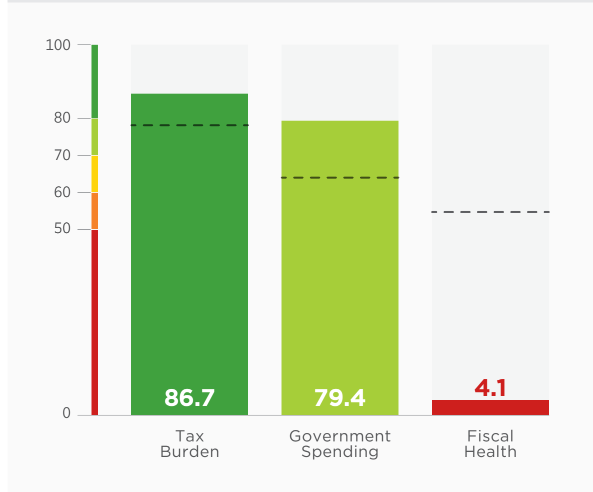
12 ECONOMIC FREEDOMS | EGYPT

RULE OF LAW



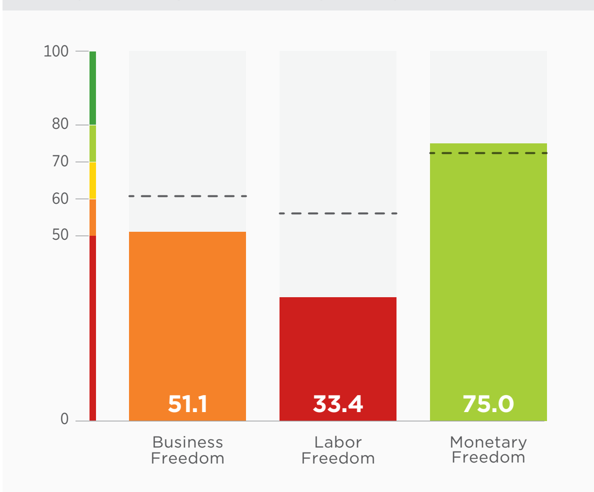
The overall rule of law is weak in Egypt. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.

GOVERNMENT SIZE



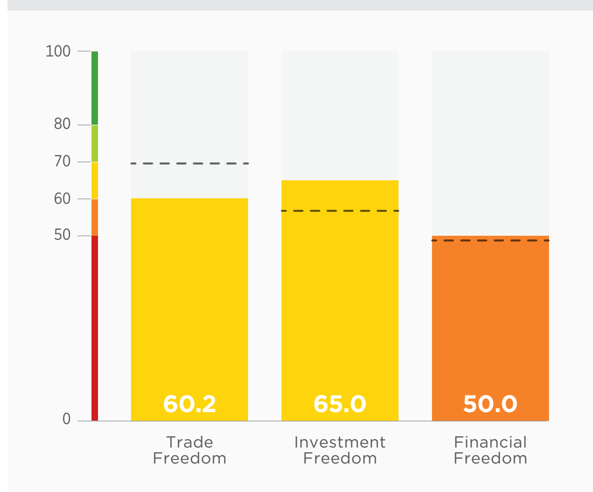
The top individual and corporate tax rates are, respectively, 25 percent and 22.5 percent. The tax burden equals 14.2 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.2 percent and –7.3 percent of GDP. Public debt equals 89.2 percent of GDP.

REGULATORY EFFICIENCY



There have been reforms aimed at reducing regulatory overhang and improving the ease of doing business in recent years. In the absence of a well-functioning labor market, informal labor activity persists in many sectors. The most recent available inflation rate is 4.5 percent.

OPEN MARKETS



The trade-weighted average tariff rate is 12.4 percent, and more than 150 nontariff measures are in force. Investment in several sectors remains restricted. Banking is well capitalized and stable, and local banks are attaining continued profitability. The credit market is vibrant and open to foreigners.