

promises into many foreign mass exodus of agers from the

only emerging investors want,” says Mark on analyst at

o months, the un to make , after years of ee trade agree- an Union that ducts to enter import duties. nt, Egypt has as for such agri- tatoes, oranges secured lengthy e local manufac- e full brunt of as €250 million

mid June, the to pass a new lows banks to rrowers fail to nents on their that this should lopers to sell the t they have built iro over the past

## than imports thanks to a rise in global oil prices and in the number of tourists coming to Egypt

The most radical step came in August 2001 when the Central Bank of Egypt devalued the Egyptian pound from 3.86 to the US dollar to 4.15 and widened the band in which it can be traded.

Olivier Desbarres, an economist at CSFB, has been encouraged by these three events. “It shows that the government is able to deliver on its promises after a long period of inactivity on the reform front,” he says.

Reforms have been accompanied by auspicious economic indicators. The domestic economy seems to have recovered from the recession of the past 18 months since the government started paying back its arrears to local construction companies, thereby easing the national liquidity crunch.

Cement sales were up 21% during the first quarter of the year and the government has abandoned its freeze on new

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