



## CHAPTER TWO

# Performance Evaluation of the Fifth Five –Year Plan (2002/03 – 2006/07)

### 2/1 Preface

The evaluation of the Fifth Five–Year Plan performance is essential for proper preparation of the next 5 year plan, through the depiction of achievements and the analysis of factors impeding the realization of certain objectives. Beneficial lessons can be derived from such evaluation, thus helping to enrich the planning process, in general.

A sound evaluation of the Fifth Five-Year Plan performance must take into consideration the international, regional and local circumstances occurring concurrently with the plan implementation and influencing – one way or another – achievement rates and necessitating certain amendments in the plan paths, whether in terms of goals, priorities, investments and their sectoral or location distribution, or financing sources.

**At the international level,** the Fifth Plan period witnessed several negative developments, including: the slackened growth rate of the world economy; the stability of unemployment rates at high levels; the successive increases in oil prices; the occurrence of numerous natural disasters such as hurricanes, and floods, in addition to the propagation of some epidemic diseases such as the birds' flu. Moreover, terrorist events have affected the performance level of the world economy, with extended repercussions on developing countries, including Egypt. This impact is quite obvious at the beginning of the Fifth Plan period, whereas growth rates remained at low levels, revolving around 3%, in reflection of international recession. Hence, during that period, the growth rate of the American economy kept receding while the European Union and Japan achieved a modest performance. In contrast, China and India grew at accelerated rates.



**The Middle East Region** was one of the most affected regions by disturbed political and military scenes and their adverse impacts on the economic realm. The most salient events during the plan period were the escalation of violence acts in the Palestinian territory; the war on Iraq and the persisting conflicts; the disturbances on the Lebanese internal scene; the developments of the Iranian nuclear file; the occurrence of terrorist attacks in some Arab countries; the on – going Darfur crisis; and the rebellion movements in Somalia and Sudan.

The deteriorating political and security situation has, no doubt, adversely affected the general economic performance and the achievement of certain sectors. Egypt was also influenced by such events; for example, the terrorist attacks occurring in some Arab countries (and in some regions in Egypt) slowed down the pace of inbound tourism, at that time.

Despite such unfortunate “external” factors, many “positive” developments at the national level paved the way for a satisfactory performance. These developments included the increased effectiveness of the economic and political structural reform programs; the continuous improvement of investment climate; the expanding scope of community participation.

However, it is noteworthy that some events did leave their negative impact on the economy performance of some sectors; such as the terrorist acts in South Sinai which affected tourism, and the birds’ flu which severely reduced poultry production.

The government’s compliance with the electoral program of the President of the Republic – of which the implementation coincided with the last year of the Fifth Five-Year Plan succeeded in giving the national economy a big push soaring the rate of growth to exceed 7%, and therefore, aspiring higher growth rates during the next Five-Year Plan.

## **2/2 Macro-Variables**

### **Economic growth:**

The Fifth Five-Year Plan aimed at realizing an annual average real growth rate of 6.2%. The realized rate was 5.5%, despite the unfavorable economic and political circumstances, at the international and regional levels. The accelerated growth

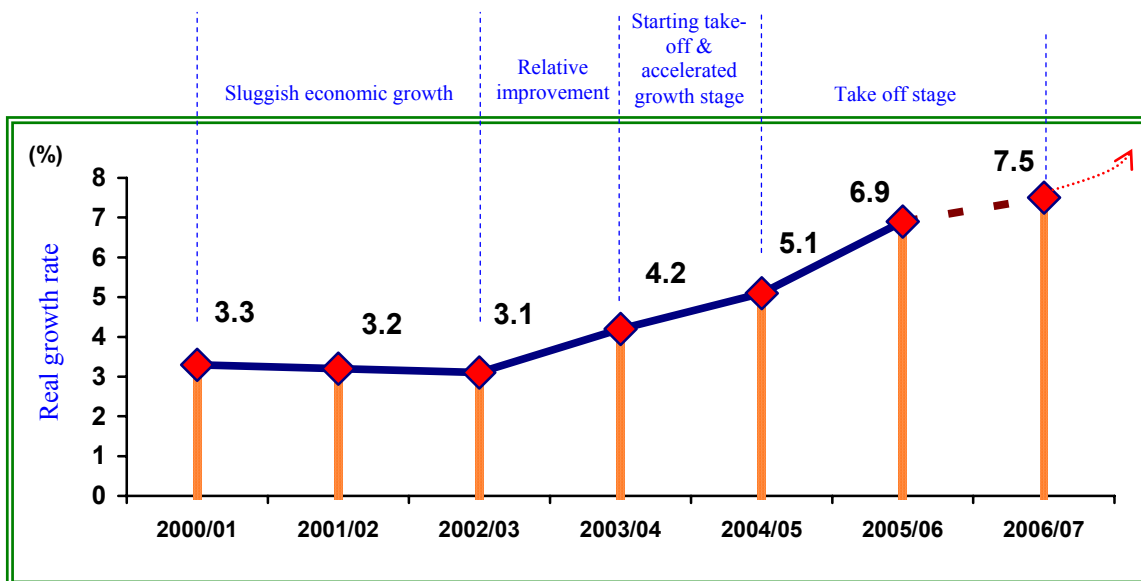


rates of the economy in the later years of the plan compensated the sluggish growth of the early years.

Indeed, the economic performance did not follow a steady trend, due to the concurrent circumstances and world changes. Hence, the first stage of the plan (until 2003/04) witnessed a slackened economic growth, while the second stage (extending till the end of the plan period) witnessed an accelerated growth rate reaching almost 7.5% at the end of the period.

This high rate – almost double the world economy growth rate – reflects the effectiveness of economic policies and the persistence of the government to pursue economic, social and political reform programs, to raise the efficiency of public administration, to improve the investment climate and encourage local and foreign private investors to contribute to development efforts [fig. (2/1)].

**Figure (2/1)**  
**Stages of Economic Growth During the Fifth Five-Year Plan**  
**(2002/03 – 2006/07)**



This is evidenced further by the growth rates achieved in some pioneer sectors which largely exceeded the planned goals. These sectors were: tourism, natural gas, the Suez Canal, communications and information technology, building and construction, and transportation [table (2/1)].



**Table (2/1)**

**Growth Rates of Some Leading Sectors**

| <b>Sector</b>           | <b>Planned growth rate (%)</b> | <b>Achieved growth rate (%)</b> |
|-------------------------|--------------------------------|---------------------------------|
| Tourism                 | 9%                             | 19.8%                           |
| Natural Gas             | 4.8%                           | 15.8%                           |
| Suez Canal              | 2.7%                           | 15.4%                           |
| Communication and IT    | 6.0%                           | 10.8%                           |
| Construction & Building | 6.7%                           | 8.7%                            |

Table (2/2) shows the contribution of the main sectors in GDP growth achieved during the Fifth Five-Year Plan.

**Table (2/2)**

**Contribution of Main Sectors to GDP Increase  
During the Fifth Development Plan**

| <b>Sector</b>            | <b>Contribution (%)</b> | <b>Sector</b>            | <b>Contribution (%)</b> |
|--------------------------|-------------------------|--------------------------|-------------------------|
| Manufacturing Industries | 17.9                    | Suez Canal               | 9.6                     |
| Natural Gas              | 12.6                    | Building & construction  | 7.0                     |
| Trade                    | 10.5                    | Transportation & storage | 6.6                     |
| Tourism                  | 10.1                    | Communications           | 4.8                     |

**Final consumption** represented the greatest share in economic growth (60%), followed by capital accumulation (a little higher than 25%) while net exports contributed by about 15%. This shows the importance of promoting Egyptian exports to increase growth rates [Table (2/3)].

**Table (2/3)**

**Sources of Economic Growth During the Fifth Five-Year Plan  
(%)**

|                                   |     |
|-----------------------------------|-----|
| GDP growth rate                   | 6.9 |
| Final consumption contribution    | 4.1 |
| Capital accumulation contribution | 1.8 |
| Net exports contribution          | 1.0 |

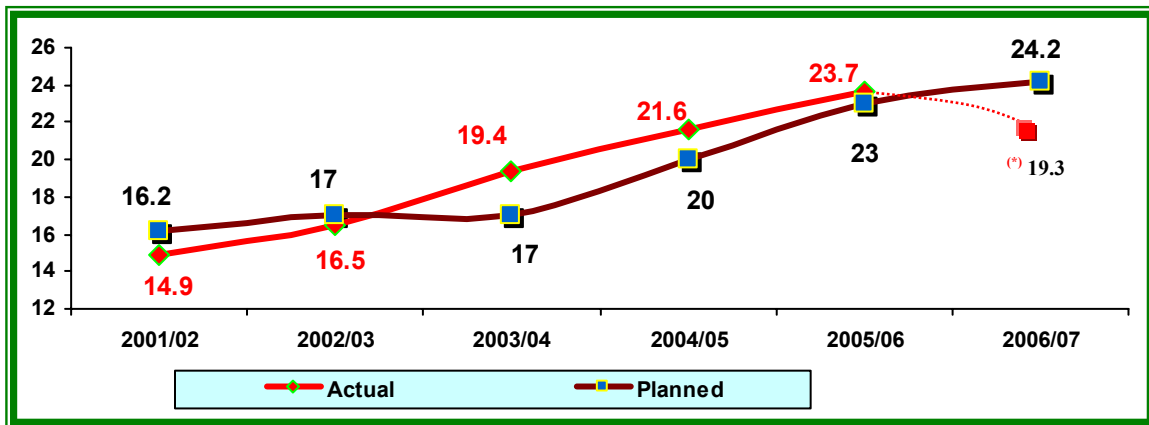


Fig. (2/2) reflects the sustained increase in the relative importance of goods and services exports in total demand under the export – oriented strategy.

**Figure (2/2)**

**Evolution of Exports' Contribution in Total Demand**

(%)

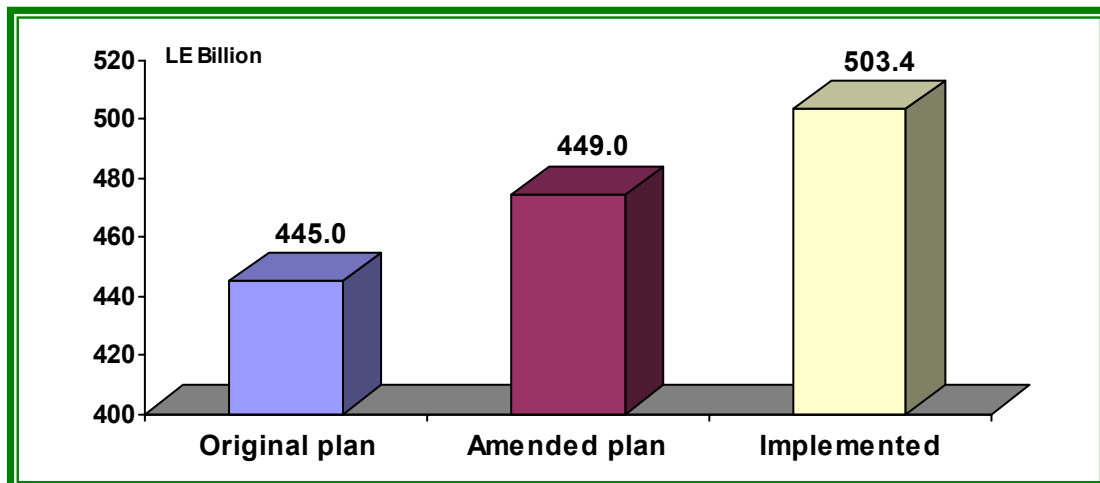


**Investments**

The Fifth Five-Year Plan aimed at an investment expenditure of LE 445 billion. The amended allocated funds amounted to LE 474.2 billion. However, the actual cost of implemented investments came up to LE 503.4 billion, exceeding the original and amended planned investments by 6% and 13%, respectively [fig. (2/3)].

**Figure (2/3)**

**Investments in the Fifth Five-Year Plan  
(2002/03 – 2006/07)**





The growing increase in annual investments led to an increasing economic growth rate, as shown in table (2/4).

**Table (2/4)**

**Evolution of Investment and GDP Growth Rates**

| Year    | Annual increase in investment (LE Billion) | Investment growth rate (%) | GDP growth rate (%) |
|---------|--|----------------------------|---------------------|
| 2002/03 | - (4.2)                                    | - (6.2)                    | 3.1                 |
| 2003/04 | + 4  | 6.3                        | 4.2                 |
| 2004/05 | + 6  | 10.3                       | 5.1                 |
| 2005/06 | + 8.9                                      | 11.9                       | 5.6                 |
| 2006/07 | + 11.1                                     | 13.2                       | 6.9                 |

The investment structure by concerned entity shown in table (2/5) reflects several important developments as follows:

**Table (2/5)**

**Implemented Versus Planned Investments in the Fifth Five-Year Plan**

| Entity               | Original plan |            | Amended plan |            | Implemented plan |           | Implementation ratio (%) |              |
|----------------------|---------------|------------|--------------|------------|------------------|-----------|--------------------------|--------------|
|                      | LE billion    | (%)        | LE billion   | (%)        | LE billion       | (%)       | Original plan            | Amended plan |
| Government           | 121.0         | 27.2       | 98.4         | 20.8       | 114.3            | 22.7      | 94.5                     | 116.2        |
| Economic Authorities | 43.2          | 9.7        | 31.0         | 6.5        | 34.7             | 6.9       | 80.3                     | 111.9        |
| Public Companies     | 16.1          | 3.6        | 68.4         | 14.4       | 73.9             | 14.7      | 459.0                    | 108.0        |
| Business Sector*     | 264.7         | 59.5       | 276.4        | 58.3       | 280.5            | 55.7      | 106.0                    | 101.5        |
| <b>Total</b>         | <b>445</b>    | <b>100</b> | <b>474.2</b> | <b>100</b> | <b>503.4</b>     | <b>10</b> | <b>113.1</b>             | <b>106.2</b> |

(\*) The business sector includes private, public, and cooperative businesses

**First:** Government investments were reduced in the amended plan due to the rationalization of public investment expenditure and the increasing efficiency of public investments. Thus, the share of the governmental



agency (including service authorities and local administration units) dropped from nearly 27% to about 23%.

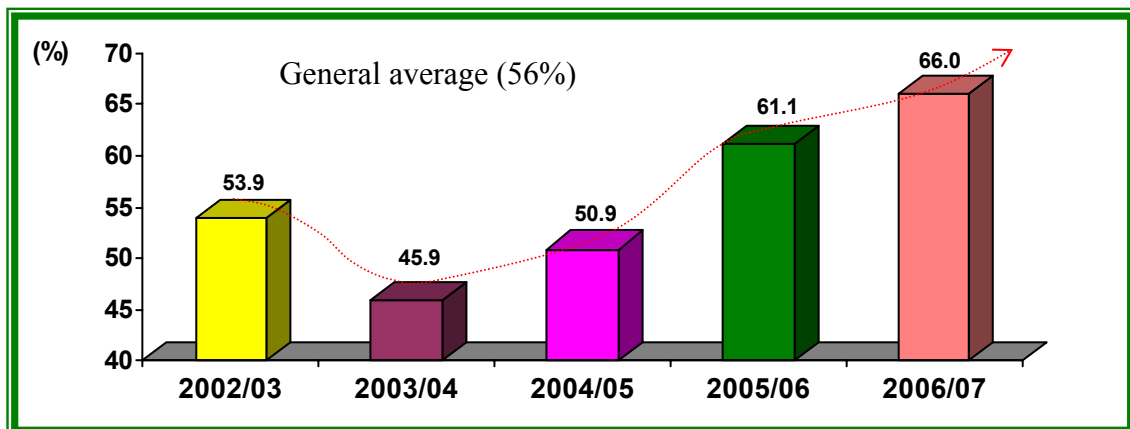
**Second:** The relative weight of economic authorities receded to about 7% of total implemented investments, compared to 10% of total investments, in the original plan.

**Third:** The share of public companies in total implemented investments sharply rose to 15% or about LE 74 billion, representing an increase of 360% over the planned amount of LE 16.1 billion. This can be explained by the conversion of many public authorities to holding companies.

**Fourth:** The share of the private sector in implemented investments increased to 61% at the end of the fourth year and is expected to reach 66% in the last year of the plan, realizing a general average of 56%. This upward trend, especially in the last years of the plan, reflects the continuous improvement in the investment climate and the fact that the government is encouraging private initiatives in all economic activities, including services and infrastructure projects, essentially carried out by the governmental sector in the past. However, the participation of the private sector was slow to materialize during the early years of the plan and failed to reach the planned target of 59% of total investments [fig. (2/4)].

**Figure (2/4)**

**Evolution of Private Investments Share in Total Implemented Investments**





**Fifth:** the share of local administration leaped to 15% of implemented investments against the planned ratio of 6%. This evolution expresses a growing concern with local development within the framework of encouraging fiscal decentralization and increasing funds allocated to enhance utility services in the various governorates.

The analysis of **the sectoral distribution of investments** reveals an upturn in favor of productive services, and to a lesser degree, of goods' production sectors. These trends can be seen when comparing implemented investments with originally planned investments [table (2/6)].

**Table (2/6)**

**Investments Distribution by Economic Sector Groups  
During the Fifth Development Plan**

(%)

| Sector Group                | Original Plan |            | Implemented Investments |            | Ratio of implemented to planned investment (%) |
|-----------------------------|---------------|------------|-------------------------|------------|--|
|                             | LE billion    | (%)        | LE billion              | (%)        |  |
| Commodity sectors           | 209.0         | 47         | 246.8                   | 49.0       | 118.1  |
| Productive Services Sectors | 95.6          | 21.5       | 127.6                   | 25.4       | 133.5  |
| Social Services Sector      | 140.4         | 31.5       | 129.0                   | 25.6       | 91.9   |
| <b>Total</b>                | <b>445.0</b>  | <b>100</b> | <b>503.4</b>            | <b>100</b> | <b>113.1</b>                                   |

This evolution reflects the increasing investments directed to petroleum and natural gas activities, as well as the trend towards developing productive services sectors which are related to direct production, whether in manufacturing, agriculture, or building and construction. It is noteworthy that the transportation sector acquired about 20% of total implemented investments, against the planned figure of 13%.

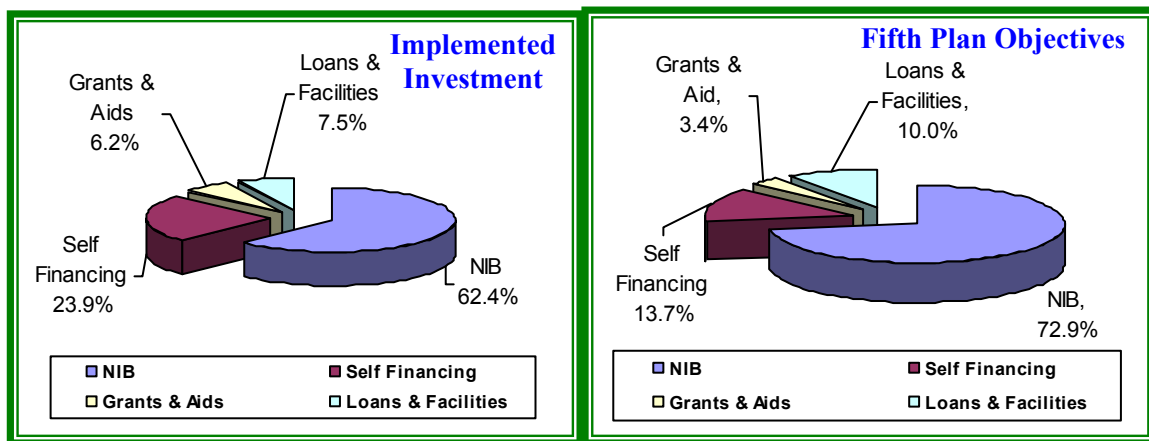
About 50% of implemented investments (versus the planned ratio of 36%) pertained to four main domains, namely: the petroleum and natural gas sector and the manufacturing sector, with a share of approximately 15% each; then the transportation and the communications sectors capturing together about 20% of total implemented investments.



**Concerning sources of investment financing**, the National Investment Bank (NIB) assumes the greater part with a contribution of about 62.4%; self-financing resources contributed another 24% of total implemented investments, followed by grants and aids (6.2%), with loans and facilities standing at 7.5%. This financing structure differs from the planned structure as self-financing, grants and aids gained in relative importance compared to the National Investment Bank credit finance and to loans and facilities [fig. (2/5)].

**Figure (2/5)**

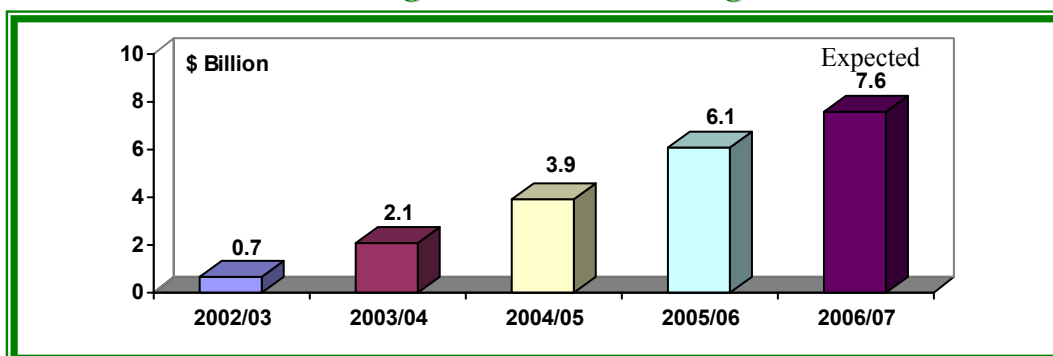
**Financing Structure of Implemented Public Investments Compared to the Corresponding Structure in the Fifth Plan**



Meanwhile, inflows of foreign direct investments registered a great leap in the last years of the Fifth Plan surging up from \$ 700 million in the first year of the plan to \$ 6.1 billion in the fourth year and are expected to reach \$ 7.6 billion by the end of the Plan [fig. (2/6)]. Accordingly, the share of foreign investments climbed from 11% of total private investments in the first year to 35% in the second year, then to 48% as general average for the next three years.

**Figure (2/6)**

**Evolution of Foreign Investments During the Fifth Plan**





It is also noteworthy that there has been a shift in the foreign investment pattern to the benefit of non-petroleum sectors, as the share of these sectors sharply rose to 55% in 2005/06 compared to only 19% in 2003/04. Similarly, the revenues of the privatization program soared from 2% to 15% during the same period [table (2/7)].

**Table (2/7)**

**Evolution of Foreign Investments Structure  
During the Period (2003/04 – 2005/06)**

| Item                   | 2003/04 | 2004/05 | 2005/06 |
|------------------------|---------|---------|---------|
| Petroleum Sector       | % 79    | % 65    | % 30    |
| Non-Petroleum Sectors  | % 19    | % 24    | % 55    |
| Privatization Proceeds | % 2     | % 11    | % 15    |

Source: Ministry of Investment – Central Bank of Egypt

The allocation of investment funds also differed from the planned structure; as only 8% of implemented investments were spent on agricultural development, against at least 13% in the investment plan. This can be explained by the completion of most works at Toshka Project for land reclamation and the deferred implementation of the fourth branch of the main irrigation canal. On the other hand, investments in tourism were limited to 3% versus 5% in the plan, probably due to the impact of terrorist attacks that took place in some regions.

### **External Transactions and the Balance of Payments**

The Fifth Five-Year Plan aimed at increasing **commodity exports** at an annual rate of 13% against a modest rate, not exceeding 5.3% per year on average, for commodity imports. Furthermore, imports of intermediate and investment goods were planned to grow at higher rates (5.4% and 6.5% respectively) than consumer goods (4.4%). The ultimate objective was to reduce the trade balance deficit by 10% at the end of the plan period compared to the base year.



The data provided by the Central Bank of Egypt indicate that – during the period 2001/02 – 2005/06 - commodity exports rose by 27% approximately, or more than double the planned rate. It is also expected that the annual growth rate of the commodity exports will be around 23% on average. These high rates can be explained – to a great extent – by the uprise of petroleum exports (especially natural gas exports) which grew almost fivefold their basic value, while non-petroleum exports increased by 83%.

On the other hand, commodity imports increased during the period (2001/02 – 2005/06) by an annual growth rate of 20% on average, and by nearly 19% if estimated imports of 2006/07 are added. Petroleum imports increased by 160% during the plan period, compared to 131% for non-petroleum imports. Hence, actual imports have grown at almost four times as much as the planned rate, which can be explained – to a great extent – by the positive relationship between economic growth and imports' growth.

Although commodity exports grew faster than commodity imports during the plan period. The **trade deficit** registered an upward trend, climbing up from \$ 7.5 billion in the base year to about \$ 12 billion in 2006. Moreover, it is expected for the trade deficit to reach \$ 14.4 billion in 2006/07, registering an overall increase rate of 92% during the Fifth Five-Year Plan [table (2/8)].

**Table (2/8)**

**Evolution of the Trade Balance During the Period (2001/02 – 2006/07)**

(\$ Billion)

| Item                                  | Actual   |           | Expected  | Growth Rate during the Five-Year Plan (%) |
|---------------------------------------|----------|-----------|-----------|---|
|                                       | 2001/02  | 2005/06   | 2006/07   |   |
| <b>Commodity Exports</b>              | 7.12     | 18.45     | 20.18     | 183.4%                                    |
| Petroleum                             | 2.38     | 10.22     | 11.50     | 383.2%                                    |
| Non-Petroleum                         | 4.74     | 8.23      | 8.68      | 83.1%                                     |
| <b>Commodity Imports</b>              | 14.64    | 30.44     | 34.60     | 136.3%                                    |
| Petroleum                             | 2.48     | 5.36      | 6.50      | 162.1%                                    |
| Non-Petroleum                         | 12.16    | 25.08     | 28.10     | 131.1%                                    |
| Trade Balance                         | (-) 7.52 | (-) 11.99 | (-) 14.42 | 91.8%                                     |
| Coverage of Commodity Imports (month) | 11.6     | 9.0       | 9.1       |   |

Source: The Central Bank of Egypt



Concerning **the services and transfers balance**, the Fifth Plan aimed at increasing service proceeds by 7.3% annually, on average, versus 5.1% for service payments. According to the Plan, it was expected that the balance of current transactions and transfers would turn into a surplus, amounting to \$ 980 million by the end of the plan period.

The data issued by the Central Bank of Egypt shows accelerated rates of growth for service proceeds and incoming transfer payments, leading to a substantial surplus in current transactions and transfers balance amounting to \$ 1.75 billion in 2005/06 (and expected to reach \$ 1.73 billion in 2006/07) versus the planned surplus of \$ 980 million. This outstanding performance is due to the remarkable increase in the Suez Canal proceeds, tourism revenues and the remittances of Egyptians working abroad [table (2/9)]. Hence, the services and remittances balance has realized a surplus which helps financing the deficit in the trade balance. Furthermore, increasing foreign currency reserves allowed the coverage of commodity imports for up to 9 months.

**Table (2/9)**

**Evolution of Proceeds from Tourism, Suez Canal and Remittances of Egyptians Working Abroad During the Fifth Five-Year Plan**

(\$ billion)

| Item                 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 |
|----------------------|---------|---------|---------|---------|---------|---------|
| Tourism              | 3.4     | 3.8     | 5.5     | 6.4     | 7.2     | 8.7     |
| Suez Canal           | 1.8     | 2.2     | 2.9     | 3.3     | 3.6     | 4.2     |
| Workers' remittances | 2.95    | 2.96    | 3.0     | 4.3     | 5.0     | 5.6     |

Source: The Central Bank of Egypt

## **2/3 Sectoral Development**

### **Agriculture**

The Fifth Five-Year Plan aimed at establishing the infrastructure required for an area of 1.1 million feddans of which 800 thousand feddans would be covered by the private sector. It also endeavored to increase the cultivated area from 8.2 to 8.8 million feddans, or by about 600 thousand feddans. Concerning the quantity produced of agricultural products and the animal, poultry and fish wealth products, the comparative statistics demonstrate the following:



- ☒ Production of legumes, fibers and oil seeds has receded, in absolute terms, at the end of the Plan period compared to the quantity produced at the beginning of the plan, given the reduction of cultivated areas.
- ☒ Production of grains and sugar crops approached the plan targets by the end of the Plan period.
- ☒ Production of vegetables, fruits and date palms was short by 10% of their planned levels.
- ☒ Red meat production was 2% less than planned targets whereas dairy products exceeded the planned figure by about 6.4% [table (2/10)].

**Table (2/10)**

**Evolution of Agricultural Production During the Fifth Five -Year Plan Compared to the Plan Targets**

(Million ton)

| Commodity group               | Base year<br>2001/02 | 2006/07  |                      | Achievement<br>ratio (%) |
|-------------------------------|----------------------|----------|----------------------|--------------------------|
|                               |                      | Targeted | Achieved             |                          |
| Grains including :            | 19.7                 | 23.9     | 23.4                 | 98                       |
| Wheat                         | (6.6)                | (8.3)    | (8.6)                | 104                      |
| Legumes                       | 0.445                | 0.797    | 0.315                | 40                       |
| Fibers                        | 0.921                | 1.128    | 0.760                | 67                       |
| Oil seeds                     | 0.360                | 1.124    | 0.335                | 30                       |
| Sugar crops                   | 18.7                 | 19.3     | 19.4                 | 100                      |
| Vegetables, fruits &<br>palms | 24.5                 | 33.1     | 30.2                 | 91                       |
| Dairy products                | 3.56                 | 4.2      | 4.47                 | 106                      |
| Meat                          | 0.700                | 0.812    | 0.795                | 98                       |
| Poultry                       | 0.541                | 0.600    | 0.800 <sup>(*)</sup> | 133                      |
| Eggs                          | 0.223                | 0.300    | 0.330 <sup>(*)</sup> | 110                      |
| Fish                          | 0.75                 | 0.925    | 1.00                 | 108                      |

(\*) 2006/07 figures do not reflect the negative impact of the birds' flu on production.



Concerning productivity improvement, the targeted rates were realized for a number of essential crops, including rice and sugar cane. However, anticipated rates were not fully reached in case of wheat, maize, broad beans and cotton crops [table (2/11)].

**Table (2/11)**

**Evolution of Agricultural Crops Productivity Per Feddan  
During the Fifth Five-Year Plan**

| Commodity   | Unit   | Productivity per feddan |                  |          | Achievement ratio (%) |
|-------------|--------|-------------------------|------------------|----------|-----------------------|
|             |        | Base year               | Targeted 2006/07 | Achieved |                       |
| Wheat       | ardab  | 18.8                    | 20.0             | 19.25    | 96.3                  |
| Maize       | ardab  | 24.75                   | 27.5             | 25.50    | 92.7                  |
| Rice        | ton    | 3.9                     | 4.2              | 4.2      | 100.0                 |
| Broad Beans | ardab  | 8.6                     | 10.5             | 9.2      | 87.6                  |
| Cotton      | kentar | 7.2                     | 8.0              | 7.6      | 95.0                  |
| Sugar Cane  | ton    | 50.0                    | 51.5             | 51.4     | 99.8                  |

One of the main agricultural developments during the Fifth Five-Year plan is the rapid surge of exports which increased more than threefold to reach almost LE 5 billion compared to LE 1.5 billion at the beginning of the Plan period.

 **Irrigation and Drainage:**

In relation to agriculture and land reclamation sector, 700 kilometers of irrigation canals and around 53 thousand square kilometers of drainage networks were extended during the Fifth Five-Year Plan. The targeted construction works for Nag'e Hamadi Barrages and Esna Canal lock were carried out at the ratios of 80% and 90%, respectively.

Irrigation methods were developed for an area of 350 thousand feddans, irrigation and drainage canals were covered along 325 km and 194 km., respectively [table (2/12)].



**Table (2/12)**  
**Implemented Investment in the Fields of Irrigation and Drainage**  
**During the Fifth Five-Year Plan**

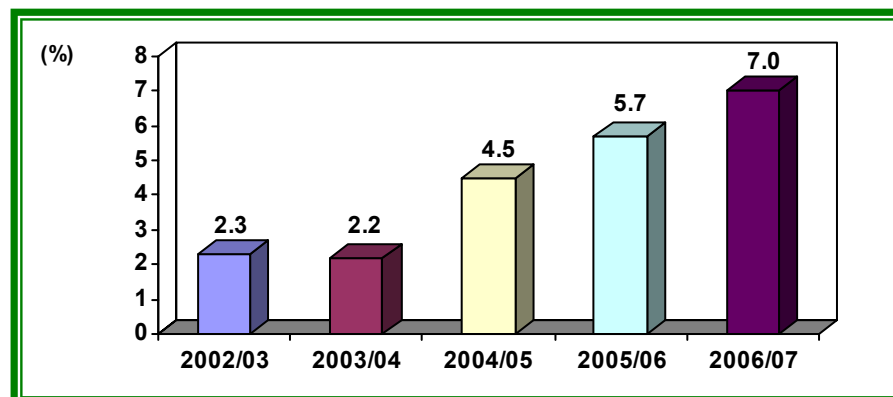
| Activity   | Investments<br>(LE million) |
|--|-----------------------------|
| Completing the basic infrastructure for North Sinai Development                            | 557                         |
| Ismailia canal and branches  | 86                          |
| Reinforcing Al-Salam Canal bridges   | 178                         |
| Building the new Al-Saf Canal  | 37                          |
| Soil works and lining the South Valley Canal   | 1426                        |
| Building Nag'e Hamadi barrages   | 1217                        |
| Building the additional Esna canal lock  | 116                         |
| Replacement and renovation of the irrigation utilities or waterways                        | 149                         |
| Replacement and renovation of the irrigation and drainage stations                         | 2095                        |
| Developing irrigation methods  | 1498                        |
| Replacement and renovation of the covered drainage networks                                | 479                         |
| Building general and uncovered drainage canals   | 505                         |
| Building covered drainage networks   | 726                         |
| Protecting and reinforcing the utilities and equipment of the High Dam and Aswan reservoir | 372                         |
| Covering irrigation and drainage canals  | 440                         |

 **Industry:**

The manufacturing industries achieved increasing growth rates during the Fifth Plan as shown in fig. (2/7).

**Figure (2/7)**

**Real Growth Rate of Industrial Production**  
**During the Fifth Five - Year Plan**





The value of industrial production (at constant prices) amounted to LE 86 billion approximately in 2006/07 or about 18% of GDP, while the contribution of the industrial sector in GDP increase was 15% during the period. The industrial sector realized good achievements during the period 2001 - 2005 as the number of projects grew from 24.6 thousand to 27 thousand projects and industrial investments rose from LE 177.7 billion to LE 209.2 billion.

The year 2006 marked the beginning of the implementation of the President electoral program which included the establishment of one thousand large factories and the foundation and expansion of 2 thousand medium – sized factories. During that year, 116 large plants were implemented (new plants and expansions); as well as 115 medium – size plants and 329 small factories, totaling 560 and costing almost LE 12 billion and providing nearly 120 thousand jobs. The value added ratio of industrial production rose from 40% to 43.4%.

As for sub–sector's performance, textile industries represented 31% of total industrial production by the end of the Fifth Plan, versus 26% for chemical industries, 16% for engineering industries, 15% for food processing and 12% for basic metals [fig. (2/8)].

**Figure (2/8)**

**Industrial Production Structure by Main Groups  
in 2006/07 Compared to Base Year (2001/02)**

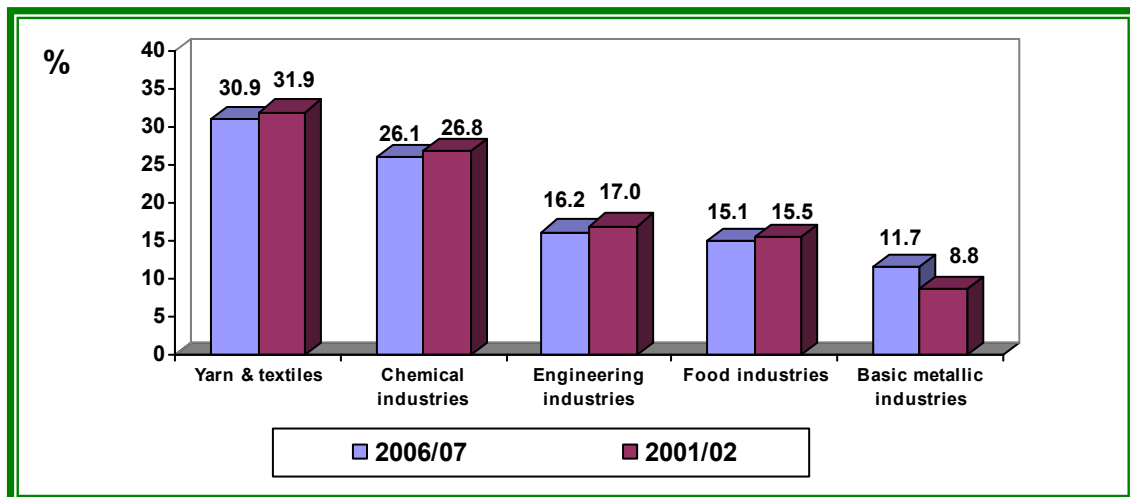




Table (2/13) includes some indicators concerning the production growth rates of selected manufacturing goods.

**Table (2/13)**  
**Growth Rates of Selected Industrial Goods**  
**During the Fifth Five-Year Plan**

|                         |       |
|-------------------------|-------|
| Animal & poultry fodder | 29%   |
| Woolen yarn             | 30%   |
| Silk yarn               | 26%   |
| Cement                  | 26.6% |
| Refined sugar           | 14%   |
| Cotton yarn             | 19%   |
|                         |       |

|                    |     |
|--------------------|-----|
| Aluminum           | 77% |
| Blankets           | 45% |
| Ready made clothes | 40% |
| Passenger cars     | 38% |
| Industrial fibers  | 16% |
| Buses              | 19% |
| Lorries            | 49% |

**Employment:**

The number of persons employed in the industrial sector increased by 300 thousand, allowing the sector to absorb 14% of total labor force.

**Exports:**

Industrial exports were planned to increase 90% at an annual average rate of 13.6% during the period (2001 – 2005). However, achievements exceeded expectations as exports escalated from \$ 1.62 billion to \$ 2.98 billion, realizing an annual average growth rate of 16.5%.

**Industrial Zones:**

These zones witnessed an intensified activity during the Fifth Five-Year Plan and exceeded planned targets, as reflected by the indicators illustrated in table (2/14) below.

**Table 2/14**  
**Evolution of Industrial Zones Activity**  
**During the Fifth Five-Year Plan**

| Item  | Planned | Achieved | Ratio (%) |
|---|---------|----------|-----------|
| Number of zones                                 | 83      | 90       | 108       |
| Total area (thousand feddans)                   | 140.7   | 172.7    | 123       |
| Costs (LE billion)                              | 115.0   | 129.2    | 113       |
| No. of workers (thousand)                       | 680.8   | 735.8    | 108       |
| Area provided with utilities (thousand feddans) | 23.8    | 52.9     | 222       |
| No. of projects in operation                    | 4835    | 5361     | 111       |



**Industrial investments** during the Fifth Plan amounted to LE 45 billion of which LE 6.5 billion were government investments and the rest of LE 47.5 billion were financed by holding companies and the private sector with an implementation ratio of 91% of targeted investments.

### **Petroleum and Natural Gas:**

The Fifth Plan envisaged increasing petroleum reserves through intensified exploration operations, concluding further international agreements and encouraging foreign companies to explore new regions, especially in the South Valley. These efforts were fruitful as **confirmed reserves of crude oil condensates and butagas** climbed from 3.6 billion barrel to 15.8 billion barrel. **The production** target was set at rising from 37 million ton to about 39 million ton at the end of the plan period. However, actual figures did not exceed 36.6 million ton. In fact, the Plan aimed at fixing production rates of crude oil at 660 thousand barrel/day, with the view of preserving petroleum wealth for future generations. Practically speaking, the production rate was reduced to 600 thousand barrel/day.

In the **Natural Gas Sector**, the search and exploration operations revealed a substantial increase of confirmed reserves from 55 trillion cubic feet to 68.2 trillion cubic feet; therefore, production more than doubled, rising from about 20 million ton to 43.5 million ton, thus exceeding the plan target at the end of the period, amounting to 40 million ton, by almost as much as 10%.

These discoveries led to an expanded use of natural gas as a substitute power source, in order to reduce dependency on petroleum products. A national plan was set up to extend natural gas pipelines to 6 million customers, of which 2 million customers would be supplied with natural gas during the first stage (2005 – 2010). Effectively, the number of users grew from 1.5 million to 2.5 million customers during the Fifth Five-Year Plan.



Moreover, the three planned natural gas liquidation units were implemented in Damietta and Edko, with 17.5 billion cubic feet capacity. In addition, the first and second stages of the Arab gas pipeline runs 643 km long, with a 36 inch diameter, from Arish passing through Aqaba to El Rehab. This project aims at exporting natural gas through pipelines from Egypt to Jordan then to Syria, Turkey; and from there, to Europe and Asia. Implementation will be carried out in stages.

During the plan, the investments implemented in the field of crude oil and natural gas amounted to LE 75.8 billion exceeding by 19.5 billion the planned target of LE 56.3 billion.

As for **Petroleum Products**, the capacity of refinement labs has increased from 26 million ton to 35 million ton. The corresponding products rose from 25 million ton to 32.1 million ton; with an increase rate of 29% from the target at the end of the plan, which is also equal to what has been achieved in the base year as shown in table (2/15), in addition to the disparities of growth rates from one product to another.

**Table (2/15)**  
**Development of Petroleum Production in Comparison to Plan's Targets**  
(Million ton)

| Commodity Group     | Base Year<br>2001/02 | 2006/07      |              | Achievement/<br>target ratio |
|---------------------|----------------------|--------------|--------------|------------------------------|
|                     |                      | Targeted     | Achieved     |                              |
| Butagas             | 0.44                 | 0.46         | 1.17         | 254                          |
| Benzene / Naphta    | 5.30                 | 5.47         | 7.79         | 142                          |
| Kerosene / Jet fuel | 1.86                 | 2.03         | 2.49         | 123                          |
| Solar / Diezel      | 5.96                 | 6.00         | 8.90         | 148                          |
| Mazot               | 10.30                | 9.80         | 10.50        | 107                          |
| Oil / Wax           | 0.27                 | 0.20         | 0.42         | 210                          |
| Asphalt             | 0.92                 | 1.01         | 0.87         | 86                           |
| <b>Total</b>        | <b>25.05</b>         | <b>24.97</b> | <b>32.14</b> | <b>129</b>                   |

Implemented investments amounted to LE 22.7 billion in the field of petrol production; with an increase of 59% than the plan's target (LE 14.3 billion). The Fifth Plan witnessed the execution of the first phase of the petrochemicals



national plan which targets the establishment of 14 compounds during 20 years to produce 15 million ton of petrochemical products with a value of \$ 7 billion of which \$ 3 billion to be realized from exports.

During 2005/06, the highest production rates from crude oil, natural gas, condensates and butagas were achieved. Total production reached about 71 million ton with an increase of 12.1 million ton from previous year. Achieved production rates increased in 2005/06 by 30% compared to 1999/2000.

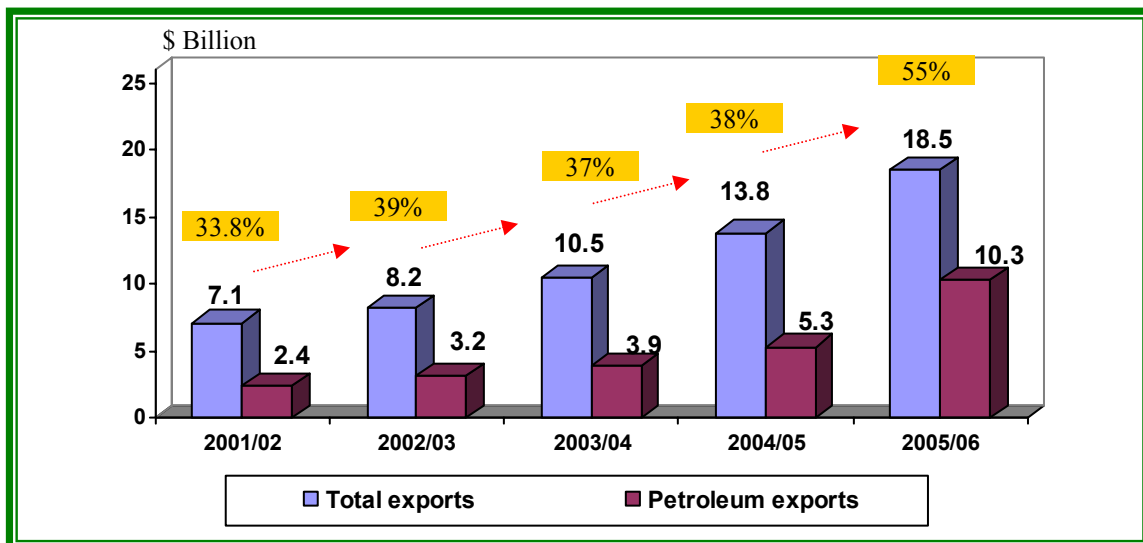
The production of natural gas has witnessed a huge leap, as it reached 38.4 million ton which represents about 54% of total production and with a growth rate of 163% over gas production in 1999/2000 (14.6 million ton).

The positive developments of the petroleum sector were reflected on its foreign transactions. Crude petrol exports increased in 2005 to \$ 3 billion in contrast to \$ 1.18 billion in 2001. The deficit in crude petrol balance (\$ 1.1 & 1.2 billion in 2000/01 & 2001/02) has turned into a surplus in the first four years of the Fifth Five-Year Plan, ranging between \$ 265 and 370 million.

Likewise, natural gas exports jumped to \$ 2.8 billion in 2005/06. Fig. (2/9) shows the continuous increase in the share of petroleum exports to total exports from 33.8% to 55%.

**Figure (2/9)**

**Development of Petroleum Exports to Total Exports**





## Electricity and Energy

The plan estimated electricity investments in the order of LE 35.7 billion. The follow up data indicates the implementation of LE 30.5 billion, i.e., 85% of planned targets [table (2/16)].

**Table (2/16)**

### Implemented Investments in Electricity and Energy Sector In Comparison To Targeted Investments in the Fifth Five-Year Plan

| Activity   | Investments (LE Million) |              | Implementation ratio (%) |
|--|--------------------------|--------------|--------------------------|
|  | Planned                  | Implemented  |                          |
| Adding new thermal capacities  | 12300                    | 13900        | 113                      |
| New expansions to transformers stations                                  | 14300                    | 7800         | 55                       |
| Extending air lines and ground cables                                    | 1262                     | 1126         | 89                       |
| Extending networks, medium & low voltage cables, and lightening pillars  | 4217                     | 4525         | 107                      |
| Upgrading solar and wind energy  | 1436                     | 1681         | 117                      |
| Establishing electricity generating station at Naga' Hamadi barrages     | 305                      | 347          | 114                      |
| Infrastructure to nuclear station  | 1093                     | 128          | 12                       |
| Completion of lightening rural congregations and renovating its networks | 779                      | 941          | 121                      |
| <b>Total</b>   | <b>35692</b>             | <b>30445</b> | <b>85</b>                |

Table (2/17) shows some quantitative achievement indicators for the electricity sector, in comparison to planned targets.

It is also worth - mentioning that the latest census (2006) indicates an increase in the number of households benefiting from electricity services from 12.1 million to 17.2 million during the period (1996 – 2006), raising their share from 95.1% in 1996 to 99.3% of total households in 2006.



Table (2/17)

**Main Achievements of the Electricity Sector  
During The Fifth Five-Year Plan**

| Item  | Targeted            | Achieved  | Implementation ratio (%) |
|---|---------------------|---|--------------------------|
| Extra thermal generating capacities   | 5180 M.W.           | 4680 M.W.   | 90                       |
| Increasing available capacity from 113 billion K.W.H in 2001/02 to:                     | 142 billion K.W.H.  | 155 billion K.W.H.                                    | 109                      |
| Increasing generating energy from 84 billion K.W.H. in 2001/02 to:                      | 112 billion K.W.H.  | 114.7 billion K.W.H.                                  | 102                      |
| Adding expansions to transformer stations   | 17400 M.V.A.        | 19000 M.V.A.  | 109                      |
| Extending air lines and ground cables   | 4600 K.m.           | 5000 Km.  | 109                      |
| Increasing used capacity from 69.7 billion K.W.H, in 2001/02 to:                        | 94.8 billion K.W.H. | 98.4 billion K.W.H.                                   | 104                      |
| Increasing average per capita use of energy in 2001/02 (1056 K.W.H.)                    | 1318 K.W.H.         | 1359 K.W.H.   | 103                      |
| Increasing energy per capita use of domestic energy from 389 K.W.H in the base year to: | 502 K.W.H.          | 498 K.W.H.  | 99                       |
| Increasing wind energy capacity   | 250 M.W.            | 234 M.W.  | 94                       |
| Increasing solar energy capacity  | 127 M.W.            | Currently setting contract                            | -                        |
| Establishing generation station at Nagaa' Hamadi water barrage                          | 64 M.W.             | Completion of ongoing civil works & equipments supply | -                        |
| Infrastructure for nuclear generator station at Al Dabaa'                               | 1000 M.W.           | Currently studying sites & training technical cadres  | -                        |
| Lightening pillars at household congregations   | 2500 congregations  | 2500 congregations                                    | 100                      |
| Supporting villages' networks   | 1950 villages       | 1240 villages   | 64                       |
| Renovating & substituting villages' networks  | 1650 villages       | 1130 villages   | 68                       |

 **Transportation**

Total **investment** was estimated in the order of LE 8.1 billion in the Fifth Plan, yet implemented investments have exceeded LE 14 billion. This is due to the implementation of extra works, and sometimes to cost overrun [fig. (2/10)].



**Figure (2/10)**

**Targeted & Implemented Investments in the Transportation Sector  
During The Fifth Five-Year Plan, by Activity**

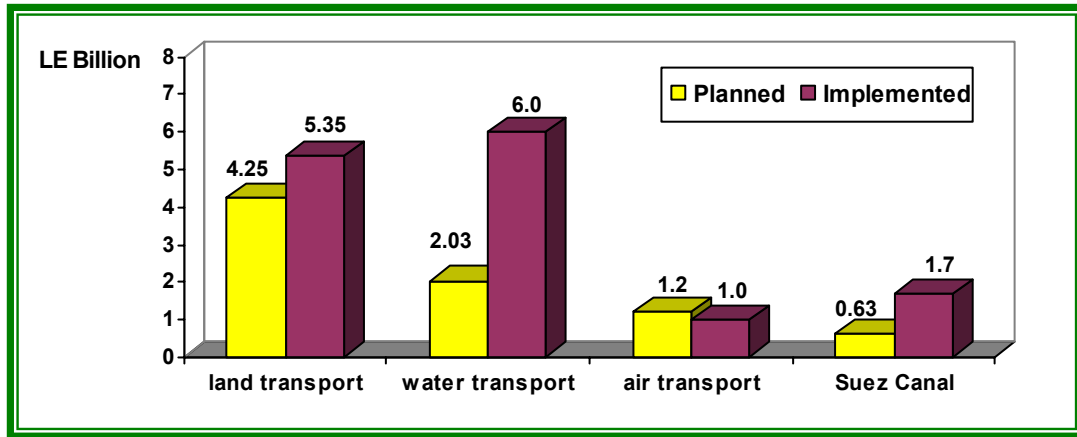


Table (2/18) includes the quantitative indicators of executed works in the transportation sector in comparison to the Plan targets.

**Table (2/18)**  
**Main Achievements of the Transportation Sector  
During the Fifth Five-Year Plan**

| Activity   | Targeted | Achieved | Implementation ratio (%) |
|--|----------|----------|--------------------------|
| <b>Roads &amp; Bridges</b>                       |          |          |                          |
| * Expanding main & regional roads network (km)   | 2500     | 2691     | 108                      |
| * Doubling & expanding existing roads (km)       | 914      | 1214     | 133                      |
| * Establishing & paving roads inside cities (km) | 12000    | 11082    | 92                       |
| * Establishing high bridges for cars (bridge)    | 21       | 15       | 71                       |
| <b>Bridges over the Nile:</b>                    |          |          |                          |
| * Establishing new bridges                       | 7        | phases   | 30                       |
| * Completion of new bridges                      | 3        | 3        | 100                      |
| <b>Railways</b>                                  |          |          |                          |
| * Renovating lines (km)                          | 1000     | 600      | 60                       |
| * Upgrading passengers cars (car)                | 300      | 300      | 100                      |
| * Upgrading pavements & stations (station)       | 40       | 31       | 78                       |
| * Completion of railway Suez / Al-Adabia         |          |          | 100                      |
| * Completion of Ismailia / Rafah lines (km)      | 225      | 36.7     | 16                       |



### Cont. table (2/18)

| <b>River Transportation</b>   |      |           |     |
|---|------|-----------|-----|
| * Upgrading the River Nile navigation course (km)   | 1200 | 783       | 65  |
| <b>Maritime Transportation</b>  |      |           |     |
| * Increasing the maritime ports capacity, 54.8 million tons in 2001/02  | 74.8 | 72.6      | 97  |
| <b>Air Transportation</b>   |      |           |     |
| * Increasing the capacity of International airports passengers' terminals from about 15 thousand passengers to 30.8 thousand passengers | ✓    | 15.8      |     |
| * Increasing the number of aircraft fleet from 35 to 49 airplanes   | ✓    | 14        |     |
| <b>Suez Canal</b>   |      |           |     |
| * Deepening the navigation course from 62 feet to 66 feet (so ships carrying up to 240 tons can pass by)                                | ✓    | ✓         | 100 |
| * Establishing pavements & berths (3 pavements, 1 berth)  | ✓    | ✓         |     |
| <b>Underground Transportation</b>   |      |           |     |
| * Completing the fifth phase of the Metro second line   | ✓    | ✓         | 100 |
| * Completing the execution works of Al Azhar 2 tunnels projects   | ✓    | ✓         | 100 |
| * Cars tunnels  | 3    | 3         | 100 |
| * New Cairo tunnels   | 3    | 3         | 100 |
| * First stage of Alexandria metro regional line (21.5 km)   | -    | postponed | -   |

### **Communications and Information Technology**

Investments for this sector have reached about LE 17.3 billion in comparison to a target of LE 10.52 billion, with an implementation ratio of 164%. During the Fifth Five-Year Plan, this sector has witnessed a huge leap; as illustrated by the following quantitative indicators shown in table (2/19).



**Table (2/19)**  
**Development of Communications & Information Technology Sector**  
**During the Fifth Five-Year Plan**

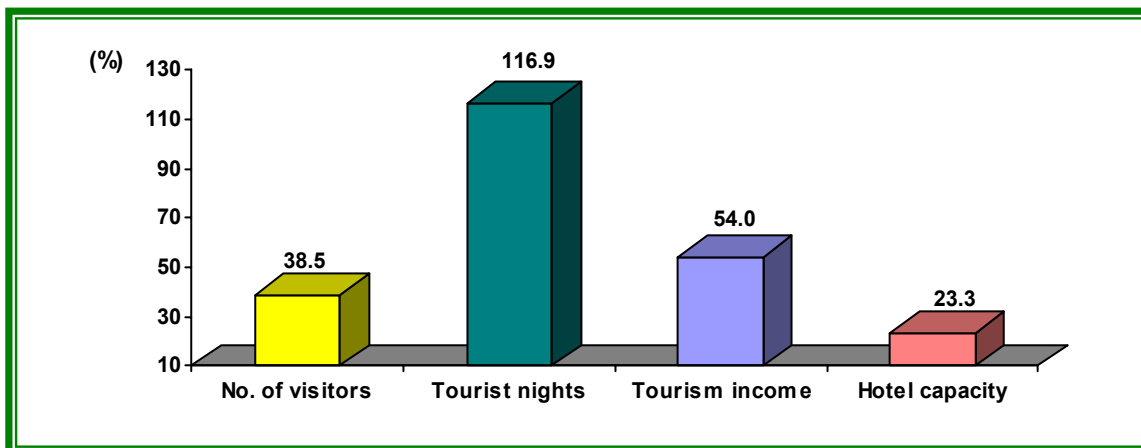
| Item   | 2001/02 | 2006/07 | Change rate (%) |
|--|---------|---------|-----------------|
| Central capacity (million lines)   | 9.6     | 15.5    | 62              |
| No. of fixed telephone subscribers (million)                                 | 7.2     | 12.0    | 67              |
| No. of waiting list subscribers (thousand)                                   | 422.7   | -       | -               |
| Public services cabins (thousand)  | 43      | 62      | 44              |
| No. of subscribers in mobile lines (million)                                 | 4.02    | 18      | 329             |
| No. of internet users (million)  | 1.23    | 7.3     | 493             |
| No. of trainees in the Information Technology field (thousand)               | 8.6     | 32      | 272             |
| Developing youth graduates skills (thousand)                                 | 48      | 150     | 213             |
| Information Technology clubs (number)  | 344     | 3000    | 772             |
| No. of companies working in communication & information technology (company) | 754     | 2000    | 165             |

As for **Post offices**, 1166 units were established and renovated during the Fifth Five-Year Plan. Moreover, an electronic network to connect post offices has been established and new services were introduced.

### **Tourism**

Despite the unfavorable circumstances that the tourism sector has encountered because of some terrorist events and the increase of military and political tensions in the Middle East, the Egyptian tourism was capable of getting back on track in a relatively short time [fig. (2/11)].

**Figure (2/11)**  
**Tourism Achievements in Comparison to the Fifth Plan Target**





Indicators shown in table (2/20) reflect the remarkable performance of the tourism sector during the Fifth Five -Year Plan.

**Table (2/20)**

**Development of Tourism Activity during the Fifth Five-Year Plan**

| Performance Indicators                  | Actual<br>2001/02 | Target Plan<br>2006/07 | Actual<br>2005/06 | Expected<br>2006/07 |
|---|-------------------|------------------------|-------------------|---------------------|
| Number of visitors (by million visitor) | 3.9               | 6.5                    | 8.5               | 9.0                 |
| Tourism nights (by million night)       | 24.0              | 41.5                   | 85.1              | 90.0                |
| Tourism income (\$ billion)             | 2.9               | 5.0                    | 7.2               | 7.7                 |
| Hotel capacity (by thousand rooms)      | 120.0             | 150.0                  | 173.6             | 185.0               |

**2/4 Social and Human Development**

 **Population, Labor Force and Employment**

According to the **population** projections for the Fifth Five-Year Plan, current population was estimated to reach about 72 million, while the preliminary results of 2006 census indicates a population of about 72.6 million; with an annual average growth rate of 2.04%, in comparison to an expected growth rate in the Plan (1.8%).

There is no doubt that rapid population growth occupies an absolute priority, because of its negative impact on development efforts. Despite the steady decrease in population growth rate during the last 30 years, Egypt is still unable to break the barrier of 2% [table (2/21)]. This requires more efforts in effectuating family planning programs and awareness campaigns of the danger of over-population and threat to development.

**Table (2/21)**

**Population Growth Rates**

| Census Period | Annual Average Growth<br>Rate (%) |
|---------------|-----------------------------------|
| 1976 – 1986   | 2.79                              |
| 1986 – 1996   | 2.08                              |
| 1996 - 2006   | 2.04                              |

Source: CAPMAS



**The labor force** was estimated to reach 22.48 million by the end of the Fifth Five-Year Plan, with an estimated increase of 2.75 million from base year. However, the size of labor force in mid 2006 reached 21.9 million; according to the preliminary census results, recording an increase of 2.17 million. It is expected by the end of the fiscal year 2006/07 that the size of the labor force will reach about 22.5 million. This reflects a stable economic participation rate of 30%.

As for **employment**, the Plan has targeted an increase of 3.4 million, yet what was achieved in 2005/06 did not exceed 2 million. As a result, there was an absolute increase in the number of unemployed estimated by about 200 thousand individuals during the Plan period. As a result, it was difficult to decrease the unemployment rate to the targeted level by the end of the plan (5%), as current unemployment rate is still revolving around 9%. Unemployment rate is expected to decrease in 2006/07 to 8.8%. This percentage can be achieved if efforts are effectuated to raise employment levels by 2.86% a year compared to 2.5% for the labor force [table (2/22)].

**Table (2/22)**  
**Employment & Unemployment During the Fifth Five-Year Plan**  
(million)

| Item                       | 2001/02 | 2006/07 | 2006 Census |
|----------------------------|---------|---------|-------------|
| Population                 | 65.9    | 72.0    | 72.6        |
| Labor force                | 19.73   | 22.48   | 22.1        |
| Employment                 | 17.95   | 21.36   | 20.1        |
| Unemployment               | 1.78    | 1.12    | 2.0         |
| Economic Activity Rate (%) | 29.9    | 31.2    | 30.1        |
| Unemployment rate (%)      | 9.0     | 5.0     | 9.2         |

#### **Living Standards:**

Income and consumption indicators show an improvement in living standards. Annual **average per capita income** in current prices increased from LE 5750 in base year to LE 9865 by end of the Plan. In addition, **average per capita consumption** increased from LE 4241 to LE 6677 over the same period.



However, these positive developments are still below Plan expectations with an implementation ratio of 90%. This is due to the slowdown of economic growth (5.5%) compared to target (6.2%), and to rapid population increase.

The outcome is that the increase of average per capita income was about 3.5% annually, although it was expected to grow by 4.2% [table (2/23)].

**Table (2/23)**  
**Development of Per Capita Income & Consumption**  
**During the Fifth Five-Year Plan**

| Statement                          | 2001/02 | Target<br>2006/07 | Expected<br>2006/07  | Ratio (%) |
|------------------------------------|---------|-------------------|----------------------|-----------|
| GDP at current prices (LE billion) | 378.9   | 790               | 730                  | 92.4      |
| Private consumption (LE billion)   | 279.5   | 578               | 494.1 <sup>(*)</sup> | 85.5      |
| Population (million)               | 65.9    | 72                | 74                   | 102.8     |
| Average per capita income (LE)     | 5750    | 10972             | 9865                 | 89.9      |
| Per capita consumption (LE)        | 4241    | 8028              | 6677                 | 83.2      |

<sup>(\*)</sup> According to 2006 census results, population inside the Republic of Egypt reached about 72.6 million

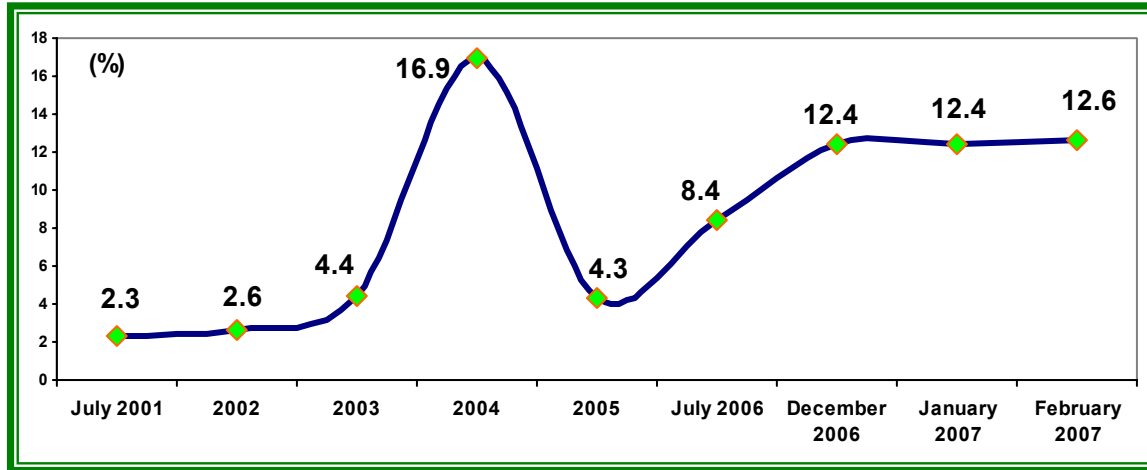
Fiscal and monetary reforms had a positive impact on living standards. The State budget indicates achieving a continuous increase in public expenditure from LE 134 billion in the first year of the Plan to about LE 220.2 billion in the fourth year of the Plan. The State budget also indicates the decline of indirect taxes relative importance from 41% of total tax revenues to 35%, and the custom tax proceeds from 15% to about 10%. In addition, subsidy has increased to reach LE 54.3 billion, of which LE 41.8 billion was directed to petroleum products.

These measures had helped in attenuating the impact of inflation which has been on the rise since mid 2005 (with the exception of July 2004) [fig. (2/12)].



**Figure (2/12)**

**Development of Inflation Rates  
(Changes in Consumer Price Index on an Annual Basis)**



 **Educational Services:**

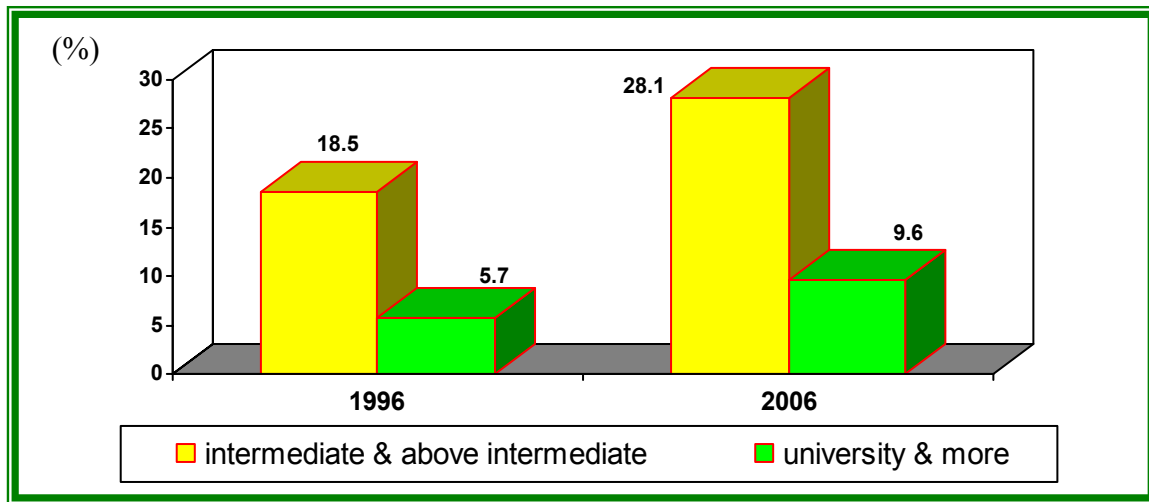
The indicators reflect the steady improvement in educational services, of which:

- ☒ Full absorption of pupils in the primary stage.
- ☒ Decreasing class density of the pre-university education from (41 pupils/class) in base year to (39 pupils/class) in 2006/07, approaching the targeted rate by the end of the plan (36 pupils/class).
- ☒ Increasing the number of enrolled students in the educational stages by about 1.5 million students (from 16.2 to 17.7 million in 2006/07)
- ☒ Increasing female enrollment rate in pre-university education from 47.4% in 2001/02 to 48.5% in 2006/07.
- ☒ Providing computers for 800 schools, and applying computer science to 500 secondary schools.
- ☒ Increasing adult education from 55.6% to 71.4%.
- ☒ Decreasing illiteracy rate from 31% in 2001/02 to 29% by the end of the plan [although it is still considered high in comparison with the targeted rate of the Five-Year Plan (23%)].
- ☒ Training 25 thousand teachers on teaching techniques and technology applications.
- ☒ Increasing the number of intermediate and above - intermediate education from 18.5% to 28.1%; university and above education from 5.7% to 9.6% [fig. (2/13)].



**Figure (2/13)**

**Education Status of Population Group (10 years and more) in 1996 and 2006**



Increasing enrollment rate in university and high education from 22.9% to 26% by the end of the Plan (though less than the targeted ratio 30%)

- ☒ Increasing the number of enrolled students in university education and high and intermediate institutions by about million students (from 1.9 to 2.9 million students).
- ☒ Increasing rate of female enrollment in university education to 49% compared to what was targeted in the Fifth Plan (47%).
- ☒ Establishing three open universities.
- ☒ Establishing 12 centers for performance and quality assurance.
- ☒ Establishing three private universities (French / German / British).
- ☒ Increasing the number of universities to 17 by transferring some branches to independent universities.

### **Health Services**

Indicators generally illustrate a gradual improvement in health services during the Five-Year Plan, as follows:

- ☒ Decreasing infant mortality rates from 22 to 17 per thousand infants.
- ☒ Extending life expectancy rate at birth from 60 to 67 years for males, and from 71.5 to 75 years for females, and increasing general rate to 70.2 years.



- ▣ Decreasing the number of population per physician from 455 to 443 individuals, and per hospital bed from 478 to 392 individuals.

Also, the indicators illustrated in table (2/24) reveal that achievements have exceeded the targets set up in the Fifth Five-Year Plan, whether in terms of number of hospitals, beds, physicians, medical units or health insurance services.

**Table (2/24)**

**Developments in Health Services During the Fifth Plan**

| Activity   | Targeted | Achieved | Achievement ratio (%) |
|--|----------|----------|-----------------------|
| No. of beds increase (thousand beds)                                     | 25       | 47       | 118                   |
| No. of hospitals increase (unit)   |          |          |                       |
| * public & central   | 115      | 130      | 113                   |
| * village hospital   | 328      | 354      | 108                   |
| No. of rural health units increase in governorates (no.)                 | 600      | 790      | 132                   |
| No. of physicians increase (thousand)                                    | 17       | 19       | 112                   |
| No. of nursing staff increase (thousand)                                 | 38       | 30       | 79                    |
| No. of additional beneficiaries from health insurance services (million) | 8.2      | 8.5      | 104                   |

 **Housing Services**

Table (2/25) illustrates the distribution of targeted and executed housing units during the Fifth Plan by type of housing. In addition to 812 thousands of urban housing units, 360 thousand rural housing units were implemented, accounting for 62% of the Plan's target.

**Table (2/25)**  
**Targeted & Implemented Housing Units**  
**During the Fifth Plan by Housing Type**

(Thousand Units)

| Housing units                    | Targeted | Achieved | Percentage of actual to targeted (%) |
|----------------------------------|----------|----------|--------------------------------------|
| - Urban housing units, of which: | 938      | 811.7    | 86.5                                 |
| * Economic housing               | 670.7    | 585.7    | 87.3                                 |
| * Medium housing                 | 179.2    | 170.8    | 95.3                                 |
| * Above medium                   | 88.1     | 55.1     | 62.5                                 |
| - Rural housing units            | 580      | 360      | 62.1                                 |



## Potable Water and Sanitation Services

The steady increase in available capacity, networks' lengths and average per capita share of water are considered to be one of the main positive indicators which reflect the gradual improvement in water and sanitation services [table (2/ 26)].

**Table (2/26)**

### **Indicators of Water and Sanitation Services During the Fifth Plan**

| Item   | Unit                        | 2001/02 | 2006/07 |
|--|-----------------------------|---------|---------|
| <b>Water</b>                                     |                             |         |         |
| * Available capacity of stations                 | Million m <sup>3</sup> /day | 17.63   | 21.9    |
| * Average per capita share of available capacity | Liter / day                 | 267.3   | 307     |
| * Networks' lengths                              | Thousand km                 | 25.2    | 29.2    |
| <b>Sanitation</b>                                |                             |         |         |
| * Available sanitation capacity                  | Million m <sup>3</sup> /day | 10.3    | 14.9    |
| * Available purification capacity                | Million m <sup>3</sup> /day | 8.14    | 12.5    |
| * Networks' lengths                              | Thousand km                 | 19.8    | 23.6    |

**The following summarizes the main achievements of the sector during the Fifth Plan:**

- ☒ Completing 30 water projects with a capacity of 900 thousand m<sup>3</sup>/day, it is expected to complete 11 projects with a capacity of 434 thousand m<sup>3</sup>/day.
- ☒ Implementing 520 km of main water networks.
- ☒ Implementing 20 tanks, four pumping stations, two purification stations and six wells.
- ☒ Completing 73 sanitation projects with a capacity of 1.66 million m<sup>3</sup>/day.
- ☒ Implementing 530 km of main and sub sanitation networks, four treatment plants and 520 km of sanitation networks.
- ☒ Increasing capacities of treatment stations by 87.5 thousand m<sup>3</sup>/day.

## Cultural Services

12 theatres and 13 art museums have been upgraded and renewed during the Plan period. Also, 14 child cultural houses and 28 popular cultural houses were established and developed during the same period, in addition to the restoration of 35 old mosques. The first and second phases of the civilization museum were completed as well as the first phase of the new Egyptian museum.



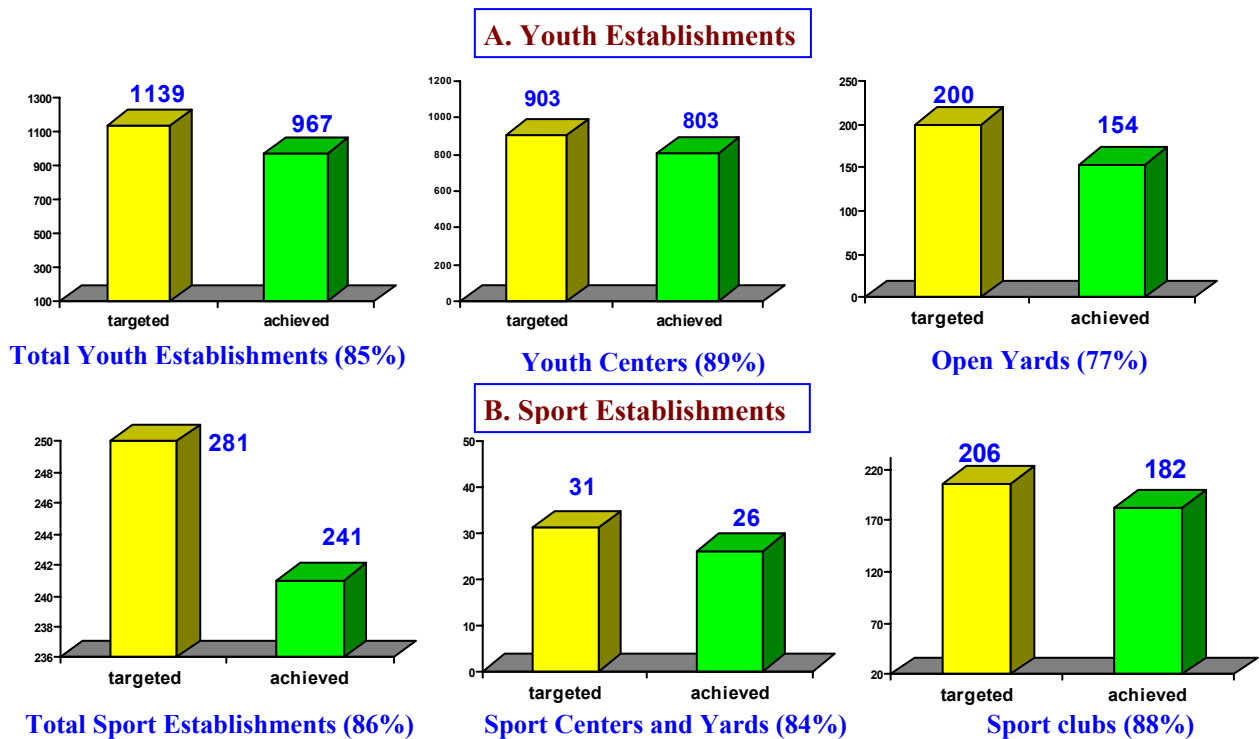
## Youth and Sports Services

During the Plan period, 967 establishments were in place. These establishments include youth centers, camps and open yards and training centers [fig. (2/14)].

In addition, 241 sporting establishments have been constructed. These included clubs, stadiums, swimming pools and sporting centers. Implemented investments reached about LE 722 million representing 97% of targeted investments.

**Figure (2/14)**

### **Developments of Number of Youth and Sporting Establishments During the Fifth Plan**



## Social Solidarity Services

The vocational training centers for education dropouts have expanded during the Plan, and a growing number centers for training productive families have been established. However, occupational rehabilitation for handicapped and centers for serving families and childhood were below the Fifth Plan's estimates concerning the number of institutions and centers.



**Table (2/27)**

**Activity of Social Solidarity Institutions During the Fifth Plan**

(number)

| Item   | Planned | Achieved |
|--|---------|----------|
| Vocational training center to education dropouts     | 15      | 25       |
| Productive families training centers                 | 75      | 108      |
| Units for Juveniles care & social defense            | 42      | 13       |
| Handicapped rehabilitation vocational establishments | 54      | 23       |
| Social culture clubs                                 | 40      | 37       |
| Women, child & family services centers               | 79      | 58       |

**2/5 Spatial Development**

A comparison can be done between investment and population distribution during the Fifth Five-Year Plan in order to identify the pattern of spatial allocation.

**The comparison shown in table (2/28) indicates the following:**

- ☒ The Canal region accommodates 11% of total population, while enjoying 16% of total Plan investments.
- ☒ The Cairo region accommodates one quarter of total population, while receiving about 22.5% of total investments. Also, the West Delta region population share is about 13% while getting 15% of total investment. Hence, the share of both regions is equal to their population weight (37.5%).
- ☒ The share of Middle and East Delta region in total investments (17.6%) is relatively low compared to its population size (22%).
- ☒ There is a consistency in the investment structure of Upper Egypt with its population counterpart. Both cases reached 29%. Yet, it is noted that there are



disparities between sub regions; North of Upper Egypt region (Fayoum, Beni Suef & Menya) has a population share of 12.4% compared to an investment share of 8.2%, whereas the situation is balanced for the Middle of Upper Egypt region. As for Upper Egypt governorates, they enjoyed the highest share of investments (16%) in comparison to their population size (12%).

**Table (2/28)**

**Spatial Distribution of Implemented Investments and Population  
During the Fifth Five-Year Plan**

| Region                | Implemented Investments |              | 2006 Population Census |              |
|-----------------------|-------------------------|--------------|------------------------|--------------|
|                       | LE Billion              | (%)          | Million                | (%)          |
| Cairo                 | 115.2                   | 22.5         | 18.3                   | 25.2         |
| West Delta            | 76.3                    | 15.0         | 9.1                    | 12.6         |
| Middle & East Delta   | 89.6                    | 17.6         | 16.0                   | 22.0         |
| The Canal & Sinai     | 80.8                    | 15.9         | 7.9                    | 10.8         |
| North of Upper Egypt  | 41.8                    | 8.2          | 9.0                    | 12.4         |
| Middle of Upper Egypt | 25.0                    | 4.9          | 3.6                    | 5.0          |
| South of Upper Egypt  | 81.4                    | 15.9         | 8.7                    | 12.0         |
| <b>Total</b>          | <b>510.0</b>            | <b>100.0</b> | <b>72.6</b>            | <b>100.0</b> |