

Ladies and Gentlemen:

It gives me great pleasure and honor to address this distinguished gathering of economists and business leaders. I consider this round table as an interesting event to discuss in depth our economic direction and an appropriate forum to share together our policies and their interaction with domestic, regional and global realities.

Ladies and Gentlemen:

We live in region rich with its resources and enormous potential. On the other hand, it is the region where conflicts are flaring and multiplying in the last few years. It is beyond any doubt that building a secure and stable region is pivotal for prosperity to occur. That is why; Egypt is active in promoting peace and stability in the region. It has led the region in the path to peace and is pursuing its tireless efforts to advance dialogue between different adversaries and to build bridges of confidence between factions in different conflicts in the region. Egypt is setting itself as an example of wisdom, and as a model of trustable regional powerhouse.

Ladies and Gentlemen:

For the last three years, the process of reform in Egypt has started an acceleration of its speed to face the increasing challenges of the changing world. This acceleration has been translated into a comprehensive program that covered the political, social and economic aspects in an integrated fashion to provide a better life and a brighter future for Egyptians. We have, since then, succeeded to put Egypt on the move. Today, I am pleased to affirm our commitment to keep our reform on move and to take it from a wave to its next.

Ladies and Gentlemen:

In implementing our program, we have amended our constitution and consequently we are reforming our institutions to promote the democratic process. Here, we follow a path to guarantee that our reform is consistent with our culture and in line with the realities of our society. The democracy which we are promoting is showing itself in many fronts. We are rebuilding political institutions and empowering them to function. We are deepening the freedom of

expression and we guarantee it in all its forms. We are empowering the civil society and we are promoting the participation of all society in decisions about issues that impact their future. We are also encouraging the building-up of a strong secular and liberal opposition and we look forward to its realization in Egypt.

Ladies and Gentlemen:

We have ambitious goals in the economic and social aspects of our program aimed at improving the quality of life for Egyptian citizens by raising the standard of living through economic growth and job creation and by improving social services such as health, education, housing, transport and basic infrastructure.

The economic future of Egypt has never been more promising. We have succeeded in our early steps in changing the business environment to facilitate investment, by reducing tax burdens, by providing clear and stable investment policies and regulations, and improving the interface between business and government. Our continuous and sustained commitment in pursuing economic reform

succeeded in boosting our growth indicators from record to record. The solid economic recovery which we witnessed in 2004/2005 has pursued its course into 2005/2006 and in the first three quarters of 2006/2007. Our GDP growth in the last quarter (third quarter of 2006-1007) hit 7,2% meaning that we may close the fiscal year on 7+%. While external demand has played a crucial role in our economic growth in the past two years, we witnessed a revived increase in domestic demand, particularly in investment front, which prove the increased resilience of our economic growth. While external sector is still in the growing trend (specially Suez Canal and exports) sectors like Tourism, Construction, IT are growing in double-digits and industry in particular is accelerating its rate up to 7,7%. Our FDI has hit also a new record this year, as the first 3 quarters of the current fiscal year have witnessed the inflow of 9,4 billion dollar of FDI. The exponential increase in FDI indicates the resilience of the economy. It also proves the increased confidence in the future by the investors. The investment opportunities we offer are covering diversified sectors which indicate further a high potential ready to explore and exploit.

Ladies and Gentlemen:

It is obvious that strong growth is always accompanied by inflation effects. Last year, this inflation effect was aggravated by the shock on the demand side due to several factors (bird-flu, energy prices, and international commodity prices). However, the last two months witnessed a start of a downward trend of the inflation curve.

Ladies and Gentlemen:

We have established clear and transparent monetary policies and affirmed the independence of the Central Bank in this regard. These policies has succeeded in keeping the stability of the currency market, the establishment of inter-bank market, the increase of foreign reserve to record levels. Further, we have also established a coordinative council between monetary and fiscal policies as a forum where both sides meet to consult and coordinate. That council, which is headed by the Prime Minister has never interfered or dictate any decision on its members specially those representing the Central Bank.

Ladies and Gentlemen:

The transformation to an open market economy is influencing Egypt in ways that have never been witnessed before – by putting more business in the hands of the private sector, by liberalizing the markets through bilateral trade agreements and by creating attractive investment opportunities in a variety of sectors that reflect the diversity of our economy. We are encouraging a strong public-private partnership as it will further enhance our ability to maintain investor confidence and create wider opportunities in new areas.

Ladies and Gentlemen:

Our social aspect of reform is facing some challenges which we are determined to address appropriately. Our aims are to improve infrastructure and to complete its provision country-wide. We put on top of our agenda the need to provide quality to the services in education and health through aggressive and ambitious programs. We are addressing the services of roads, transport and housing through comprehensive long-term futuristic plans. Above-all, our social solidarity portfolio of the government is directed to protect the

lower income groups against adverse effects of economic reform and to rationalize the subsidy we offer to people in need through better targeting.

Ladies and Gentlemen:

I am a believer that economic and social challenges are creating vast economic opportunities. These opportunities are true as the expected level of spending in our social and service sectors will witness dramatic increase. In addition, we opened these sectors to the private sector and for FDI not only for implementation but also for financing. We are putting together the new modalities necessary for the success of this newly forged partnership. As an example, our Ministry of Finance has put together a special Unit for Public-Private-Partnership. The first wave of contracts is already in the make in the education and health sector will follow.

Ladies and Gentlemen:

I wish you a fruitful round table and I am ready to respond to your questions.