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Egypt is Thinking About the Future

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ABSTRACT

For decades, Egypt has been developing under the pressure of unfavorable factors that consistently complicate the work of its reproductive mechanisms, the functioning of the market and other institutions, and result in a series of economic turmoil, social tensions, and political upheavals. In certain periods, the country managed, under favorable circumstances, to mobilize its capabilities to temporarily offset and compensate for the negative influence of internal and external factors and even demonstrate signs of some macroeconomic stability. But the general trend, characteristic of and inherent in an economy developing in harsh conditions, did not give a chance to stay on a more or less constant course for a long time. At the beginning of the second decade of the new century, violent popular uprisings and demonstrations actually led the country to a serious crisis. Its echoes are still felt today, and they carry an element of extremely undesirable destabilization for the largest state in the region. Egypt has historically retained the status of a regional power, no longer the only one, but involved in almost all economic and political initiatives and processes developing in the Arab region, playing an important role in them, which, naturally, should be supported by the corresponding economic potential.

Keywords: Egypt; deficit; problems; budget; resources; market; economic potential; liberalization; diversification; modernization; reforms; development strategy; hydrocarbons

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ARABIAN BACKGROUND

Since the end of the twentieth century, the Arab region as a whole has been able to achieve certain, sometimes significant, shifts in the transformation of its socio-economic structures. The modernisation of the material and technical base of production, in which considerable financial resources have been invested, together with the improvement of the infrastructural complex, major changes in social processes, the use of certain external factors in the interests of national development, etc., have created in a number of Arab countries very favourable preconditions for the reproduction of the social product.

Nevertheless, the significant developments in this area, which have led to a certain improvement in the overall macroeconomic performance of the Arab region as a whole, have not been able to fundamentally change the position of the Arab countries in the world economy and in the system of the international division of labour. The Arab countries, lacking a consolidated economic mechanism, both at the level of individual jurisdictions and, even more so, at the level of the entire region, continued to move in the rearguard of the economic processes taking place in the centres of the world economy and unwittingly reproduced Western models and solutions to a greater or lesser extent. But in doing so, they also produced most of the economic difficulties inherent in the states they imitated. As a result, the range of independent decision-making by the Arab countries was rather strictly regulated by the factors that were objectively outside their sphere of influence.

Thus, the economic growth of the Arab region is heavily influenced by the overall development strategy of Western countries, and this is an axiom. Western industrialism, as part of its vision of how to increase economic potential, relies on the mobilisation of national natural resources, which has been carried out since the 1970s. This vector was driven by the impact of a serious rise in fuel and raw material prices, which led to a transition to a policy of reducing the energy and material intensity of machines and mechanisms, the widespread introduction of synthetic construction materials, and a greater focus on alternative energy sources, the use of innovative digital technologies, and so on. The New path has also been accompanied by the strengthening of traditional and non-traditional trade barriers for a number of developing countries' exports, including those of Arab countries.

Moreover, the main outcome of the economic development of the Arab region in the early twenty-first century can be considered to be its increased differentiation and its departure from the static equilibrium in which it had remained for virtually the entire second half of the twentieth century. The explanation for this lies in the fact that, on the one hand, the socio-economic transformations characteristic of this period have virtually ceased to stimulate economic growth in the overwhelming majority of Arab States as they used to, and, on the other hand, the rise in energy prices, which had been the basis for many of the region's economic growth programmes and positive changes in the Arab world, began to lose this function due to the serious volatility of world prices for hydrocarbons and the transition to the "green energy" adopted by the majority of states classified as industrialized by international statistics. As a result of these and other processes, Arab energy was no longer able to fulfil its former role as the main factor that could guarantee consistently high incomes for some Arab countries and serve as a reliable source of financial assistance for others.

In this context, a number of Arab countries have turned to the development of long-term socio-economic development programmes that could gradually lead them to the formation of economic systems that, in their main parameters, would allow them to function normally even after the end of the "oil era". The pioneers in this field were the Emirate of Abu Dhabi, which adopted the Abu Dhabi Economic Vision 2030 socio-economic development programme as early as 2007, and Qatar and Bahrain, which approved their programmes in 2008, also until that date. They were followed a few years later by Saudi Arabia (2016, Vision 2030), Egypt (2016, Vision 2030), Kuwait (2017, New Kuwait 2035), and then the United Arab Emirates (UAE) (2021, Development Roadmap up to 2071), Jordan (2022, Modernisation Plan 2033) and the Emirate of Dubai (2023, D 33).

Almost all of these programmes (with a few exceptions) were limited to the most general numerical indicators, as well as very vague provisions to only outline certain goals that each country hoped to achieve by a given date.

EGYPTIAN SPECIFICITY

Egypt has followed virtually the same principles in drawing up its programme — it plays a far from negligible role in the region, which, according to the local authorities, should be supported by appropriate economic capacity.

For several decades now, the country has been developing under the influence of a number of unfavourable factors. For example, in the fight against the COVID-19 pandemic, in which the country lost more than 25,000 people, more than $ 8 billion was spent to purchase 113 million doses of vaccine alone. This had a tangible impact on Egypt's budget, where such expenditure had not been foreseen.[1] In addition, local society has not yet calmed down after the Arab Spring and the dramatic events that followed in 2013, involving a fierce struggle for the country to develop in line with modern trends rather than self-isolating under pressure from the "Muslim Brotherhood".[2] The restructuring process that began after President As-Sisi came to power was also an additional test, which was negatively perceived by traditionalists and social and political organisations close to them.

The situation is also aggravated by the fact that the legacy left **to** the current Egyptian President is far from being a solid foundation for rapid economic growth. Many sectors of the national economy now require fundamental changes to bring it to a decent level. Although a certain backwardness of the country's productive forces is gradually being overcome, it is not at a pace that can ensure a qualitative breakthrough to achieve economic performance. The limited living space and the huge population (almost 111 million people, concentrated in only 4 per cent of the territory, i.e., the Nile Delta and Nile Valley[3]), by the standards of the Arab region, do not allow the State to fully meet even the minimum needs of the society. This makes it necessary for the authorities to structure socio-economic policies with the utmost care and caution, taking into account the different preferences of the various groups of inhabitants.

NEW TIMES

It is against this challenging backdrop that the 2016 renewal programme manifested as Sustainable Development Strategy: Egypt. Vision 2030 and developed under the leadership of President Al-Sisi to usher in a new period in the country's socio-economic development, In the opinion of the country's leadership, it was necessary to dispel the doubts accumulated in the egyptian society about the possibility of overcoming longstanding and new problems of socio-economic development. Otherwise, another social explosion could have occurred.

Thus, by putting forward his development programme during this very difficult period, President Al-Sisi has generally been able to mobilise public support for his initiatives and reaffirm his own readiness to address the most pressing challenges facing the country and to improve the methods and ways of governing the State apparatus. The President's initiatives have resonated with the population in a number of areas, raising hopes for a better future in various sectors of society. Against this background and within the framework of this programme, the government began to revise a number of previous ineffective and bureaucratic legislative and institutional acts, announcing the

[1] URL: https://covid19.who.int/region/emro/country/eg

[2] The organisation is recognised as a terrorist organisation in Russia.

[3] URL: https://ru.knoema.com/atlas/Египет/topics/Бедность

strengthening of the fight against corruption and stricter control of fiscal and monetary policy. Separately, the decision to introduce additional social protection measures for the poorest segments of the population was announced to mitigate the impact of the reforms initiated.

Looking directly at the content of the programme, many of its objectives are essentially reduced to eight key points. Their implementation could significantly improve the country's position in the world rankings by improving the quality of life of the population through the eradication of poverty by 2030, which would be the culmination of the entire development strategy and would ensure that social justice and social inclusion are actually achieved through civil initiatives.

To achieve this, it is necessary to ensure a sustainable economic growth trajectory for the country's national economy, which involves reducing the country's budget deficit and public debt, transitioning to a digital economy, encouraging innovation and supporting small and medium-sized businesses.

In addition, the task was set to increase investment in human capital, build scientific capacity and improve the level of educational services, while strengthening measures to preserve the environment, relying on alternative energy sources and new energy-saving production models.

There is a demand for strict adherence to the rule of law, rules and procedures necessary to ensure transparent decision-making and fight corruption.

Improving information security, strengthening the fight against terrorism and crime, and modernising the armed forces are also the objects of the state's close attention.

Enhancing Egypt's standing in the international arena and building mutually beneficial partnerships with various states and regional organisations has become an important component of foreign policy activity.[4]

It should be noted that some specific benchmarks highlighted in the programme immediately raised certain doubts among both Egyptian and foreign experts. In particular, the country was set a difficult task to increase per capita income from $ 3,400 in 2016 to $ 10,000 in 2030, to reduce the budget deficit from 11.5 to 2.28 per cent over the same period, to reduce public debt from 92.7 per cent of GDP to 75 per cent, and demote inflation from 11.8 to 3–5 per cent.[5]

Such ambitious plans were largely due to the development of natural gas deposits with estimated reserves of 2.2 trillion cubic metres, thanks to which Egypt not only became self-sufficient in this type of fuel in 2018, but also started exporting it. The country's expectations in this area were further strengthened in 2022, when a large natural gas field was discovered offshore on the north-eastern coast of the Mediterranean Sea, which experts estimate could contain up to 99 billion cubic metres of gas.[6] When developing gas fields, Egypt naturally relies on international companies, which have been operating in the country for quite some time under production sharing agreements, as well as on Egyptian General Petroleum Corporation (EGPC) and Egas, which are its partners in joint ventures. During the period under review, two liquid natural gas export terminals were built in the country, at Idku and Damietta. In addition, four export projects related to the transport of liquefied natural gas were at various stages of implementation. The most developed option is the project of the Spanish company Union Fenosa, which signed a contract with EGPC to purchase 4 billion cubic metres of gas per year for its subsequent liquefaction. For this purpose, Union Fenosa planned to build an LNG plant with a capacity of 8 billion cubic metres per year on islands in the Nile Delta. The bulk of the liquefied natural gas was to be delivered to Spain and used for power generation, with the remainder to be sold domestically and internationally. EGPC also signed an

[4] URL: http://www.cairo.gov.eg/en/GovernorsCVs/sds_egypt_vision_2030.pdf

[5] Ibidem.

[6] URL: https://neftegaz.ru/

agreement with BP and ENI to build a liquefied natural gas plant in the port of Damietta. Another similar project was developed by the Egyptian company in co-operation with British Gas and Italy's Edison, according to which, the plant is planned to be built near Alexandria.

HARD REALITIES

However, despite its rather impressive gas reserves and very significant political weight in the Arab region, Egypt remains, by all international criteria, among those developing countries that do not possess sufficiently significant natural resources to turn individual projects within the current modernisation discourse into effective levers for breakthrough economic growth. Its economic opportunities are affected by the effects of the accelerated liberalization of the economy in the last third of the last century, during which all IMF prescriptions were almost fully implemented. Thus, the state consumption decreased noticeably, but there remained a very acute budget deficit and a serious negative balance of foreign trade. At the same time, the country's external debt increased significantly, and society developed a certain negativism towards the authorities and their reforms, which increased social stratification, which did not contribute to the reduction of poverty and misery. It is from those very times that the internal environment of social tensions became habitual, especially under the influence of such factors as economic imbalances, financial instability, labour surplus and shortage of food at government-subsidised prices for the poorest segments of the population.

In different situations, these disruptions are supplemented by incoming events, which in some cases prove to be negative, especially for the poorest segments of the population, and which are expressed, for example, in higher prices for some everyday goods. Most often such goods come from local producers who modernise their lines and master new technologies, which requires additional investments and, consequently, higher prices for their products. But even successfully implemented projects proved unable to bring the country out of pre-crisis situations, which, as already noted, often arise spontaneously. In such cases, the state tends to emphasise its success in the construction of infrastructure projects of various kinds, which is very effective as a kind of visual propaganda, in order to maintain its own image. For the same purpose, especially during periods of remission, it uses examples of macroeconomic stabilization that have actually taken place, or focuses the attention of the population on indicators of poverty reduction. For example, this indicator, which was 29.2 per cent in 2019, has fallen to 27.9 per cent in 2022, and the Arab Republic of Egypt government has raised the official threshold to \$ 562 per capita per year (compared to \$ 169 a decade earlier[7]), spending some \$ 3.7 billion over the past five years [1].

It should be noted that the state's efforts have resulted in each poor person receiving \$ 1.97 per day in relief (not adjusted for inflation), rather than \$ 1.5 as in 2012. In other words, the state's actions in this crucial area for Egypt have generally been reduced to a minimum that does not yet meet the targets set by Vision 2030.

One can say that the current economic reality is a distorted version of the socio-economic development of the country, already suffering from limited reserves of various kinds and population growth rates. What is happening is only exacerbating chronic problems that will continue to have long-term consequences in the form of poverty, social and economic inequality, and high unemployment. At the same time, serious social consequences exacerbate the imbalance between labour supply and demand that has long existed in Egypt, leading to protests and unrest, such as during the Arab Spring [2]. Since the population growth trend may continue in the country for at least another 15–20 years, this should be taken into account in the medium- and long-term development plans of the Arab Republic of Egypt,

[7] URL: www.statista.com

since the 2011–2013 protests highlighted one of the most acute social problems presented by mass unemployment among local youth. This makes job creation a priority for the Egyptian government, which in the long term can hardly provide employment through the public sector alone. Hence, according to the government, the crucial task of creating the conditions for the private sector to develop as a provider of new jobs, but this requires measures to seriously reform local labour laws to create new incentives for private recruitment while maintaining adequate protection for workers.

TACTICAL LINE

Indeed, the range of socio-economic problems in Egypt is really wide. Therefore, the state is currently focusing on finding optimal solutions in the conditions of limited resources, deficit of domestic savings, reduced inflow of foreign capital investments in order to respond as quickly as possible to the slightest changes in the conjuncture, although the reaction to them may be restrained. In particular, the difficulties with non-tariff barriers, export restrictions and, in some cases, direct import bans have not been overcome, which creates additional obstacles to the growth of foreign trade, which has always been one of the main sources of foreign exchange earnings. In addition, tourism revenues and remittances from Egyptians working abroad have declined, although this may vary depending on circumstances.

Having attached great importance to the growth of the private sector in the economy in the last ten years under the influence of external factors (primarily the IMF), Egypt has been pursuing a fairly consistent policy of denationalisation since 2013. Thus, it is gradually losing state control over its productive assets and the ability to influence the situation in a number of sectors of the national economy, including those that are important for employment and can create imbalances in the local labour markets. Especially since these processes have been and are taking place against the backdrop of rapid population growth, increasing even with declining birth rates simply due to previously accumulated human resources and increasing life expectancy.

Despite the ongoing negative factors, it should be noted that a number of measures taken under the programme have generally helped Egypt to maintain (and in some cases improve) the positive attitude of the population towards the leadership's desire to increase economic growth, at least in some areas.

For example, in 2020, the country ranked 116th out of 189 on the Human Development Index, surpassing all Arab states for the first time in history.[8]

This is due to the fact that since the early 2000s Egypt started paying special attention to the development of information technologies, attracting such leading companies in this field as IBM, Microsoft, Intel, etc., and taking advantage of their interest in expanding their activities in the markets of the Middle East and North Africa. In particular, a special technology park based on Smart Village was created in the Cairo suburb of Giza, where foreign IT companies that opened offices were provided with tax and other incentives. In 2015, more than 130 companies from different countries were already working here, having trained more than 13,000 Egyptians in their specialisation [3].

In addition, the Egyptian Ministry of Information and Communications Technology and its related agency have launched an incentive programme for small and medium-sized enterprises to encourage them to actively use information and communications technology programmes and disseminate their competencies. The Agency invites Western firms to advise and financially support Egyptian entities and, for its part, provides them with tax incentives and finances staff training and development programmes.

Of course, this does not mean that Egypt has succeeded in completely overhauling its education system as the country still needs such reform,

[8] URL: https://hdr.undp.org/data-center/human-development-index#/indicies/HDI

which requires serious investment. In addition, this issue is in no small part a matter of changing cultural standards and many traditions, which is a long and complex process.

In terms of ease of doing business, Egypt ranked 114th out of 190 in 2019, behind only Arab countries such as Morocco, Saudi Arabia, Oman, and Jordan.[9] The country's GDP increased by 23.7 per cent between 2020 and 2023, with annual growth rates of between 3.6 and 5.9 per cent over the same period. In addition, public debt was stabilized, but still remained at a very high level of 89.6% of GDP in 2020 and 2023.[10]

A number of vital indicators have also remained largely unchanged: inflation (11%) and unemployment (6.9%) remain high, and the Egyptian pound has depreciated by 50% against the US dollar over 2022–2023, pushing almost 60% of the population below the poverty line [4], while the per capita income of the poorest part of the population is also extremely low.

Under these conditions, the Arab Republic of Egypt government received a $ 3bn loan from the IMF,[11] but on rather tough conditions for the country which means curbing inflation and privatising state companies owned by the Egyptian army, most of which are systemically important for the country's national economy. It should be said that the army, on which the government largely relies, owns not only a number of the most important construction, steel and agro-industrial companies, but also chains of large supermarkets and hotels in the most popular tourist areas of Egypt, and military contractors usually receive the most favourable orders [5]. In addition, active and retired officers sit on the boards of directors of major Egyptian public and private companies [6]. If we take into account that the status of the army in the Egyptian society is historically very high, and during the coup d'état of 2013 it was the army that removed the Muslim Brotherhood protégé M. Morsi from power and brought in the current President As-Sisi, it becomes clear that it will not give up its positions in the national economy of the country so easily.

IN FRONT OF CHALLENGES

These and other circumstances oblige the current Egyptian leadership to be extremely cautious in its efforts to avoid serious miscalculations in the country's modernization. The authorities have so far been able to demonstrate competence and determination to achieve a marked improvement by 2030. However, it is difficult to foresee what the results will be, given the many different socio-economic challenges, the resolution of which requires not only significant financial outlays but also considerable material resources. Meanwhile, the planned economic recovery needs constant nourishment, but in the current context Egypt is far from being able to mobilise sufficient resources to concentrate them simultaneously and with equal efficiency across the country's reform area with large deficit niches.

These dangers, particularly evident with the beginning of As-Sisi's second term and the reforms put forward by the IMF, have not disappeared, with recurrent budget deficits and shortages of resources for projects.

This is characteristic not only of Egypt, but also of other Arab countries whose economic policies are clearly dominated by the state and state enterprise, with predominantly administrative methods of regulating the economy in general and the public sector in particular, with all the consequences that entails. For example, the mobilisation of budgetary revenues is carried out mainly through compulsory taxation. The same applies to the inflationary method of budget financing, as well as, to a certain extent, to state credit.

As a result, a stalemate began to develop in the country's national economy, as the monopoly of the state and the army in the economy is almost impossible to abolish completely, although the current state of affairs requires urgent and radical

[9] URL: https://archive/doingbusiness.org/en/rankings

[10] URL: en.wikipedia.org

[11] URL: htpps://www.xinhuanet.com/English/2019–01/10/c_137734351.htm

reforms. Thus, in 2022, foreign debt service rose to $ 42 billion, total public debt reached $ 157 billion, and local banks imposed severe restrictions on withdrawals from foreign currency accounts and markedly increased credit card service fees [4].

These and other difficulties began to increase due to the physical and moral deterioration of the main production assets of a number of leading state enterprises, the outflow of qualified specialists abroad (primarily to the Arab monarchies of the Persian Gulf). Negative dynamics intensified after a sharp increase in competition for state-owned enterprises from Western and Chinese producers of goods, which flooded the domestic market due to a noticeable reduction in import duties, the growing debt of many state-owned companies.

The extremely difficult situation in the country, according to some analysts, is also connected with certain miscalculations of the Egyptian leadership, which initiated a number of costly but prestigious megaprojects: the construction of a new administrative capital in the desert with the involvement of Chinese capital; the expansion of the Suez Canal; large purchases of weapons; the construction and modernization of several thousand mosques. The government justified the expenditures on these projects by saying that the new capital would relieve Cairo's 20 million inhabitants and promote the development of sparsely populated areas of the country (citing the positive experience of Morocco, Brazil, Turkey and Kazakhstan), extensive work on the Suez Canal would double its capacity, the procurement of new modern weapons is necessary to improve Egypt's defence capabilities in a highly volatile foreign policy environment in the Middle East and North Africa, while the construction and renovation of mosques should support the "high religious morale of the population" [7].

ONGOING ADJUSTMENT

The Egyptian leadership continued to adjust the socio-economic course within the framework of the programme, in particular by taking measures to channel public capital into material production in order to alleviate or correct the structural imbalances of the previous decades. There were also attempts to restructure the state management of the economy, which involved a partial return to elements of planned development, adjustments to the investment code, the empowerment of the administrative boards of state-owned enterprises in the use of foreign exchange earnings and product pricing, and so on.

In addition, the entry of a number of foreign banks into the Egyptian market has increased competition in the financial and banking sector and created conditions for risk management operations to reach a new level. The Central Bank of Egypt has not only become more independent and manoeuvrable, but has also gained the right to establish credit agencies that collect information on borrowers and their performance in order to inform clients about loan recipients and optimise disbursement decisions.

Structural reforms and the liberalization of currency and investment regulations undertaken by the Government as part of Vision 2030 have stimulated foreign investors' interest in the Egyptian market and increased the inflow of foreign direct investment into the country.

The foreign economic sector has undergone a major transformation with the liberalization of the customs and tariff system. Thus, Egypt began to more actively use its competitive advantage of geographical proximity to Europe, Asia and Africa to expand export sales to their markets. A number of new, important for Egypt trade and economic agreements, including free trade agreements, were concluded with many European, Asian and African states.

As a result, since the beginning of the adoption of the Vision 2030 programme by the Egyptian leadership, the country has gradually begun to abandon the previously practiced directive methods of economic management in favour of liberalization, which, along with the introduction of a number of privatization initiatives, has contributed to a certain reduction in the role of the public sector in the country's economic practice.

However, the current socio-economic situation in Egypt remains very tense, as shifts in the national economy and changes in the dynamics of its main components are not pronounced enough to sustainably support modernisation processes, transformational trends, and social narratives. As the results show, the Egyptian economic model of development does not fully cope with the tense contemporary realities that often dash the country's national economy.

PERSISTENT DIFFICULTIES

Today, the leadership of the Arab Republic of Egypt faces the need to implement complex reforms in order to boost the country's economic growth in the medium to long term. At the same time, the Arab Republic of Egypt needs a short-term plan to stabilise its national economy, which has been severely affected by the Arab Spring unrest and the ensuing external economic crises, which have disoriented not only government agencies and institutions, but also the private sector and local and foreign investors.

Stabilizing the economic and financial situation is an extremely difficult task, which the country's leadership is unlikely to be able to solve on its own, without massive financial support from regional partners (primarily the Gulf oil monarchies) and without loans from international financial institutions.

In this regard, it should be emphasised that of all the countries affected by the Arab Spring, Egypt has the greatest potential for investor confidence and attracting financial assistance. However, the realization of these opportunities largely depends on the preservation of internal political stability in the country, as well as the successful implementation of the Vision 2030 programme by the government. In addition, the investment climate in the country requires further improvement, when the "rules of the game" should be clearly established at the legislative level and the impossibility of changing them arbitrarily should be fixed.

"Vision 2030" so far helps to locally and temporarily mitigate the previously accumulated problems, but at the same time it creates new ones against the background of objectively emerging contradictions of intra-economic and intersectoral plan. As a result, their overcoming occurs, in fact, in an emergency mode, which in some cases becomes constant and is conditioned, on the one hand, by the need to consolidate all available reserves to improve the sustainability of the national economy and its quality, and, on the other hand, by the desire of the ruling circles to accelerate the transfer of the reproduction base to a new technological basis.

It can be assumed that Egypt, with the very ambitious goals set out in the programme, wanted to strengthen its socio-economic foundations (which have so far kept it from finally sliding into the global periphery), while hoping to move to a higher level of development at some point. "Vision 2030" basically means that the Arab Republic of Egypt's leadership has realised that the country does not yet have sufficient resources to move to a more representative position in the global economic system. The authorities are still looking for ways and opportunities to meet this global challenge in the dramatically changing economic and political environment of the world around them, with the hope of success.

Entering the trajectory of qualitative socio-economic growth requires the ability of the leadership to quickly address multidimensional challenges. In doing so, however, there is a risk that a "super idea" may not be sufficiently adapted to the current circumstances or the international and/or inter-Arab situation and become a destabilizng factor that negatively affects the pace of implementation of the programme's strategy.

Meanwhile, Egypt, in terms of its economy, is gradually becoming a rather large subject not only of regional, but also, in some cases, of global economic activity, in which, in addition to hydrocarbon production, it operates in the markets of phosphates, iron and aluminium ores, rare-earth metals, and, in the future, uranium, the discovery of large deposits of which was reported back in

January 2013, intending to start mining this fossil in 2024.[12]

The country intends to make extensive use of available natural resources to diversify its economy and consolidate its position on all available platforms, including foreign ones. This is crucial for Egypt to stabilize its macroeconomic performance, diversify the sources of funding for the major national projects outlined in the programme, and gain access to the latest technologies [8]. Obviously, the implementation of such plans requires the support of all segments of the population, which, in the current, highly volatile external and internal environment, should know what measures the leadership intends to take to achieve the set goals.

Thus, the government is facing a task of great importance and complexity — to form a social and national consensus on the strategic long-term goals of the country's development. At the same time, the choice of ways and methods of further promotion of the modernisation process, which will allow the country to qualitatively reduce the rather high level of internal political, socio-economic, and religious contradictions, is of particular importance. In this regard, it should be emphasised that the increase in economic growth rates should be accompanied by an active policy of mitigating social contrasts and supporting small and medium-sized segments of the population [9]. Otherwise, the emerged political, economic, social, and other difficulties may lead to a serious destabilisation of the internal political situation, and then it will have to be mitigated by focusing on additional and costly measures to seriously reduce poverty and deprivation, curb inflationary processes and solve other acute social problems, and, most likely, to make significant adjustments to a number of indicators outlined in the Vision 2030.

While noting this fact, it is still necessary to point out that Egypt has made significant progress over the past 20 years in diversifying and strengthening inter-sectoral linkages and establishing a fairly integrated national market space and its most important components. This is evidenced by the emergence of a number of new economic sectors and economic entities, including the private sector, which has noticeably stimulated local production of consumer and industrial goods. The development of Egypt's export industries, business, trade and tourism ties with the outside world, despite the intensely predicted challenges and threats, contributes to the country's greater involvement in the global market, which is in line with the Vision 2030 programme strategy that was adopted for the future.

[12] URL: neftedaz/ru/news/nuclear/782716-egipet-nachnet-dobychu-urana-v-2024-g/

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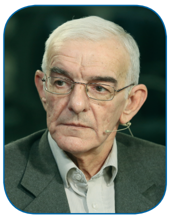

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