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Egypt's economic decisions to address coronavirus repercussions

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The economic balance is based on equality between supply (manifested in businessmen) and demand (represented by consumers), and it is assumed that the policies to face the coronavirus crisis should address the expected negative effects on both supply and demand; because if it deals with only one of them and neglects the other, the Egyptian economy will never be able to rise; and if these policies favor the interests of the rich and neglect those of the poor and the middle classes, they will be considered selective and biased policies.

This proposition does not mean neglecting the supply side and the interests of the productive classes, but it is rather a call to re-review the government policies and launch a complementary package of economic policies that target the interests of the poor and middle classes – which constitute the vast majority of the Egyptian people – in order to help them get out of the current crisis that is affecting everyone.

The policy package launched by the Egyptian State represented by the Council of Ministers and the Central Bank of Egypt (CBA) to face the economic repercussions of the coronavirus outbreak can be extrapolated through the following points:

First: Cabinet decisions to confront the crisis

The decisions made by the cabinet to face the crisis can be considered financial policies, as most of them came within the framework of tax deductions and exemptions, while the CBA announced a set of decisions within the framework of monetary policies to face the crisis.

The decisions announced by the Egyptian Council of Ministers came as follows:

First decision:

Reducing the price of natural gas for industry at \$4.5 per million thermal units, and also reducing the prices of extra high-voltage, high-voltage and medium-voltage electricity for industry by 10 piasters per kilowatt hour, while fixing and not increasing the electricity prices for the rest of the industrial uses for a coming period of 3-5 years:

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The aim of this decision is to reduce the energy bill for factories, which is important in light of the fact that reducing costs means recovering part of the market share (both domestically and overseas) of energy-intensive industries that Egypt lost due to implementation of the International Monetary Fund (IMF) program and raising fuel prices. In addition, this reduction in energy prices for factories may result in reducing the prices of final products on the one hand and expansion of markets and creation of new jobs on the other, both of which are in the interest of the citizen.

However, two main points can be noted here:

1) Reducing natural gas prices was an urgent requirement for factories owners before the outbreak of the coronavirus crisis, and the Egyptian government partially responded to this by reducing gas price by one dollar in a previous decision. Of course, I believe the government had to respond to the appeal of manufacturers in reducing natural gas prices, as gas prices fell globally to less than \$3 per million thermal units before the crisis, while declines are still continuing in gas prices, reaching \$1.580 million thermal units on 22 March 2020.

This simply means that the government provides natural gas to factories three times its global price, and that the expected improvement in costs will not have an impact on the international level as competing global industries can purchase it at lower prices, which also means that the domestic market is the only outlet for these high-cost products, and in this way the government deprived the local consumer of buying these products at lower prices and forced it to buy a high-priced products in light of the customs protection that works for the benefit of those industries. This means that likely creation new jobs through market expansion is doubtful, as the purchasing power of consumers is limited, in addition to lack of ability to compete internationally due to the higher costs.

The question that may come to mind relates to wondering about the reason for the limited reduction of natural gas prices even after its collapse globally, and the direct answer to this is that the economic dilemma caused by the government's recklessness in importing huge quantities of gas from "Israel" at prices exceeding \$5 per million thermal units, prompts the government not to respond to appeals of manufacturers to reduce gas prices – where if it happens, the resulting losses will be directly borne by the state's budget, and indirectly when the production of these industries drops due the high costs and consequently tax payments that finance public revenues decrease.

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It is now necessary, in light of the difficult economic repercussions of the spread of coronavirus, that the Egyptian government should attempt to pressure the Israeli side to review gas prices and discuss the possibility of lowering them amid the global pandemic that international arbitration can understand if Egypt invokes it as a reason to suspend the deal. In the event that the other side refuses this pursuit, the government should balance between the fines stipulated to be paid in the event the Egyptian side suspends the deal and the price differences that will be borne by the general budget and citizens' pockets once and for all as a result of high prices; and we must not forget the local production of gas was also reduced due to Israeli gas import.

In general, it can be said that the continued implementation of the gas deal with Israel is an asserted loss for the Egyptian economy, as the ill-conceived promotion that Egypt will become a regional natural gas hub has completely collapsed, not only after the abundance of supply before conclusion of the deal with Israel, but also after the global slowdown that has already emerged as a direct result of the COVID-19 crisis. Unfortunately, the Egyptian citizen and the manufacturer will pay the cost of absencing talents and feasibility studies and favoring those close to security services for achievement of political interests during conclusion of economic contracts and agreements.

2) The limited reduction in natural gas prices did not include domestic consumption (both for butane gas cylinders and the natural gas delivered to homes), which confirms the blurring of the vision of the maker of such policy, and holding the citizen liable for his contractual mistakes (where the poor Egyptian citizen supports the Israeli citizen!), and favoring businessmen at the expense of the poor and middle classes, especially that this is the second price cut that ignores inclusion of citizens in its privileges.

Second decision:

Provision of LE1 billion for exporters during March and April 2020 for payment of part of their dues in accordance with the agreed mechanisms (the investment and cash payment initiative announced to exporters), with an additional 10% cash payment to exporters in June 2020:

According to the financial statement of the draft general budget 2019/2020, exports support and development in the state budget increased from LE2.3 billion in 2017/2018 to LE4 billion and LE6 billion in FY2018/2019 and FY2019/2020, respectively.

Thus, the government allocated LE6 billion to refund export burdens for FY2019/2020, including LE2.4 billion in cash support (40% of the total allocation), LE1.8 billion deducted from obligations of exporting companies to the Ministry of Finance (about 30%), and LE1.8 billion to support the export infrastructure (30%).

There are many studies¹ that criticized export support programs, most prominently”

- Lack of criteria for selecting sectors that can receive export support,
- The fact that many companies provided false documents to receive export support,
- That large industries were the ones that received the largest percentage of support,
- Lack of control over provision of export support,
- Lack of support for high-tech industries (with high added value), and
- Lack of interest in supporting small industries.

This shows that the government was committed to providing support to exporters even in difficult economic times during implementation of the IMF program, which lifted support for ordinary citizens while providing it in various forms to exporters. Although the government moved quickly to pay parts of the financial dues for exporters, it did not seriously address criticism of this program by various studies.

Third decision:

Postponing payment of the real estate tax due on factories and tourist facilities for a period of 3 months, allowing installment of the real estate tax due on factories and tourist facilities for the previous periods, through monthly installments for a period of 6 months, and lifting administrative provisional seizure on all tax payers against payment of 10% of taxes due on them and settlement of their files through dispute settlement committees.

¹ A study issued by the Political and Economic Studies Unit of the Egyptian National Movement Party, [Link](#)

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This decision indicates government policy bias to businessmen, while excluding the ordinary citizen, especially that the effect of adding the ordinary citizen on the public revenue is very weak.

Most of owners of middle-class housing units on which they have to pay real estate tax after exceeding the limits of government exemption after the wave of inflation resulting from the IMF program, have now fallen under poverty line; and therefore, treatment of them similarly with factories and tourist facilities was more imperative amid erosion of their financial resources, and due to the fact that they are non-profit real estate, unlike the profit-making real estate targeted by the decision.

Fourth decision:

Reducing the price of the dividend tax to companies listed on the Stock Exchange by 50 percent to 5 percent:

The government decided to reduce the price of the dividend tax to companies listed on the Stock Exchange by 50 percent to 5 percent, and completely exempt the immediate operations on the shares from the stamp tax to activate the volume of transactions and increase the depth of the Egyptian market. The government also decided to reduce the stamp tax on non-residents to 1.25 per thousand instead of 1.5 per thousand and reduce the stamp tax on residents to 0.5 per thousand instead of 1.5 per thousand, until the capital gains tax is applied to them at the beginning of 2022.

It is clear that this decision aimed to rid the Egyptian Stock Exchange of some of the performance obstacles that the government caused through its ill-considered decisions during the post-flotation period. The significant reduction in the dividend tax for companies listed on the stock exchange by 50% to only 5% indicates the government's strong determination to address the stock market's performance and mitigate its investors, which is largely good move, provided that it is matched with a similar determination on the citizen's side.

Fifth decision:

Providing an exceptional allowance worth LE500 for irregular workers: This aid was announced by the Minister of Manpower and not the Prime Minister, which means that the government does not consider it as part of its policy package for facing COVID-19, perhaps because it falls within the framework of the routine work of the Ministry of Manpower, which provides similar quarterly aid to about 300,000 irregular workers, but this aid is exceptional.

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Generally, this grant is the only decision from the State targeting irregular workers and simple people; but it is worth noting that the unregistered irregular workers in Egypt are estimated at millions, and the State must find a solution to officially registering them. Anyway, and the amount of this aid is extremely low (approximately \$16 per month) and not commensurate with the prevailing level of prices, nor is it commensurate with the size of the huge savings achieved by the state budget due to the drop in oil prices estimated in the current budget at about \$67 a barrel while the current price is less than \$27 and oil prices are still likely to decline.

Perhaps the limited numbers of beneficiaries (only 300,000) and the low cost led the government to take the only decision in favor of the simple and poor Egyptians, but what is certain is that this decision must be followed by decisions to raise the value of the grant at least twice, and to include the rest of beneficiaries in the official records of the State.

Second: The CBE Decision Package in the Face of Economic Implications of Coronavirus

The Central Bank of Egypt (CBE) has issued an important package of decisions to stimulate the national economy and maintain market activity in the framework of efforts to face the effects of the outbreak of coronavirus, including:

1) CBE reduction of basic interest rates by 3%:

The Central Bank of Egypt's decision to reduce the basic interest rates by 3% should be described as unprecedented in relation to the conservative policy that the CBE usually pursues. Generally, the reduction brought the overnight deposit rate to 9.25% and its lending rate to 10.25%, while the main operation and credit rates were both cut to 9.75%

According to the Monetary Policy Committee (MPC), the rate slash was an exceptional measure, which contributes to supporting economic activities in all sectors, taking into account the CBE's target inflation of 9% (+/-3%) in the fourth quarter (1Q) of 2020.

This assertion is largely correct, especially with regard to stimulating domestic investment; and despite this, this procedure confirms what we suggested that the general view of the economic policy maker in Egypt is shortsighted, as it is known that there are not a few numbers of Egyptians with

pensions and widows, but also those with limited wages who rely on the returns of their deposits to cover their monthly expenses, and that this cut is catastrophic for them.

This does not mean to cancel the decision or even reduce the cut rate. Instead, the policy maker should consider a discriminatory interest rate, even temporarily, for these depositors in light of the current crisis, even if the budget bear the interest rate difference, similarly to the procedure applied to the industrial revitalization initiative, for example.

2) CBE issuance of a new initiative for the struggling clients of natural individuals

The Central Bank of Egypt's new initiative is aimed at defaulting natural individuals to enable them to deal again with the banking system, which contributes to raising their purchasing power and enhancing local demand, as follows:

The initiative applies to individuals who are irregular in payment and whose debts balances due to the banking system are less than one million pounds (without credit card balances and marginal returns), according to the center on September 30, 2019, whether taken or not Judicial measures are taken against them based on the report available to the Egyptian Credit Inquiry Company, according to which:

1- All issues that are traded and exchanged with the courts will be waived as soon as the customer agrees with the bank to deal with the terms of payment.

2- When the customer pays in cash or in kind 50% of the net debt balance without marginal returns (the balance of the debt excluding the cash collateral and the like), the following is done:

a- The removal from the lists of bans by the credit registration system in the Central Bank of Egypt and the Egyptian Credit Inquiry i- sacore, and the disclosure of these clients as initiative customers for one year from the date of paying the 50% as historical information only,

b- The non-applicability of the ban on dealing with these clients with respect to that debt, and

c- The liberalization of non-cash guarantees and the like and mortgages related to that debt.

3- The initiative will be implemented from its date until the end of March 2021.

4- The same conditions of the initiative being applied to customers who made payments before September 30, 2019.

The articles of the previous initiative are good for small businessmen who will undoubtedly welcome the cancellation of half of their debts, as well as the cases filed against them, especially that most of them can easily manage half of the conditional amount to be paid for that, and if the initiative took into account allowing the stumbling minor businessmen installment of the amount it would have been more effective.

Generally, the initiative is good, but like all the government economic policies, it did not pay attention to the simple citizens through measures that are more suitable for their current circumstances.

Third: The decisions issued by Sisi:

During his speech on the celebration of the Egyptian woman day in Ittihaiya Palace on March 22, 2020, Sisi announced a set of economic decisions which the media was keen to promote as targeting facing the economic repercussions of the coronavirus crisis.

These decisions were as follows:

1- Including the five bonuses due to pensioners at 80% of basic wage and granting the annual periodic pension bonus by 14% as of the next fiscal year:

I wonder why Al-Sisi put this item within a ceremonial context, especially as the allowance set for the next fiscal year is less than its counterpart in the current fiscal year of 15% with a minimum of 150 pounds, which came into force from the first of last July² .

This allowance is described as periodical for pensions, with the outline of the budget for the next fiscal year, in coincidence with the Plan and Budget Committee's announcement on 14 March 2020 of an exceptional periodic allowance for state employees³, a decision that was explained through a

² Disbursement of the largest increase in pensions and salaries, [Link](#)

³ Good news for employees – Sisi orders pay increase and approves a periodic bonus, [Link](#)

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statement by the Minister of Finance⁴, in which he said that civil servants will receive two bonuses starting from the first of next July, one of which is a periodic bonus and the second is exceptional. He added that civil servants subject to the Civil Service Law will receive a periodic allowance of 7% of the basic wage, with a minimum of LE75 per month, and without a ceiling.

As for workers who are not subject to the Civil Service Law, they will receive an allowance of 12% of the basic wage, instead of 10% usually provided every year, with a minimum of LE75 per month.

The statement of the former Finance Minister refutes any allegations that these allowances, whether for pensions or employees, are dedicated to facing the COVID-19 crisis, especially that they will enter into force with the start of the new public budget, and confirms that they are natural periodic increases due for State employees and pensioners every year.

As for raising the minimum tax exemption to LE14 thousand, which has been recently approved by the Parliament's Plan and Budget Committee⁵, this means that the exemption includes salaries less than 1,166 pounds per month, starting from the next fiscal year, leaving no comment to be said!

It should be noted that some countries have resorted to a sharp reduction in the salaries of some sectors such as airline employees and others; and for this reason I believe that a similar and temporary reduction is required for some sectors and organizations with very high wages and incentives.

Accordingly, the researcher suggests reduction of 75% of wages that exceed LE150 thousand per month, 50% of wages exceeding LE100 thousand per month, and 25% of those whose wages exceed LE50,000 per month, provided that these cuts be for a period of six months until the start of the new budget, with a review of those meager increases for the categories mentioned above in the next budget. These increases should be directed immediately to pensioners, and state employees who earn less than LE2,500 per month, in addition to providing an appropriate support for daily workers, and a final part to meet the losses of companies and bodies where they work.

⁴ Details of the increase of pensioners' bonus by 14%, [Link](#)

⁵ "Parliament Plan" agrees to raise tax exemption limit to LE14,000 instead of LE8,000 - [Link](#)

2- Halting the agricultural lands tax law for two years:

The agricultural lands tax is a sum of money imposed in 14% of the Feddan's annual rental paid by the taxpayer to the state annually in accordance with the provisions of Law No. 113 of 1939. The agricultural lands tax law provides for a re-estimate of the rental value per feddan and determination of the tax on it every ten years.

Al-Sisi's decision to extend suspension of the agricultural lands tax law for another two years came an extension to the suspension started in 2017. The suspension of this tax was previously intended to ease the burdens on the agricultural sector, and those burdens have certainly doubled now, especially after the high costs of agriculture after applying the subsidy removal program.

In general, it can be said that suspension of the tax is an attempt from the government to evade its commitments towards the agricultural sector. Instead of development of a real support plan for the Egyptian farmer, large companies from the Egyptian and foreign private sector as well as companies of the armed forces acquired vast areas of land to carry out agricultural projects officially announced that they targeted competition with small farmers and cows raisers, instead of supporting them⁶.

In general, the CBE should have offered a comprehensive initiative to boost the agricultural sector and support small farmers, with reduced interest rates similar to the sectors of tourism, industry and real estate.

3- Supporting small, medium and micro enterprises by postponing credit maturities for 6 months:

This decision can be described as part of the previous Central Bank of Egypt (CBE) decision to postpone maturities to individual customers, which includes 4 types of loans, namely, personal loans, credit cards, loans for the purpose of buying cars for personal use, real estate loans for personal housing.

The CBE indicated that instructions apply to all clients, whether regular or irregular individuals and institutions, and the CBE said that the credit maturities included in instructions are all the amounts

⁶ Gulf Companies and Acquisition of Egyptian National Projects Lands, [Link](#)

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due for all credit facilities, whether short-term facilities or current or future loan installments in addition to returns, so that all customer maturities and payment schedules are automatically transferred starting from date of instructions issuance for a period of 6 months, while notifying clients through any available means of communication.

Consequently, it can be said that medium and small companies are part of those targeted by the previous initiative, and it is strange that they are also included in the CBE initiative to forgive the interest of debts of struggling factories for debts less than LE10 million, and without setting a minimum debt limit, with a total interest of LE31 billion, and removal of these factories from the CBE negative list, provided that 50% of the principal debt is paid.

So the previous decision falls within the two initiatives of the CBE, which raises questions about reformulating a new decision for medium and small companies, without adding new benefits to them; and perhaps the objective was promotion of a package of decisions as being to face the current crisis, without additional cost to the State, simply because there is no real new decision.

Generally, the stipulation for medium and small companies could have been useful if it singled out more advantages such as prolonging the exemption period, or installment of dues after deduction of interest to considerable periods of time, for companies whose capital is less than LE1 million, with better arrangements for companies with less capital.

Even after development of such items for medium and small companies, we can emphasize that the initiative will not benefit those companies as much as major companies.

4- Launch of “defaulting clients” initiative for tourism sector affected clients

The Central Bank of Egypt (CBE) announced last January, before the outbreak of coronavirus crisis, an initiative worth LE50 billion to support the tourism sector, with a 10 percent diminishing interest, and to stop the previous LE5 billion initiative.

The CBE has set the loan term to a maximum of 15 years, with the possibility of non-regular customers benefiting from the initiative, given that the initiative does not apply to clients of the absolute ban.

The CBE stated that each bank involved in the initiative finances a maximum of 75% of the total replacement and renewal costs, provided that the customer bears the remaining percentage (25%)

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while paying the customer's share in proportion to the bank's share based on the bank's study of the cash flows provided by the customer and matching the replacement and renewal process to the standards and specifications issued by the Ministry of Tourism.

The current decision added two new items to the previous initiative, namely: financing current hotel expenses and the expenses that ensure their continued operation and reducing the cost of lending to that initiative to 8%.

It is noteworthy that reducing the cost to 8% instead of 10% did not come as a result of the coronavirus crisis, but rather due to the CBE recent decision that reduced the interest rate on deposits and lending by 300 basis points, a rate of 3%, thus the overnight interest rate and the price of the main operation becomes 9.25%, 10.25% and 9.75%, respectively, and the credit rate at the level of 9.75%. which makes the interest rate in the first initiative higher than the current market price; therefore, the CBE had to reduce the price to revive the main initiative which has nothing to do with the coronavirus crisis and its negative repercussions on the tourism sector.

As for adding operating expenses, it is due to the current situation resulting from the crisis, as the hotel expansion projects will undoubtedly stop not only until the crisis subsides, but even until exploring its impact on global economies and thus their potential impact on the tourism sector.

Thus, the CBE was obliged to provide the two additions to ensure the continuation of the initiative and not to cancel it; and all in all it must be noted that the CBE did not provide any additional amounts more than those prescribed in advance.

Generally speaking, it is not expected that hotels will keep their workers and employees, but previous experiences indicate that they used to be disposed of immediately after occurrence of crises, which means that this reduced and unconditional liquidity will not benefit the working classes but it is rather directed at supporting businessmen and reducing their losses.

5- Supporting the Egyptian Stock Exchange by allocating LE20 billion from CBE:

The CBE announcement of a plan to buy shares worth LE20 billion to support the Egyptian stock exchange contributed to the stock exchange returning to profits after a wave of huge losses beginning

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this year. Although the CBE has not clarified how it would interfere in the stock market or the timing of this intervention, it is likely that it will intervene directly in the market through buying shares.

It is also likely to be a long-term investment, to give itself enough time to exit the market later without haste, and also make profits, support the economy, and maintain market stability in the long run so that its exit would not lead to decline in prices of shares.

With the Egyptian stock market indicators continued tumbling and the violent losses that affected all listed shares, the National Bank of Egypt and Banque Misr announced their tendency to invest the huge liquidity they possess in the Egyptian Stock Exchange and take advantage of the falling prices of some stocks below the offering price.

The National Bank of Egypt announced investment of LE1.5 billion in the Egyptian Stock Exchange as part of its strategy to support its activity and investment opportunities. The Vice-President of Banque Misr also announced that Banque Misr, in cooperation with the National Bank of Egypt, had bought shares on the Egyptian Stock Exchange, worth LE3 billion.

In general, the Egyptian Central Bank's decision to invest in the stock market was preceded by many international central banks, whose holdings of shares until last year were estimated at about \$1 trillion, according to Bloomberg at the time, which indicated that this comes within the framework of banks pursuit to diversify their reserves away from low-yield bonds⁷.

It is important here to note the following points:

- The importance of public sector banks, and the role played by Banque Misr and the National Bank of Egypt stopping the losses of the stock market.

⁷ Coronavirus forces central banks to buy loser shares, [Link](#)

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- Selling the government-owned Banque du Caire after achieving nearly LE4 billion in 2019⁸, is fundamentally suspicious, especially with the availability of liquidity to Banque Misr and the National Bank of Egypt and even the Central Bank of Egypt, so why didn't they not acquire it?
- Despite the aforementioned statement from the boards of directors of the two banks regarding the reasons for involvement in investing in stocks, it is clear that there are directives from the CBE to do so, which raises the question about the independence of decisions of government banks.
- The State experience of intervention to save the stock exchange resulted in the loss of pension funds in the era of Finance Minister Youssef Boutros Ghali, which makes public funds require more control and more precaution.

It is clear that such decision has nothing to do with the repercussions of the coronavirus crisis, and that it was prepared in advance to save the plan to offer government companies on the stock exchange, which was postponed more than once due to the drop in stock prices. Anyway, this decision does not serve ordinary citizens at all, but it is intended to save businessmen, albeit partially.

The above analysis of the set of decisions issued by al-Sisi indicates that most of them have nothing to do with facing the coronavirus crisis, and that they mainly target businessmen away from private sector workers and employees.

6- The LE100-billion package and allocation of only LE1 billion to health sector:

The Minister of Finance indicated that this amount will be provided from the reserves item in the State's general budget. However, there is no item in the general budget called reserves, with LE100 billion; as the existing item is called "other expenses" with only LE90.4 billion in the FY2019/2020 draft budget, which raises questions about the source of funding for this package and how it will be used.

In attempt to understand this, the following points can be raised:

⁸ The Egyptian Economy After 2013: Policies and Challenges, [Link](#)

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- It is expected that the policy of printing banknotes that the monetary administration relied on until last year is a major source of these funds⁹, even though the CBE Governor has recently announced that they will not resort to this policy again.
- Also, the government did not explain how these funds would be provided, and assuming that they were provided to cover the aspects indicated by the above decisions, this indicates that the State did not take the majority of citizens into consideration, but most of its economic policy was biased to businessmen.
- The emergence of the military facilities, after allocation of this large amount of money, in the production of disinfectants and sterilization materials and then the production of masks that the State has recently donated to China and Italy, despite the shortages suffered by the health sector, may raise questions about the amount of money that will be allocated to the military from this package. In this regard, we should stress the importance of existence of the public sector as one of the pillars of the initial stages of development, while the army is now producing the medical masks that the public sector could have provided. Therefore, the question here is: will the government continue to privatize government projects (amid expansion of the army's economic activity)?
- Although the announced figure to support the health sector is LE1 billion, some weaknesses of this essential sector in many areas cannot be compensated, such as numbers of doctors and nurses and shortage in certain specializations that are of great importance in the current crisis such as ICU doctors and nurses. However, there are many other urgent needs for the sector that make this amount extremely weak compared to the size of the risks that surround society.
- One of the things that the Ministry of Health should have quickly grasped was the import of intensive care unit devices and respirators, taking into account that there are only 15,000 intensive care units in Egypt (10,000 in university hospitals and 5,000 in Government hospitals) compared to 100,000 ICU in Turkey, for example, although the population in Turkey is lower than the population in Egypt.

⁹ The Egyptian Economy After 2013: Policies and Challenges, [Link](#)

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- It is very strange not to allocate any cash support packages doctors and healthcare workers, and of course it is not possible to wait until the next fiscal year; therefore the government should at least allocate a three-month pay as an immediate allowance for all hospital employees, as well as cars to transport them to their workplaces, in light of the recent curfew imposed in Egypt, and providing fresh meals to them.

- It is also surprising that very simple personal protection equipment have not yet been provided in hospitals, despite the infection of a number of nurses, and doctors and healthcare workers' continued complaints about lack of potentials.

Conclusion

The paper attempted to extrapolate the Egyptian government's financial and monetary policies that were announced to face the economic repercussions of the outbreak of the coronavirus in Egypt and worldwide, suggesting that they were selective and biased policies that cared for supply (the interests of businessmen) and neglected demand (the interests of consumers), turning a blind eye to the poor.

After reviewing the government's various policies in this regard, the validity of the above assumptions have become evident. Thus, it can be said that government policies in the face of the crisis addressed one aspect of the problem and neglected the other, which means that activating them does not mean reducing the severity of the problems but it may increase the state of imbalance between supply and demand during the coming period.

The absence of policies targeting the simple Egyptian citizen means a continued drop in consumption that is already low due to application of the IMF program, which means a further decline in the role of the private sector, especially its productive capabilities during the coming period.

Meanwhile, amendment of some government policies in favor of the simple citizen requires only minor changes which are either inexpensive and even much lower than their expected returns, with respect to reviving the economic activity and move it away from the specter of depression.

Many of the above decisions had been included in previous initiatives or decisions, some of which were periodic and not related to the crisis. Also, the agricultural sector is still marginalized, and small and medium enterprises were not included in the CBE initiatives.

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Doctors and auxiliary medical personnel have not been included in the State's plan so far although they represent the first frontline in facing the crisis. Also, the plan has not included provision of medical equipment required for addressing the pandemic properly, which may summarize the way the regime deals with the crisis.

