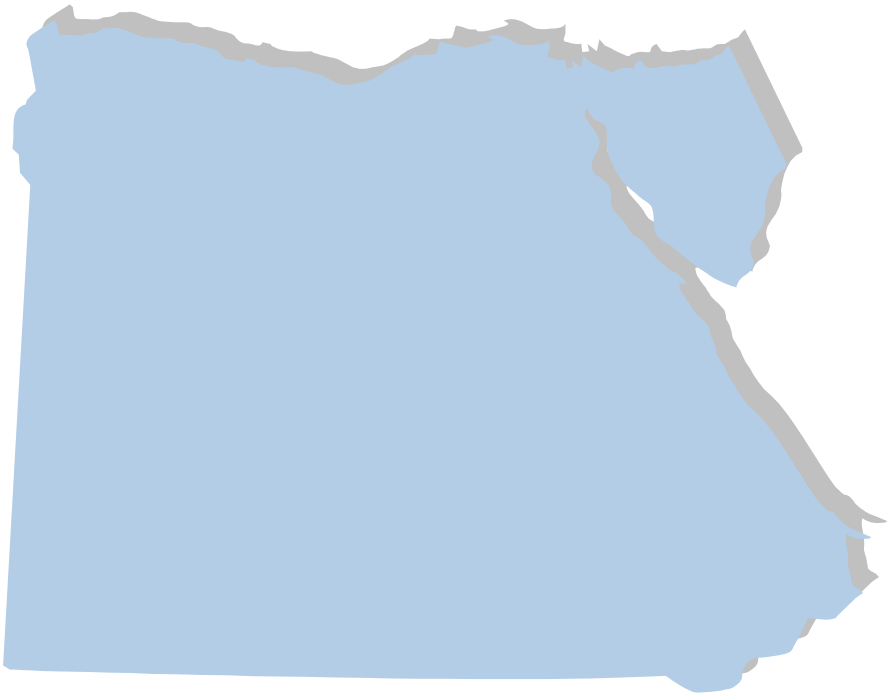
Egypt
Economic Performance Assessment



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Egypt
Economic Performance Assessment

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Through the Country Analytical Support (CAS) Project (2004-06), sponsored by the Economic Growth office of USAID's Bureau of Economic Growth, Agriculture and Trade (EGAT) under Contract No. PCE-I-00-00-00013-00, Task Order 004, Nathan Associates Inc. developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated countries receiving USAID assistance. The reports are tailored to meet the needs of USAID missions and regional bureaus for country-specific analysis. Each report contains

- A synthesis of key data indicators drawn from numerous sources, including the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations, other international data sets, and host-country documents and data sources;
- International benchmarking to assess country performance in comparison to similar countries, groups of countries, and predicted values based on international data;
- An easy-to-read analytic narrative that highlights areas in which a country's performance is particularly strong or weak, to assist in the identification of future programming priorities; and
- A convenient summary of the main findings, in the form of a Highlights Table and a Performance Scorecard (in lieu of an Executive Summary).

Under Contract No. GEG-I-00-04-00002-00, Task Order 004, 2006-2008, Nathan Associates continues to provide support to the EGAT Bureau by producing analytical reports evaluating economic growth performance in designated host countries. Through the same task order, Nathan is also developing a special template for countries emerging from crisis, assessing data issues in countries with large gaps in their data; conducting in-depth sector reviews based on the diagnostic analysis in the country reports; and providing other analytical support to the EGAT Bureau.

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HIGHLIGHTS OF EGYPT'S PERFORMANCE

Economic Growth	Real GDP growth accelerated in recent years, reaching 7.1 percent in 2006/07. Both public and private investment rates are rising and are substantial enough to continue the current pace of economic expansion. Sluggish growth of labor productivity, however, is a potential constraint to future GDP growth.
Poverty	The incidence of extreme poverty is low, but with 43.9 percent of the population living on less than $2 PPP a day, Egypt faces significant challenges in translating growth into poverty reduction. Reforms will have to focus on human capital development, productivity, and job creation.
Economic Structure	Services accounts for the largest sector share of both labor force and output, but industrial activities drive growth. Agriculture is the second-largest source of employment but contributes the least to output. Future growth requires creating jobs in the productive industrial sector while increasing productivity in agriculture and services to support the economy's long-term structural transformation.
Demography and Environment	Egypt is predominately rural, with a high concentration of the population in the Nile valley. Average yearly population increase is a relatively low 1.8 percent. Adult literacy is relatively low (71.4 percent). Major environmental challenges include improving urban air quality, managing waste, preserving water quality, and protecting coastal areas.
Gender	Egypt performs well on nearly every measure of gender equality— except the female labor force participation rate, which is extremely low at 21.9 percent.
Fiscal and Monetary Policy	The budget deficit narrowed from 9.0 percent of GDP to 7.7 percent between 2002/03 and 2006/07 as the government reduced fuel subsidies and restrained wage growth. Subsidy and interest payments continue to depress capital spending. Inflation, driven by rapid money supply growth and other factors, rose to 10.9 percent in 2006/07 but slowed by mid-2007.
Business Environment	Between 2006 and 2007, Egypt improved from 152 to 126 in the World Bank's Ease of Doing Business rankings. Reforms have greatly improved the environment for starting a business, but time to enforce a contract remains exceedingly high (1,010 days). Future systemic regulatory reforms are in order to raise the efficiency of the business environment.
Financial Sector	High and growing monetization and soaring stock market performance attest to substantial financial sector development, but private sector credit's shrinking share of GDP and widening interest rate spreads show that inefficiencies remain. Restructuring and regulatory reform efforts already underway are critical for expanding access to credit.
External Sector	Exports and imports have grown rapidly, aided by key policy and procedural reforms. Fuel-related exports have soared, and manufactured exports have increased, but diversification of exports remains a high priority. Foreign direct investment and portfolio investment are booming. Debt is manageable, and reserves are healthy, at 7.3 months of imports.
Economic Infrastructure	Telephone and Internet density are growing but still very low relative to density in Jordan and Turkey. Transportation infrastructure is relatively sound, but extension and upgrading are needed, particularly for railroads and in rural Upper Egypt.

Science and Technology	Expenditure on research and development has been consistently low (just 0.2 percent of GDP). Egypt's scores on the FDI Technology Transfer index and the Availability of Scientists and Engineers index were favorable. Protection of intellectual property rights has improved in recent years but reforms are still needed.
Health	Egypt's life expectancy is rising; HIV prevalence is low, child malnutrition is declining, and access to improved water sources is widespread. But other health indicators—limited access to improved sanitation and a low number of births attended by skilled professionals—reflect the need for further development.
Education	Enrollment and completion rates are high at all levels. Public expenditure on education is also high (4.1 percent of GDP at the primary level), but relatively low youth literacy, especially among females, suggests an inefficient allocation of educational resources.
Employment and Workforce	Since 2004, economic expansion created approximately 2.5 million jobs, substantially reducing unemployment. Employment generation remains a high priority as the labor force continues to grow at a healthy pace. Job growth is stalled, however, by low productivity and a lack of relevant skills to match market needs.
Agriculture	Cereal yields are impressively high, production of crops and livestock have increased, nontraditional exports are growing, and value added per worker is high vis-à-vis comparators, but agricultural productivity remains low compared to the productivity of the other sectors of the economy.

EGYPT: STRENGTHS AND WEAKNESSES—SELECTED INDICATORS

Selected Indicators, by Topic	Strengths	Weaknesses
Growth Performance		
Real GDP growth	X	
Growth of labor productivity		X
Gross fixed private investment	X	
Poverty and Inequality		
Percentage of population living on less than $1 PPP per day	X	
Percentage of population living on less than $2PPP per day		X
Demography and Environment		
Adult literacy rate		X
Youth dependency rate	X	
Population growth rate	X	
Gender		
Girls' primary completion rate	X	
Labor force participation rate, female		X
Fiscal and Monetary Policy		
Fiscal deficit		X
Rate of inflation		X
Business Environment		
Ease of doing business ranking	X	
Cost of starting a business	X	
Time to enforce a contract		X
Financial Sector		
Domestic credit to the private sector		X
Money supply, percentage of GDP	X	
Stock market capitalization	X	
External Sector		
Trade in goods and services	X	
Gross international reserves	X	
Foreign direct investment	X	
Economic Infrastructure		
Overall infrastructure quality	X	
Internet users per 1000		X
Telephone density per 1000		X

Selected Indicators, by Topic	Strengths	Weaknesses
Science and Technology		
FDI technology transfer index	X	
IPR protection	X	
Health		
HIV prevalence	X	
Life expectancy at birth	X	
Maternal mortality rate		X
Access to improved sanitation		X
Education		
Net primary enrollment rate	X	
Persistence to grade 5	X	
Youth literacy rate		X
Expenditure of primary education, % GDP		X
Employment and Workforce		
Unemployment rate	X	
Rigidity of employment index	X	
Firing costs, weeks of wages		X
Agriculture		
Cereal yield	X	
Agricultural value-added per worker	X	

Note: The chart identifies selective indicators for which performance is particularly strong or weak relative to benchmark standards, as explained in Appendix A. The data supplement presented in Appendix B provides full tabulation of the data and international benchmarks examined for this report, along with technical notes on data sources and definitions.

1. Introduction

This report is one of a series of economic performance assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of a broad range of issues relating to economic growth performance in designated host countries. The report draws on a variety of international data sources[1] and uses international benchmarking against reference group averages, comparator countries, and statistical norms to identify major constraints, trends, and opportunities for strengthening growth and reducing poverty. The comparator countries for the study are Jordan and Turkey. Jordan, like Egypt, is a lower-middle-income (LMI) country in the Middle East-North Africa (MENA) region that has sought to combine sound macroeconomic performance with greater integration into the global economy. Turkey, an upper middle income (UMI) country, is an "aspirational comparator": although Turkey is much richer than Egypt, the two countries share deep historical ties and their populations are nearly identical in size.

METHODOLOGY

The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and determine the best course of action.[2] Similarly, the Economic Performance Assessment is based on an examination of key economic and social indicators, to see which ones are signaling problems. Some "blinking" indicators have clear implications, while others may require further study to investigate the problems more fully and identify appropriate courses for programmatic action.

The analysis is organized around two mutually supportive goals: transformational growth and poverty reduction.[3] Broad-based growth is the most powerful instrument for poverty reduction. At the same time, programs to reduce poverty and lessen inequality can help to underpin rapid

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[1] Sources include the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations (including the Millennium Development Goals database), the World Economic Forum, and host-country documents and data sources. This report reflects data available as of early February 2008.

[2] Sometimes, too, the problem is faulty wiring to the indicator—analogous here to faulty data.

[3] In USAID's white paper *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a central strategic objective, both for its innate importance as a development goal and because growth is the most powerful engine for poverty reduction.

and sustainable growth. These interactions can create a virtuous cycle of economic transformation and human development.

Transformational growth requires a high level of investment and rising productivity. This is achieved by establishing a strong ***enabling environment for private sector development,*** involving multiple elements: macroeconomic stability; a reliable and transparent legal and regulatory system, including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management; investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the ***pro-poor growth environment.*** Here, too, many elements are involved, including effective education and health systems, policies facilitating job creation, agricultural development (in countries where the poor depend predominantly on farming), dismantling barriers to micro and small enterprise development, and progress toward gender equity.

The present evaluation must be interpreted with care. A concise analysis of selected indicators cannot provide a definitive diagnosis of economic performance problems, nor simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems affecting economic growth, subject to limits of data availability and quality. The results should provide insight about potential paths for USAID intervention, to complement on-the-ground knowledge and to point the way toward further in-depth studies.

The remainder of the report presents the most important results of the diagnostic analysis, in three sections: Overview of the Economy; Private Sector Enabling Environment; and Pro-Poor Growth Environment. Table 1-1 summarizes the topical coverage. Appendix A provides a brief explanation of the criteria used for selecting indicators, the benchmarking methodology, and a table showing the full set of indicators examined for this report. Appendix B provides a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

Table 1-1
Topic Coverage

Overview of the Economy	Private Sector Enabling Environment	Pro-Poor Growth Environment
• Growth performance • Poverty and inequality • Economic structure • Demographic and environmental conditions • Gender	• Fiscal and monetary policy • Business environment • Financial sector • External sector • Economic infrastructure • Science and technology	• Health • Education • Employment and Workforce • Agriculture

DATA QUALITY AND FORMAT

The breadth and quality of economic data collected for Egypt are high compared to those of many USAID partner countries. Egypt scored 89 out of 100 on the World Bank's Statistical Capacity Indicator in 2007—well above the median[4] of 70.3 among LMI countries in the Middle East-North Africa region (LMI-MENA), and just below the average score among the five highest-ranked countries in the world (90.7). Problems remain, however, for national accounts, the International Monetary Fund (IMF) notes "shortcomings in terms of annual and quarterly data timeliness, reliability, and availability." For the consumer price index (CPI), used to measure inflation, the IMF found that "the index may not have been adequately accurate" before 2004, although the CPI has been modified since then. The IMF also found "problems with source data" for balance-of-payments statistics, including merchandise trade.[5] In response to these concerns, we have cross-checked statistics with multiple sources when possible and have noted any significant discrepancy among sources.

Egypt's fiscal year runs from July 1 to June 30, and the country frequently reports national accounts and balance-of-payments data on a fiscal year basis. In this report, we distinguish between data reported for fiscal year and data reported for calendar year. For example, data for the fiscal year July 1, 2006, to June 30, 2007, are referred to as 2006/07 data; data for calendar 2006 are described as 2006 data.

[4] The median is the middle value in a set of numbers. We use medians rather than means for regional and income group averages because means may be skewed by unusually large or small values, or "outliers."

[5] IMF, Arab Republic of Egypt—*2007 Article IV Consultation*, November 1, 2007, 7-8. http://www.imf.org/external/pubs/ft/scr/2007/cr07380.pdf, accessed January 30, 2008.

2. Overview of the Economy

This section reviews basic information on Egypt's macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and indicators of gender equity. Some of the indicators cited here are descriptive rather than analytical and are included to provide context for the performance analysis.

GROWTH PERFORMANCE

GDP growth and investment performance have been strong, but relatively low labor productivity continues to constrain growth. Since 2002/03, Egypt's real rate of GDP growth has accelerated—more than doubling from 3.2 percent in 2002/03 to 7.1 percent in 2006/07—reaching the upper bound of the expected range of growth rates for countries with Egypt's characteristics.[6] The pace of Egypt's GDP expansion in 2006/07 outstripped the LMI-MENA median rate of 5.1 percent, as well as the 2007 rates for Jordan (6.0 percent) and Turkey (5.0 percent) (Figure 2-1). These rates of growth represent a remarkable turnaround from economic troubles that the country experienced in the first years of the decade. In 2004, the government embarked on an expansive fiscal, monetary, and structural reform campaign, bringing Egypt closer to a market economy. Recent GDP growth is due in large part to these reforms and strong external sector performance (see External Sector).

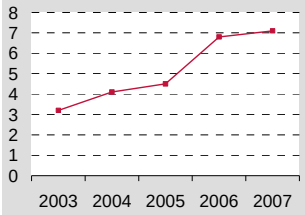
As high GDP growth has outpaced population growth, per capita GDP has increased, with an average five-year growth trend of 6.5 percent in purchasing power parity dollars (PPP) and 10.2 percent in current U.S. dollars. Despite this rapid growth, Egypt's per capita GDP of PPP$5,272 in 2006/07 lagged behind all regional and income comparators: the LMI-MENA median of PPP$5,634, Jordan's per capita GDP of PPP$5,964, and Turkey's per capita GDP of PPP$9,816. Continued robust economic growth, coupled with policies that help distribute the benefits of this growth, will be essential to combat persistently high poverty rates (see Poverty and Inequality and Pro-Poor Growth Environment).

[6] In this report "expected values" are derived using our regression benchmarking methodology. See Appendix A for a detailed explanation of the methodology.

Figure 2-1
Real GDP growth

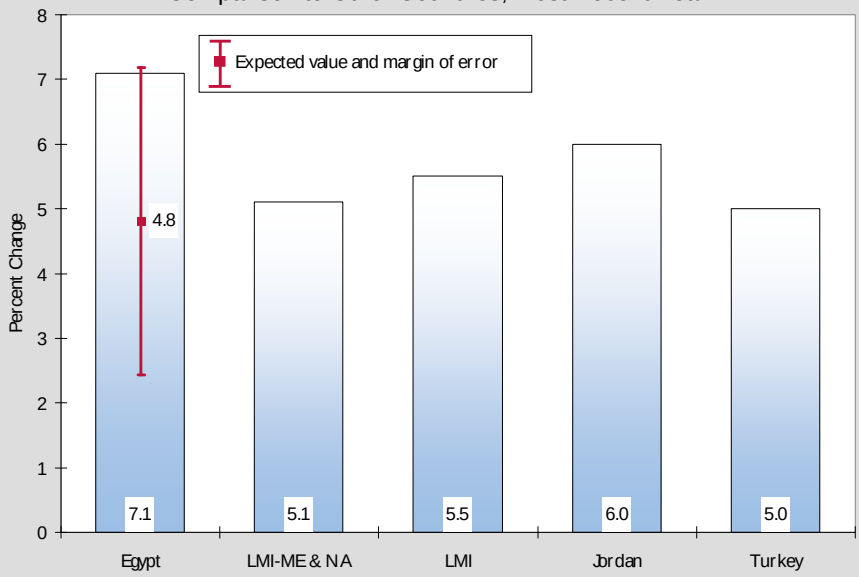
Between 2003 and 2007, Egypt's GDP growth more than doubled.

Time Series



Year	Value
2002/2003	3.2
2003/2004	4.1
2004/2005	4.5
2005/2006	6.8
2006/2007	7.1
Summary for 2003–2007	
Five-year average	5.1
Trend growth rate	21.0

Comparison to Other Countries, Most Recent Year



Source: IMF World Economic Outlook CAS code: 11P3

By all measures, Egypt's investment performance is on a positive path. A gross fixed investment rate of 20 percent of GDP or greater is conventionally considered to be a threshold measure of an economy's ability to sustain rapid growth. Egypt crossed this threshold in fiscal 2006/07 with gross fixed capital investment of 22.2 percent of GDP, up from 18.7 percent in the previous year and just 16.9 percent in 2003/04. Gross fixed *private* investment, an engine of productivity and a good indicator of private sector confidence in the economy, reached 18.9 percent of GDP in 2006/07, surpassing the 15.0 percent threshold that often serves as a signal of healthy prospects for future growth. Egypt's present level of private investment was also greater than the LMI-MENA median of 16.6 percent and Turkey's rate of 15.6 percent and only slightly lower than Jordan's 19.1 percent. A significant and increasing share of private gross fixed capital formation came in the form of foreign direct investment (see External Sector). This trend may well reflect the positive impact of Egypt's reform program.

Egypt's investment is relatively productive: its incremental capital-output ratio (ICOR) was 4.0 in 2005/06, meaning that approximately four dollars of gross investment is needed per one dollar of additional output. With an ICOR of 4, Egypt's investment appears more efficient than that of LMI-MENA or LMI, both with median ICORs of 5.1. Superior ICORs for Jordan (3.5) and Turkey (2.4), however, suggest that Egypt can raise investment productivity even more through better project selection and improvement of the investment climate (see Business Environment, p. 19). In any event, the overall trend in Egypt's investment efficiency is positive: its present ICOR is lower than that of five years ago (4.3).

Although Egypt's investment performance is encouraging, its labor productivity, another important driver of growth, has been lagging. In 2004/05, economywide labor productivity grew

by 1.9 percent, up from 0.4 percent in 2000/01 and above the LMI-MENA median of -0.1 percent, but a full 3.9 percentage points behind Turkey (5.8 percent), and 2.6 percentage points behind Jordan (4.5 percent). Egypt's more modest labor productivity growth suggests inadequate and inefficient investment in human capital. Indeed, respondents to the World Economic Forum's 2007/08 Executive Opinion Survey named "inadequately educated workforce" the third-most problematic factor for doing business in Egypt, implying that educational programs are of poor quality and/or are misaligned with the demands of the private sector (see Employment and Workforce).[7] Low labor productivity may also be a function of insufficient investment in physical capital in certain sectors (e.g., agriculture), which depresses productivity standards and performance in that sector and thus reduces average economywide productivity (see Economic Structure). The following sections discuss specific steps that the government and donors can take to mitigate constraints on Egypt's growth.

POVERTY AND INEQUALITY

Extreme poverty and inequality are less serious in Egypt than in Jordan and Turkey, but poverty remains a significant problem. Egypt's rate of absolute poverty, defined as the percentage of the population living on less that PPP $1 per day, was 0.9 percent in 2004—down from 3.1 percent in 2000. This was less than half the rate in Jordan in 2003 (2.0 percent) and less than one-third the rate in Turkey (3.4 percent).[8] Extreme food poverty is also relatively low: 3 percent of the population consumed less than the minimum dietary energy consumption in 2002, compared to the LMI-MENA median of 5 percent and Jordan's rate of 7.0 percent. Government price subsidies on bread have contributed to the low rates of food poverty, though there is evidence that these subsidies could be targeted more efficiently (See Fiscal and Monetary Policy). Income inequality is also slightly less severe in Egypt than in comparators: in 2000, the poorest 20 percent of Egypt's population received 8.6 percent of income—higher than the expected value of 7.6 percent for a country with Egypt's characteristics and higher than the 6.7 percent and 5.3 percent in Jordan and Turkey (2003), respectively. But inequality is particularly pronounced between Upper (southern) and Lower (northern) Egypt, and between agricultural and nonagricultural workers. The World Bank estimates that more than half of Egypt's poor live in Upper Egypt, a heavily agricultural region that contains only one quarter of Egypt's population.[9] In addition, a 2004 study reported that 22 percent of people employed in agriculture are poor—double the 11 percent poverty rate in manufacturing and nearly triple the 8 percent poverty rate in services.[10] These numbers suggest that poverty reduction strategies should emphasize increasing returns to agriculture and the incomes of Upper Egypt's residents (see Agriculture).

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[7] World Economic Forum, *Global Competitiveness Report 2007-2008* (Interactive version), http://www.gcr.weforum.org/, accessed January 30, 2008.

[8] The data for Jordan and Turkey are from 2003.

[9] Marie-Hélène Collion, et al, *Arab Republic of Egypt—Upper Egypt: Challenges and Priorities for Rural Development*, World Bank Report No. 36432-EG, June 15, 2006, 1.

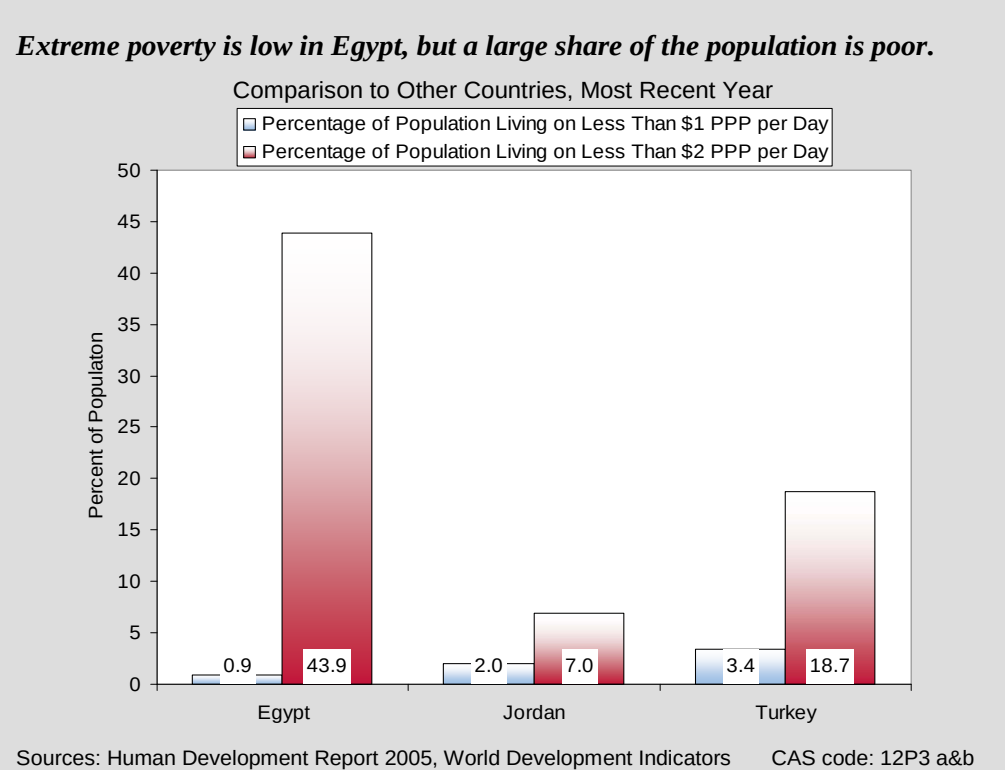
[10] Hanaa Kheir-El-Din, Farrukh Iqbal, et al. Arab Republic of Egypt—A Poverty Reduction Strategy for Egypt, World Bank Report No. 27954-EGT, September 2004

Although the incidence of extreme poverty is fairly low, much of Egypt's population is still poor: 43.9 percent of Egyptians lived on less than $2 PPP per day in 2000 (latest data available), compared to 7 percent of Jordan's population and 18.7 percent of Turkey's population (2003) (Figure 2-2). Although recent strong economic growth may have begun to have an impact on poverty, the poverty reduction task is still daunting. Egypt's recent score (2005) on the Human Poverty Index was 20—more than 2 points above the LMI-MENA median (17.9) and much higher than the scores of Jordan (6.9) and Turkey (9.2). In 2004/05, 19.6 percent of the population lived on incomes below the national poverty line.[11] Accelerated growth juxtaposed with persistent poverty can generate social tension and instability as people become frustrated by insufficient opportunity for upward mobility. To alleviate poverty, Egypt should focus on job creation, human capital development, and productivity enhancement (particularly in agriculture) to boost the earning potential among the population that currently lags behind.[12] Reforms to improve the efficiency and effectiveness of social safety net programs will also be important (see Fiscal and Monetary Policy and Education).

[11] Kheir-El-Din, Iqbal, et al., 1. National poverty line statistics are typically defined by the amount of money necessary to provide for minimum nutritional needs in each country and are thus less useful for cross-country comparison. They often yield results that differ widely from the international standard indicators of $1 and $2 PPP per day incomes. Egypt's national poverty line was EGP 1,423 per capita in 2005 (about $.065 per day at 2005 nominal exchange rates).

[12] In September 2004 the Ministry of Planning and the World Bank's Social and Economic Group of the MENA Region published *A Poverty Reduction Strategy for Egypt*—a comprehensive, multifaceted strategy for long-term poverty reduction but not a formal Poverty Reduction Strategy Paper.

Figure 2-2
Percentage of Population Living on Less than $1 and $2 PPP per Day



ECONOMIC STRUCTURE

Output and labor force data can reveal opportunities for increased productivity, growth, and poverty alleviation. In 2003, the latest year for which both output and labor force data are available,[13] industry was Egypt's most productive sector: it claimed 19.8 percent of workers and 34.5 percent of output. Industry's share of the labor force has declined while its share of output has risen, suggesting that industrial labor is increasingly more productive.[14] Services account for the largest share of output (49.0 percent in 2005), but this share has remained stagnant while employment in the sector has increased (from 48.7 percent of the labor force in 1999 to 50.4 percent in 2003). Agriculture is Egypt's least productive sector: it accounted for 29.9 percent of the labor force in 2003 but only 16.7 percent of output. Although real value added per worker has increased in recent years (see Agriculture), productivity in agriculture remains far below levels in other sectors (Figure 2-3).[15]

[13] The most recent data available for Egypt's labor force structure dates from 1999–2003, while output structure data covers the period 2001–2005.

[14] Again it is important to note that there is a time lapse in the data for growth trends, however the numbers are still illustrative of general trends over time.

[15] There may be a discrepancy between our data on growth in real agricultural value-added per worker and the data in the Economic Structure section on labor and output structure, which suggest that agricultural productivity declined between 2001 and 2003. In any event, productivity remains far lower in

A comparison of Egypt's economy to those of Turkey and Jordan suggests that Egypt can grow the services sector substantially. Services are the leading source of output for all three economies, but the sector is more dominant in Turkey (64.7 percent of output) and Jordan (65.6 percent) than in Egypt (49.0 percent). Activities with strong potential include financial services, ICT, tourism, transportation, logistics (Suez Canal), and construction. Tourism and construction can create a substantial number of low-skilled jobs—vital for poverty reduction—while higher value-added services such as finance and ICT generate technology and knowledge transfers that increase productivity and decrease the economy's dependence on natural resources.

Although Egyptian agriculture's productivity is low, the sector is a vital source of jobs and income in poor rural areas (see Poverty and Inequality). Increasing agricultural productivity is vital for boosting rural incomes; at the same time, the creation of more jobs in services and industry is necessary to expand rural people's employment opportunities and to advance the overall structural transformation of the economy which is at the heart of the development process.

In all three sectors, high-quality investment from public and private sources is the key to enhancing productivity and accelerating growth. Donors can help Egypt strengthen the business environment and manage public spending in support of such investment (see Business Environment, Fiscal and Monetary Policy, Education, and Infrastructure).

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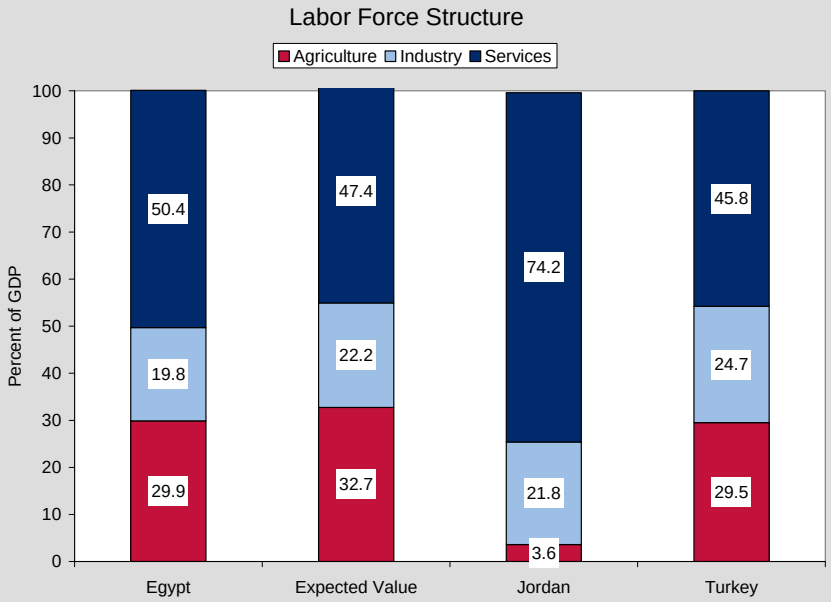
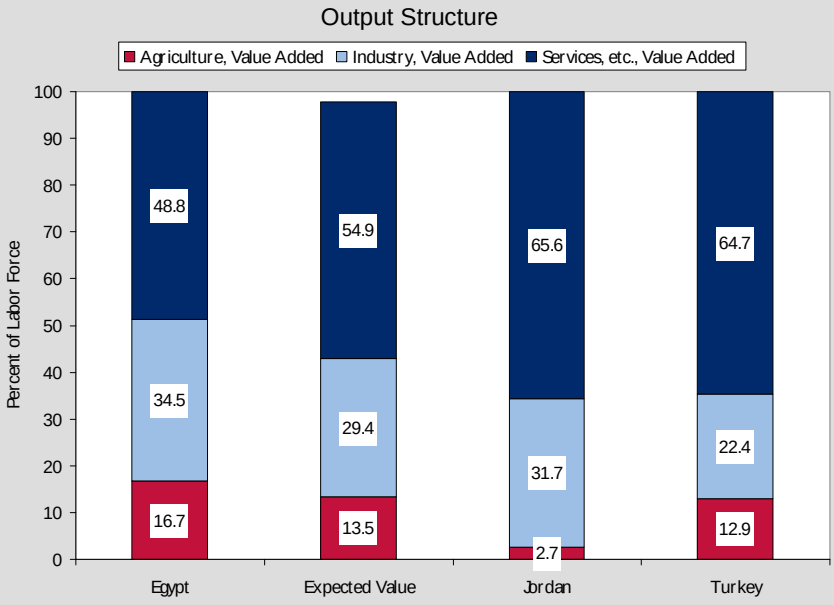
agriculture than in other sectors, and increasing the sector's productivity remains critical for boosting incomes and alleviating poverty in disproportionately poor rural areas.

Figure 2-3
Economic Structure: Output and Labor Force Comparison to Other Countries, Most Recent Year

Although services are the leading source of output and employment in Egypt …



… Industry is the most productive, accounting for a fifth of employment but more than a third of output.



Source: World Development Indicators CAS Codes: 13P2 a-c, 13P1 a-c

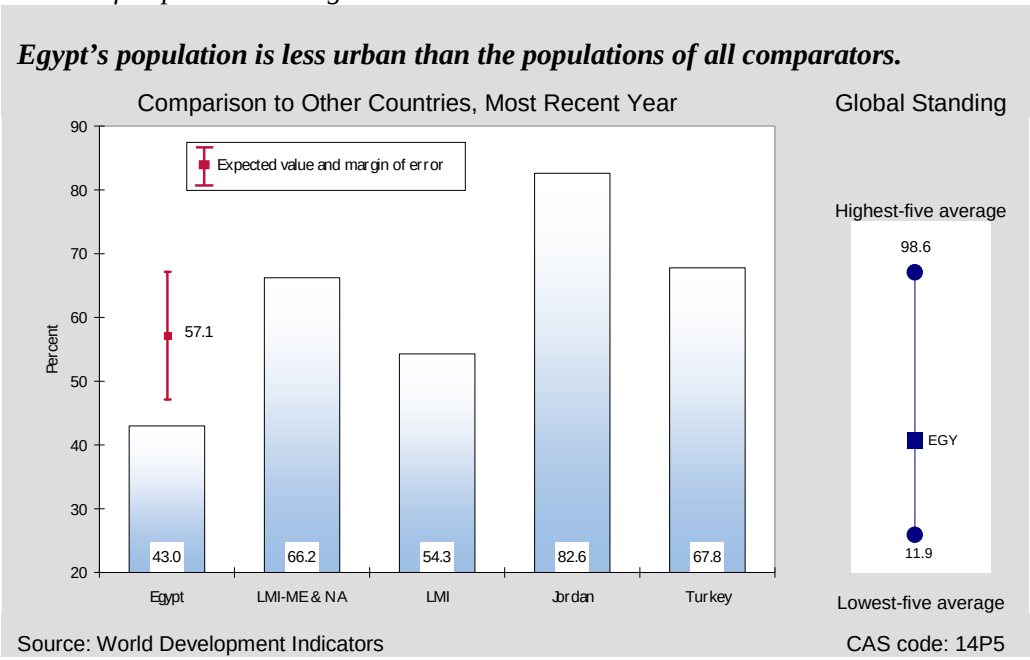
DEMOGRAPHY AND ENVIRONMENT

Demographic factors have major effects on security, poverty, growth potential, labor markets, the quality of public services, and comparative advantages in trade. Moderate population growth and a low age dependency rate encourage economic growth and human development by reducing the household consumption burden for income earners and easing the demand for public services.

Egypt's population of 75.4 million (2006) has been growing at an average rate of 1.8 percent per year, compared to the LMI-MENA median of 2.2 percent, Jordan's 3.2 percent, and Turkey's 1.2 percent (2006). This moderate pace of population growth translates into a relatively low youth dependency rate of 53.7, meaning that there are about 54.0 youth dependents for every 100 working-age adults.[16] This is well below the LMI-MENA median of 64.0 and Jordan's 61.3, but higher than Turkey's 44.0. The elderly dependency rate of 7.8 (older dependents for every 100 working-age adults) is close to the expected value for a country with Egypt's characteristics (7.0), and falls in the range between Turkey (8.4) and Jordan (5.5) .This rate has been increasing slightly.

Egypt is a predominately rural society, with only 43.0 percent of the population living in urban areas (Figure 2-4). This is well below the LMI-MENA median of 66.2 percent and the rates in Jordan (82.6 percent) and Turkey (67.8 percent). Yet only 2.8 percent of Egypt's land is arable, resulting in a very high rural population density of 1,412 people per square hectare of arable land.[17] These figures underscore the importance of increasing agricultural productivity and growth of Egypt's industry and service sectors (See Economic Structure).

Figure 2-4
Percent of Population Living in Urban Areas



Rural residents often have less access to education than city dwellers, as well as greater pressure to leave school earlier. Egypt's relatively low adult literacy rate (71.4 percent) may result in part from the effects of such factors on Egypt's large rural population. Adult literacy in Egypt is far

[16] The working-age population is defined as individuals between 15 and 64 years of age. World Development Indicators, 2007.

[17] World Development Indicators, 2005.

below the LMI median of 87.7 percent and the rates of country comparators Jordan and Turkey (89.9 and 87.4 percent, respectively).

Egypt's high population densities in the Nile valley and industrial activities along the Nile and in large cities put a strain on the county's limited natural resources.[18] Environmental sustainability initiatives such as the Nile Basin Initiative, launched in February 1999 by Nile basin states,[19] aim to develop the river in a cooperative manner in order to share substantial socioeconomic benefits and promote regional peace and security.[20] According to the new international environmental performance index (EPI), which evaluates environmental stress and ecosystem vitality in each country, Egypt scored 76.3 out of 100.[21] This score is in line with the EPI scores for Jordan (76.5) and Turkey (75.9). Nonetheless, looking at components of the EPI, it is apparent that Egypt faces serious challenges in urban air quality, waste management, preserving water quality, and protecting coastal areas.

GENDER

Gender equity promotes economic growth by ensuring that the productive capacities of all citizens are developed and used to the fullest extent. Egypt performs well on most of the basic indicators of gender equity, with the notable exception of female labor force participation.

Life expectancy at birth is a fundamental indicator of health conditions.[22] Women in Egypt can anticipate outliving their male counterparts by approximately 4.5 years, in line with the expected value for a country with characteristics similar to Egypt's. This figure is also on par with the average differential between female and male life expectancy for LMI (5.5 years) and Turkey (4.9 years) but is above the smaller differentials for LMI-MENA (2.7 years) and Jordan (3.5 years) recorded in 2005.

Girls' primary school completion rate in Egypt is 93.2 percent (2005). This is lower than Jordan's 100 percent and slightly lower than LMI-MENA median (96.5 percent) and LMI median (94.1 percent), but compares favorably to Turkey's 83.0 percent. More important, girls' primary completion rate shows consistent improvement, increasing by 1.7 percentage points from 2000 to 2005.

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[18] The main environmental problems include acute water scarcity, declining water quality, land degradation, increasing pollution and untreated urban hazardous waste disposal, and poorly protected cultural and natural heritage. World Bank, *Arab Republic of Egypt Environmental Analysis (1991–2002)*, April 2005.

[19] The riparian states that participate in NBI (in alphabetic order) are Burundi, Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda. Eritrea participates as an observer.

[20] Nile Basin Initiative website, http://www.nilebasin.org/ (accessed March 27, 2008).

[21] The methodology for the Environmental Performance Index was changed before the release of the 2008 report, and time series comparisons are therefore not appropriate.

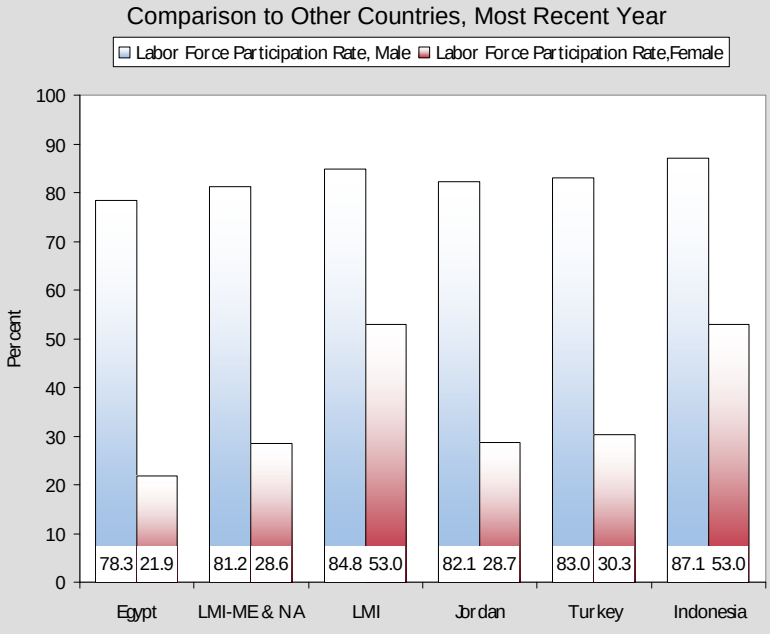
[22] In every country with a high level of human development, females have a longer life expectancy than males, often by five or more years.

The favorable indictors of gender equity in health and education, however, are not matched by equity in labor force participation (Figure 2-5).

The labor force participation rate is 78.3 percent for males and only 21.9 percent for females. This high degree of gender inequality in the labor market undermines the country's productive potential (see Employment and Workforce*).* Egypt's female labor force participation rate is well below the expected value (31.5 percent) for a country with characteristics similar to Egypt's. Furthermore, Egypt's female labor force participation rate falls below the LMI-MENA median (28.6 percent), Jordan (28.7 percent), and Turkey (30.3 percent). Egypt's poor performance relative to the regional median and comparators is particularly striking because female labor force participation rates in MENA are already among the lowest in the world. Experience outside LMI-MENA demonstrates that religious factors are not necessarily barriers to female labor force participation: in Indonesia, for example, where approximately 86 percent of the population is Muslim (a rate comparable to that found in Egypt), the female labor force participation rate is equivalent to the LMI average of 53 percent. To raise female labor force participation rates, policymakers should focus on creating culturally acceptable employment opportunities for women in the workplace, including training and job creation programs, so that all Egyptians can fulfill their productive potential and contribute to national development.

Figure 2-5
Labor Force Participation Rate, Male and Female

Egypt's female labor force participation rate falls below all comparators' rates.



Source: World Development Indicators CAS code: 15P4 a&b

3. Private Sector Enabling Environment

This section reviews key indicators of the environment for encouraging rapid and efficient growth of the private sector. Sound fiscal and monetary policies are essential for macroeconomic stability, which is a necessary though not sufficient condition for sustained growth. A dynamic market economy also depends on secure institutional foundations, including secure property rights, an effective system for enforcing contracts, and an efficient regulatory environment that does not impose undue barriers on business activities. Financial institutions play a major role in mobilizing and allocating saving, facilitating transactions, and creating instruments for risk management. Access to the global economy is another pillar of a good enabling environment because the external sector is a central source of potential markets, modern inputs, technology, and finance, as well as competitive pressure for improving efficiency and productivity. Equally important is development of the physical infrastructure to support production and trade. Finally, developing countries need to adapt and apply science and technology to attract efficient investment, improve competitiveness, and stimulate productivity.

FISCAL AND MONETARY POLICY

Significant fiscal deficits and high levels of inflation are continuing concerns for Egypt, but recent developments have been encouraging. The fiscal deficit averaged 8.5 percent of GDP in the period 2002/03 through 2006/07,[23] far wider than the LMI-MENA median deficit (2.1 percent of GDP) and Jordan's deficit in 2006 (3.8 percent of GDP). A large and lasting deficit may crowd out financing to the private sector, stimulate inflationary growth of the money supply, and expand the external debt—all problems with which Egypt has contended. In 2005-2006, the deficit rose to a five-year peak of 9.2 percent of GDP, but in the following fiscal year (2006/07) prudent spending narrowed the deficit to 7.7 percent of GDP (Figure 3-1). Factors contributing to this improvement included the reduction of costly fuel subsidies and restraint in the growth of government wages (they accounted for 21.6 percent of expenditures in 2006/07, compared to 25.5 percent in 2002/03). The government aims to reduce the deficit further, to 3 percent of GDP by 2010/11.[24]

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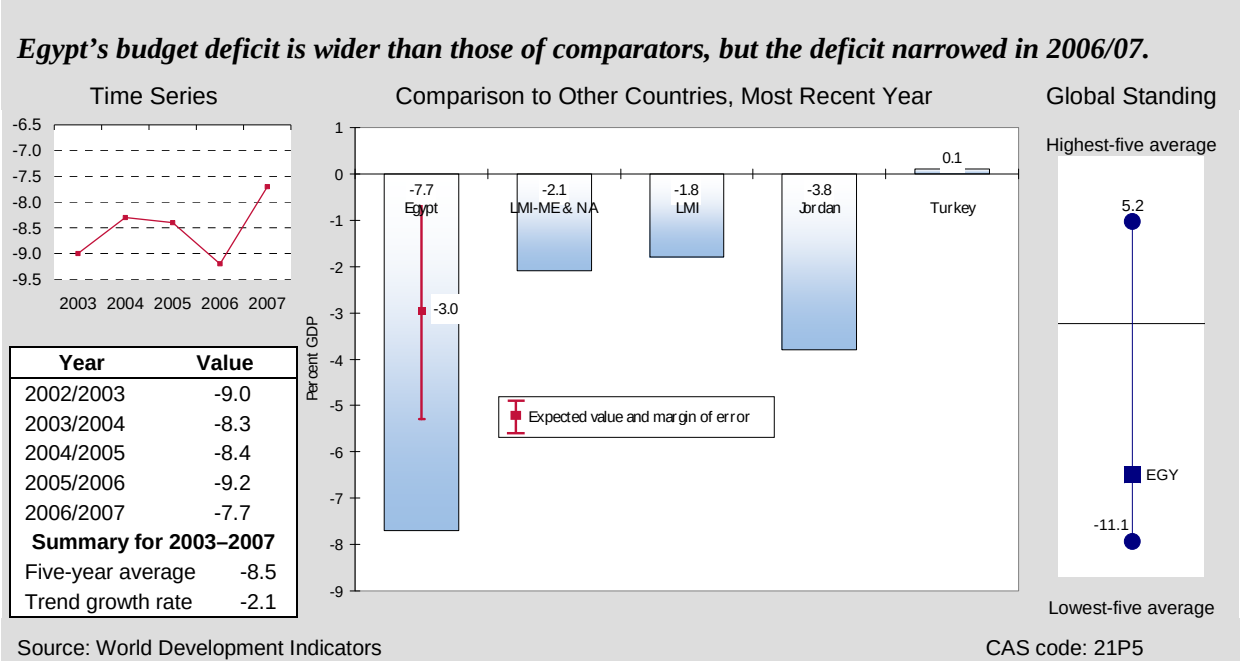
[23] Fiscal data for Egypt are for "General Government," including the Central Government, social security funds, and the National Investment Bank. The fiscal deficit figures quoted here include grants.

[24] Article IV 2007, 3.

Subsidies place a particularly large burden on Egypt's finances: they accounted for 36.8 percent of spending in 2006/07, more than twice the LMI MENA median of 16.3 percent. The subsidies are often described as poverty alleviation measures, but they appear to be extremely inefficient for this purpose: the World Bank found that it takes $500 of Egypt's gasoline subsidies to deliver one dollar of resources to the poor and US$46 of bread subsidies to do the same.[25] Government should have ample scope to improve fiscal performance and the success of poverty reduction efforts by eliminating energy subsidies to industry[26] and improving the targeting of food subsidies. The IMF also suggests that Egypt deemphasize in-kind subsidies in favor of more efficient cash transfer programs.[27]

Figure 3-1
Overall Budget Balance, Including Grants, percent of GDP



Interest payments are another source of pressure on Egypt's public finances: they accounted for 16.4 percent of government expenditures in 2006/07, down from 17.7 percent in 2002/03 but still much higher than the LMI-MENA median (10.8 percent) and the figure in Jordan (8.3 percent). Such relatively large interest and subsidy payments appear to have reduced budget resources available for capital expenditure, which made up only 10.0 percent of spending in 2006/07—far less than the LMI-MENA median (22.8 percent) or the government's capital expenditure in Jordan (18.2 percent), but higher than that in Turkey (6.8 percent). Further reduction of the fiscal

[25] *Egypt—Toward a More Effective Social Policy: Subsidies and Social Safety Net*, Washington: World Bank, 2005, *in* Todd Mattina and Aliona Cebotari, "Focusing Fiscal Adjustment on Relatively Inefficient Spending," *Arab Republic of Egypt—Selected Issues*, Country Report 07/381, December 2007, 42.

[26] The government plans to eliminate gas and electricity subsidies to "energy-intensive industrial users" over the next three years (IMF, Article IV 2007, 14).

[27] Mattina and Cebotari, 43.

deficit would help bring down interest payments because lower deficits decrease government's financing requirements. Reducing interest and subsidy spending should thus permit expanded public sector capital investment needed for infrastructure improvements (see Economic Infrastructure).

Government revenue as a percentage of GDP declined slightly between 2005/06 and 2006/07 (from 28.2 percent to 27.2 percent), but recent and planned future reforms should strengthen performance. For example, the efficiency of tax administration has improved through the merging of the income and indirect tax units, and changes to the Income Tax Law in mid-2005 reduced corporate and personal income tax rates while broadening the tax base.[28] As a result, the share of revenue from income, profits, and capital gains has risen from 19.7 percent in 2002/03 to 29.6 percent in 2006/07. Furthermore, additional revenue is also likely from an impending revision of consumption taxes. Although the share of revenue drawn from taxes on goods and services in Egypt (20.0 percent in 2006/07) is far lower than the standard in Jordan (35.3 percent) or Turkey (48.2 percent), Egypt's planned roll-out of a value-added tax (VAT) over the next few years should increase the contribution of goods and services to revenue.[29] Meanwhile, tariff reductions in 2004 and 2007 reduced dependence on international trade taxes—they accounted for 5.2 percent of government revenues in 2006/07, compared to 7.9 percent in 2002/03.

Inflation and Monetary Policy

Egypt has struggled to contain inflation. Year-on-year inflation averaged 7.0 percent between 2002/03 and 2006/07, higher than the medians for LMI-MENA (4.9 percent) and LMI (5.4 percent) and the inflation rate in Jordan (6.3 percent in 2006), but lower than in Turkey (9.6 percent in 2006). Inflation fell from 8.8 percent in 2004/05 to 4.2 percent in 2005/06, then spiked to 10.9 percent in 2006/07 before slowing to 8.5 percent in August 2007[30] (Figure 3-2). Inflation has been driven by a mix of factors: in 2006/07, these included an increase in administered fuel prices (linked to the decrease in fuel subsidies); a spike in food prices (due to global trends as well as local pressures, such as an avian flu outbreak), growing demand for consumer goods as a result of high growth and rising employment, and certain supply bottlenecks (e.g., cement).[31]

A persistent source of inflationary pressure in recent years has been the rapid pace of money supply growth. Money supply grew at an average of 15.1 percent between 2002/03 and 2006/07, including an expansion of 18.3 percent in the latest year. This compares with an LMI-MENA median money supply growth of 12.9 percent and an LMI global median of 12.3 percent.

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[28] Klaus Enders, *Egypt—Searching for Binding Constraints on Growth*. IMF Working Paper 07/57, March 2007, 28.

[29] Article IV 2007, 14.

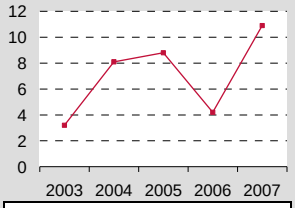
[30] The figures quoted here are period averages as measured in terms of the consumer price index (CPI), with the exception of the figure quoted for August 2007, which is a year-on-year measure for that month (Article IV 2007, Public Information Notice, 2).

[31] Article IV 2007, 11.

Figure 3-2
Inflation Rate

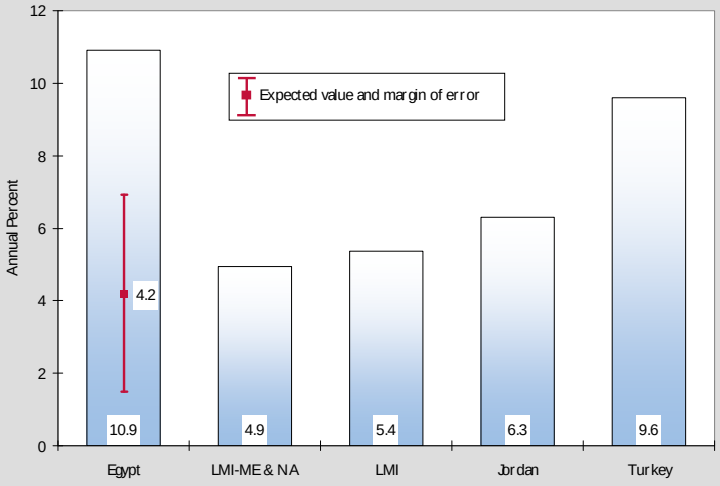
Egypt experienced higher inflation than comparators in 2006/07 because of rapid money supply growth and other factors.

Time Series

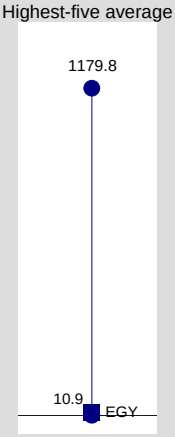


Year	Value
2002/2003	3.2
2003/2004	8.1
2004/2005	8.8
2005/2006	4.2
2006/2007	10.9
Summary for 2003–2007	
Five-year average	7.0
Trend growth rate	17.9

Comparison to Other Countries, Most Recent Year



Global Standing



Source: IMF World Economic Outlook

CAS code: 21P4

Public sector credit was once a prime driver of money supply growth—it accounted for 58.5 percent of money supply growth in 2004/05—but its contribution declined afterwards and turned negative in 2006/07 as total lending to the sector contracted. Meanwhile, private sector credit's share of money supply growth declined from 27.7 percent in 2002/03 to 15.9 percent in 2004/05,[32] but it has increased since, accounting for 35.2 percent of money supply growth in 2006/07. Although these figures attest to restraint in public sector borrowing and continuing growth in credit to the private sector, other indicators suggest that the private sector's need for credit still remains unmet as a result of supply and access issues (see Financial Sector*)*.

Rapid expansion in foreign currency reserves was the prime driver of money supply growth between 2004/05 and 2006/07. Reserves grew as a result of the Central Bank of Egypt (CBE) intervention in foreign exchange markets to prevent appreciation of the Egyptian pound in the face of rising export revenues and major inflows of external capital.[33] In the future, however, CBE purchases of foreign exchange should diminish significantly as a source of domestic money supply growth. In mid-2007, Egypt introduced a more flexible exchange rate regime (a "managed

[32] Private sector credit's decline was due in part to banking restructuring and the resolution of many nonperforming loans. Persistent legal and regulatory weaknesses have also constrained credit growth. Article IV 2007, 26.

[33] To prevent the pound's appreciating, Egypt engaged in "open market operations": it bought foreign currency with Egyptian pounds, thereby depressing the price of pounds in currency markets and increasing the money supply. The government did seek to "sterilize" some of the money supply growth, as indicated in our datasheet by the negative values for "Other Items Net" (indicator 21S3d). Governments typically sterilize by selling government securities, soaking up money from the financial system. The IMF notes that Egypt reduced sterilization operations in April 2007, providing a further stimulus to money supply growth.

float")[34] in support of an announced shift to "inflation targeting." With this new approach, monetary policy will focus on achieving a target level of inflation rather than on exchange rate stability.[35]

CBE's capacity to control money supply growth by applying typical monetary policy tools—particularly interest rate adjustments—has historically been limited by a lack of competition among the mostly state-owned banks, but the privatization of many banks and regulatory reforms since 2004 are increasing the scope for affecting monetary aggregates through interest rates (see Financial Sector for more details on reforms). [36] Continued progress on financial sector reforms is critical for strengthening the CBE's ability to control inflation through monetary policymaking.

Egypt and the IMF

The IMF provides Egypt technical assistance across a range of economic management topics. It concluded its most recent Article IV consultation with Egypt on November 28, 2007. The fund's subsequent report cited "sustained reforms, prudent macroeconomic management, and a favorable external environment" as contributors to Egypt's strong growth performance.

BUSINESS ENVIRONMENT

Institutional barriers to doing business, including corruption in government, are critical determinants of private sector development and prospects for sustainable growth. The World Bank's *Doing Business* report ranked Egypt 126th of 178 countries for Ease of Doing Business in 2007. This score is up dramatically from its 2006 ranking (152nd) but leaves ample room for improvement: comparators Jordan and Turkey are ranked 80th and 57th, respectively. Substantial scope remains for improvement in property registration and contract enforcement in particular.

Doing Business named Egypt the world's top business environment reformer in 2007, as it improved 5 of the 10 aspects of the business environment examined in the report: starting a business, dealing with licenses, registering property, getting credit, trading across borders, and closing a business.[37] Changes were most dramatic in business start-up: it took just 9 days and 7 procedures to start a business in 2007, compared to 19 days and 10 procedures in 2006. In addition, the cost of start-up dropped from 68.8 percent of GNI per capita to 28.6 percent (Figure 3-3). Reforms in 2006/07 followed significant, similar initiatives in previous years, indicating the government's commitment to sustain and deepen reform. Reforms in taxation (see Fiscal and Monetary Policy) have decreased the tax payable by business from 50.4 percent to 47.9 percent of operating profit and streamlined the tax administration process—resulting in a lightening of the tax burden on businesses, particularly SMEs.

[34] The Egyptian pound was pegged to the U.S. dollar before January 29, 2003. Although a *de jure* "managed float" policy was announced at that time, the IMF described the exchange rate regime as a "peg" between February 2005 and July 2007, on the basis of its observations of the Central Bank's activities to manage the exchange rate. The IMF reports that the Central Bank moved to a *de facto* managed float in July 2007 (Article IV 2007, Informational Annex, 3).

[35] Rania Al Mashat and Andreas Billmeier, *The Monetary Transmission Mechanism in Egypt,* IMF Working Paper 07/285, December 2007, 4.

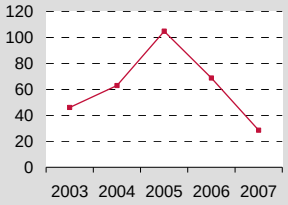
[36] Al Mashat and Billmeier, 9.

[37] World Bank, *Doing Business 2008,* 2.

Figure 3-3
Cost of Starting a Business, percent of GNI per capita

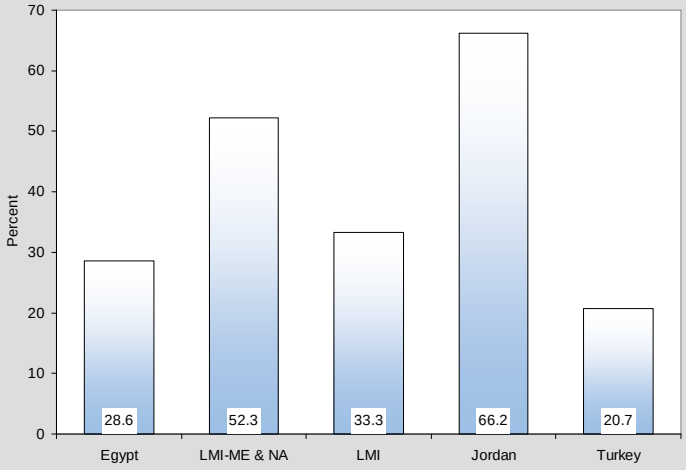
Starting a business is far less costly in Egypt than in most comparators and has fallen in recent years.

Time Series

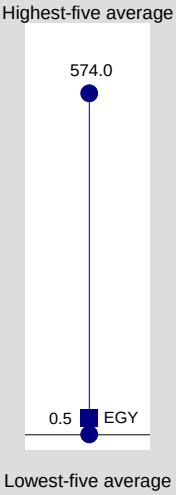


Year	Value
2002/2003	65.6
2003/2004	63.0
2004/2005	104.9
2005/2006	68.8
2006/2007	28.6
Summary for 2001–2005	
Five-year average	66.2
Trend growth rate	-15.7

Comparison to Other Countries, Most Recent Year



Global Standing



Source: World Bank, Doing Business

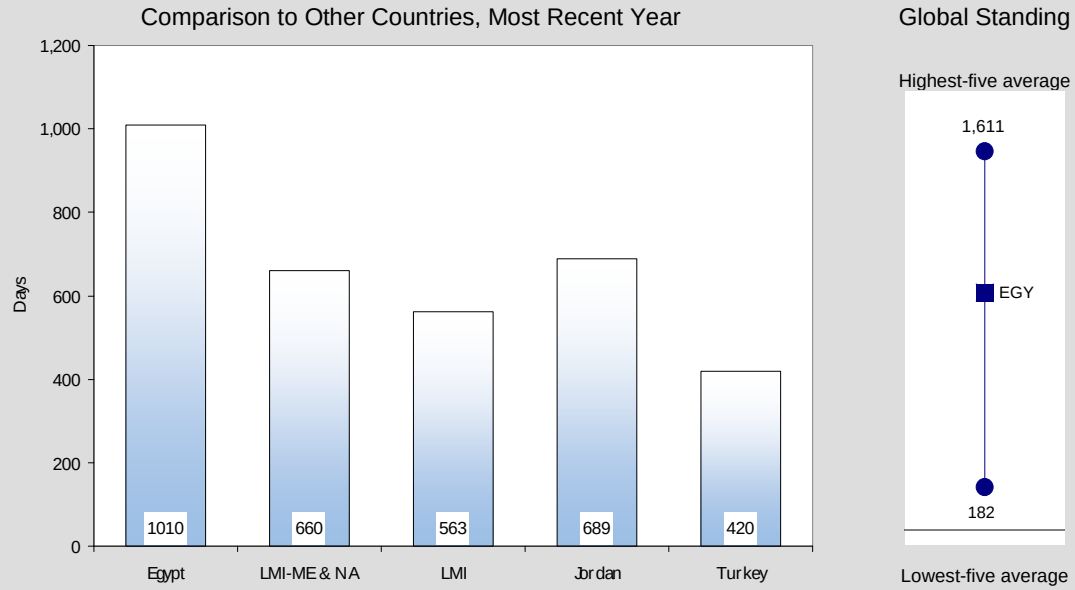
CAS code: 22S1

Although the aforementioned reforms are impressive, entrenched impediments to business remain. Property registration takes 193 days in Egypt, compared to the LMI-MENA median of 46 days, 22 days in Jordan, and just six days in Turkey. Time to enforce a contract is also exceptionally high—nearly three years (1,010 days)—relative to the time required in Jordan (689 days) and Turkey (420 days) (Figure 3-4). Long delays for property registration decrease businesses' access to a vital form of collateral (property titles) and thus to finance, while slow contract enforcement decreases confidence in the rule of law.

Indeed, Egypt's low scores on the World Bank's Control of Corruption, Regulatory Quality, and Government Effectiveness indices point to a lack of public confidence in government. The indices are based on surveys of a diverse array of respondents and are scored on a scale of -2.5 to 2.5. Egypt scored -0.4 across the board. Relative to Jordan and Turkey, whose scores ranged from 0.1 to 0.4, Egypt still has a way to go. Egypt scored higher on the Rule of Law index (zero), but still below Turkey (0.1) and Jordan (0.5). To improve public perceptions of governance and stimulate private sector activity, Egypt must continue with business environment reforms. Inefficient government bureaucracy is ranked as the highest among the most problematic factors for doing business in the World Economic Forum's 2007–2008 Executive Opinion Survey. To this end, continuing donor assistance could be helpful in adapting international regulatory reform best practices to Egypt's need for enhanced business productivity, investment, and entrepreneurship.

Figure 3-4
Time to Enforce a Contract

Contract enforcement takes nearly three years, undermining confidence in the rule of law.



Source: World Bank, Doing Business

CAS code: 22S5

FINANCIAL SECTOR

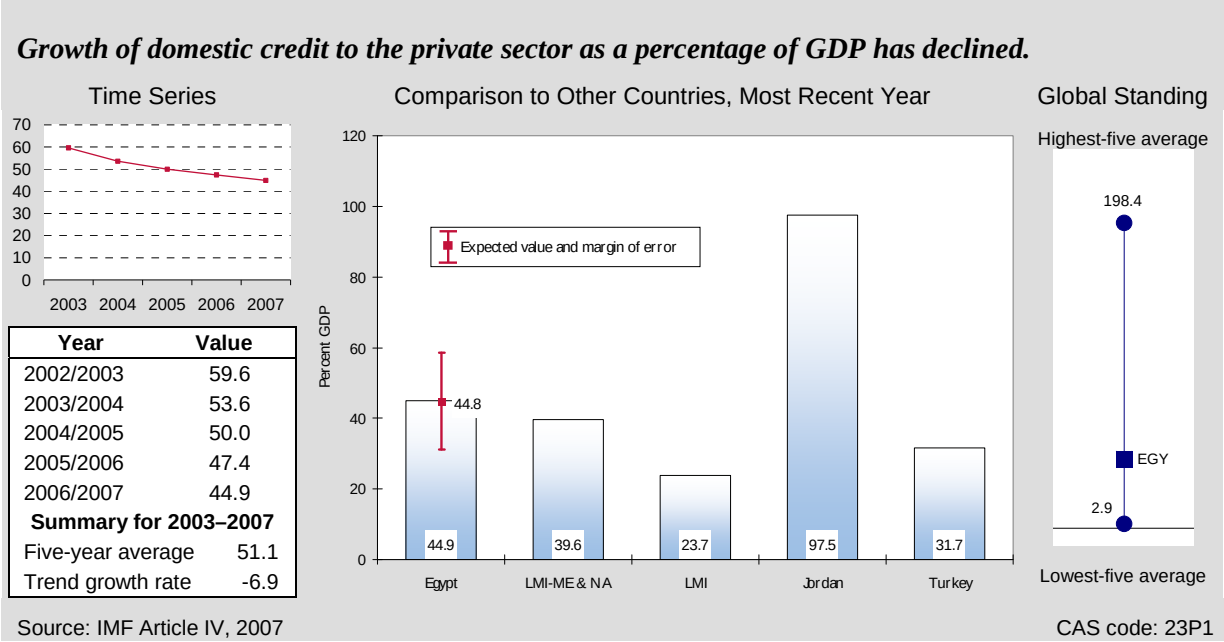
A sound and efficient financial sector mobilizes savings for investment, fosters entrepreneurship, and improves risk management. Our indicators paint a mixed picture: Egypt's financial sector meets or exceeds some benchmarks, but some indicators suggest that financial institutions are not responding to the private sector's needs.

The ratio of broad money (currency in circulation plus private deposits in the banking system) to GDP is a principal indicator of the degree of monetization in the economy and the size and depth of the banking system. By this measure, Egypt's banking system appears relatively advanced: broad money equaled 90.6 percent of GDP in 2006/07, well above the expected value of 68.6 percent, the LMI-MENA median of 71.6 percent, and Turkey's 47.0 percent, although still lower than Jordan's 131.2 percent. Another financial sector strong point for Egypt is stock market capitalization, an indicator of financial market development outside the banking system as well as investors' confidence in the economy. Having soared from 29.7 percent to 87.0 percent of GDP between 2002 and 2006, stock market capitalization is now twice the expected value of 37.7 percent and higher than the LMI-MENA median of 78.7 percent and Turkey's capitalization in 2006 of 40.3 percent (though lower than Jordan's 209.7 percent).

Despite these positive signs, respondents to the World Economic Forum's Executive Opinion Survey consistently cite access to finance as the first or second most problematic factor for doing

business in Egypt.[38] Domestic credit to the private sector's share of GDP, an indicator of financial institutions' success in mobilizing funds for private business, has been falling at an average annual rate of 6.9 percent since 2002/03 (Figure 3-5),[39] and the spread between bank lending and deposit rates widened from 4.5 percentage points to 6.6 percentage points between 2002 and 2006—both signs of persistent inefficiency in the banking system. The real interest rate (the bank lending rate adjusted for inflation) was 4.8 percent in 2006, compared to 3.8 percent in LMI-MENA and 3.3 percent in Jordan. If Egypt succeeds in dampening inflation but financial sector inefficiencies (e.g., lack of strong competition among banks) keep interest rates high, higher real interest rates could make credit prohibitively expensive and drag down growth.

Figure 3-5
Domestic Credit to the Private Sector, percent of GDP



Year	Value
2002/2003	59.6
2003/2004	53.6
2004/2005	50.0
2005/2006	47.4
2006/2007	44.9
Summary for 2003–2007	
Five-year average	51.1
Trend growth rate	-6.9

Egypt's legal and regulatory regime is also problematic. Although the country's score on the World Bank's Credit Information Index improved from 2 (of a possible 6 points) in 2006 to 4 in 2007, its score on the Index of Legal Rights for Borrowers and Lenders remained a poor 1 (of 10 points)—lower than Jordan's and Turkey's scores (5.0 and 3.0, respectively), and the medians for LMI-MENA (3.0) and LMI (3.7). Egypt's poor score on this indicator signals the need for substantial reform to facilitate access to credit.

[38] Access to finance was the first or second-most problematic factor for every year between 2003/04 and 2007/08. Enders, 6, and http://www.gcr.weforum.org/ (accessed January 28, 2008).

[39] Weak private sector credit growth since 2004/2005 may be due in partly to positive developments, such as the resolution of non-performing loans and the curtailing of "easy money" for politically well-connected businessmen (Article IV 2007, 26 and Enders, 8). Yet other indicators cited in this section suggest that legal and regulatory problems are also important factors constraining private credit growth.

Encouragingly, the Egyptian government has made substantial progress on an ambitious program of financial reforms since 2004: more than half the formerly state-dominated banking sector has been transferred to private ownership, a new banking law has been passed, and a large share of public and private nonperforming loans has been resolved.[40] To support and accelerate private sector development, the IMF has urged Egypt to pursue additional financial sector reforms, including more risk-based supervision of banks, improvements to collateral rules, and restructuring and regulatory reforms in the insurance sector.[41] Donors might support such efforts through technical assistance and training on approaches, tools, and issues in prudential supervision for banks and nonbank financial institutions.

EXTERNAL SECTOR

Fundamental changes in international commerce and finance, including reduced transport costs, advances in telecommunications technology, and lower policy barriers, have fueled a rapid increase in global integration in the past 25 years. The international flow of goods and services, capital, technology, ideas, and people offers great opportunities for Egypt to boost growth and reduce poverty by stimulating productivity and efficiency. Egypt's external sector performance has been exceptionally strong in the past five years: trade, supported by legal and regulatory reforms, has expanded dramatically, foreign direct investment has soared, and dependence on foreign aid has declined.

International Trade and the Current Account

Egypt's trade is booming. From 2002/03 to 2006/07, trade surged from 46.1 percent to 65.1 percent of GDP—still lower than the LMI-MENA median of 81.4 percent and the figure in Jordan (145.4 percent in 2006), but exceeding that in Turkey (62.0 percent of GDP in 2006) (Figure 3-6). Trade in services—notably including tourism and Suez Canal receipts—makes up 28.0 percent of this total. This is a significantly higher proportion for trade in services in total trade than in all comparators but Jordan (38.0 percent).

The value of exports in current U.S. dollars grew by an average of 19.6 percent annually between 2002/03 and 2006/07;[42] export volumes, as measured by value in constant local currency units, grew by more than 20 percent annually between 2003 and 2005 (the latest year available). The latter far exceeds the expected value of 11.6 percent, the LMI-MENA median of 3.9 percent, and the figures for Jordan and Turkey (0.7 percent and 14.3 percent in 2006, respectively). Liquefied natural gas exports skyrocketed from $17 million in 2003 to almost $3 billion in 2006,[43] and hydrocarbons accounted for 47 percent of exports in 2006/07. Because this narrow category

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[40] Article IV 2007, 16 and Enders, 28.

[41] Article IV 2007, 16. The IMF notes that Egypt has heretofore resisted the Fund's suggestions to privatize at least part of the insurance sector.

[42] Article IV 2007, 28.

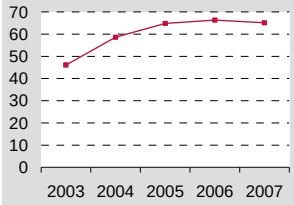
[43] UN COMTRADE database. Merchandise trade statistics in COMTRADE and the Central Bank of Egypt's report differ somewhat. Discrepancies may be due in part to differences in reporting periods: the COMTRADE statistics appear to be compiled on a calendar-year basis, whereas the Central Bank's statistics follow the fiscal calendar (July-June). All sources show a dramatic increase in natural gas exports.

accounts for such a large share of exports, Egypt's economy could be roiled if global fuel prices declined sharply. Diversification of exports thus remains a priority. Encouragingly, exports of various manufactures have increased markedly: between 2002/03 and 2006/07, the value of pharmaceutical exports increased 83 percent, textiles and apparel doubled, and iron and steel quadrupled.[44] As a result, even with the skyrocketing increase in fuel exports, manufactured exports still account for more than 30 percent of the total value of Egypt's exports. Tourism exports have also fared well, as arrivals rose from 4.3 million to 8.7 million between 2001/02 and 2006/07.[45]

Figure 3-6
Trade, percent of GDP

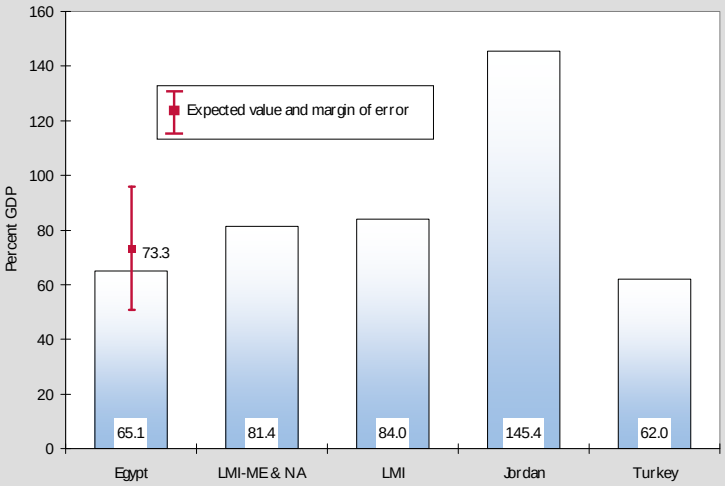
Egypt's imports and exports are booming, but ample room for trade expansion remains.

Time Series

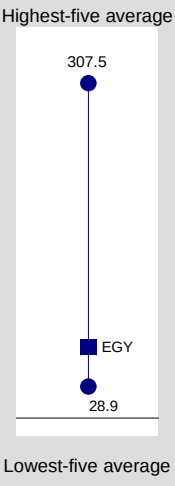


Year	Value
2002/2003	46.1
2003/2004	58.6
2004/2005	64.8
2005/2006	66.3
2006/2007	65.1
Summary for 2003–2007	
Five-year average	60.2
Trend growth rate	8.1

Comparison to Other Countries, Most Recent Year



Global Standing



Source: IMF Article IV, 2007

CAS code: 24P10

Imports have grown even faster than exports since 2004—by an average of 24.7 percent annually in the three fiscal years ending with 2006/07, compared to the 18.8 percent average annual growth of exports. Investment goods (e.g., computers and motors) and intermediate goods (e.g., chemicals, plastics, and iron and steel products) accounted for more than half the increase in imports, while fuels and consumer goods accounted for less than a fifth. These figures suggest that a large share of imports has gone to investment in productivity growth.[46]

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[44] Central Bank of Egypt, Monthly Statistical Bulletin, January 15, 2008, http://www.cbe.org.eg/publications.htm, accessed January 28, 2008.

[45] CBE, Monthly Statistical Bulletin.

[46] CBE, Monthly Statistical Bulletin. Egypt's oil production, however, has declined while demand has risen. Many observers believe that Egypt will become a net importer of oil in the near future or that it has recently become one (for example, see "Egypt and Its Looming Energy Crisis," *Egypt Oil & Gas*, February 2007, http://www.egyptoil-gas.com/read_article_issues.php?MID=21&arch =true&AID=26 (accessed March 31, 2008).

Policy developments have favored expanded trade, on both the export and the import sides. Devaluation of the nominal exchange rate between 2001 and 2003[47] and corresponding real exchange rate depreciation increased the competitiveness of Egyptian exports, while liberalized access to foreign exchange and sharp reductions in import tariffs have favored imports.[48] Imports and exports alike have benefited from substantial reduction in the time and costs associated with moving goods across borders. A recent World Bank case study[49] documents reforms that led to these improvements, including introduction of an electronic data interchange for inspections and customs procedures, elimination of the requirement for customs approval of certificates of origin from preferred trading partners, and introduction of a new risk management system. *Doing Business* ranked Egypt 26th among 178 countries for ease of trading across borders in 2007, compared to 86th in 2006—a score superior to those of Jordan and Turkey (59th and 56th, respectively, in 2007).

Egypt's current account maintained a healthy surplus throughout the past five years, although this positive balance declined from 4.3 percent of GDP in 2003/04 to 1.4 percent in 2006/07 as imports outpaced exports. Lower than the LMI-MENA median of 2.3 percent, Egypt's current account surplus still compares favorably to the deep current account deficits run by Jordan and Turkey (13.6 percent and 7.9 percent of GDP, respectively). Although the IMF projects modest current account deficits in the future,[50] the sustained, high inflows of foreign capital that Egypt has attracted in recent years suggest that such deficits can be financed without difficulty (see more on capital inflows below). Such past surpluses on the current account have allowed Egypt to build up strong foreign currency reserves: for example, in 2006/07, gross international reserves equaled 7.3 months of imports, more than double the LMI median of 3.3 months and greater than the reserves in Jordan and Turkey (5.4 months and 4.8 months of imports, respectively).

Workers' remittances have helped keep the current account in surplus and provided households with vital income. Remittances grew rapidly over the past five years: measured as a ratio to the value of exports, the share of remittances increased from 18.0 percent in 2002/03 to 18.7 percent in 2006/07, despite exports' rapid growth over the period. Remittances have grown rapidly from the oil-producing Gulf states (e.g., Kuwait and the United Arab Emirates) as well as from the United States, which remains the leading source of worker remittances to Egypt.[51] In light of the large share of the Egyptian population living near the poverty line (see Poverty and Inequality), donors might assist Egypt in finding ways to facilitate and promote the investment of some

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[47] Geert Almekinders, "External Competitiveness and the Real Exchange Rate in Egypt," *Arab Republic of Egypt: Selected Issues*, IMF Country Report No. 07/381, December 2007, 10.

[48] Article IV 2007, 13. Although the Egyptian pound's modest real appreciation since 2004 may have slowed export growth, the IMF finds that "most of the improvement in Egypt's competitiveness caused by the depreciation of the REER during 2001/03 has so far been maintained," and that the REER is "broadly in line with macroeconomic fundamentals" (Almekinders, 10 and 22).

[49] Rachid Mohammed Rachid et al., *Smart Lessons in Advisory Services: Boosting Trade in Egypt*, IFC, October 2007, www.doingbusiness.org/Documents/DB_Egypt_Trade.pdf (accessed February 12, 2008).

[50] Article IV 2007, 13.

[51] Central Bank of Egypt, Monthly Statistical Bulletin.

portion of remittances in small and microenterprise development to boost private sector growth and productivity.

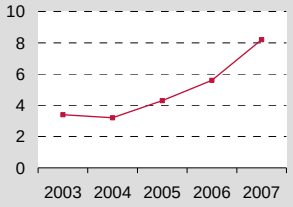
Foreign Direct Investment and External Debt

Total private capital inflows to Egypt have increased nearly fourfold in the past five years and now stand at 11.1 percent of GDP. Foreign direct investment (FDI) accounts for nearly three-quarters of this total and has become an important driver of Egypt's economic growth. From 2002/03 to 2006/07, FDI inflows soared from 3.4 percent of GDP to 8.2 percent—well above the expected value of 1.8 percent, the LMI-MENA median of 1.3 percent, and FDI's share of GDP in Turkey (3.3 percent), although still lower than in Jordan (22.6 percent) (Figure 3-7). In 2005/06, 70 percent of FDI targeted activities outside the energy sector, and acquisitions accounted for only 15 percent of the total.[52] These figures are encouraging because "greenfield" investments in nonextractive industries are widely believed to have the most potential for transferring technology and skills that can improve productivity and for creating jobs. FDI inflows were more than twice portfolio investment in 2006/07—$10.5 billion compared to $3.7 billion—but portfolio investment has also increased dramatically, as seen in the rapid growth of Egypt's stock market (see Financial Sector). The rapid growth of both FDI and portfolio investment suggests that investors are sanguine about Egypt's long-term prospects for growth and stability.

Figure 3-7
Foreign Direct Investment, percent of GDP

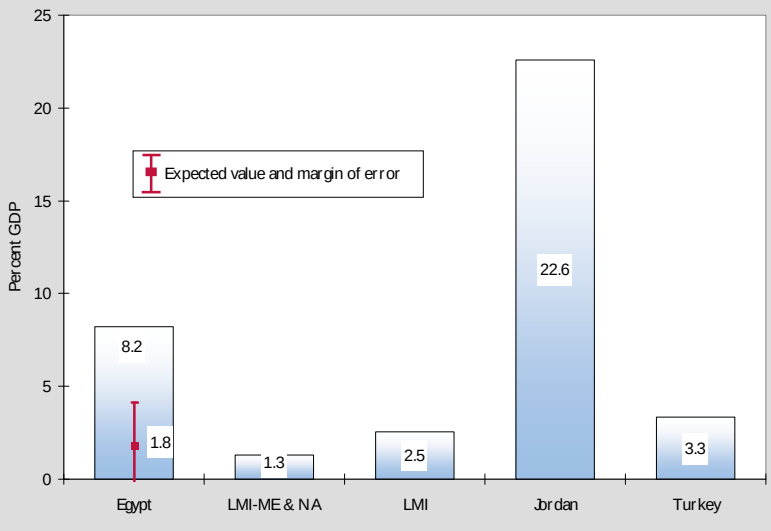
Egypt's FDI inflows have soared since 2003.

Time Series



Year	Value
2002/2003	3.4
2003/2004	3.2
2004/2005	4.3
2005/2006	5.6
2006/2007	8.2
Summary for 2003–2007	
Five-year average	4.9
Trend growth rate	23.2

Comparison to Other Countries, Most Recent Year



Source: IMF Article IV, 2007

CAS code: 24P5

[52] Andrew Jeffreys, "FDI Favors Egypt," *Al-Ahram Weekly On-line*, Issue 825, December 21–27, 2006, http://weekly.ahram.org.eg/2006/825/ec2.htm (accessed January 29, 2008).

Egypt's external debt is substantial but not overwhelming: the present value of external debt equaled 35.8 percent of gross national income (GNI) in 2005, about on par with the LMI-MENA median (35.0 percent of GNI) but well below the levels in Jordan and Turkey (64.6 percent and 59.1 percent of GNI in 2005, respectively). The ratio of debt service to exports fell by nearly half between 2002/03 and 2006/07—from 12.4 percent to 6.6 percent—in part a reflection of the rapid growth in exports, but also of success in controlling the growth of debt. Dependence on aid has also declined, with aid flows falling from 1.4 percent of GNI in 2002 to 0.8 percent in 2006—lower than the LMI-MENA and LMI global medians (1.3 percent and 2.4 percent, respectively) and Jordan (3.9 percent). Egypt's efforts to reduce its fiscal deficit (see Fiscal and Monetary Policy) should reduce dependence on debt and foreign aid further.

ECONOMIC INFRASTRUCTURE

Well-developed economic infrastructure supports economic growth by improving competitiveness, increasing productivity, and expanding trade capacity, while poor infrastructure can significantly hinder growth. Respondents to the World Economic Forum's Executive Opinion Survey ranked Egypt's overall infrastructure quality 3.7 on a scale of 1 to 7—the same as for Turkey but lower than for Jordan, which scored 4.8. To understand the particular strengths and weaknesses in Egypt's infrastructure, it is useful to consider each sector separately.

First, transport infrastructure: An estimated 81 percent of Egypt's roads are paved—a figure superior to the median of LMI-MENA countries (65.9 percent) and Turkey's 41.6 percent but lower than Jordan's 100 percent. Results from the WEF survey (again on a 1 to 7 scale) show that air, port, and rail infrastructure and services all have room for improvement: At 4.9, the quality index for air transportation surpassed the LMI-MENA median (4.6) but fell below the scores of Jordan (5.5) and Turkey (5.1). This rating, however, was an improvement from Egypt's score of 4.5 in 2006, thanks to the new Cairo air terminal. Port and rail quality in Egypt declined in 2006/07, however, from 3.8 to 3.5, and from 3.3 to 2.9, respectively. These scores in were in line with the LMI-MENA medians and surpassed the scores of Turkey. Rail quality in Egypt was ranked higher than in Jordan, while Jordan scored higher for ports than Egypt. The decline in perceptions of port and rail quality, in conjunction with two serious rail accidents in 2006, underscores the need for improvement and increased maintenance in these sectors. Encouragingly, the government has initiated a program to upgrade tracks and trains.[53]

Egypt's indicators for the adoption of information and communication technology are low relative to those of comparators; the government, however, is taking significant strides in this area. Egypt had a telephone density of 381.9 fixed lines plus mobile phones per 1,000 people in 2006—less than Jordan (427.6 per thousand in 2004), and far less than Turkey (868.5 per 1,000 in 2005) (Figure 3-8). Although Egypt's average of 67.5 Internet users per 1,000 in 2005 is greater than the LMI-MENA median (58.5 users), Jordan's and Turkey's scores far surpassed Egypt's score, at 119 users per thousand (in 2004) and 222 users per thousand (in 2005), respectively.

Telephone and Internet density in Egypt grew rapidly from 2001 to 2005: from 138.4 users to 324.5 users for telephone, and from 8.7 users to 67.5 users for Internet. This rapid growth is due,

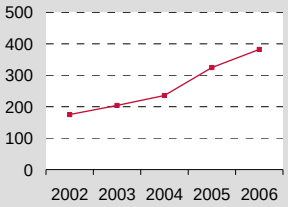
[53] Economist Intelligence Unit, *Egypt—Country Profile 2007*, 20.

in large part, to the government's ICT Master Plan, launched in 2000, and the more recent 2020 ICT Strategy In line with these strategies, Egypt has introduced policy reform that has allowed greater competition in this sector; invested in ICT infrastructure; and implemented access programs such as establishing a network of IT Clubs.[54] Donors can assist with increasing public awareness, skills training, and rural access, although the private sector will remain the key driver of growth and innovation.

Figure 3-8
Telephone Density, Fixed Line and Mobile per 1,000 people

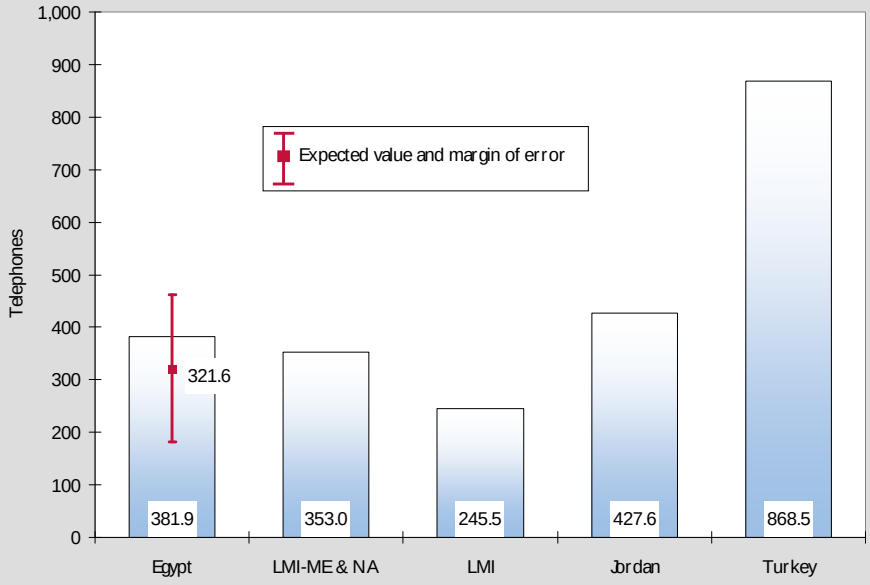
Although increasing, telephone density is still lower than in Jordan and Turkey.

Time Series



Year	Value
2002	174.9
2003	203.9
2004	235.5
2005	324.5
2006	381.9
Summary for 2001–2005	
Five-year average	264.2
Trend growth rate	20.3

Comparison to Other Countries, Most Recent Year



Source: World Development Indicators

CAS code: 25P3

SCIENCE AND TECHNOLOGY

Science and technology are essential ingredients for increasing productivity, efficiency, and innovation. As Egypt seeks to increase productivity in industry, services, and agriculture, investment in science and technology will play a critical role. Between 1996 and 2000, Egypt spent 0.2 percent of GDP annually on research and development—far less than Turkey's 0.8 percent in 2005 and the global high-five average of 3.7 percent.[55] Although Egypt's R&D spending would not be expected to equal spending in richer countries, future economic growth strategies should consider stimulating investment in R&D.

Executives' perceptions of the role of science and technology in Egypt's economic productivity are fairly positive: for the World Economic Forum's FDI Technology Transfer Index, survey

[54] The complete government ICT Strategy is available on the Ministry of Communications and Information Technology website, www.mcit.gov.eg.

[55] Jordan's figure was unavailable.

respondents gave Egypt a score of 5.1 on a scale of 1 to 7 (7 being excellent) in 2007. Jordan received a similar score, of 5.0, on the index measuring availability of scientists and engineers, while Turkey scored slightly lower, at 4.8. These indices suggest that the environment in Egypt fosters the transfer of technology and does a relatively good job of producing local capacity in science and engineering.[56] This is further supported by the continued growth in the number of scientific and technology journal articles published per million people—between 1999 and 2003, this figure grew from 1,362 articles per million to 1,720 articles per million, far above the 521 articles per million expected for a country with Egypt's characteristics.

The protection of intellectual property rights rewards investment in research and development, as investors are able to capture fully the returns on their innovations. Although Egypt has made significant progress in IPR protection, continued work is needed to address remaining concerns. In 2005 and 2006 Egypt scored 3.5 on a 1 to 7 scale of executives' perceptions of IPR protection—slightly better than Turkey's 3.4 but lower than Jordan's 4.4. Since 2002 Egypt has improved the IPR legal framework, upgraded institutional capacity for monitoring and enforcement, and computerized the Patent Office. Laws on the production of generic pharmaceuticals remain a concern, but the government is working on improvements.[57]

[56] This data conflicts with data discussed elsewhere that point to inadequacies in professional training. The World Economic Forum data are based on subjective assessments from a limited sample of survey respondents. It is possible that respondents' answers are biased by self-selection: respondents are leading business executives who may have easier access than others to the pool of qualified scientists and engineers.

[57] "2007 National Trade Estimate Report on Foreign Trade Barriers," Office of the United States Trade Representative; April 2, 2007 USTR Press Release Egypt.

4. Pro-Poor Growth Environment

Rapid growth is the most powerful and dependable instrument for poverty reduction, but the link from growth to poverty reduction is not mechanical. In some circumstances, income growth for poor households exceeds the overall rise in per capita income, while in others the poor are left behind. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor while reducing their vulnerability. Pro-poor growth is associated with investment in primary health and education, the creation of jobs and income opportunities, the development of skills, agricultural development, and gender equality. This section focuses on four of these issues: health, education, employment and the workforce, and agricultural development (see Overview of the Economy for discussion of gender issues).

HEALTH

The provision of basic health services is a major form of human capital investment and a significant determinant of growth and poverty reduction. Although health programs do not fall under the EGAT bureau, an understanding of health conditions can influence the design of economic growth interventions.

Egypt shows positive performance and trends on several health sector indicators. Life expectancy at birth is commonly regarded as the best overall indicator of the health status of a population. In 2005 (most recent data) life expectancy at birth in Egypt stood at 70.5 years, up from 69.6 years in 2002. Life expectancy is now just slightly below the LMI-MENA median (71.7 years) and the scores in Jordan (72 years) and Turkey (71.3 years).

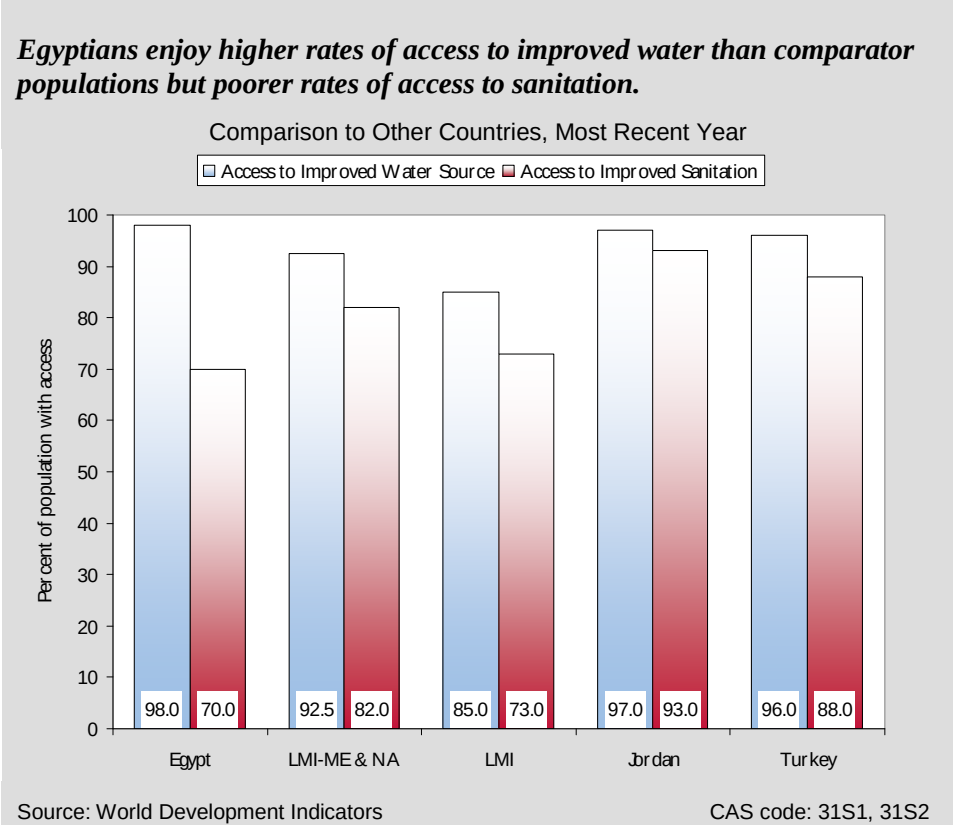
The child malnutrition rate has declined in recent years, from 8.6 percent in 2003 to 5.4 percent in 2005.[58] This rate is slightly higher than in Jordan (2002) and Turkey (2003), with 4.4 percent and 3.9 percent respectively, but below the LMI-MENA median of 6.9 percent. Egypt also has a high child immunization rate (98.0 percent), and HIV/AIDS is not a significant threat to public health, with a prevalence rate of 0.1 percent.

Access to improved water and sanitation are among the most important determinants of health outcomes. In 2004, approximately 98.0 percent of Egyptians had access to clean water. Only

[58] World Development Indicators 2007; World Health Organization, Statistical Information System http://www.who.int/whosis/en/index.html, accessed February 5, 2008.

70.0 percent, however, had access to improved sanitation. Egypt is on par with comparators in terms of access to clean water, but its rate of access to improved sanitation is below the LMI-MENA median of 82.0 percent, Jordan's 93.0 percent, and Turkey's 88.0 percent (Figure 4-1).

Figure 4-1
Access to Improved Water Source and Sanitation



Another commonly used health indicator is the maternal mortality rate (MMR), which provides insight into the quality of the health care service available. In Egypt, the MMR is estimated at about 130 per 100,000 live births (2004).[59] This is equal to the LMI-MENA median and just above the LMI median of 120 but significantly higher than Jordan's 62 and Turkey's 44 maternal deaths per 100,000 live births. In Egypt only 74.2 percent of births were estimated to be attended by skilled health personnel in 2005, compared to 89.8 percent in LMI-MENA, 83.0 percent in Turkey, and 99.5 percent in Jordan. This figure suggests that either the coverage of health care facilities is inadequate and uneven or that health services are not being used optimally by Egypt's population.

Egypt's public spending on health care was approximately 2.2 percent of GDP in 2004—lower than in Jordan (4.7 percent in 2004) and Turkey (5.2 percent in 2005). A recent IMF Selected Issues paper cited weaknesses in the cost-effectiveness and productivity of Egypt's spending in

[59] Human Development Report, 2007/08; Data in the Egypt Human Development Report 2005 show MMR to be 67.6 percent in 2004. No explanation could be found for this disparity.

this area.[60] Among a list of 32 emerging economies, Egypt scores in the 53rd percentile on transforming spending into intermediate factors (physicians, hospital beds) and the 30th percentile on productivity in reducing rates of infant and maternal mortality and increasing life expectancy.[61] Although Egypt has achieved good results on some health indicators, opportunities exist for donors to help increase the effectiveness of spending in a number of areas, including sanitation and maternal health education.

EDUCATION

Investment in human capital is a cornerstone for economic growth and development. Egypt's education indicators demonstrate mixed performance. At the primary level, the net enrollment rate is 93.7 percent—96.2 percent for males and 91.1 percent for females (2005). This is similar to the LMI-MENA median of 91.8 percent and better than for Jordan (88.9 percent) and Turkey (89.4 percent). Egyptian primary schools also exhibit a high rate of retention. In 2003 persistence to grade 5 was 98.3 percent for males and 99.0 percent for females. These figures are slightly above persistence rates in Jordan (male 96.9 percent, female 95.5 percent in 2004) and Turkey (male 97.2 percent and female 96.6 percent in 2004).

Egypt's net secondary enrollment rate of 82.1 percent substantially exceeds the expected value of 59.5 percent for a country with Egypt's characteristics and again outperforms all comparators—LMI-MENA (65.2 percent), LMI (66.8 percent), Jordan (78.7 percent), and Turkey (66.8 percent) (2005). Gross tertiary enrollment is also strong, at 33.9 percent in 2005, up from 28.5 percent in 2003. This is 10 percentage points higher than the LMI-MENA median, above Turkey's rate (31.2 percent), and below Jordan's rate (39.2 percent).

Despite these relatively positive standards, Egypt's youth literacy rate of 84.9 percent is lower than the LMI-MENA median (92.2 percent) and Turkey's and Jordan's rates (95.6 percent and 99.1 percent, respectively). Furthermore, the female youth literacy rate is a distressingly low 78.9 percent compared to the LMI median of 96.5 percent, Turkey's 93.3 percent, and Jordan's 98.9 percent (2006) (Figure 4-2). These figures raise concerns about the education system's effectiveness in providing girls the basic skills they need to enter the labor force. Failure to improve these scores could constrain prospects for transformational growth.

A crude but common proxy for the quality of primary education is the pupil-teacher ratio. In 2005, Egypt's pupil-teacher ratio was about 26, in line with the LMI-MENA median of 24 but above Jordan's 19.9 students per teacher (2003). Recent World Bank analysis (2005), however, found that the Egyptian education system has one administrator for every teacher at the primary education level, and one non-teaching staff member for every eight teachers.[62] These statistics suggest that educational resources could be allocated more productively.

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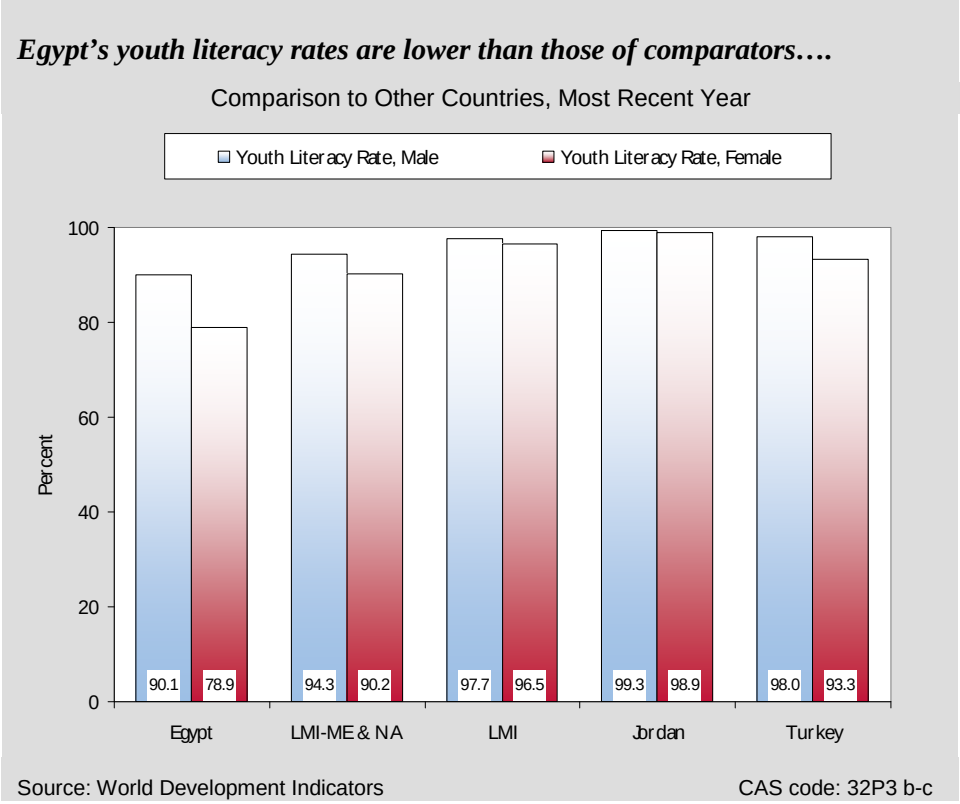
[60] Mattina and Cebotari, 36.

[61] Ibid, 37

[62] Ibid, 41.

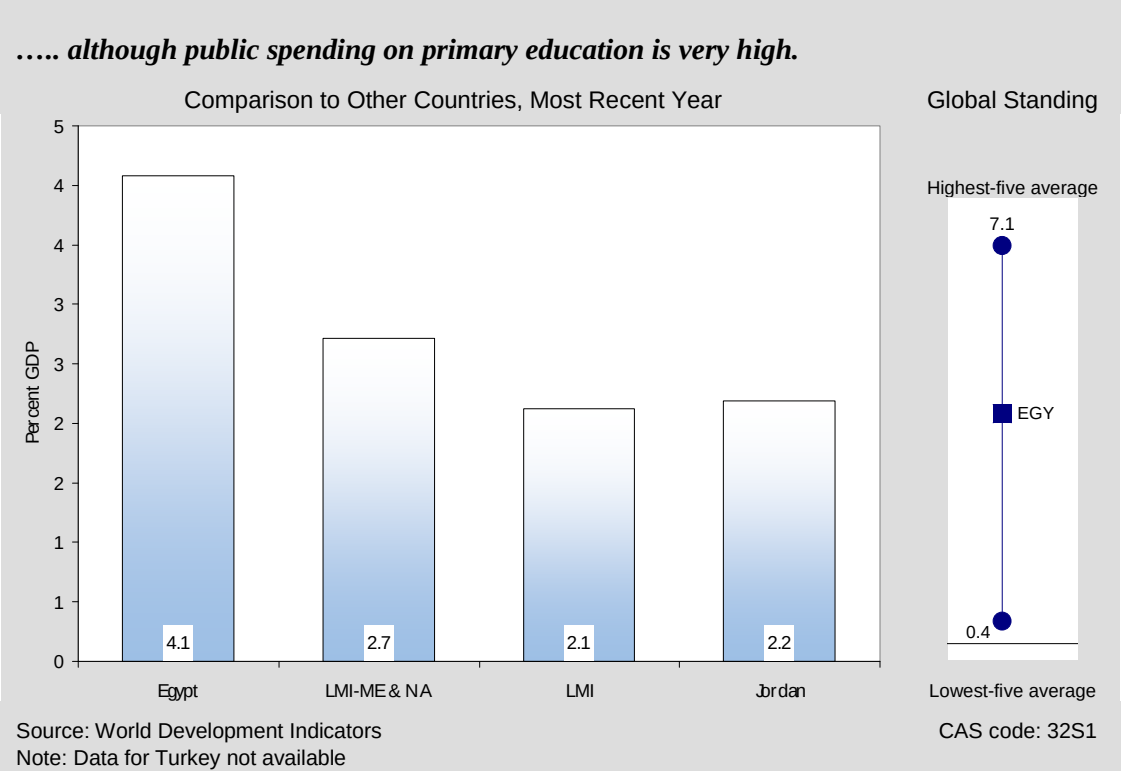
Figure 4-2
Youth Literacy Rate



Public expenditure on primary education is another rough quality-of-education indicator. For Egypt, public educational expenditure was 4.1 percent of GDP in 2007, much higher than the LMI-MENA median of 2.7 percent, the LMI median of 2.1 percent, and Jordan's 2.2 percent. (Figure 4-3). Moreover, there is also evidence of sizable additional private spending on education (estimated at 3.6 percent of GDP).[63] In summary, the combination of high enrollment, low literacy rates, and fairly heavy expenditure on primary education points to inefficiency in Egypt's education system. Donors might seek to help Egypt raise the quality and relevance of curriculum and teaching materials, increase teacher training and skill development, and improve outcomes for girls.

[63] Mattina and Cebotari, 38.

Figure 4-3
Expenditure on Primary Education, percent of GDP



EMPLOYMENT AND WORKFORCE

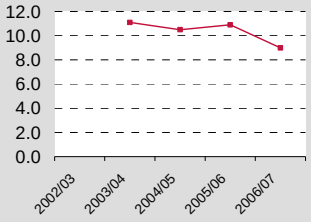
Egypt's labor market has seen important positive developments in recent years: between 2004 and 2007, approximately 2.5 million jobs were created, reducing unemployment from 11.1 percent to 9.0 percent (Figure 4-4).[64] The current unemployment figure compares favorably to the LMI-MENA median (13.9 percent) and to the unemployment rates in Jordan (12.4 percent) and Turkey (10.3 percent). To preserve and deepen these gains, Egypt must continue creating jobs at a rapid pace: with the labor force at 23.5 million workers and growing at an annual rate of 2.6 percent in 2006, an additional 611,000 new jobs were needed for labor force entrants alone in that year.

[64] In 2006 the IFS reported average unemployment for the year as 10.7 percent, including a gradual decrease to 9 percent in the fourth quarter. Labor force data for Egypt vary significantly among national and international sources. Official labor force and unemployment statistics draw from labor force surveys conducted by the Central Agency for Public Mobilization and Statistics. An alternative source is the Egypt Labor Market Panel Survey (ELMPS), conducted in 1988, 1998, and 2006. The accuracy of the labor force survey data on female employment was questioned; authorities therefore made ELMPS the official source of labor statistics in 2006. Source: *World Bank Middle East and North Africa Region—2007 Economic Development and Prospects: Job Creation in an Era of High Growth*, IBRD/World Bank, August 2007.

Figure 4-4
Unemployment Rate

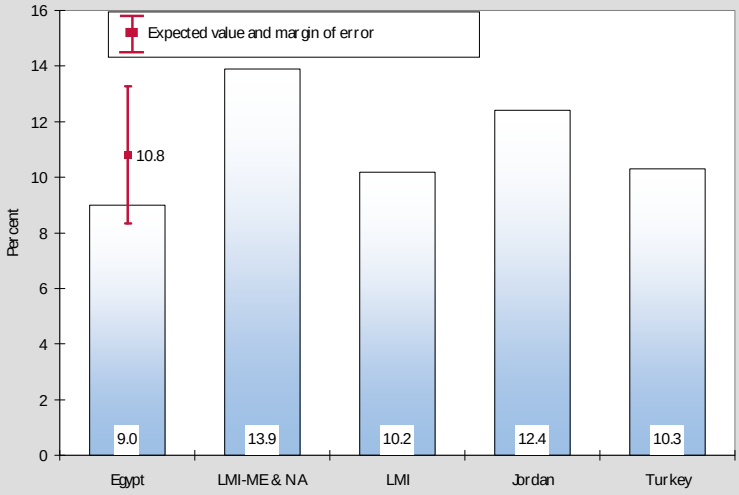
Unemployment has decreased significantly since 2004 and is lower than in all comparators.

Time Series

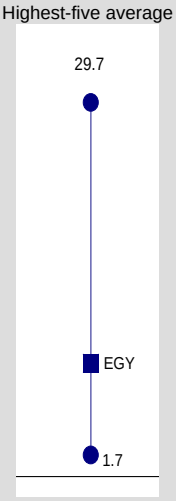


Year	Value
2002/2003	.
2003/2004	11.1
2004/2005	10.5
2005/2006	10.9
2006/2007	9.0
Summary for 2004–2007	
Five-year average	.
Trend growth rate	.

Comparison to Other Countries, Most Recent Year



Global Standing



Source: World Development Indicators

CAS code: 33P4

Despite rapid economic growth, labor force participation in Egypt remained a low 50.2 percent in 2005, up only 1 percent from 2001. Labor force participation rates in LMI-MENA are among the lowest in the world because of the absence of women in the workforce. With only half the working-age population participating fully in productive activity, Egypt's total output and growth potential suffer accordingly. To reverse this situation and take full advantage of untapped talents and human resources, Egypt will need to progressively remove barriers to women's entry into the labor market while at the same time fostering creation of more jobs.

A healthy business environment and strong GDP growth are the primary platforms for job creation, but legal and regulatory obstacles in labor markets can hinder the supply and demand of labor. *Doing Business'* Rigidity of Employment Index is a composite of the Rigidity of Hiring, Rigidity of Hours, and Rigidity of Firing sub indices. On a scale of 0–100, with 100 the maximum rigidity, Egypt's score of 27 in 2007 was significantly better than the expected value for countries with similar characteristics (41.1) and than scores in Jordan (30.0) and Turkey (42.0). Nevertheless, firing costs in weeks of wages were very high, at 132 weeks in 2007. This is far above Jordan's score (4.0 weeks) and Turkey's score (95 weeks) and the LMI-MENA median (68.0 weeks). Hence, although the composite index indicates a less rigid employment climate, more reform is still required.

In addition to labor market rigidity, low productivity and a lack of skills in the labor force exacerbates unemployment (see Growth Performance and Poverty and Inequality). To promote employment growth, Egypt should continue to make labor markets more flexible while deepening human capital through high-quality education and training relevant to the needs of employers.

AGRICULTURE

Agriculture remains an important component of Egypt's economy: agricultural value added accounts for 15 percent of GDP and about 30 percent of the labor force (see Economic Structure). It is the dominant activity in Upper Egypt, the country's poorest region, where it accounts for 63 percent of employment and 40 percent of total income.[65] Agricultural development is thus a key element in a pro-poor growth strategy for Egypt.

In recent years, Egyptian agriculture has performed reasonably well by some metrics. Growth of agricultural value-added averaged about 3.4 percent annually from 2001 to 2005, the last five years for which data are available, and real agricultural value-added per worker grew at about 2.8 percent annually between 2000 and 2004.[66] Both crop and livestock production indices showed increases—modest increases for crops and sharp ones for livestock. Cereal yield, which grew by an average annual rate of 1.3 percent, reached 7,516 kg per hectare in 2005, far above the LMI-MENA median of 1,483 kg/ha and the levels in Jordan (1,335 kg/ha) and Turkey (2,457 kg/ha). Additionally, Egypt's exports of nontraditional crops, such as citrus, groundnuts, and preserved and dried vegetables, increased substantially between 2002/03 and 2006/07, as did rice exports.[67]

Yet not all signs in the sector are positive. Export sales of Egypt's predominant agricultural export crop, cotton, fell by nearly half between 2003/04 and 2006/07, from $202 million to $110 million.[68] Cotton export volumes have recovered somewhat from their lows in the early 1990s but remain far below levels in the mid-1960s to early 1970s. Some sources attribute the decline to heavy state intervention in the cotton and textile industries.[69] Exports have improved since Egypt began liberalizing and privatizing these sectors in the mid-1990s (Figure 4-5).[70] Continued support for such reforms should remain a high priority for donors.

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[65] Marie-Hélène Collion, et al, *Arab Republic of Egypt—Upper Egypt: Challenges and Priorities for Rural Development*, World Bank Report No. 36432-EG, June 15, 2006.

[66] There may be a discrepancy between our data on growth in agricultural value-added per worker and the data in the Economic Structure section on labor and output structure. For additional information, see footnote 16.

[67] CBE, Monthly Statistical Bulletin.

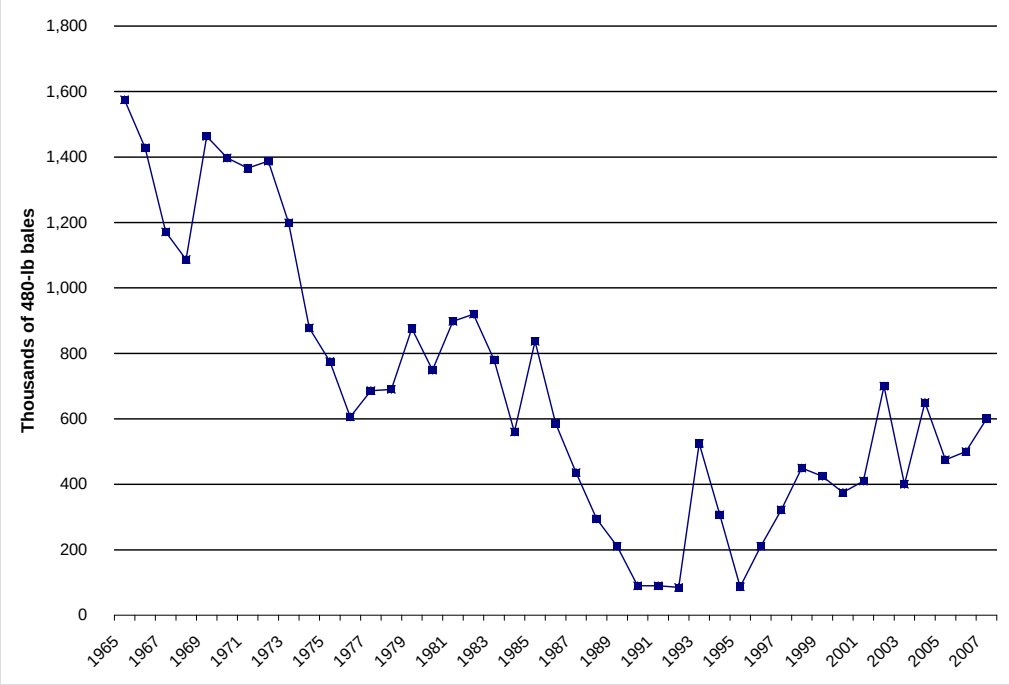
[68] Ibid.

[69] EIU, *Egypt—Country Profile 2007*, 33.

[70] International Cotton Advisory Committee, "The Egyptian Cotton Industry: Growth through Private Investment," http://www.icac.org/meetings/egypt_2004/english.html (accessed January 29, 2008).

Figure 4-5
Cotton Exports, 1965–2006

Cotton exports have increased since the mid-1990s but remain far below historical highs.



Source: U.S. Department of Agriculture, Economic Research Service Not a CAS Indicator

Agricultural performance has also varied by region: in Lower Egypt, higher-value, nontraditional crops have done well, thanks to advantages such as larger landholdings (and thus economies of scale for investment), better infrastructure for moving goods to market, and greater dissemination of advanced postharvest technologies (e.g., cold-chain transport equipment). Farmers in Upper Egypt actually produce more per hectare than those in Lower Egypt, but their small holdings limit their ability to invest, and poor transport links and postharvest technologies limit their scope for movement into higher-value, nontraditional crops. Donors may wish to dedicate resources to helping Upper Egypt address these constraints, particularly in terms of techniques, inputs, and infrastructure to raise on-farm productivity, reduce postharvest losses, and raise the efficiency of agricultural markets.[71]

[71] Information in this paragraph from Collion et al.

Appendix A. CAS Methodology

CRITERIA FOR SELECTING INDICATORS

The economic performance evaluation in this report balances the need for broad coverage and diagnostic value with the requirement of brevity and clarity. The analysis covers 15 economic growth–related topics, and just over 100 variables. For the sake of brevity, the write-up in the text highlights issues for which the "dashboard lights" appear to be signaling problems, which suggest possible priorities for USAID intervention. The accompanying table provides a full list of indicators examined for this report. The data supplement in Appendix B contains the complete data set for Egypt, including data for the benchmark comparisons and technical notes for every indicator.

For each topic, the analysis begins with a screening of *primary performance indicators*. These Level I indicators are selected to answer the question: Is the country performing well or not in this area? The set of primary indicators also includes descriptive variables such as per capita income, the poverty head count, and the age dependency rate.

When Level I indicators suggest weak performance, we review a limited set of *diagnostic supporting indicators*. These Level II indicators provide additional details or shed light on *why* the primary indicators may be weak. For example, if economic growth is poor, one can examine data on investment and productivity as diagnostic indicators. If a country performs poorly on educational achievement, as measured by the youth literacy rate, one can examine determinants such as expenditure on primary education, and the pupil–teacher ratio.[72]

Indicators have been selected on the basis of the following criteria: Each must be accessible through USAID's Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, subjective survey responses are used only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, an effort has been made to minimize redundancy. If two indicators provide similar information, preference is given to the one that is simplest to understand or most widely used. For example, both the Gini coefficient and the share of income

[72] Deeper analysis of the topic using more detailed data (Level III) is beyond the scope of this series.

accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes.

BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool used to evaluate each indicator. The analysis draws on several criteria rather than a single mechanical rule. The starting point is a comparison of performance in Egypt relative to the median for countries in the same income group and region —in this case, low-middle-income countries in the Middle East and North Africa region.[73] For added perspective, three other comparisons are examined: (1) the global average for this income group; (2) respective values for two comparator countries approved by the Egyptian mission (in this case Jordan and Turkey); and (3) the average for the five best- and five worst-performing countries globally. Most comparisons are framed in terms of values for the latest year of data from available sources. Five-year trends are also taken into account when this information sheds light on the performance assessment.[74]

For selected variables, a second source of benchmark values uses statistical regression analysis to establish an expected value for the indicator, controlling for income and regional effects.[75] This approach has three advantages. First, the benchmark is customized to Egypt's specific level of income. Second, the comparison does not depend on the exact choice of reference group. Third, the methodology allows the quantification of the margin of error and establishment of a "normal band" for a country with Egypt's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.[76]

Finally, when relevant, Egypt's performance is weighed against absolute standards. For example, a corruption perception index below 3.0 is a sign of serious economic governance problems, regardless of the regional comparisons or regression result.

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[73] Income groups as defined by the World Bank in July 2007. The average is defined in terms of the median because the values are not distorted by outliers.

[74] The five-year trends are computed by fitting a log-linear regression line through the data points. The alternative of computing average growth from the end points produces aberrant results when one or both of those points diverge from the underlying trend.

[75] This is a cross-sectional OLS regression using data for all developing countries. For any indicator, Y, the regression equation takes the form: Y (or ln Y, as relevant) = a + b * ln PCI + c * Region + error – where PCI is per capita income in PPP$, and Region is a set of 0-1 dummy variables indicating the region in which each country is located. When estimates are obtained for the parameters a, b, and c, the predicted value for Egypt is computed by plugging in Egypt-specific values for PCI and Region. Where applicable, the regression also controls for population size and petroleum exports (as a percentage of GDP).

[76] This report uses a margin of error of 0.66 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25 percent of the observations should fall outside the normal range on the side of poor performance (and 25 percent on the side of good performance). Some regressions produce a very large standard error, giving a "normal band" that is too wide to provide a discerning test of good or bad performance.

STANDARD CAS INDICATORS

Indicator	Level	MDG, MCA, or EcGov[a]
Statistical Capacity Indicator	I	EcGov
Growth Performance		
Per capita GDP, in purchasing power parity dollars	I	
Per capita GDP, in current US dollars	I	
Real GDP growth	I	
Growth of labor productivity	II	
Investment productivity, incremental capital-output ratio (ICOR)	II	
Gross fixed investment, % GDP	II	
Gross fixed private investment, % GDP	II	
Poverty and Inequality		
Human poverty index (0 for excellent to 100 for poor)	I	
Income-share, poorest 20%	I	
Population living on less than $1 PPP per day (lower income countries)/ $2 PPP per day (lower middle income countries)	I	MDG
Poverty headcount, by national poverty line	I	MDG
PRSP status	I	EcGov
Population below minimum dietary energy consumption	II	MDG
Economic Structure		
Employment or labor force structure	I	
Output structure	I	
Demography and Environment		
Adult literacy rate	I	
Youth dependency rate/ elderly dependency rate (elderly rate for Eastern European and Former Soviet Union countries)	I	
Environmental performance index (0 for poor to 100 for excellent)	I	
Population size and growth	I	
Urbanization rate	I	
Gender		
Girls' primary completion rate	I	MCA
Gross enrollment rate, all levels, male, female	I	MDG
Life expectancy at birth, male, female	I	
Labor force participation rate, male, female	I	
Fiscal and Monetary Policy		
Government expenditure, % GDP	I	EcGov
Government revenue, excluding grants, % GDP	I	EcGov
Growth in the broad money supply	I	EcGov
Inflation rate	I	MCA
Overall government budget balance, including grants, % GDP	I	MCA, EcGov
Composition of government expenditure	II	
Composition of government revenue	II	
Composition of money supply growth	II	

Indicator	Level	MDG, MCA, or EcGov[a]
Business Environment		
Control of corruption index (-2.5 for poor to 2.5 for excellent)	I	EcGov
Ease of doing business ranking	I	EcGov
Rule of law index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Regulatory quality index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Government effectiveness index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Cost of starting a business	II	MCA, EcGov
Procedures to enforce a contract	II	EcGov
Procedures to register property	II	EcGov
Procedures to start a business	II	EcGov
Time to enforce a contract	II	EcGov
Time to register property	II	EcGov
Time to start a business	II	MCA, EcGov
Total tax payable by business	II	EcGov
Business costs of crime, violence, terrorism index (1 for poor to 7 for excellent)	II	
Senior manager time spent dealing with government regulations	II	EcGov
Financial Sector		
Domestic credit to private sector, % GDP	I	
Interest rate spread	I	
Money supply, % GDP	I	
Stock market capitalization rate, % of GDP	I	
Credit information index (0 for poor to 6 for excellent)	I	
Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	II	
Real interest rate	II	
Number of active microfinance borrowers	II	
External Sector		
Aid , % GNI	I	
Current account balance, % GDP	I	
Debt service ratio, % exports	I	MDG
Export growth of goods and services	I	
Foreign direct investment, % GDP	I	
Gross international reserves, months of imports	I	EcGov
Gross private capital inflows, % GDP	I	
Present value of debt, % GNI	I	
Remittance receipts, % exports	I	
Trade, % GDP	I	
Trade in services, % GDP	I	
Concentration of exports	II	
Inward FDI potential index	II	
Net barter terms of trade	II	
Real effective exchange rate (REER)	II	EcGov

Indicator	Level	MDG, MCA, or EcGov[a]
Structure of merchandise exports	II	
Trade policy index (0 for poor to 100 for excellent)	II	MCA, EcGov
Ease of trading across boarders ranking	II	EcGov
Economic Infrastructure		
Internet users per 1,000 people	I	MDG
Overall infrastructure quality index (1 for poor to 7 for excellent)	I	EcGov
Telephone density, fixed line and mobile	I	MDG
Quality of infrastructure—railroads, ports, air transport, and electricity	II	
Roads paved, % total roads	II	
Science and Technology		
Expenditure for R&D, % GDP	I	
FDI and technology transfer index (1 for poor to 7 for excellent)	I	
Availability of scientists and engineers index (1 for poor to 7 for excellent)	I	
Science & technology journal articles per million people	I	
IPR protection index (1 for poor to 7 for excellent)	I	
Health		
HIV prevalence	I	
Life expectancy at birth	I	
Maternal mortality rate	I	MDG
Access to improved sanitation	II	MDG
Access to improved water source	II	MDG
Births attended by skilled health personnel	II	MDG
Child immunization rate	II	MCA
Prevalence of child malnutrition (weight for age)	II	
Public health expenditure, % GDP	II	MCA, EcGov
Education		
Net primary enrollment rate—female, male, total	I	MDG
Persistence in school to grade 5	I	MDG
Youth literacy rate, all, male, female	I	
Net secondary enrollment rate	I	
Gross tertiary enrollment rate	I	
Education expenditure, primary, % GDP	II	MCA, EcGov
Expenditure per student, % GDP per capita—primary, secondary, and tertiary	II	EcGov
Pupil-teacher ratio, primary school	II	
Employment and Workforce		
Labor force participation rate, total	I	
Rigidity of employment index (0 for minimum to 100 for maximum)	I	EcGov
Size and growth of the labor force	I	
Unemployment rate	I	
Economically active children, % children ages 7-14	I	
Firing costs, weeks of wages	II	EcGov

Indicator	Level	MDG, MCA, or EcGov[a]
Agriculture		
Agriculture value added per worker	I	
Cereal yield	I	
Growth in agricultural value-added	I	
Agricultural policy costs index (1 for poor to 7 for excellent)	II	EcGov
Crop production index	II	
Livestock production index	II	
Agricultural export growth	II	

[a] *Level I = primary performance indicators, Level II = supporting diagnostic indicators*

[b] *MDG—Millennium Development Goal indicator*
MCA—Millennium Challenge Account indicator
EcGov—Major indicators of economic governance, which is defined in USAID's Strategic Management Interim Guidance to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations.

Appendix B. Data Supplement

This supplement presents a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

		Growth Performance						
	Statistical Capacity Indicator	Per capita GDP, in Purchasing Power Parity Dollars	Per capita GDP, in current U.S. Dollars	Real GDP Growth	Growth of Labor Productivity	Investment Productivity, Incremental Capital-Output Ratio (ICOR)	Gross Fixed Investment, % of GDP	Gross Fixed Private Investment, % of GDP
Indicator Number	11P0	11P1	11P2	11P3	11S1	11S2	11S3	11S4
Egypt Data								
Latest Year (T)	*2007*	*2006/2007*	*2007*	*2006/2007*	*2004/2005*	*2005/2006*	*2006/2007*	*2007*
Value Year T	*89*	*5,272.3*	*1,738.8*	*7.1*	*1.9*	*4.0*	*22.2*	*18.9*
Value Year T-1	*92*	*4,895.4*	*1,488.6*	*6.8*	*2.0*	*4.7*	*18.7*	*15.3*
Value Year T-2	*89*	*4,530.5*	*1,269.8*	*4.5*	*0.2*	*4.5*	*18.0*	*13.7*
Value Year T-3	*79*	*4,284.8*	*1,136.6*	*4.1*	*1.1*	*4.3*	*16.9*	*12.2*
Value Year T-4	*.*	*4,081.0*	*1,197.3*	*3.2*	*0.4*	*4.3*	*.*	*.*
Average Value, 5 year	*.*	*4,612.8*	*1,366.2*	*5.1*	*1.1*	*4.4*	*.*	*.*
Growth Trend	*.*	*6.5*	*10.2*	*.*	*36.2*	*-0.8*	*.*	*.*
Benchmark Data								
Regression Benchmark	*.*	*.*	*.*	*4.8*	*.*	*.*	*.*	*.*
Lower Bound	*.*	*.*	*.*	*2.4*	*.*	*.*	*.*	*.*
Upper Bound	*.*	*.*	*.*	*7.2*	*.*	*.*	*.*	*.*
Latest Year Jordan	*2007*	*2007*	*2007*	*2007*	*2005*	*2006*	*2006*	*2006*
Jordan Value Latest Year	*69*	*5,963.7*	*2,740.7*	*6.0*	*4.5*	*3.5*	*26.0*	*19.1*
Latest Year Turkey	*2007*	*2007*	*2007*	*2007*	*2005*	*2006*	*2006*	*2006*
Turkey Value Latest Year	*74*	*9,815.6*	*6,547.7*	*5.0*	*5.8*	*2.4*	*17.7*	*15.6*
LMI-ME & NA Median	*70.3*	*5,633.6*	*2,157.5*	*5.1*	*-0.1*	*5.1*	*24.3*	*16.6*
Lower Middle Income Median	*67.5*	*5,485.6*	*2,309.8*	*5.5*	*1.2*	*5.1*	*20.6*	*17.4*
High Five Avg.	*90.7*	*50,789.0*	*67,173.6*	*17.3*	*14.8*	*30.0*	*47.2*	*30.5*
Low Five Avg.	*25.1*	*592.3*	*161.6*	*-0.6*	*-4.4*	*-19.9*	*10.3*	*4.4*

	Poverty and Inequality						
	Human Poverty Index (0 for no depravation to 100 for high depravation)	Income Share, Poorest 20%	Percentage of Population Living on Less Than $1 PPP per Day	Percentage of Population Living on Less Than $2 PPP per Day	Poverty Headcount, National Poverty Line	PRSP Status	Population % Below Minimum Dietary Energy Consumption
Indicator Number	12P1	12P2	12P3a	12P3b	12P4	12P5	12S1
Egypt Data							
Latest Year (T)	*2005*	*2000*	*2004*	*2000*	*2004/2005*	.	*2002*
Value Year T	*20.0*	*8.6*	*0.9*	*43.9*	*19.6*	.	*3.0*
Value Year T-1	*20.0*	.	.	.	*20.2*	.	.
Value Year T-2	.	.	.	.	.	.	.
Value Year T-3	.	.	.	.	.	.	.
Value Year T-4	.	.	*3.1*	.	.	.	.
Average Value, 5 year	.	.	.	.	.	.	.
Growth Trend	.	.	.	.	.	.	.
Benchmark Data							
Regression Benchmark	*21.9*	*7.6*	*7.2*	*28.7*	*21.4*	.	.
Lower Bound	*16.3*	*6.7*	*0.0*	*20.3*	*13.2*	.	.
Upper Bound	*27.5*	*8.5*	*14.4*	*37.1*	*29.5*	.	.
Latest Year Jordan	*2005*	*2003*	*2003*	*2003*	*2005*	.	*2002*
Jordan Value Latest Year	*6.9*	*6.7*	*2.0*	*7.0*	*14.7*	.	*7.0*
Latest Year Turkey	*2005*	*2003*	*2003*	*2003*	*2005*	.	*2002*
Turkey Value Latest Year	*9.2*	*5.3*	*3.4*	*18.7*	*20.5*	.	*3.0*
LMI-ME & NA Median	*17.9*	.	.	.	.	.	*5.0*
Lower Middle Income Median	*16.8*	.	.	.	.	.	*11.0*
High Five Avg.	*62.4*	*9.5*	*61.8*	*88.7*	*67.5*	.	*67.0*
Low Five Avg.	*3.7*	*2.2*	*2.0*	*2.0*	*13.6*	.	*2.5*

	Economic Structure					
	Labor Force Structure (Employment in agriculture, % total)	Labor Force Structure (Employment in industry, % total)	Labor Force Structure (Employment in services, % total)	Output structure (Agriculture, value added, % GDP)	Output structure (Industry, value added, % GDP)	Output structure (Services, etc., value added, % GDP)
Indicator Number	13P1a	13P1b	13P1c	13P2a	13P2b	13P2c
Egypt Data						
Latest Year (T)	*2003*	*2003*	*2003*	*2005*	*2005*	*2005*
Value Year T	*29.9*	*19.8*	*50.4*	*14.9*	*36.1*	*49.0*
Value Year T-1	*27.5*	*20.6*	*51.9*	*15.2*	*36.9*	*48.0*
Value Year T-2	*28.5*	*21.3*	*50.2*	*16.7*	*34.5*	*48.8*
Value Year T-3	*29.6*	*21.3*	*49.1*	*16.5*	*33.2*	*50.3*
Value Year T-4	*28.7*	*22.6*	*48.7*	*16.6*	*33.3*	*50.1*
Average Value, 5 year	*28.8*	*21.1*	*50.1*	*16.0*	*34.8*	*49.2*
Growth Trend	*0.1*	*-3.0*	*1.2*	*-2.9*	*2.6*	*-0.9*
Benchmark Data						
Regression Benchmark	*32.7*	*22.2*	*47.4*	*13.5*	*29.4*	*54.9*
Lower Bound	*26.1*	*18.9*	*42.3*	*7.5*	*23.8*	*48.7*
Upper Bound	*39.3*	*25.4*	*52.6*	*19.4*	*34.9*	*61.1*
Latest Year Jordan	*2003*	*2003*	*2003*	*2006*	*2006*	*2006*
Jordan Value Latest Year	*3.6*	*21.8*	*74.2*	*2.7*	*31.7*	*65.6*
Latest Year Turkey	*2005*	*2005*	*2005*	*2006*	*2006*	*2006*
Turkey Value Latest Year	*29.5*	*24.7*	*45.8*	*12.9*	*22.4*	*64.7*
LMI-ME & NA Median	*22.9*	*23.4*	*52.2*	*11.2*	*33.6*	*48.6*
Lower Middle Income Median	*30.7*	*20.0*	*48.8*	*15.1*	*31.4*	*52.9*
High Five Avg.	*75.3*	*38.4*	*78.7*	*55.4*	*61.1*	*82.4*
Low Five Avg.	*0.8*	*5.8*	*16.6*	*0.5*	*11.8*	*21.8*

	Demography and Environment						
	Adult Literacy Rate	Youth Dependency Rate	Elderly Dependency Rate	Environmental Performance Index (1 to 100)	Population Size (Millions)	Population Growth, Annual %	Percent of Population Living in Urban Areas
Indicator Number	14P1	14P2a	14P2b	14P3	14P4a	14P4b	14P5
Egypt Data							
Latest Year (T)	*2006*	*2006*	*2006*	*2007*	*2006*	*2006*	*2006*
Value Year T	*71.4*	*53.7*	*7.8*	*76.3*	*75.4*	*1.8*	*43.0*
Value Year T-1	*71.4*	*54.4*	*7.8*	*57.9*	*74.0*	*1.9*	*42.8*
Value Year T-2	.	*55.3*	*7.7*	.	*72.6*	*1.9*	*42.7*
Value Year T-3	.	*56.3*	*7.7*	.	*71.3*	*1.9*	*42.7*
Value Year T-4	.	*57.5*	*7.6*	.	*69.9*	*1.9*	*42.6*
Average Value, 5 year	.	*55.4*	*7.7*	.	*72.6*	*1.9*	*42.8*
Growth Trend	.	*-1.7*	*0.5*	.	*1.9*	.	*0.2*
Benchmark Data							
Regression Benchmark	*68.4*	*58.0*	*7.0*	*59.0*	.	.	*57.1*
Lower Bound	*59.0*	*51.4*	*5.0*	*53.8*	.	.	*47.2*
Upper Bound	*77.7*	*64.6*	*9.0*	*64.2*	.	.	*67.1*
Latest Year Jordan	*2006*	*2006*	*2006*	*2007*	*2006*	*2006*	*2006*
Jordan Value Latest Year	*89.9*	*61.3*	*5.5*	*76.5*	*5.6*	*3.2*	*82.6*
Latest Year Turkey	*2006*	*2006*	*2006*	*2007*	*2006*	*2006*	*2006*
Turkey Value Latest Year	*87.4*	*44.0*	*8.4*	*75.9*	*72.9*	*1.2*	*67.8*
LMI-ME & NA Median	*74.3*	*64.0*	*6.9*	*68.1*	*20.6*	*2.2*	*66.2*
Lower Middle Income Median	*87.7*	*57.8*	*7.7*	*70.4*	*5.1*	*1.5*	*54.3*
High Five Avg.	*99.7*	*99.4*	*28.3*	*86.9*	*620.5*	*4.4*	*98.6*
Low Five Avg.	*24.7*	*20.1*	*2.7*	*31.8*	*0.1*	*-0.7*	*11.9*

	Gender						
	Girls' Primary Completion Rate	Gross Enrollment Rate, All Levels of Education, Male	Gross Enrollment Rate, All Levels of Education, Female	Life Expectancy, Male	Life Expectancy, Female	Labor Force Participation Rate, Male	Labor Force Participation Rate, Female
Indicator Number	15P1	15P2a	15P2b	15P3a	15P3b	15P4a	15P4b
Egypt Data							
Latest Year (T)	*2005*	*.*	*.*	*2005*	*2005*	*2005*	*2005*
Value Year T	*93.2*	*.*	*.*	*68.5*	*73.0*	*78.3*	*21.9*
Value Year T-1	*92.8*	*.*	*.*	*68.0*	*72.4*	*78.0*	*21.9*
Value Year T-2	*91.0*	*.*	*.*	*.*	*.*	*76.9*	*22.7*
Value Year T-3	*92.1*	*.*	*.*	*.*	*.*	*76.7*	*22.3*
Value Year T-4	*91.5*	*.*	*.*	*.*	*.*	*76.4*	*21.8*
Average Value, 5 year	*92.1*	*.*	*.*	*.*	*.*	*77.3*	*22.1*
Growth Trend	*0.4*	*.*	*.*	*.*	*.*	*0.6*	*-0.1*
Benchmark Data							
Regression Benchmark	*87.3*	*68.9*	*63.6*	*68.7*	*71.7*	*83.0*	*31.5*
Lower Bound	*78.0*	*62.7*	*56.5*	*65.0*	*67.7*	*79.4*	*23.2*
Upper Bound	*96.7*	*75.1*	*70.8*	*72.3*	*75.8*	*86.6*	*39.8*
Latest Year Jordan	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*
Jordan Value Latest Year	*100.0*	*78.0*	*80.0*	*70.3*	*73.8*	*82.1*	*28.7*
Latest Year Turkey	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2005*
Turkey Value Latest Year	*83.0*	*75.0*	*63.0*	*69.0*	*73.9*	*83.0*	*30.3*
LMI-ME & NA Median	*96.5*	*73.5*	*71.5*	*70.3*	*73.0*	*81.2*	*28.6*
Lower Middle Income Median	*94.1*	*70.0*	*72.0*	*67.8*	*73.3*	*84.8*	*53.0*
High Five Avg.	*122.3*	*101.2*	*106.8*	*78.9*	*84.4*	*98.4*	*91.9*
Low Five Avg.	*20.3*	*28.2*	*21.8*	*39.5*	*40.4*	*66.6*	*19.6*

	Fiscal and Monetary Policy										
	Government Expenditure, % of GDP	Government Revenue, % of GDP	Growth in the Money Supply	Inflation Rate	Overall Budget Balance, Including Grants, % of GDP	Composition of Government Expenditure (Wages and salaries)	Composition of Government Expenditure (Goods and services)	Composition of Government Expenditure (Interest payments)	Composition of Government Expenditure (Subsidies and other current transfers)	Composition of Government Expenditure (Capital expenditure)	Composition of Government Expenditure (Other expenditure)
Indicator Number	21P1	21P2	21P3	21P4	21P5	21S1a	21S1b	21S1c	21S1d	21S1e	21S1f
Egypt Data											
Latest Year (T)	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*
Value Year T	*32.9*	*27.2*	*18.3*	*10.9*	*-7.7*	*21.6*	*6.7*	*16.4*	*36.8*	*10.0*	*8.5*
Value Year T-1	*36.3*	*28.2*	*13.5*	*4.2*	*-9.2*	*21.2*	*6.3*	*15.7*	*38.3*	*9.4*	*8.8*
Value Year T-2	*31.8*	*24.3*	*13.6*	*8.8*	*-8.4*	*24.5*	*7.5*	*17.9*	*24.2*	*13.5*	*12.6*
Value Year T-3	*31.7*	*24.5*	*13.2*	*8.1*	*-8.3*	*24.6*	*6.0*	*18.0*	*22.7*	*14.8*	*13.6*
Value Year T-4	*32.2*	*25.3*	*16.9*	*3.2*	*-9.0*	*25.5*	*6.5*	*17.7*	*21.7*	*15.2*	*13.7*
Average Value, 5 year	*33.0*	*25.9*	*15.1*	*7.0*	*-8.5*	*23.5*	*6.6*	*17.1*	*28.7*	*12.6*	*11.4*
Growth Trend	*1.8*	*2.9*	*.*	*17.9*	*-2.1*	*-4.8*	*1.1*	*-2.9*	*15.7*	*-12.9*	*-13.8*
Benchmark Data											
Regression Benchmark	*27.2*	*24.7*	*10.5*	*4.2*	*-3.0*	*.*	*.*	*.*	*.*	*.*	*.*
Lower Bound	*19.9*	*19.7*	*4.1*	*1.5*	*-5.3*	*.*	*.*	*.*	*.*	*.*	*.*
Upper Bound	*34.4*	*29.7*	*17.0*	*6.9*	*-0.6*	*.*	*.*	*.*	*.*	*.*	*.*
Latest Year Jordan	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*
Jordan Value Latest Year	*38.4*	*30.9*	*12.8*	*6.3*	*-3.8*	*13.5*	*27.6*	*8.3*	*33.6*	*18.2*	*-1.2*
Latest Year Turkey	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*
Turkey Value Latest Year	*29.3*	*35.0*	*23.0*	*9.6*	*0.1*	*25.8*	*7.6*	*26.2*	*33.5*	*6.8*	*0.0*
LMI-ME & NA Median	*.*	*27.5*	*12.9*	*4.9*	*-2.1*	*36.0*	*46.3*	*10.8*	*16.3*	*22.8*	*.*
Lower Middle Income Median	*.*	*26.1*	*12.3*	*5.4*	*-1.8*	*23.8*	*42.9*	*9.7*	*18.5*	*19.7*	*.*
High Five Avg.	*48.1*	*51.8*	*196.2*	*1,179.8*	*5.2*	*48.7*	*77.2*	*35.6*	*69.2*	*43.7*	*.*
Low Five Avg.	*9.8*	*6.9*	*-1.3*	*0.6*	*-11.1*	*4.6*	*16.2*	*0.9*	*2.1*	*2.3*	*.*

	Fiscal and Monetary Policy (cont'd)										
	Composition of Government Revenue (Taxes of income, profits and capital gains)	Composition of Government Revenue (Taxes on goods and services)	Composition of Government Revenue (Taxes on international trade)	Composition of Government Revenue (Social contributions)	Composition of Government Revenue (Other taxes)	Composition of Government Revenue (Grants and other revenue)	Composition of Money Supply Growth (Domestic credit to the public sector)	Composition of Money Supply Growth (Domestic credit to the private sector)	Composition of Money Supply Growth (Domestic credit to non-financial public enterprises)	Composition of Money Supply Growth (Net foreign assets, reserves)	Composition of Money Supply Growth (Other items net)
Indicator Number	21S2a	21S2b	21S2c	21S2d	21S2e	21S2f	21S3a	21S3b	21S3c	21S3d	21S3e
Egypt Data											
Latest Year (T)	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*	*2006/2007*
Value Year T	*29.6*	*20.0*	*5.2*	*0.0*	*2.2*	*43.0*	*-1.0*	*35.2*	*-8.3*	*83.2*	*-9.1*
Value Year T-1	*28.4*	*19.9*	*5.6*	*0.0*	*2.2*	*43.8*	*33.7*	*34.6*	*-6.8*	*78.9*	*-40.5*
Value Year T-2	*24.9*	*24.0*	*5.9*	*0.0*	*3.1*	*42.1*	*58.5*	*15.9*	*3.1*	*60.7*	*-38.1*
Value Year T-3	*23.6*	*22.3*	*7.7*	*0.0*	*2.8*	*43.7*	*45.3*	*22.1*	*1.2*	*39.1*	*-7.5*
Value Year T-4	*19.7*	*21.7*	*7.9*	*0.0*	*3.5*	*47.2*	*12.8*	*27.7*	*7.0*	*14.6*	*37.8*
Average Value, 5 year	*25.3*	*21.6*	*6.5*	*0.0*	*2.8*	*44.0*	*29.8*	*27.1*	*-0.8*	*55.3*	*-11.5*
Growth Trend	*10.0*	*-2.7*	*-11.5*	*0.0*	*-12.1*	*-1.8*	*.*	*9.3*	*.*	*41.9*	*.*
Benchmark Data											
Regression Benchmark	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Lower Bound	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Upper Bound	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Latest Year Jordan	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*
Jordan Value Latest Year	*11.9*	*35.3*	*9.1*	*0.0*	*5.4*	*38.2*	*-16.6*	*111.0*	*-0.4*	*77.8*	*-71.8*
Latest Year Turkey	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*	*2006*
Turkey Value Latest Year	*24.5*	*48.2*	*0.0*	*0.0*	*11.7*	*15.6*	*-12.8*	*83.7*	*0.6*	*44.1*	*-16.4*
LMI-ME & NA Median	*23.8*	*28.1*	*11.8*	*.*	*3.6*	*25.0*	*.*	*.*	*.*	*.*	*.*
Lower Middle Income Median	*19.7*	*35.5*	*8.3*	*.*	*1.4*	*15.7*	*.*	*.*	*.*	*.*	*.*
High Five Avg.	*56.9*	*58.4*	*45.5*	*47.3*	*20.8*	*79.5*	*.*	*.*	*.*	*.*	*.*
Low Five Avg.	*1.7*	*3.2*	*-0.2*	*0.3*	*0.0*	*3.7*	*.*	*.*	*.*	*.*	*.*

	Business Environment								
	Control of Corruption Index (-2.5 for poor to 2.5 for excellent)	Ease of Doing Business Ranking (1 to 178)	Rule of Law Index (-2.5 for very poor to 2.5 for excellent)	Regulatory Quality Index (-2.5 for very poor to 2.5 for excellent)	Government Effectiveness Index (-2.5 for very poor to 2.5 for excellent)	Cost of Starting a Business % GNI per Capita	Procedures to Enforce a Contract	Procedures to Register Property	Procedures to Start a Business
Indicator Number	22P1	22P2	22P3	22P4	22P5	22S1	22S2	22S3	22S4
Egypt Data									
Latest Year (T)	*2006*	*2007*	*2006*	*2006*	*2006*	*2007*	*2007*	*2007*	*2007*
Value Year T	*-0.4*	*126*	*0.0*	*-0.4*	*-0.4*	*28.6*	*42.0*	*7.0*	*7.0*
Value Year T-1	*-0.4*	*152*	*0.0*	*-0.5*	*-0.4*	*68.8*	*42.0*	*7.0*	*10.0*
Value Year T-2	*-0.4*	*.*	*0.0*	*-0.4*	*-0.2*	*104.9*	*42.0*	*7.0*	*10.0*
Value Year T-3	*-0.4*	*.*	*-0.1*	*-0.5*	*-0.3*	*63.0*	*42.0*	*7.0*	*13.0*
Value Year T-4	*-0.3*	*.*	*-0.1*	*-0.5*	*-0.4*	*65.6*	*42.0*	*.*	*13.0*
Average Value, 5 year	*-0.4*	*.*	*0.0*	*-0.5*	*-0.4*	*66.2*	*42.0*	*.*	*10.6*
Growth Trend	*3.6*	*.*	*.*	*-1.0*	*1.8*	*-15.7*	*0.0*	*.*	*-15.0*
Benchmark Data									
Regression Benchmark	*-0.3*	*118.0*	*-0.2*	*-0.5*	*-0.4*	*.*	*.*	*.*	*.*
Lower Bound	*-0.5*	*96.7*	*-0.5*	*-0.8*	*-0.6*	*.*	*.*	*.*	*.*
Upper Bound	*0.0*	*139.3*	*0.1*	*-0.2*	*-0.1*	*.*	*.*	*.*	*.*
Latest Year Jordan	*2006*	*2007*	*2006*	*2006*	*2006*	*2007*	*2007*	*2007*	*2007*
Jordan Value Latest Year	*0.4*	*80*	*0.5*	*0.4*	*0.2*	*66.2*	*39.0*	*8.0*	*10.0*
Latest Year Turkey	*2006*	*2007*	*2006*	*2006*	*2006*	*2007*	*2007*	*2007*	*2007*
Turkey Value Latest Year	*0.1*	*57*	*0.1*	*0.2*	*0.2*	*20.7*	*36*	*6*	*6*
LMI-ME & NA Median	*-0.5*	*129.0*	*-0.5*	*-0.7*	*-0.6*	*52.3*	*41.0*	*7.0*	*10.8*
Lower Middle Income Median	*-0.5*	*103.8*	*-0.6*	*-0.4*	*-0.5*	*33.3*	*39.0*	*6.2*	*10.5*
High Five Avg.	*2.4*	*175.6*	*.*	*1.8*	*2.1*	*574.0*	*53.7*	*13.9*	*18.5*
Low Five Avg.	*-1.6*	*3.0*	*.*	*-2.3*	*-1.8*	*0.5*	*23.1*	*1.6*	*2.4*

	Business Environment (cont'd)					
	Time to Enforce a Contract	Time to Register Property	Time to Start a Business	Total Tax Payable by Business, % operating profit	Business Costs of Crime, Violence and Terrorism (1 for poor to 7 for excellent)	Senior Manager Time Spent Dealing with Government Regulations (%)
Indicator Number	22S5	22S6	22S7	22S8	22S9	22S10
Egypt Data						
Latest Year (T)	*2007*	*2007*	*2007*	*2007*	*2007*	.
Value Year T	*1010.0*	*193.0*	*9.0*	*47.9*	*5.1*	.
Value Year T-1	*1010.0*	*193.0*	*19.0*	*50.4*	*4.5*	.
Value Year T-2	*1010.0*	*193.0*	*22.0*	*50.4*	.	.
Value Year T-3	*1010.0*	*193.0*	*37.0*	.	.	.
Value Year T-4	*1010.0*	.	*37.0*	.	.	.
Average Value, 5 year	*1,010.0*	.	*24.8*	.	.	.
Growth Trend	*0.0*	.	*-34.9*	.	.	.
Benchmark Data						
Regression Benchmark	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.
Latest Year Jordan	*2007*	*2007*	*2007*	*2007*	*2007*	*2006*
Jordan Value Latest Year	*689.0*	*22.0*	*14.0*	*31.1*	*6.2*	*6.7*
Latest Year Turkey	*2007*	*2007*	*2007*	*2007*	*2007*	*2005*
Turkey Value Latest Year	*420*	*6*	*6*	*45.1*	*4.9*	*10.8*
LMI-ME & NA Median	*659.5*	*45.9*	*30.5*	*47.1*	*5.2*	.
Lower Middle Income Median	*562.5*	*49.5*	*42.0*	*41.6*	*3.9*	*7.1*
High Five Avg.	*1,611.6*	*485.8*	*287.7*	*251.2*	*6.6*	*21.3*
Low Five Avg.	*182.6*	*2.1*	*4.3*	*12.2*	*2.0*	*1.5*

	Financial Sector							
	Domestic Credit to Private Sector, % GDP	Interest Rate Spread	Money Supply (M2), % GDP	Stock Market Capitalization Rate, % GDP	Credit Information Index (0 for poor to 6 for excellent)	Legal Rights of Borrowers and Lenders (0 for poor to 10 for excellent)	Real Interest Rate	Number of Microfinance Borrowers
Indicator Number	23P1	23P2	23P3	23P4	23P5	23S1	23S2	23S3
Egypt Data								
Latest Year (T)	*2006/2007*	*2006*	*2006/2007*	*2006*	*2007*	*2007*	*2006*	.
Value Year T	*44.9*	*6.6*	*90.6*	*87.0*	*4.0*	*1.0*	*4.8*	.
Value Year T-1	*47.4*	*5.9*	*90.7*	*88.8*	*2.0*	*1.0*	*6.6*	.
Value Year T-2	*50.0*	*5.7*	*91.7*	*48.9*	*2.0*	*1.0*	*1.6*	.
Value Year T-3	*53.6*	*5.3*	*89.6*	*32.6*	*2.0*	*0.0*	*6.2*	.
Value Year T-4	*59.6*	*4.5*	*92.0*	*29.7*	*2.0*	.	*11.2*	.
Average Value, 5 year	*51.1*	*5.6*	*90.9*	*57.4*	*2.4*	.	*6.1*	.
Growth Trend	*-6.9*	*8.9*	*-0.2*	*31.5*	*13.9*	.	*-16.2*	.
Benchmark Data								
Regression Benchmark	*44.8*	*6.0*	*68.6*	*37.7*	*2.1*	.	.	.
Lower Bound	*31.1*	*3.0*	*53.2*	*6.9*	*0.8*	.	.	.
Upper Bound	*58.5*	*9.1*	*84.1*	*68.5*	*3.3*	.	.	.
Latest Year Jordan	*2006*	*2006*	*2006*	*2006*	*2007*	*2007*	*2006*	.
Jordan Value Latest Year	*97.5*	*3.6*	*131.2*	*209.7*	*2.0*	*5.0*	*3.3*	.
Latest Year Turkey	*2006*	.	*2006*	*2006*	*2007*	*2007*	.	.
Turkey Value Latest Year	*31.7*	.	*47.0*	*40.3*	*5.0*	*3.0*	.	.
LMI-ME & NA Median	*39.6*	*6.0*	*71.6*	*78.7*	*1.8*	*3.0*	*3.8*	.
Lower Middle Income Median	*23.7*	*7.0*	*38.1*	*12.6*	*2.8*	*3.7*	*5.8*	.
High Five Avg.	*198.4*	*36.4*	*194.8*	*241.5*	*6.0*	*9.4*	*35.7*	.
Low Five Avg.	*2.9*	*1.4*	*9.4*	*0.3*	*0.0*	*0.6*	*-35.6*	.

	External Sector										
	Aid, % of GNI	Current Account Balance, % GDP	Debt Service ratio, % Exports	Exports Growth, Goods and Services	Foreign Direct Investment, % GDP	Gross International Reserves, Months of Imports	Gross Private Capital Inflows, % GDP	Present Value of Debt, % GNI	Remittance Receipts, % Exports	Trade, % GDP	Trade in Services, % GDP
Indicator Number	24P1	24P2	24P3	24P4	24P5	24P6	24P7	24P8	24P9	24P10	24P11
Egypt Data											
Latest Year (T)	*2006*	*2006/2007*	*2006/2007*	*2005*	*2006/2007*	*2006/2007*	*2006/2007*	*2005*	*2006/2007*	*2006/2007*	*2005*
Value Year T	*0.8*	*1.4*	*6.6*	*22.5*	*8.2*	*7.3*	*11.1*	*35.8*	*18.7*	*65.1*	*28.0*
Value Year T-1	*1.0*	*0.8*	*10.0*	*25.3*	*5.6*	*6.9*	*7.5*	*32.2*	*18.4*	*66.3*	*28.2*
Value Year T-2	*1.8*	*3.2*	*9.7*	*13.8*	*4.3*	*7.4*	*5.9*	*.*	*19.8*	*64.8*	*21.2*
Value Year T-3	*1.2*	*4.3*	*10.9*	*-7.8*	*3.2*	*7.6*	*3.2*	*.*	*16.6*	*58.6*	*18.2*
Value Year T-4	*1.4*	*2.4*	*12.4*	*3.3*	*3.4*	*9.1*	*2.9*	*.*	*18.0*	*46.1*	*16.5*
Average Value, 5 year	*1.3*	*2.4*	*9.9*	*11.4*	*4.9*	*7.7*	*6.1*	*.*	*18.3*	*60.2*	*22.4*
Growth Trend	*-12.2*	*-27.6*	*-13.5*	*.*	*23.2*	*-5.4*	*35.2*	*.*	*1.8*	*8.1*	*15.0*
Benchmark Data											
Regression Benchmark	*2.2*	*0.5*	*8.9*	*11.6*	*1.8*	*6.1*	*.*	*52.8*	*20.2*	*73.3*	*19.5*
Lower Bound	*-2.6*	*-4.5*	*4.0*	*5.3*	*-0.5*	*4.6*	*.*	*31.5*	*11.5*	*50.7*	*9.0*
Upper Bound	*7.0*	*5.5*	*13.8*	*17.9*	*4.1*	*7.7*	*.*	*74.2*	*28.8*	*95.8*	*30.0*
Latest Year Jordan	*2006*	*2006*	*2006*	*2006*	*2006*	*2005*	*2005*	*2005*	*2005*	*2006*	*2005*
Jordan Value Latest Year	*3.9*	*-13.6*	*10.9*	*0.7*	*22.6*	*5.4*	*12.5*	*64.6*	*33.1*	*145.4*	*38.0*
Latest Year Turkey	*2006*	*2006*	*2005*	*2006*	*2006*	*2005*	*2005*	*2005*	*2005*	*2006*	*2005*
Turkey Value Latest Year	*0.1*	*-7.9*	*12.8*	*14.3*	*3.3*	*4.8*	*6.8*	*59.1*	*0.8*	*62.0*	*10.4*
LMI-ME & NA Median	*1.3*	*2.3*	*7.5*	*3.9*	*1.3*	*.*	*1.1*	*35.0*	*13.8*	*81.4*	*17.3*
Lower Middle Income Median	*2.4*	*-3.3*	*9.7*	*5.4*	*2.5*	*3.3*	*3.6*	*39.7*	*8.3*	*84.0*	*17.8*
High Five Avg.	*49.6*	*15.5*	*38.2*	*43.5*	*87.5*	*16.2*	*197.8*	*364.0*	*102.3*	*307.5*	*90.4*
Low Five Avg.	*0.0*	*-28.2*	*0.7*	*-5.8*	*-5.6*	*0.4*	*-3.5*	*11.1*	*0.0*	*28.9*	*4.1*

	External Sector (Cont'd)										
	Concentration of Exports	Inward FDI Potential Index (0 for poor to 1 for excellent)	Net Barter Terms of Trade (2000 = 100)	Real Effective Exchange Rate (REER) (2000 = 100)	Structure of Merchandise Exports (Agricultural raw materials exports)	Structure of Merchandise Exports (Fuel exports)	Structure of Merchandise Exports (Manufactures exports)	Structure of Merchandise Exports (Ores and metals exports)	Structure of Merchandise Exports (Food exports)	Trade Policy Index (0 for very poor to 100 for excellent)	Ease of Trading Across Borders Ranking
Indicator Number	24S1	24S2	24S3	24S4	24S5a	24S5b	24S5c	24S5d	24S5e	24S6	24S7
Egypt Data											
Latest Year (T)	*2006*	*2005*	*2005*	*2006/2007*	*2004*	*2004*	*2004*	*2004*	*2004*	*2007*	*2007*
Value Year T	*59.2*	*0.2*	*124.3*	*112.6*	*7.0*	*43.1*	*30.6*	*3.7*	*9.8*	*52*	*26.0*
Value Year T-1	*55.6*	*0.2*	*107.0*	*107.9*	*7.0*	*43.8*	*31.0*	*3.2*	*8.6*	*53*	*86.0*
Value Year T-2	*45.6*	*0.2*	*99.6*	*99.8*	*8.1*	*33.6*	*35.4*	*4.6*	*8.9*	*53*	*.*
Value Year T-3	*46.4*	*0.2*	*93.8*	*95.8*	*5.3*	*40.5*	*32.6*	*4.6*	*9.8*	*52*	*.*
Value Year T-4	*41.5*	*0.2*	*96.1*	*122.2*	*5.0*	*41.9*	*38.4*	*3.9*	*7.9*	*53*	*.*
Average Value, 5 year	*49.7*	*0.2*	*104.2*	*107.7*	*6.5*	*40.6*	*33.6*	*4.0*	*9.0*	*52.6*	*.*
Growth Trend	*8.9*	*-3.0*	*6.5*	*-0.4*	*9.5*	*1.4*	*-5.0*	*-4.7*	*2.8*	*-0.1*	*.*
Benchmark Data											
Regression Benchmark	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Lower Bound	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Upper Bound	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*	*.*
Latest Year Jordan	*2005*	*2005*	*2005*	*2006*	*2005*	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*
Jordan Value Latest Year	*26.2*	*0.2*	*88.5*	*97.3*	*0.3*	*0.2*	*71.9*	*12.3*	*15.0*	*64*	*59.0*
Latest Year Turkey	*2005*	*2005*	*2006*	*.*	*2005*	*2005*	*2005*	*2005*	*2005*	*2007*	*2007*
Turkey Value Latest Year	*16.4*	*0.2*	*96.2*	*.*	*0.5*	*3.6*	*81.6*	*2.5*	*10.5*	*76*	*56.0*
LMI-ME & NA Median	*35.6*	*0.2*	*124.3*	*.*	*0.7*	*43.1*	*30.6*	*1.1*	*11.1*	*50.5*	*88.3*
Lower Middle Income Median	*.*	*0.1*	*100.0*	*.*	*2.4*	*5.2*	*38.0*	*1.6*	*21.1*	*60.6*	*97.8*
High Five Avg.	*59.4*	*0.5*	*119.1*	*.*	*50.2*	*93.7*	*94.2*	*55.4*	*88.8*	*96.7*	*175.3*
Low Five Avg.	*0.2*	*0.1*	*77.8*	*.*	*0.0*	*0.0*	*1.2*	*0.0*	*0.2*	*25.8*	*3.0*

	Economic Infrastructure							
	Internet Users per 1,000 people	Overall Infrastructure Quality (1 for poor to 7 for excellent)	Telephone Density, Fixed Line and Mobile per 1,000 people	Quality of Infrastructure - Air Transport Infrastructure Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Port Infrastructure Quality Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Rail Development Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Quality of Electricity Supply Index (1 for poor to 7 for excellent)	Roads, Paved (% total)
Indicator Number	25P1	25P2	25P3	25S1a	25S1b	25S1c	25S1d	25S2
Egypt Data								
Latest Year (T)	*2005*	*2007*	*2006*	*2007*	*2007*	*2007*	*2007*	*2004*
Value Year T	*67.5*	*3.7*	*381.9*	*4.9*	*3.5*	*2.9*	*5.1*	*81.0*
Value Year T-1	*53.7*	*3.7*	*324.5*	*4.5*	*3.8*	*3.3*	*4.9*	.
Value Year T-2	*42.1*	.	*235.5*	.	.	.	.	.
Value Year T-3	*27.2*	.	*203.9*	.	.	.	.	.
Value Year T-4	*8.7*	.	*174.9*	.	.	.	.	.
Average Value, 5 year	*39.8*	.	*264.2*	.	.	.	.	.
Growth Trend	*47.7*	.	*20.3*	.	.	.	.	.
Benchmark Data								
Regression Benchmark	*50.7*	*3.6*	*321.6*	.	.	.	.	.
Lower Bound	*19.0*	*3.2*	*181.1*	.	.	.	.	.
Upper Bound	*82.4*	*4.1*	*462.1*	.	.	.	.	.
Latest Year Jordan	*2004*	*2007*	*2004*	*2007*	*2007*	*2007*	*2007*	*2004*
Jordan Value Latest Year	*119.0*	*4.8*	*427.6*	*5.5*	*4.3*	*1.8*	*5.7*	*100.0*
Latest Year Turkey	*2005*	*2007*	*2005*	*2007*	*2007*	*2007*	*2007*	*2002*
Turkey Value Latest Year	*222.0*	*3.7*	*868.5*	*5.1*	*3.4*	*2.4*	*4.3*	*41.6*
LMI-ME & NA Median	*58.5*	*3.6*	*353.0*	*4.6*	*3.7*	*3.0*	*5.0*	*65.9*
Lower Middle Income Median	*51.9*	*3.0*	*245.5*	*4.1*	*3.1*	*1.8*	*4.0*	*49.0*
High Five Avg.	*720.0*	*6.6*	*1,777.9*	*6.6*	*6.6*	*6.5*	*6.8*	*100.0*
Low Five Avg.	*1.3*	*1.8*	*13.7*	*2.4*	*1.4*	*1.1*	*1.5*	*2.6*

	Science and Technology				
	Expenditure in Research and Developement, % GDP	FDI Technology Transfer Index (1 for poor to 7 for excellent)	Availability of Scientists and Engineers (1 for poor to 7 for excellent)	Scientific and Technology Journal Articles, per Million People	IPR Protection (1 for poor to 7 for excellent)
Indicator Number	26P1	26P2	26P3	26P4	26P5
Egypt Data					
Latest Year (T)	*2000*	*2007*	*2007*	*2003*	*2007*
Value Year T	*0.2*	*5.1*	*5.0*	*1,720.0*	*3.5*
Value Year T-1	*0.2*	*5.2*	*5.0*	*1,564.0*	*3.5*
Value Year T-2	*0.2*	*.*	*.*	*1,548.0*	*.*
Value Year T-3	*0.2*	*.*	*.*	*1,376.0*	*.*
Value Year T-4	*0.2*	*.*	*.*	*1,362.0*	*.*
Average Value, 5 year	*0.2*	*.*	*.*	*1,514.0*	*.*
Growth Trend	*-2.6*	*.*	*.*	*5.9*	*.*
Benchmark Data					
Regression Benchmark	*0.4*	*5.0*	*5.4*	*521.0*	*3.8*
Lower Bound	*0.2*	*4.6*	*5.0*	*481.4*	*3.5*
Upper Bound	*0.6*	*5.3*	*5.8*	*560.6*	*4.2*
Latest Year Jordan	*.*	*2007*	*2007*	*2003*	*2007*
Jordan Value Latest Year	*.*	*5.0*	*4.8*	*263.0*	*4.4*
Latest Year Turkey	*2005*	*2007*	*2007*	*2003*	*2007*
Turkey Value Latest Year	*0.8*	*4.8*	*4.7*	*6,224.0*	*3.4*
LMI-ME & NA Median	*.*	*5.0*	*5.1*	*242.3*	*3.6*
Lower Middle Income Median	*.*	*4.7*	*4.0*	*20.0*	*3.0*
High Five Avg.	*3.7*	*6.1*	*6.1*	*75,711.9*	*6.3*
Low Five Avg.	*0.0*	*3.6*	*2.7*	*0.0*	*2.0*

	Health								
	HIV Prevalence	Life Expectancy at Birth	Maternal Mortality Rate, per 100,000 Live Births	Access to Improved Sanitation	Access to Improved Water Source	Births Attended by Skilled Health Personnel	Child Immunization Rate	Prevalence of Child Malnutrition, Weight for Age	Public Health Expenditure, % GDP
Indicator Number	31P1	31P2	31P3	31S1	31S2	31S3	31S4	31S5	31S6
Egypt Data									
Latest Year (T)	*2005*	*2005*	*2005*	*2004*	*2004*	*2005*	*2005*	*2005*	*2004*
Value Year T	*0.1*	*70.5*	*130.0*	*70.0*	*98.0*	*74.2*	*98.0*	*5.4*	*2.2*
Value Year T-1	.	.	.	.	.	.	*97.0*	.	*2.2*
Value Year T-2	*0.1*	.	.	.	.	*69.0*	*98.0*	*8.6*	*2.4*
Value Year T-3	.	*69.6*	.	.	.	.	*97.0*	.	*2.2*
Value Year T-4	.	.	*84.0*	.	.	.	*98.0*	.	*2.3*
Average Value, 5 year	.	.	.	.	.	.	*97.6*	.	*2.3*
Growth Trend	.	.	.	.	.	.	*0.0*	.	*-0.5*
Benchmark Data									
Regression Benchmark	*0.0*	*70.2*	*174.0*	.	.	.	.	.	.
Lower Bound	*-3.6*	*66.3*	*7.0*	.	.	.	.	.	.
Upper Bound	*3.7*	*74.0*	*341.0*	.	.	.	.	.	.
Latest Year Jordan	*2005*	*2005*	*2005*	*2004*	*2004*	*2002*	*2005*	*2002*	*2004*
Jordan Value Latest Year	*0.2*	*72.0*	*62.0*	*93.0*	*97.0*	*99.5*	*95.0*	*4.4*	*4.7*
Latest Year Turkey	*2005*	*2005*	*2005*	*2004*	*2004*	*2003*	*2005*	*2003*	*2005*
Turkey Value Latest Year	*0.2*	*71.3*	*44.0*	*88.0*	*96.0*	*83.0*	*90.5*	*3.9*	*5.2*
LMI-ME & NA Median	*0.2*	*71.7*	*130.0*	*82.0*	*92.5*	*89.8*	*96.0*	*6.9*	*2.9*
Lower Middle Income Median	*0.2*	*69.2*	*120.0*	*73.0*	*85.0*	*89.1*	*89.5*	*10.6*	*3.2*
High Five Avg.	.	*81.3*	*1,800.0*	*100.0*	*100.0*	*100.0*	*99.0*	*48.2*	*11.2*
Low Five Avg.	.	*37.0*	*2.6*	*11.4*	*34.0*	*11.4*	*33.2*	*2.1*	*0.6*

	Education					
	Net Primary Enrollment Rate, Total	Net Primary Enrollment Rate, Female	Net Primary Enrollment Rate, Male	Persistence to Grade 5, Total	Persistence to Grade 5, Female	Persistence to Grade 5, Male
Indicator Number	32P1a	32P1b	32P1c	32P2a	32P2b	32P2c
Egypt Data						
Latest Year (T)	*2005*	*2005*	*2005*	*2004*	*2003*	*2003*
Value Year T	*93.7*	*91.1*	*96.2*	*94.5*	*99.0*	*98.3*
Value Year T-1	*95.4*	*94.0*	*96.7*	*98.6*	*100.0*	*96.2*
Value Year T-2	*94.3*	*92.5*	*96.1*	*98.0*	*99.1*	*98.7*
Value Year T-3	*93.5*	*91.4*	*95.5*	*98.9*	*99.2*	*98.8*
Value Year T-4	*93.1*	*90.6*	*95.4*	*99.0*	*99.5*	*98.8*
Average Value, 5 year	*94.0*	*91.9*	*96.0*	*97.8*	*99.4*	*98.1*
Growth Trend	*0.3*	*0.4*	*0.3*	*-1.0*	*0.0*	*-0.4*
Benchmark Data						
Regression Benchmark	*90.4*	*.*	*.*	*88.5*	*.*	*.*
Lower Bound	*82.7*	*.*	*.*	*81.0*	*.*	*.*
Upper Bound	*98.1*	*.*	*.*	*96.1*	*.*	*.*
Latest Year Jordan	*2005*	*2005*	*2005*	*2004*	*2004*	*2004*
Jordan Value Latest Year	*88.9*	*89.7*	*88.2*	*96.2*	*95.5*	*96.9*
Latest Year Turkey	*2005*	*2005*	*2005*	*2004*	*2004*	*2004*
Turkey Value Latest Year	*89.4*	*87.1*	*91.5*	*96.9*	*96.6*	*97.2*
LMI-ME & NA Median	*91.8*	*91.6*	*93.2*	*93.6*	*94.1*	*93.0*
Lower Middle Income Median	*90.9*	*90.9*	*90.8*	*81.7*	*84.0*	*82.1*
High Five Avg.	*99.4*	*99.3*	*99.8*	*99.7*	*99.9*	*99.9*
Low Five Avg.	*40.6*	*36.5*	*43.5*	*43.2*	*39.6*	*43.6*

	Education (Cont'd)									
	Youth Literacy Rate, Total	Youth Literacy Rate, Male	Youth Literacy Rate, Female	Net Secondary Enrollment Rate, Total	Gross Tertiary Enrollment Rate, Total	Expenditure on Primary Education, % GDP	Educational Expenditure per Student, % GDP per capita, Primary	Educational Expenditure per Student, % GDP per capita, Secondary	Educational Expenditure per Student, % GDP per capita, Tertiary	Pupil-teacher Ratio, Primary School
Indicator Number	32P3a	32P3b	32P3c	32P4	32P5	32S1	32S2a	32S2b	32S2c	32S3
Egypt Data										
Latest Year (T)	*2006*	*2006*	*2006*	*2005*	*2005*	*2007*	.	.	.	*2005*
Value Year T	*84.9*	*90.1*	*78.9*	*82.1*	*33.9*	*4.1*	.	.	.	*25.6*
Value Year T-1	*84.9*	*90.1*	*78.9*	.	*32.6*	.	.	.	.	*21.9*
Value Year T-2	.	.	.	.	*28.5*	.	.	.	.	*22.2*
Value Year T-3	.	.	.	*79.1*	.	.	.	.	.	*22.5*
Value Year T-4	.	.	.	*78.7*	.	.	.	.	.	*22.3*
Average Value, 5 year	.	.	.	.	.	.	.	.	.	*22.9*
Growth Trend	.	.	.	.	.	.	.	.	.	*2.5*
Benchmark Data										
Regression Benchmark	*84.6*	.	.	*59.5*	*21.4*	.	.	.	.	.
Lower Bound	*76.1*	.	.	*51.4*	*14.3*	.	.	.	.	.
Upper Bound	*93.1*	.	.	*67.5*	*28.6*	.	.	.	.	.
Latest Year Jordan	*2006*	*2006*	*2006*	*2005*	*2005*	*2007*	*2004*	*2004*	.	*2003*
Jordan Value Latest Year	*99.1*	*99.3*	*98.9*	*78.7*	*39.2*	*2.2*	*14.4*	*17.4*	.	*19.9*
Latest Year Turkey	*2006*	*2006*	*2006*	*2005*	*2005*	.	*2003*	*2003*	*2003*	.
Turkey Value Latest Year	*95.6*	*98.0*	*93.3*	*66.8*	*31.2*	.	*11.8*	*14.8*	*44.7*	.
LMI-ME & NA Median	*92.2*	*94.3*	*90.2*	*65.2*	*23.9*	*2.7*	*17.4*	*21.5*	.	*24.0*
Lower Middle Income Median	*97.1*	*97.7*	*96.5*	*66.8*	*16.9*	*2.1*	*14.2*	*17.3*	*36.9*	*23.6*
High Five Avg.	*99.9*	*99.9*	*99.9*	*97.0*	*79.4*	*7.1*	*31.0*	*55.0*	*689.4*	*71.2*
Low Five Avg.	*32.8*	*45.9*	*21.3*	*6.8*	*0.5*	*0.4*	*3.4*	*5.0*	*5.1*	*10.4*

	Employment and Workforce						
	Labor Force Participation Rate, Total	Rigidity of Employment Index (0 for minimum rigidity to 100 for maximum rigidity)	Size of the Labor Force	Growth of the Labor Force, Labor Force, Annual % Change	Unemployment Rate	Economically Active Children, % Children Ages 7-14	Firing Costs, Weeks of Wages
Indicator Number	33P1	33P2	33P3a	33P3b	33P4	33P5	33S1
Egypt Data							
Latest Year (T)	*2005*	*2007*	*2006*	*2006*	*2006/2007*	*.*	*2007*
Value Year T	*50.2*	*27*	*23,500,000*	*2.6*	*9.0*	*.*	*132.0*
Value Year T-1	*50.0*	*27*	*22,900,000*	*2.7*	*10.9*	*.*	*132.0*
Value Year T-2	*49.9*	*27*	*22,300,000*	*2.8*	*10.5*	*.*	*132.0*
Value Year T-3	*49.6*	*27*	*21,700,000*	*3.3*	*11.1*	*.*	*132.0*
Value Year T-4	*49.2*	*27*	*21,000,000*	*3.4*	*.*	*.*	*123.0*
Average Value, 5 year	*49.8*	*27*	*22,280,000*	*3.0*	*.*	*.*	*130.2*
Growth Trend	*0.5*	*0.0*	*2.8*	*.*	*.*	*.*	*1.4*
Benchmark Data							
Regression Benchmark	*57.0*	*41.1*	*.*	*3.7*	*10.8*	*1.8*	*.*
Lower Bound	*52.4*	*30.2*	*.*	*2.2*	*8.3*	*-8.8*	*.*
Upper Bound	*61.6*	*52.0*	*.*	*5.2*	*13.3*	*12.5*	*.*
Latest Year Jordan	*2005*	*2007*	*2006*	*2006*	*2004*	*.*	*2007*
Jordan Value Latest Year	*56.5*	*30*	*1,900,977*	*3.1*	*12.4*	*.*	*4.0*
Latest Year Turkey	*2005*	*2007*	*2006*	*2006*	*2005*	*.*	*2007*
Turkey Value Latest Year	*56.9*	*42*	*27,000,000*	*0.4*	*10.3*	*.*	*95.0*
LMI-ME & NA Median	*55.8*	*39*	*6,400,881*	*3.6*	*13.9*	*.*	*68.0*
Lower Middle Income Median	*67.2*	*31*	*2,455,780*	*2.5*	*10.2*	*.*	*52.5*
High Five Avg.	*92.4*	*73*	*313,014,657*	*6.0*	*29.7*	*70.2*	*226.3*
Low Five Avg.	*49.8*	*0*	*7,986*	*-1.0*	*1.7*	*2.8*	*0.0*

	Agriculture					
	Agriculture Value Added per Worker	Cereal Yield	Growth in Agricultural Value-Added	Agricultural Policy Costs Index (1 for poor to 7 for excellent)	Crop Production Index (1999-2001 = 100)	Livestock Production Index (1999-2001 = 100)
Indicator Number	34P1	34P2	34P3	34S1	34S2	34S3
Egypt Data						
Latest Year (T)	*2004*	*2005*	*2005*	*2007*	*2004*	*2004*
Value Year T	*2,062.3*	*7,516.3*	*3.3*	*3.7*	*105.5*	*122.3*
Value Year T-1	*2,047.8*	*7,553.8*	*1.4*	*3.5*	*103.2*	*119.6*
Value Year T-2	*1,966.7*	*7,514.7*	*4.9*	*.*	*103.8*	*104.1*
Value Year T-3	*1,911.9*	*7,445.6*	*3.6*	*.*	*100.3*	*100.2*
Value Year T-4	*1,857.0*	*7,099.4*	*3.7*	*.*	*102.5*	*101.5*
Average Value, 5 year	*1,969.1*	*7,426.0*	*3.4*	*.*	*103.1*	*109.5*
Growth Trend	*2.8*	*1.3*	*.*	*.*	*0.9*	*5.5*
Benchmark Data						
Regression Benchmark	*1,472.9*	*1,535.8*	*4.3*	*.*	*.*	*.*
Lower Bound	*877.2*	*924.5*	*0.1*	*.*	*.*	*.*
Upper Bound	*2,068.7*	*2,147.1*	*8.6*	*.*	*.*	*.*
Latest Year Jordan	*2004*	*2005*	*2006*	*2007*	*2004*	*2004*
Jordan Value Latest Year	*1,385.3*	*1,334.9*	*5.4*	*3.8*	*131.8*	*91.7*
Latest Year Turkey	*2004*	*2005*	*2006*	*2007*	*2004*	*2004*
Turkey Value Latest Year	*1,792.5*	*2,457.1*	*8.6*	*3.3*	*103.4*	*106.5*
LMI-ME & NA Median	*2,055.1*	*1,483.0*	*4.0*	*3.8*	*119.1*	*104.9*
Lower Middle Income Median	*1,395.2*	*2,396.7*	*3.0*	*3.6*	*109.5*	*108.0*
High Five Avg.	*44,368.0*	*8,429.8*	*14.8*	*5.1*	*146.2*	*148.4*
Low Five Avg.	*94.8*	*319.0*	*-13.9*	*2.6*	*67.5*	*86.1*

Technical Notes

The following technical notes identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

STATISTICAL CAPACITY

Statistical Capacity Indicator

Source: World Bank, updated annually, at http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20541648~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html

Definition: Provides and evaluation of a country's' statistical practice, data collection activities and key indicator availability against a set of criteria consistent with international recommendations. The score ranges from 0 to 100 with a score of 100 indicating that the country meets all the criteria.

Coverage: Data are available for the vast majority of USAID countries.

CAS Code # 01P1

GROWTH PERFORMANCE

Per capita GDP, in Purchasing Power Parity Dollars

Source: IMF World Economic Outlook database, updated every six months, at http://www.imf.org/external/ns/cs.aspx?id=28

Definition: This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P1

Per capita GDP, in current US Dollars

Source: IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

Definition: GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P2

Real GDP Growth

Source: IMF World Economic Outlook database, updated every six months; latest country data from IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm

Definition: Annual percentage growth rate of GDP at constant local currency prices

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P3

Growth of Labor Productivity

Source: Best labor market data available for target country, or World Development Indicators. If using WDI, estimated by calculating the annual percentage change of the ratio of GDP (constant 1995 US$) (NY.GDP.MKTP.KD) to the population age 15–64, which in turn is the product of the total population (SP.POP.TOTL) times the percentage of total population in this age group (SP.POP.1564.IN.ZS).

Definition: Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population (age 15–64). The more familiar calculation, based on employment, labor force, or work hours, is used where available.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 11S1

Investment Productivity, Incremental Capital-Output Ratio (ICOR)

Source: International benchmark data computed from World Development Indicators most recent publication year, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF Article IV consultation reports.

Definition: The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of the investment share of GDP to the growth rate of GDP, using five-year averages for both the numerator and denominator.

Coverage: Data are available for about 81 USAID countries.

CAS Code #11S2

Gross Fixed Investment, Percentage of GDP

Source: IMF Article IV consultation report for latest country data; international benchmark from the World Development Indicators, most recent publication series NE.GDI.FTOT.ZS.

Definition: Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

Coverage: Data are available for about 84 USAID countries.

CAS Code # 11S3

Gross Fixed Private Investment, Percentage of GDP

Source: IMF Article IV consultation report, for latest country data; World Development Indicators, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (percent of GDP) (NE.GDI.FTOT.ZS) and government capital expenditure (percent of GDP). The latter

term is the product of government capital expenditure (percent of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (percent of GDP) (GB.XPD.TOTL.GD.ZS).

Definition: This indicator measures gross fixed capital formation by nongovernment investors, including spending for replacement or net addition to fixed assets (buildings, machinery, equipment, and similar goods).

Coverage: Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for government finance statistics, which switches from reporting budget performance based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

Data Quality: National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on "development expenditure" in many countries include elements of current expenditure.

CAS Code #11S4

POVERTY AND INEQUALITY

Human Poverty Index

Source: UNDP, Human Development Report.

http://hdr.undp.org/statistics/data/indicators.cfm?x=18&y=1&z=1 for most recent edition; updates may be found at http://hdr.undp.org/reports/view_reports.cfm?type=1

Definition: The index measures deprivation in terms of not meeting target levels for specified economic and quality-of-life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a "decent living standard," which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (zero deprivation incidence) to 100 (high deprivation incidence).

Coverage: Data are available for about 60 USAID countries.

CAS Code #12P1

Income Share, Poorest 20%

Source: World Development Indicators, most recent publication series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternative source for target countries: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: Share of total income or consumption accruing to the poorest quintile of the population.

Coverage: Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P2

Percentage of Population Living on Less than $1 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.DDAY, original data from national surveys. Alternative source for target countries: the country's Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

Definition: The indicator captures the percentage of the population living on less than $1.08 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3a

Percentage of Population Living on Less than $2 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.2DAY, original data from national surveys. Alternative source for target countries: the country's Poverty Reduction Strategy Paper:
http://www.imf.org/external/np/prsp/prsp.asp

Definition: The indicator captures the percentage of the population living on less than $2.15 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3b

Poverty Headcount, National Poverty Line

Source: World Development Indicators, most recent publication series SI.POV.NAHC. Alternative source: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

Definition: The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

Coverage: Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

Data Quality: Measuring the percentage of people below the "national poverty line" has the disadvantage of limiting international comparisons because of differences in the definition of the poverty line. Most lower-income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code #12P4

PRSP Status

Source: World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper can be found at http://www.imf.org/external/np/prsp/prsp.asp

Definition: Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the World Bank

and IMF to ensure host-country ownership of poverty reduction programs).

Coverage: All countries having PRSPs are so indicated.

CAS Code #12P5

Percent of Population below Minimum Dietary Energy Consumption

Source: UN Millennium Indicators Database at http://millenniumindicators.un.org/unsd/mdg/Data.aspx, based on FAO estimates.

Definition: Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out light physical activity.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 12S1

ECONOMIC STRUCTURE

Employment or Labor Force Structure

Source: World Development Indicators, most recent publication series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternative source: CIA World Fact Book: https://www.cia.gov/library/publications/the-world-factbook/index.html

Definition: Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

Coverage: Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

Data Quality: Employment figures originate with International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully before comparisons are made.

CAS Code #13P1

Output Structure

Source: World Development Indicators, most recent publication series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

Definition: The output structure is composed of value added by major sector of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. Value added is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

Coverage: Data are available for about 86 USAID countries.

Data Quality: A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services is measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code #13P2

DEMOGRAPHY AND ENVIRONMENT

Adult Literacy Rate

Source: World Development Indicators, most recent publication series SE.ADT.LITR.ZS, based on UNESCO calculations.

Definition: Percentage of people ages 15 and older who can read and write a short, simple statement about their daily life.

Coverage: Data are available for about 66 USAID countries.

Data Quality: In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

CAS Code # 14P1

Youth Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: Youth dependency rate is calculated as the percentage of the population below age 15 (WDI SP.POP.0014.TO.ZS) divided by the working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2a

Elderly Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: This is calculated as percentage of the population over age 65 (WDI SP.POP.65UP.TO.ZS) divided by working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2b

Environmental Performance Index

Source: Center for International Earth Science Information Network (CIESIN) at Columbia University, and the Center for Environmental Law and Policy at Yale University. http://www.yale.edu/epi/ .

Definition: The Environmental Performance Index (EPI) is a composite index of national environmental protection, which tracks (1) environmental health, (2) air quality, (3) water resources, (4) biodiversity and habitat, (5) productive natural

resources, and (6) sustainable energy. The index is a weighted average of these six policy categories, with more weight given environmental health, (i.e., EPI = 0.5 × environmental health + 0.1 × (air quality + water resources + productive natural resources + biodiversity and habitat + sustainable energy)). The index values range from 0 (very poor performance) to 100 (very good performance). The 2006 edition is considered a work in progress.

Coverage: Data are available for about 80 USAID countries.

CAS Code #14P3

Population Size and Growth

Source: World Development Indicators, most recent publication series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

Definition: Total population counts all residents regardless of legal status or citizenship—except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 14P4

Percent of Population Living In Urban Areas

Source: World Development Indicators, most recent publication series SP.URB.TOTL.IN.ZS.

Definition: Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

Coverage: Data are available for about 86 USAID countries.

Data Quality: The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

CAS Code #14P5

GENDER

Girls' Primary Completion Rate

Source: World Development Indicators, most recent publication series: SE.PRM.CMPT.FE.ZS

Definition: Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Completion rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year. The indicator does not measure the quality of the education.

CAS Code #15P1

Gross Enrollment Rate, All Levels of Education, Male and Female

Source: UNDP Human Development Report http://hdr.undp.org/hdr2006/statistics/indicators/225.html and

http://hdr.undp.org/hdr2006/statistics/indicators/224.html

Definition: The number of students enrolled in primary, secondary, and tertiary levels of education by sex, regardless of age, as a percentage of the population of official school age for the three levels by sex.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year.

CAS Code #15P2

Life Expectancy, Male and Female

Source: Estimated from UNDP Human Development Indicators:
http://hdr.undp.org/hdr2006/statistics/indicators/221.html.

Definition: The number of years a newborn male or female infant would live if prevailing patterns of age and sex-specific mortality rates at the time of birth were to stay the same throughout the child's life.

Coverage: Data are available for about 85 USAID countries.

CAS Code #15P3

Labor Force Participation Rate, Male and Female

Source: Derived from World Development Indicators, but the precise computation differs depending on the edition of WDI used for the data.

To calculate the female labor force participation rate using WDI 2007: the numerator is the labor force, female (% of total labor force) (SL.TLF.TOTL.FE.ZS) times labor force, total (SL.TLF.TOTL.IN); the denominator is simply population ages 15–64, female (SP.POP.1564.FE.IN). Using WDI 2006, the denominator (female population, ages 15–64), can only be estimated by multiplying the total population (SP.POP.TOTL) times the percentage of the population ages 15–64 (SP.POP.1564.IN.ZS) times the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

To calculate the male labor force participation rate using WDI 2004: the numerator is calculated by subtracting the female labor force, derived above, from the total labor force (SL.TLF.TOTL.IN). The denominator is population ages 15–64, male (SP.POP.1564.MA.IN). Using WDI 2006 and subsequent years, the denominator is an estimate of the male population, ages 15–64, calculated as the total population (SP.POP.TOTL) times the percentage ages 15–64 (SP.POP.1564.IN.ZS) times the percentage of males in the total population, where the final factor is computed as 100 minus the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

Definition: The percentage of the working-age population that is in the labor force. The labor force is made up of people who meet the International Labour Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #15P4

FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank has adopted a new system for government budget statistics, switching from data based on cash outlays and receipts to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's *Government Financial Statistics Manual, 2001*. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable

to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's cash surplus/deficit; this differs from the previous concept of the overall budget balance by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the new GFS system, so country coverage of fiscal data in WDI 2005 is limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 and subsequent WDI series, as appropriate.

Government Expenditure, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; International Financial Statistics database for benchmarking (line item 82 divided by GDP).

Definition: Total expenditure of the central government as a percent of GDP.

Gaps: Data available for about 70% of USAID countries.

CAS Code # 21P1

Government Revenue, excluding grants, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; World Development Indicators for benchmarking data (GB.RVC.TOTL.GD.ZS). Original data from the IMF, Government Finance Statistics Yearbook and data file, and World Bank estimates.

Definition: Government revenue includes all revenue to the central government from taxes and non-repayable receipts (other than grants), measured as a share of GDP. Grants represent monetary aid going to the central government that has no repayment requirement.

Gaps: Data missing for about 24 USAID countries.

CAS Code # 21P2

Growth in Broad Money Supply

Source: Latest country data are from national data sources or from IMF Article IV consultation report: www.imf.org/external/np/sec/ aiv/index.htm. Benchmarking data are from World Development Indicators, most recent publication, series FM.LBL.MQMY.ZG. Original source of WDI data is IMF, International Financial Statistics, and World Bank estimates.

Definition: Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the IMF's International Financial Statistics.

Coverage: Data are available for about 81 USAID countries.

CAS Code #21P3

Inflation Rate

Source: IMF World Economic Outlook database, updated every six months, at http://www.imf.org/external/ns/cs.aspx?id=28

Definition: Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specific intervals.

Coverage: Data are available for about 85 USAID countries.

Data Quality: For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code # 21P4

Overall Budget Balance, Including Grants, Percentage of GDP

Source: For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators, most recent publication series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data are obtained from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of nonfinancial assets. This is close to the previous concept of *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the ***overall budget balance***, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

Coverage: Data are available in WDI 2006 for less than half USAID countries.

CAS Code # 21P5

Composition of Government Expenditure

Source: The latest country and benchmark data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Central government expenditure, broken down into the following five categories:. (1) wages and salaries; (2) goods and services; (3) interest payments; (3) subsidies and other current transfers; (4) capital expenditures; (5) other expenditure.

Coverage: Data are available for the majority of USAID countries. As explained at the beginning of this section, WDI stopped reporting government *expenditures* in 2005. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources for the target country and the comparison countries. *Data Quality:* Many countries report their revenue in noncomparable categories. Budget data are compiled by fiscal year. If the fiscal year differs from the calendar year, ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S1

Composition of Government Revenue

Source: The latest country and comparison country data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking

data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social security contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

Definition: Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

Coverage: Data are available from WDI 2005 for about 46 USAID countries.

Data Quality: Many countries report their revenue in noncomparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S2

Composition of Money Supply Growth

Source: Constructed using national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/ aiv/index.htm.

Definition: Identifies the sources of the year-to-year change in the broad money supply (M2), disaggregated into five categories: (1) net domestic credit to the public sector, (2) net domestic credit to the private sector, and (3) net foreign assets (reserves), (4) net credit to non-financial public enterprises, and (5) other items, net. Each component is expressed as a percentage of the annual change (December to December) in M2.

Coverage: Data are available for about 86 USAID countries.

CAS Code # 21S3

BUSINESS ENVIRONMENT

Control of Corruption Index

Source: World Bank Institute
http://www.govindicators.org

Definition: The Control of Corruption index is an aggregation of various indicators that measure the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).
This is also an MCC indicator, under the criterion of ruling justly. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Coverage: Data are available for nearly all USAID countries.

Data Quality: This indicator uses perception and opinions gathered from local businessmen as well as third-party experts; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code # 22P1

Ease of Doing Business Index

Source: World Bank, Doing Business Indictors http://rru.worldbank.org/DoingBusiness/

Definition: The Ease of Doing Business index ranks economies from 1 to 178. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2007: starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22P2

Rule of Law Index

Source: World Bank Institute, http://www.govindicators.org

This indicator is based on the perceptions of the legal system, drawn from 12 data sources.

Definition: The Rule of Law index is an aggregation of various indicators that measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

Coverage: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. Using the index to track a country's progress over time is also difficult because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in its legal environment.

CAS Code #22P3

Regulatory Quality Index

Source: World Bank Institute;

http://www.govindicators.org

Definition: The regulatory quality index measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. It is computed from survey data from multiple sources. The index values range from -2.5 (very poor performance) to +2.5 (excellent performance).
This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Gaps: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P4

Government Effectiveness Index

Source: World Bank Institute, http://www.govindicators.org

Definition: This index, based on 17 component sources, measures **"**the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies." The index values range from

-2.5 (very poor performance) to +2.5 (excellent performance).

Coverage: Data are available for nearly all USAID countries.

CAS Code #22P5

Cost of Starting a Business

Source: World Bank, Doing Business; Starting a Business category:http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S1

Procedures to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

Definition: The number of procedures required to enforce a valid contract through the court system, with *procedure* defined as any interactive step the company must take with government agencies, lawyers, notaries, etc. to proceed with enforcement action.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S2

Procedures to Register Property

Source: World Bank, Doing Business; Registering Property category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

Definition: Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company or individual and a third party that is necessary to complete the property registration process.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S3

Procedures to Start a Business

Source: World Bank, Doing Business; Starting a Business category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: The number of procedural steps required to legalize a simple limited liability company. A procedure is an interaction of a company with government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and complete all inscriptions, verifications, and notifications to start operations.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S4

Time to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

Definition: Minimum number of days required to enforce a contract through the court system.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22S5

Time to Register Property

Source: World Bank, Doing Business; Registering Property category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

Definition: The time required to accomplish the full sequence of procedures to transfer a property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S6

Time to Start a Business

Source: World Bank, Doing Business; Starting a Business category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

Definition: The number of calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

Coverage: Data are available for nearly all USAID countries.

CAS Code #22S7

Total Tax Payable by Business

Source: World Bank, Doing Business, Paying Taxes Category: http://www.doingbusiness.org/ExploreTopics/PayingTaxes/

Definition: The amount of taxes payable by a medium-sized business in the second year of operation, expressed as share of commercial profits. The total amount of taxes is the sum of all the different taxes payable after accounting for deductions and exemptions. The taxes withheld but not paid by the company are excluded. The taxes included can be divided into five categories: profit or corporate income tax, social security contributions and other labor taxes paid by the employer, property taxes, turnover taxes and other small taxes (such as municipal fees and vehicle and fuel taxes). Commercial profits are defined as sales minus cost of goods sold, minus gross salaries, minus administrative expenses, minus other deductible expenses, minus deductible provisions, plus capital gains (from the property sale) minus interest expense, plus interest income and minus commercial depreciation.

Coverage: Data are available for nearly all USAID countries

CAS Code #22S8

Business Costs of Crime, Violence and Terrorism Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section VI.

Definitions: The index measures executives' perceptions of the business costs of terrorism in their respective country. Executives grade, on a scale from 1 to 7, whether crime, violence and terrorism impose (1) significant costs on business, or (7) do not impose significant costs on business.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, because the data are based on executive perceptions.

CAS Code #22S9

Senior Manager Time Spent Dealing with Government Regulations

Source: World Bank Enterprise Surveys, Bureaucracy section, www.enterprisesurveys.org.

Definitions: Average percentage of senior managers' time that is spent in a typical week dealing with requirements imposed by government regulations such as taxes, customs, labor regulations, licensing and registration, and dealings with officials, and completing forms.

Coverage: Data available for about 80 USAID countries.

Data Quality: Same-timeframe comparisons between countries may be difficult; 15-20 enterprise surveys are conducted per year, with country updates expected approximately every three to five years. Surveys are taken of hundreds of entrepreneurs per country who describe the impact of their country's investment climate on their firm.

CAS Code #22S10

FINANCIAL SECTOR

Domestic Credit to Private Sector, Percentage of GDP

Source: IMF-International Financial Statistics financial section, where available; IMF Article IV consultation reports or national data sources for latest country data; World Development Indicators, most recent publication series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate with the IMF, International Financial Statistics and data files, and World Bank estimates.

Definition: Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 23P1

Interest Rate Spread

Source: World Development Indicators, most recent publication series FR.INR.LNDP. Original data from IMF, International Financial Statistics and data files.

Definition: The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

Coverage: Data are available for about 66 USAID countries.

CAS Code # 23P2

Money Supply, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series FM.LBL.MQMY.GD.ZS. WDI data originate from IMF, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

Definition: Money supply (M2), also called broad money, is defined as nonbank private sector's holdings of notes, coins, and demand deposits, plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

Coverage: Data are available for about 81 USAID countries.

Data Quality: In some countries M2 includes certificates of deposits, money market instruments, and treasury bills.

CAS Code # 23P3

Stock Market Capitalization Rate, Percentage of GDP

Source: World Development Indicators, most recent publication, series CM.MKT.LCAP.GD.ZS.

Definition: This variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

Coverage: Data are available for about 54 USAID countries.

CAS Code # 23P4

Credit Information Index

Source: World Bank, Doing Business; Getting Credit Category: http://www.doingbusiness.org/ExploreTopics/GettingCredit/Default.aspx?direction=asc&sort=2

Definition: The credit information index measures rules affecting the scope, accessibility and quality of credit information available through either public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.

Coverage: Data are available for nearly all USAID countries.

Data Quality: The indicator is subjective, as it is based on an opinion poll.

CAS Code # 23P5

Legal Rights of Borrowers and Lenders Index

Source: World Bank Doing Business; Getting Credit category: http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx. The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

Definition: The index measures the degree to which collateral and bankruptcy laws facilitate lending. It ranges in value from 0 (very poor performance) to 10 (excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 23S1

Real Interest Rate

Source: World Development Indicators, most recent publication series FR.INR.RINR.

Definition: Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

Coverage: Data are available for about 68 USAID countries.

CAS Code # 23S2

Number of Active Microfinance Borrowers

Source: The Mix Market.

http://www.mixmarket.org/en/demand/demand.quick.search.asp.

Definition: An aggregate of the number of current borrowers from microfinance institutions as reported by microfinance institutions to The Mix Market.

Coverage: Data are available for about 68 USAID countries.

Data Quality: Data are only available for those microfinance institutions that report to the Mix Market and data are not always updated in a timely fashion.

CAS Code # 23S3

EXTERNAL SECTOR

Aid, Percentage of GNI

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/ external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series DT.ODA.ALLD.GN.ZS.

Definition: The indicator measures official development assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data do not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

CAS Code #24P1

Current Account Balance, Percentage of GDP

Source: Latest country data from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series BN.CAB.XOKA.GD.ZS, based on IMF, Balance of Payments Statistics Yearbook and data files, World Bank staff estimates, and World Bank and OECD GDP estimates.

Definition: Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

Coverage: Data are available for about 79 USAID countries.

CAS Code # 24P2

Debt Service ratio

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

Definition: Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

Coverage: Data are available for about 77 USAID countries.

Data Quality: See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

CAS Code # 24P3

Exports Growth, Goods and Services

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

Definitions: Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

Coverage: Data are available for about 81 USAID countries.

CAS Code # 24P4

Foreign Direct Investment, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series BX.KLT.DINV.DT.GD.ZS, based on IMF, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Definition: Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

Coverage: Data are available for about 82 USAID countries.

CAS Code #24P5

Gross International Reserves, Months of Imports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series FI.RES.TOTL.MO.

Definition: Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the IMF, and holdings of foreign exchange under the control of monetary authorities expressed in terms of the number of months of imports of goods and services.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24P6

Gross Private Capital Inflows, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

Definition: Gross private capital inflows are the sum of the direct and portfolio investment inflows recorded in the balance-of-payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

Coverage: Information on coverage is not easily accessible.

Data Quality: Capital flows are converted to U.S. dollars at the IMF's average official exchange rate for the year shown.

CAS Code #24P7

Present Value of Debt, Percentage of GNI

Source: World Development Indicators, most recent publication series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

Definition: Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. The indicator measures the value of debt relative to the GNI.

Coverage: Data are available for about 80 USAID countries.

Data Quality: The coverage and quality of debt data vary widely across countries because of the wide spectrum of debt instruments, the unwillingness of governments to provide information, and a lack of capacity in reporting. Discrepancies are significant when exchange rate fluctuations, debt cancellations, and rescheduling occur.

CAS Code # 24P8

Remittances Receipts, Percentage of Exports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data are obtained from World Development Indicators, most recent publication. The figure is constructed by dividing workers' remittances (receipts), series BX.TRF.PWKR.CD, by exports of goods and services, series BX.GSR.GNFS.CD.

Definition: Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 24P9

Trade, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.TRD.GNFS.ZS.

Definition: The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

Coverage: Data available for about 84 USAID countries.

CAS Code # 24P10

Trade in Services, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm. Benchmarking data from the World Development Indicators, most recent publication, series BG.GSR.NFSV.GD.ZS.

Definition: Trade in services is the sum of service exports and imports divided by the value of GDP, all in current U.S. dollars.

Coverage: Data available for about 80 USAID countries.

CAS Code # 24P11

Concentration of Exports

Source: Constructed with ITC COMTRADE data by aggregating the value for the top three export product groups (SITC Rev.3) and dividing by total exports. Raw data: http://www.intracen.org/tradstat/sitc3-3d/indexre.htm

Definition: The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit level.

Coverage: Available for about 74 USAID countries.

Data Quality: Smuggling is a serious problem in some countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other nonreporting countries; transshipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S1

Inward FDI Potential Index

Source: UNCTAD. Indicator is available at http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2472&lang=1.

Definition: Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an unweighted average of the scores of 12 normalized economic and social variables.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24S2

Net Barter Terms of Trade

Source: World Development Indicators, most recent publication, series TT.PRI.MRCH.XD.WD

Definition: Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 2000.

Coverage: Data are available for about 51 USAID countries.

CAS Code # 24S3

Real Effective Exchange Rate (REER)

Source: IMF Article IV consultation reports: www.imf.org/external/ np/sec/aiv/index.htm;

Definition: The REER is an index number with base 2000=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

Coverage: Information on coverage is not easily accessible.

Data Quality: Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code # 24S4

Structure of Merchandise Exports

Source: World Development Indicators, most recent publication. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

Definition: This indicator reflects the composition of merchandise exports by major commodity groups—food, agricultural raw materials, fuels, ores and metals, and manufactures.

Coverage: Data are available for about 78 USAID countries.

Data Quality: The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

CAS Code # 24S5

Trade Policy Index

Source: Index of Economic Freedom, Heritage Foundation: http://www.heritage.org/research/features/index/downloads.cfm. The Trade Policy Score (index) is one component of the Index of Economic Freedom.

Definition: The index measures the degree to which government hinders the free flow of foreign commerce, based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers and corruption in the customs service. The countries are ranked on a 0-to-100 scale, with a higher score representing greater freedom (low barriers to trade)—a switch from the 5-1 ranking of previous Indexes (in which lower numbers denoted greater freedom).

Coverage: Data are available for about 83 USAID countries.

Data Quality: The index is subjective and at times inconsistent in its treatment of tariffs.

CAS Code # 24S6

Ease of Trading Across Borders Ranking

Source: World Bank, Doing Business, Trading Across Borders category: http://www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/

Definitions: The 178 economies covered by the Doing Business report are ranked on the ease with which one may import into and export out of the economy. The ranking is based on a simple average of the economy's ranking on each of the composite indicators for Trading Across Borders: number of documents to import and export, cost to import and export, and time to import and export.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 24S7

ECONOMIC INFRASTRUCTURE

Internet Users per 1,000 people

Source: World Development Indicators, most recent publication series IT.NET.USER.P3, derived from the International Telecommunication Union database.

Definition: Indicator quantifies the number of Internet users, defined as those with access to the worldwide network, per 1,000 people.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 25P1

Overall Infrastructure Quality Index

Source: Global Competitiveness Report 2006–2007, World Economic Forum. The indicator can be found in the Data Tables, Section V. General Infrastructure; 5.01.

Definition: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 25P2

Telephone Density, Fixed Line and Mobile

Source: World Development Indicators, most recent publication series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database..

Definition: The indicator is the sum of subscribers to telephone mainlines and mobile phones per 1,000 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular-based technology with access to the public switched telephone network.

Coverage: Data are available for about 88 USAID countries.

CAS Code #25P3

Quality of infrastructure—Railroads, Ports, Air Transport and Electricity

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section V. General Infrastructure; 5.02, 5.03, 5.04, and 5.05 for Railroad, Port; Air Transport, and Electricity, respectively.

Definitions: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #25S1

Roads, paved (% total)

Source: World Development Indicators, most recent publication series IS.ROD.PAVE.ZS

Definitions: Paved roads are roads surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones.

Coverage: Data are available for nearly all USAID countries.

CAS Code #25S2

SCIENCE AND TECHNOLOGY

Expenditure in Research and Development, Percentage of GDP

Source: World Development Indicators, most recent publication, series GB.XPD.RSDV.GD.ZS, based on data from the UNESCO Institute of Statistics.

Definition: Expenditures for research and development are current and capital expenditures (both public and private) on creative, systematic activity that increases the stock of knowledge. Included are fundamental and applied research and experimental development work leading to new devices, products, or processes.

Coverage: Data are available for about 26 USAID countries.

CAS Code #26P1

FDI Technology Transfer Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicator can be found in the Data Tables, Section III. Technology: Innovation and Diffusion; 3.04.

Definition: The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country brings little new technology (1), or is an important source of new technology (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code # 26P2

Availability of Scientists and Engineers Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section IX. Innovation; 9.05.

Definitions: The index measures executives' perceptions of the availability of scientists and engineers in their respective country. Executives grade, on a scale from 1 to 7, whether scientists and engineers in their country are nonexistent (1) or rare, or widely available (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P3

Science and Technology Journal Articles, per Million People

Source: World Development Indicators, most recent publication, series IP.JRN.ARTC.SC

Definitions: The indicator refers to published scientific and engineering articles in physics, biology, chemistry, mathematics, clinical medicine, biomedical research, engineering and technology, and earth and space sciences per one million population.

Coverage: Data are available for about 82 USAID countries.
CAS Code #26P4

IPR Protection Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section IV. Innovation; 9.07.

Definitions: The index measures executives' perceptions of the availability of the quality of intellectual property rights protection in their respective country. The scale ranges from 1(for poorly enforced) to 7 (among the best in the world).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P5

HEALTH

HIV Prevalence

Source: UNAIDS for most recent country data: http://data.unaids.org/pub/GlobalReport/2006/2006_GR_AN N2_en.pdf. World Development Indicators, most recent publication for benchmark data, series SH.DYN.AIDS.ZS.

Definition: Percentage of people ages 15–49 who are infected with HIV.

Coverage: Data are available for about 79 USAID countries.

Data Quality: UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia, and Zimbabwe, and other surveillance information.

CAS Code # 31P1

Life Expectancy at Birth

Source: World Development Indicators, most recent publication, (SP.DYN.LE00.IN)

Definition: Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of his or her birth were to stay the same throughout his or her life.

Coverage: Data are available for about 88 USAID countries.

Data Quality: Life expectancy at birth is estimated on the basis of vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

CAS Code # 31P2

Maternal Mortality Rate

Source: UN Millennium Indicators Database, http://millenniumindicators.un.org/unsd/mdg/Data.aspx based on WHO, UNICEF and UNFPA data.

Definition: The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

Coverage: Data are available for about 87 USAID countries.

Data Quality: Household surveys attempt to measure maternal mortality by asking respondents about survival of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

CAS Code # 31P3

Access to Improved Sanitation

Source: World Development Indicators, most recent publication, series SH.STA.ACSN.

Definition: The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

Coverage: Data are available for about 82 USAID countries.

CAS Code #31S1

Access to Improved Water Source

Source: World Development Indicators, most recent publication series SH.H2O.SAFE.ZS

Definition: The indicator is the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

Coverage: Data are available for about 83 USAID countries.

Data Quality: Access to drinking water from an improved source does not ensure that the water is adequate or safe.

CAS Code # 31S2

Births Attended by Skilled Health Personnel

Source: World Development Indicators, most recent publication, series SH.STA.BRTC.ZS.

Definition: The indicator is the percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

Coverage: Data are available for about 62 USAID countries.

Data Quality: Data may not reflect improvements in maternal health; maternal deaths are underreported; and rates of maternal mortality are difficult to measure.

CAS Code # 31S3

Child Immunization Rate

Source: World Development Indicators, most recent publication, estimated by averaging two series: Immunization, DPT (% of children ages 12–23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12–23 months) (SH.IMM.MEAS).

Definition: Percentage of children under one year of age receiving vaccination coverage for four diseases: measles and diphtheria, pertussis (whopping cough), and tetanus (DDPT).

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S4

Prevalence of Child Malnutrition—Weight for Age

Source: World Development Indicators, most recent publication, series SH.STA.MALN.ZS.

Definition: The indicator is based on the percentage of children under age five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0–59 months.

Coverage: Data are available for about 55 USAID countries.

CAS Code # 31S5

Public Health Expenditure, Percentage of GDP

Source: Latest data for host country is obtained from the MCC: http://www.mcc.gov/selection/scorecards/2007/index.php.

International benchmarking data from World Development Indicators, most recent publication (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report, and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

Definition: Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S6

EDUCATION

Net Primary Enrollment Rate—Female, Male and Total

Source: UNESCO Institute for Statistics, http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx

Definition: The indicator measures the proportion of the population of the official age for primary, secondary, or tertiary education according to national regulations who are enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments because teachers often are paid proportionally to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code # 32P1

Persistence to Grade 5—Female, Male, and Total

Source: World Development Indicators, most recent publication series SE.PRM.PRS5.FE.ZS (female); SE.PRM.PRS5.MA.ZS (male); and SE.PRM.PRS5.ZS (total).

Definition: The indicator is an estimate of the proportion of the population entering primary school who reach grade 5, for female, male, and total students.

Coverage: Data are available for about 48 USAID countries.

CAS Code # 32P2

Youth Literacy Rate—Female, Male, and Total

Source: World Development Indicators, most recent publication, series SE.ADT.1524.LT.ZS.

Definition: The indicator is an estimate of the percent of people ages 15–24 who can, with understanding, read and write a short, simple statement on their everyday life.

Coverage: Data are available for about 67 USAID countries.

Data Quality: Statistics are out of date by two to three years.

CAS Code #32P3

Net Secondary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.SEC.NENR. Based on data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics.

Definitions: Net enrollment ratio is the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age. Secondary education completes the provision of basic education that began at the primary level and aims at laying the foundations for lifelong learning and human development by offering more subject- or skill-oriented instruction using more specialized teachers.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P4

Gross Tertiary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.TER.ENRR. Based on data from the UNESCO Institute for Statistics.

Definitions: Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age

group that officially corresponds to the level of education shown. Tertiary education, whether or not to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P5

Expenditure on Primary Education, Percentage of GDP

Source: Millennium Challenge Corporation: http://www.mcc.gov/ selection/scorecards/2007/index.php.

Definition: The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

Coverage: Data are available for about 58 USAID countries.

Data Quality: The MCC obtains the data from national sources through U.S. embassies.

CAS Code #32S1

Educational Expenditure per Student, Percentage of GDP per capita—Primary, Secondary and Tertiary

Source: World Development Indicators, most recent publication series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

Definition: Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

Coverage: Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

Data Quality: Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

CAS Code # 32S2

Pupil-teacher Ratio, Primary School

Source: World Development Indicators, most recent publication series SE.PRM.ENRL.TC.ZS.

Definition: Primary school pupil-teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

Coverage: Data are available for about 76 USAID countries.

Data Quality: The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials and variations in classroom conditions – all factors that could also affect the quality of teaching/learning and pupil performance.

CAS Code # 32S3

EMPLOYMENT AND WORKFORCE

Labor Force Participation Rate

Source: Derived from World Development Indicators, but the precise computation differs depending on whether a particular country study uses the 2004 or 2005 and years subsequent WDI.
To calculate the *total* labor force participation rate using WDI 2004: the numerator is Labor force, total (SL.TLF.TOTL.IN), and the denominator is Population ages 15-64, total (SP.POP.1564.TO). Using WDI 2005 and subsequent years, the denominator is calculated as the total population (SP.POP.TOTL) times the percentage of the population in the age group 15-64 (SP.POP.1564.IN.ZS).
Definition: The percentage of the working age population that is in the labor force. The labor force comprises people who meet the International Labor Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P1

Rigidity of Employment Index

Source: World Bank, Doing Business in 2007, Employing workers category: http://www.doingbusiness.org/ExploreTopics/EmployingWorkers/

Definition: Rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring index, Rigidity of Hours index and Difficulty of Firing index. Index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

Coverage: Data are available for nearly all USAID countries.

Data Quality: Subindices are compiled by the World Bank from survey responses to in-country specialists.

CAS Code # 33P2

Size and Growth of the Labor Force

Source: Size of labor force from World Development Indicators (SL.TLF.TOTL.IN); annual percentage change calculated from size data.

Definition: The indicator measures the size of the labor supply, and its annual percent change. Labor force is made up of people who meet the International Labor Organization definition of the economically active population: all people who are able to supply labor for the production of goods and services during a specified period, including both the employed and the unemployed. Although national practices vary in the treatment of groups such as the armed forces and seasonal or part-time workers, in general, the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P3

Unemployment Rate

Source: World Development Indicators, most recent publication series SL.UEM.TOTL.ZS.

Definition: The unemployment rate refers to the share of the labor force that is without work but available for and seeking employment. For this purpose, informal sector workers and

own-account workers (including subsistence farmers) are counted as employed.

Coverage: Data are available for about 50 USAID countries.

Data Quality: Definitions of labor force and unemployment differ by country, making international comparisons inaccurate.

CAS Code # 33P4

Economically Active Children, Percentage Children Ages 7-14

Source: World Development Indicators, most recent publication series SL.TLF.0714.ZS. Derived from the Understanding Children's Work project based on data from ILO, UNICEF, and the World Bank.

Definitions: Economically active children refer to children involved in economic activity for at least one hour in the reference week of the survey.

CAS Code # 33P5

Firing Costs, Weeks of Wages

Source: World Bank, Doing Business, Employing Workers Category: http://www.doingbusiness.org/ MethodologySurveys/EmployingWorkers.aspx.

Definitions: The firing cost indicator measures the cost of advance notice requirements, severance payments, and penalties due when terminating a redundant worker, expressed in weekly wages. One month is recorded as 4 and 1/3 weeks.

Coverage: Data available for nearly all USAID countries.

CAS Code # 33S1

AGRICULTURE

Agriculture Value Added per Worker

Source: World Development Indicators, most recent publication series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files.

Definition: Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1–5)—forestry, hunting, fishing, cultivation of crops, and livestock production—less the value of intermediate inputs. Data are in constant 2000 U.S. dollars.

Coverage: Data are available for about 80 USAID countries.

CAS Code # 34P1

Cereal Yield

Source: World Development Indicators, most recent publication series AG.YLD.CREL.KG based on Food and Agriculture Organization Production Yearbook and data files.

Definition: Cereal yield, measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food, feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

CAS Code # 34P2

Growth in Agricultural Value-Added

Source: The latest country data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/ external/np/sec/aiv/index.htm. The benchmarking data are from World Development Indicators, most recent publication series NV.AGR.TOTL.KD.ZG

Definition: The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. It is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

Coverage: Data are available for about 84 USAID countries.

CAS Code # 34P3

Agricultural Policy Costs Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicator can be found in the Data Tables, Section II. Macroeconomic Environment; 2.20.

Definition: The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is excessively burdensome (1), or balances all economic agents' interests (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 34S1

Crop Production Index

Source: World Development Indicators, most recent publication series AG.PRD.CROP.XD, based on FAO statistics.

Definition: Crop production index shows agricultural production for each year relative to the period 1999–2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

Coverage: Data are available for about 85 USAID countries.

Data Quality: Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999–2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was

produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 34S2

Livestock Production Index

Source: World Development Indicators, most recent publication series AG.PRD.LVSK.XD, based on FAO.

Definition: Livestock production index shows livestock production for each year relative to the base period 1999–2001=100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

Coverage: Data are available for about 85 USAID countries.

Data Quality: See comments on the Crop Production Index.

CAS Code # 34S3

Agriculture Export Growth

Source: World Development Indicators, most recent publication series TX.VAL.AGRI.ZS.UNs, Agricultural raw materials exports (% of merchandise exports), based on World Bank staff estimates from the COMTRADE database maintained by the United Nations Statistics Division; and series TX.VAL.MRCH.CD.WT, Merchandise exports (current US$), based on data from the World Trade Organization.

Definitions: Agricultural raw materials comprise SITC section 2 (crude materials except fuels), excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap). Merchandise exports show the f.o.b. value of goods provided to the rest of the world valued in U.S. dollars. Data are in current U.S. dollars. The indicator is calculated by multiplying agricultural raw materials by merchandise exports. The annual growth rate is then calculated from the resulting series.

Coverage: Not available for draft.

CAS Code # 34S4