

Unemployment would have dropped to 6% if not for coronavirus: Planning minister

Egypt's Minister of Planning and Economic Development, Dr. Hala El Said, said during a recent Parliament's discussion of the state's draft budget for the new fiscal year 2020/2021 that Coronavirus is harsher than crises the world has witnessed, whether during the 2008 economic crisis or even the great depression of 1930.

El Said pointed to the expectations of a decrease in global growth of about 7%, as well as a decrease in global trade and investment by about 30%.

She added that up to 14 million US citizens applied for unemployment benefit after the negative consequences of the Coronavirus pandemic.

The Minister of Planning pointed out that had it not been for the COVID-19 pandemic, unemployment rates in Egypt would have reached about 6% after they were 13% in the past years.

She clarified that unemployment rates in Egypt reached 7% last March, indicating that there are two scenarios for dealing with this crisis, the first is that the COVID-19 will end in June and the second is that the pandemic will end in September 2020.

El Said explained that the fiscal year 2020/2021 plan was carried out in the context of severe uncertainties in Egypt and the countries of the world, adding that less than three years ago the net growth rate was no more than 2.2%.

El Said also indicated that an economic growth rate has been achieved during the 3rd Q of this year of 5%, despite the presence of COVID-19 pandemic, however, she noted that in light of the performance rates achieved during the period from July to February 2019/2020, it was expected to achieve a growth rate of about 5.9%.

The Minister of Planning said that an economic growth rate is expected to be achieved in the range of 4%, which means a loss of output of about EGP 105 billion during 2019/2020, which is the lowest loss at the level of global statistics, adding that the rate of inflation in May 2020 reached 5%, the unemployment rate is 7.5%, and the trade balance deficit decreases to 36%.

On education investments, she explained that there is a plan to build about 34,000 new classes, and a number of middle-class oriented schools such as Japanese and international schools with the participation of the private sector.

On scientific research, El Said highlighted that this sector will witness a major boom, especially that Egypt's ranking has increased significantly in the Global Knowledge Index by more than 17 centers, as well as Egypt's ranking in the global innovation index has improved, as Egypt ranked first in Africa and eleventh globally in emerging technologies.

On investments that take into account the social dimension, El Said said that the investments directed to the most needy villages amount to EGP 8 billion, these investments aim to improve the quality of life while seeking sustainability through providing job opportunities and linking the micro-projects to the real needs of these groups.

On the file of irregular employment care, El Said explained that 4.4 million people applied to get the irregular employment grant.

She further noted that requests for application were sent to the Administrative Control Authority as it has a database of those who are entitled to the grant.

The Administrative Control Authority revealed that the number of those who are entitled to the grant amounted to 1.9 million citizens.