

2. Foreign Exchange Situation

1. In 1987/88 Egypt continued to face an acute shortage of foreign currency which led to a freeze in a majority of five-year-plan projects. Specially Egypt could not reach an agreement with the International Monetary Fund (IMF) on the way that the GOE was implementing its economic reform program. IMF is now freezing a large portion of Western foreign donors funds and stopping Egypt from proceeding to a Paris Club second rescheduling of US \$12 billion.

2. The four basic food commodities that are given priority in the expenditure of foreign currency earnings are: wheat flour, sugar and oil, which are sold at a subsidized price by the Government.

3. Foreign exchange revenues are obtained from 4 key activities: petroleum exports, tourism, Suez Canal traffic fees, remittances from Egyptians working abroad.

4. High priority is given to food security with increased investment in agriculture. Plans are to increase productivity on old lands, bring new lands under shifting resources to production of high value crops.

5. Egypt is an international food aid recipient and is receiving food aid from the U.S.A. and E.E.C.

3. Fertilizer Situation

	<u>Fertilizer Supply</u>			
	<u>Production</u>		<u>Imports</u>	
	<u>1985/86</u>	<u>1986/87</u>	<u>1985/86</u>	<u>1986/87</u>
	(000 tonnes)			
Ammonium Nitrate (15.5%)	315	234	-	N/A
Ammonium Nitrate (31%)	530	400	87	N/A
Ammonium Nitrate (33%)	-	-	-	N/A
Urea (46%)	894	923	82	N/A
Ammonium Sulphate	89	77	360	N/A
Potassium Phosphate	-	N/A	50	N/A
Triple Super Phosphate	-	N/A	-	N/A
Single Super Phosphate	961	966	-	N/A

4. Import Mechanism

The General Authority for Supply Commodities (Government Sector, Ministry of Supply) is responsible for all wheat flour and sugar imports. In 1986 the Government issued a law allowing private sector to import grains and pulses in order to increase the availability of these products and minimize government subsidies. Imports of vegetable oils were shifted to the Ministry of Industry.