

The Egyptian Center for Economic Studies



Industrial Barometer

July 1999

Expectations of the Egyptian Manufacturing Sector

The Egyptian Center for Economic Studies (ECES) is an independent, nonprofit research institute founded in 1992 by members of Egypt's private sector to conduct applied research and policy analysis on issues relevant to economic growth in Egypt. The mission of the center is to promote economic and social development in Egypt by assisting policymakers and the business community in the process of identifying, developing and implementing economic policy reform. By conducting and disseminating applied research and analysis of relevant issues, ECES is working to deepen the understanding of problems facing Egypt and to find solutions. Through its publications, lectures, conferences, and roundtable discussions, ECES strives to generate discussion and increase awareness of economic policy.

The ECES *Industrial Barometer* is an attempt to gauge economic trends on the real side of the economy. It is conducted every six months as part of an industrial index. The survey is a tool to help policymakers, entrepreneurs and investors make sound projections about the future performance of the Egyptian economy. The results presented in this publication should be viewed as work in progress. The views and findings expressed in this survey are those of ECES researchers and should not be attributed to its board of directors.

For more information, please contact:

The Egyptian Center for Economic Studies
The World Trade Center, 14th floor, 1191 Corniche El Nil
Cairo 11221, Egypt.
Tel.: (20-2) 578-1202 Fax.: (20-2) 578-1205
E-mail: ecses@ecses.org.eg
URL: www.ecses.org.eg

Members of ECES

Moustafa Khalil, ECES Honorary Chairman
Chairman, Arab International Bank

Taher Helmy, ECES Chairman
Partner, Baker & McKenzie Law Firm

Galal El Zorba, ECES Vice Chairman
Chairman, Nile Clothing Co.

Mohamed L. Mansour, ECES Secretary General
*Chairman & CEO, Mantrac & Chairman,
Mansour Motor Group*

Omar Mohanna, ECES Honorary Treasurer
Chairman, Global Protection

Mounir Abdel Nour, *Managing Director, SEFIAA Vitrac*

Assaad S. Assaad, *Chief Executive, Financial &
Investment Studies Office*

Shafik Baghdady, *Chairman, Fresh Food Co.*

Ahmed Bahgat, *Chairman, Bahgat Group*

Moataz El Alfi, *Chief Executive Officer, Kuwait
Food Co., S.A.K. (Americana)*

Farouk El Baz, *Director, Center for Remote
Sensing, Boston University, Boston*

Mostafa El Beleidy, *Chairman, Beleidy Group*

Mohamed El-Erian, *European Head of Emerging
Market Economic Research, Salomon Smith Barney*

Nagui El-Fayoumi, *Executive Director, ExpoLink*

Adel El Labban, *Managing Director, United Bank
of Kuwait, London*

Ahmed El Maghraby, *Chairman, Accor Hotels*

Ahmed Ezz, *Chairman, Ezz Group*

M. Shafik Gabr, *Chairman and Managing Director,
Artoc Group for Investment and Development*

Ahmed Galal, *Advisor, Private Sector Development Dept.,
The World Bank, Washington, D.C.*

Hazem Hassan, *KPMG Hazem Hassan Management
Consultants*

Magdi Iskander, *Director, Private Sector Development
Dept., The World Bank, Washington, D.C.*

Ibrahim Kamel, *Chairman, Kato Aromatic Co.*

Mohamed F. Khamis, *Chairman, Oriental Weavers
Group*

Ayman Laz, *Chairman & Managing Director,
ASKA Financial Consultants*

Hatem N. Moustafa, *Chairman, Nimos Group*

Gamal Mubarak, *Executive Director, MedInvest
Associates, London*

Rachid Mohamed Rachid, *Managing Director,
Unilever Egypt*

Mohammed Sheta, *Chairman, International Group
for Investments (IGI)*

Raed H. Yehia, *Managing Director, Misr America
Carpet Mills*

Management

Hisham A. Fahmy, *Deputy Director and Director of Administration, Finance and Communication*

ECES Industrial Barometer Team

Noha El-Mahdy, *Senior Economist*

Adrian Swinscoe, *Economist*

Dina Shawki, *Research Analyst*

Introduction

This is ECES' third issue of the *Industrial Barometer*, first published in the summer of 1998. Building on the success of the last two issues, the *Barometer* seeks to provide and analyze real-side economic data on the current state of Egypt's industrial sector. For each issue, ECES conducts a survey of industrial firms in Egypt to evaluate their business and economic expectations for the coming six months.

This issue of the *Industrial Barometer* examines the performance of the Egyptian manufacturing industry over the last six months and looks at the economic prospects for the last half of 1999. Moreover, industrialists' business expectations as polled in the last survey are compared to actual economic performance in an effort to gauge how closely expectations were actually realized. In addition, expectations from the last survey are compared to current expectations to see if Egypt's business community has become more or less optimistic about economic performance given economic conditions over the past year.

Overview

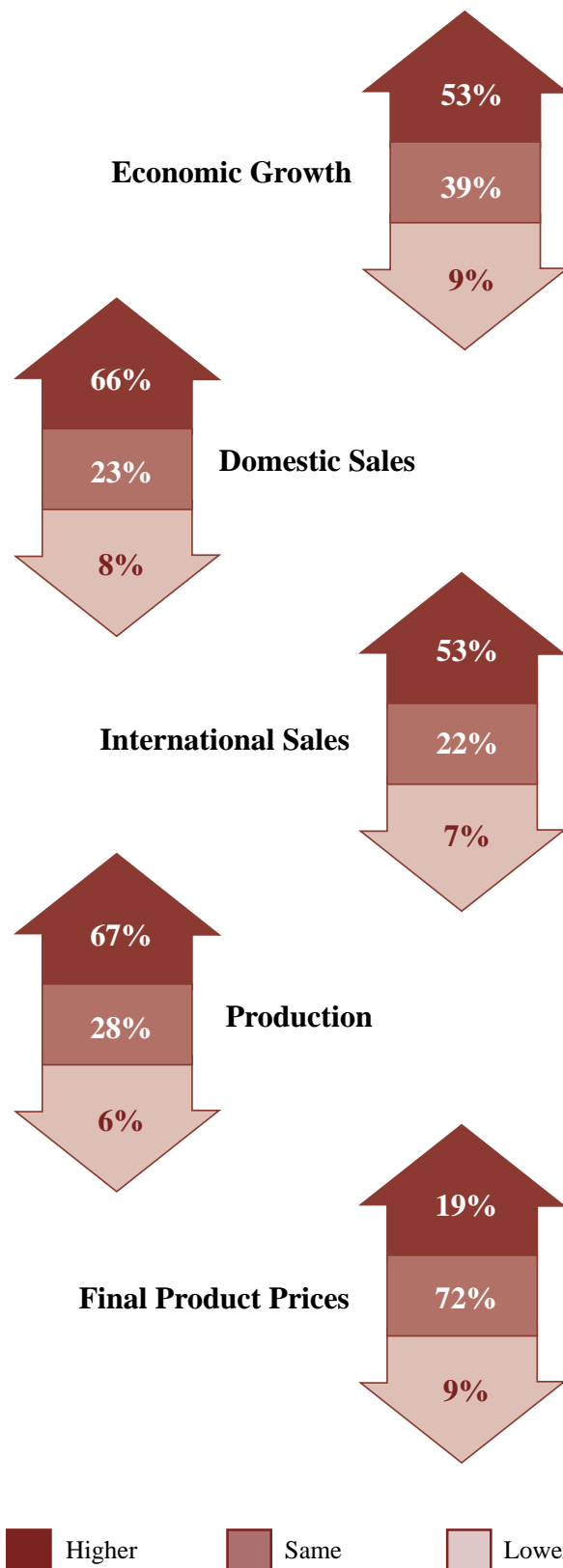
Flat Sales in the Manufacturing Sector

The manufacturing sector showed flat sales for both the domestic and international markets over the first six months of 1999. Previous expectations that sales would recover in the first half of 1999 did not materialize, with roughly the same number of firms reporting decreases as those reporting increases in domestic and international sales relative to the last six months of 1998. Sales to export markets are slightly higher than those reported for the second half of 1998, implying that they have stabilized and are not deteriorating further.

Business Confidence Remains High

The rate of expansion in Egypt's industrial sector has been slower than expected; however, business confidence in the manufacturing sector remains resilient. Expectations for the second half of 1999 are optimistic with more than half of the respondents expecting economic growth and sales to both domestic and international markets to rise over the coming six months relative to current levels. This degree of optimism seems to be based on firm's assumptions that the repercussions of the global financial crisis have dissipated and that the affected national economies and markets are starting to recover.

Expectations for July - December 1999



Final Product Prices Mostly Stable

One-fourth of the firms surveyed indicated that prices for their products have fallen compared to six months ago, while the vast majority of firms (59 percent) reported that prices for their goods have remained stable. This result comes in spite of the fact that firms are reporting rising input prices and wages. For the next six months, firms expect prices to follow a similar trend producing an overall picture of stable prices and rising wages.

Economic Growth

Economic Growth Expected to Recover

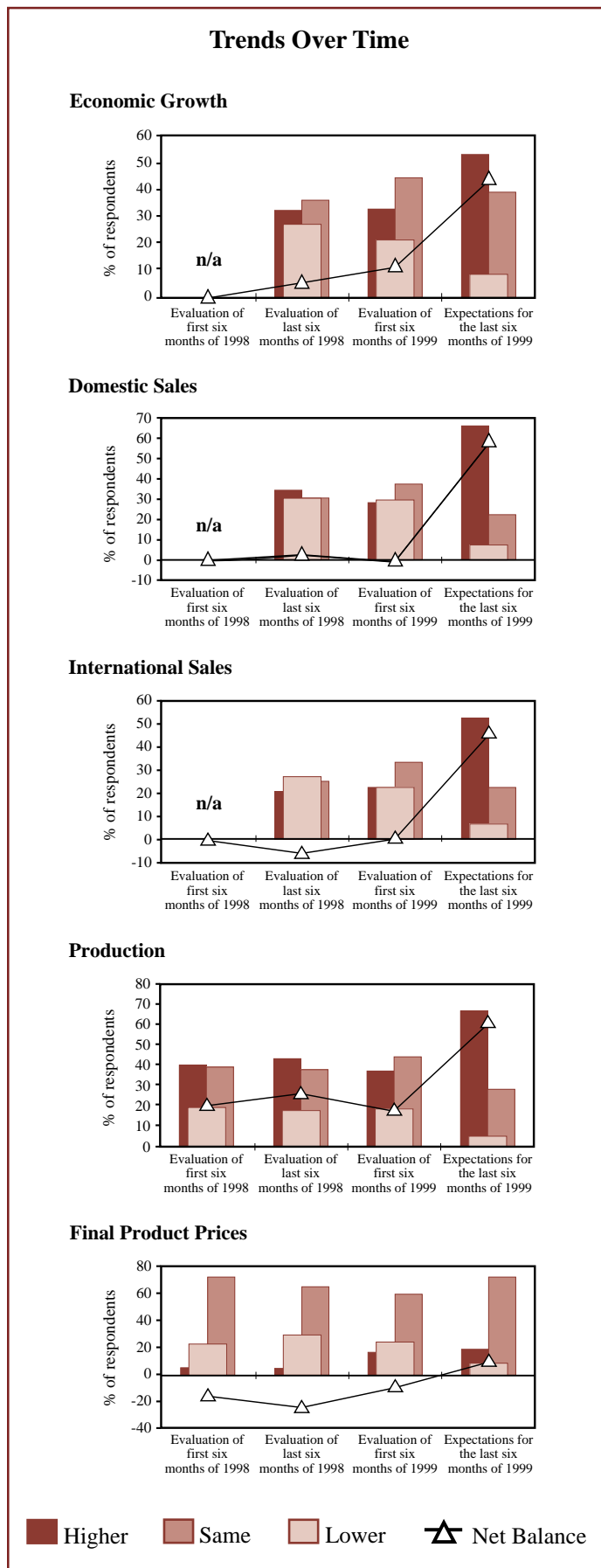
Manufacturers reported that, on balance (33 percent reporting an increase versus 21 percent reporting a decrease), the Egyptian economy continued to grow in the first half of 1999, but that the rate of growth fell short of their expectations. One-third of the manufacturing firms surveyed reported that economic growth has increased compared to the last half of 1998, while more than one-fifth reported its decline. These results are similar to those reported in the last *Industrial Barometer* although slightly more positive. This implies that industrialists believe the rate of growth for the first half of 1999 was roughly the same or slightly higher than the rate of growth for the last half of 1998.

Although economic growth lagged behind expectations, firms are still very optimistic that the level of economic activity will increase in the second half of the year. Manufacturers expect economic growth to pick up over the course of the year with more than half (53 percent) of the firms surveyed expecting a higher rate of economic growth, while only 9 percent expect a slowdown. Their expectations are based on the on-going recovery in global economic conditions, as well as the improvement in the domestic economy due to recovery of the tourism and oil industries. Although this recovery has been slow so far, there are indications that it is finally taking hold.

Levels of Activity

Flat Sales

Sales to both domestic and international markets were flat for the first half of 1999. Manufacturers' previous expectations that sales would recover in the first half of 1999 did not materialize, with roughly the same number of firms reporting decreases as those reporting increases in domestic and international sales relative to the last six months of 1998. The net balance for sales was zero for the international market (22 percent reporting lower sales and



22 percent reporting higher sales), and -1 percent for the domestic market (31 percent reporting lower sales and 30 percent reporting higher sales). The results of the survey suggest that the private sector continues to fare slightly better than the public sector, in both internal and external markets, but that the aggregate differences in sales performance are minimal.

Looking at sales performance at the subsector level, the private processed food and chemicals industries were the only two sectors showing strong positive results. The net balance for domestic sales of private food processing firms was 36 percent (43 percent reporting increased sales and 7 percent reporting lower sales) and an impressive 73 percent for international sales, with none of the surveyed firms reporting lower sales. The private sector chemicals firms also did well with a net balance for domestic sales of 33 percent (50 percent reported higher sales and 17 percent reported lower sales) and a net balance of 40 percent for international sales, with 60 percent of the companies reporting higher export sales.

Production Continues to Rise

Production continued to rise in the manufacturing sector, with 37 percent of the surveyed companies reporting higher production and only 19 percent reporting lower levels of production over the past six months. The spread between firms reporting higher

production and those reporting lower production is significant (18 percent), but is lower than the spread reported in the previous issue of the *Barometer* for the last six months of 1998. This implies that production growth has slowed which, in combination with lower than expected sales performance, indicates that firms' inventories will rise. This, however, is not reflected in the results at the aggregate level and warrants a note of caution when interpreting the results.¹

Firms continue to expect a turn around in market conditions and therefore, have not cut production drastically and do not anticipate cutting production in the coming six months. In fact, two-thirds of the companies surveyed said they intend to raise production over the coming months.

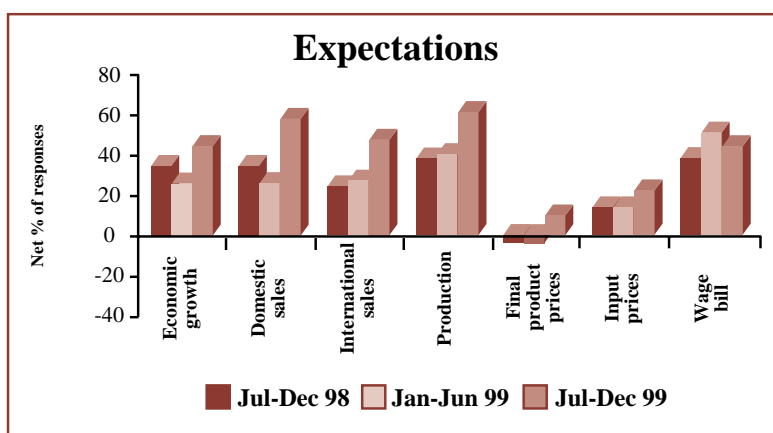
Highly Optimistic Expectations

Expectations for sales and production are optimistic with a net balance of 58 percent of firms expecting domestic sales to increase and 46 percent expecting international sales to increase. Consequently, a net balance of 61 percent expect production to rise over the coming six months (67 percent expect production to rise and 6 percent expect it to fall), while 30 percent of the firms are planning to increase capital investment. The level of future expectations reflected in the survey results are significantly higher than the previous set of expectations for the first six months of

Business Confidence. The deterioration in business confidence, reported in the previous issue of the *Barometer*, seems to have been reversed. According to the results of the latest survey of 165 public and private firms, the proportion of firms expecting economic growth to rise in the second half of 1999 exceeded those expecting it to fall by 44 percentage points, up from 25 percentage points in the first half of 1999. For all of the other market demand indicators (domestic sales, international sales and production) shown in the chart, the balance of optimism in-

creased. The most marked upturn in business confidence was in domestic sales, where the balance of optimism rose from 26 percent to 58 percent. Other indicators on the chart show that although firms have been facing rising input prices over

the past year, this has not been passed onto the consumer as final product prices have remained relatively stable. This situation, however, is not expected to persist since further anticipated increases in input prices in the second half of 1999 will translate into increases in prices.



¹ Some firms may have understood the question regarding inventories to mean inventories of both final goods and inputs, and this may have weakened the reliability of this question's results. ECES will change this question in the coming survey to make it clearer.

1999, as reported in the last *Industrial Barometer*, where the net balance for domestic sales, international sales and production were 25 percent, 28 percent and 39 percent, respectively. This increased optimism implies that firms believe the external factors that led to a slowdown in domestic and external markets over the previous year are improving and that higher growth rates will resume in the coming six months.

Employment and Investment

Rising Private Sector Employment and Investment

Expectations for private sector employment over the coming six months continue to be positive, with 27 percent of the private sector firms surveyed planning to increase their workforce and only 14 percent expecting to lower their current level of employment. This is slightly less than the 31 percent of private sector firms which planned on hiring more workers in the first half of this year. Nevertheless, it is a continuation of the trend reported in the last *Industrial Barometer*. Almost half of the expected increase in employment in the private sector is expected to come from the processed food industry, which out-performed all other industries in terms of sales over the first two quarters of 1999. Conversely, the public sector continues to expect further reductions in its workforce, as part of the ongoing Early Retirement Scheme, albeit at a slower rate than reported in previous surveys.

Investment in fixed capital is also projected to increase with 30 percent of the firms saying they plan to increase capital investment over the rest of 1999. More private than public sector companies are planning increases in capital investment (36 percent and 24 percent, respectively), which is in line with the private sector's better performance over the past six months.

Prices

Lower Prices for Final Goods

Prices for final goods continued to decline, on balance, during the first half of 1999, albeit at a slower rate than over the last half of 1998. One-quarter of the surveyed firms reported lower prices for their products, and 16 percent reported increases relative to the last six months. The majority of firms (59 percent), however,

reported no change in the prices of their products. This decline confirms firms' predictions six months ago. For the coming six months, 72 percent of the firms expect prices to remain stable and 19 percent expect prices for their products to rise. The overall picture, therefore, remains one of relative price stability in Egypt.

Input prices and wages continued to rise with 36 percent of the companies reporting that prices for their inputs rose during the first half of the year, and only 14 percent reporting that they fell. Wages likewise continued to increase with 63 percent of the firms saying that their wage bill has increased relative to the past six months. Given that actual sales performance has failed to meet expectations over the last year, firms seem to be facing significant price competition in their respective markets as rising input and wage prices are not translating into increases in final goods prices. This also implies that firms' profits continued to be squeezed during the first half of 1999.

Constraints

Market Demand: The Most Cited Constraint

Contrary to the previous survey, the majority of the firms reported that they did not face any constraints to production. Only 33 percent of public firms and 36 percent of private firms reported encountering production constraints. The one constraint consistently cited, however, is once again, insufficient market demand. This is in line with the rest of the survey results showing lower than expected sales and production.

Survey results indicating that the majority of businesses do not face constraints to production are contrary to the findings of other business surveys, which consistently cite a number of constraints to business in Egypt. Nevertheless, it must be noted that the *Barometer* survey does not focus on business in general but rather on constraints to production specifically. Also, it surveys the largest firms in each industry, in terms of employment, to capture as many of the production trends as possible. Since large firms tend to have fewer constraints than small firms, the sample is biased and the incidence and severity of constraints will therefore be reduced.

Table 1. Summary of Survey Results for Public and Private Firms¹

Activity	Evaluation January - June 1998			Evaluation July - December 1998			Evaluation January - June 1999			Expectations July - December 1999					
	Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower	Net Balance ²		
Economic growth	n/a	n/a	n/a	n/a	36.2	26.8	5.1	32.7	44.2	21.2	11.5	52.7	38.8	8.5	44.2
Output															
Sales	39.0	37.0	23.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Domestic sales	n/a	n/a	n/a	34.8	31.2	31.2	3.6	28.5	38.2	29.7	-1.2	66.1	23.0	7.9	58.2
International sales	n/a	n/a	n/a	21.0	25.4	27.5	-6.5	22.4	33.3	22.4	0.0	52.7	22.4	6.7	46.1
Production	40.0	39.0	19.0	43.5	37.7	18.1	25.4	37.0	44.2	18.8	18.2	66.7	27.9	5.5	61.2
Size of inventory	25.0	45.0	26.0	31.2	31.2	35.5	-4.3	24.8	36.4	37.0	-12.1	n/a	n/a	n/a	n/a
Level of capacity utilization ³	23.0	49.0	21.0	27.5	48.6	22.5	5.1	17.6	57.0	24.8	-7.3	n/a	n/a	n/a	n/a
Prices															
Final product prices	6.0	71.0	22.0	4.3	65.2	29.7	-25.4	16.4	58.8	24.8	-8.5	18.8	71.5	9.1	9.7
Input prices	n/a	n/a	n/a	33.3	41.3	25.4	8.0	36.4	48.5	13.9	22.4	29.7	64.2	6.1	23.6
Wage bill	n/a	n/a	n/a	63.8	26.1	10.1	53.6	63.0	32.7	3.6	59.4	46.7	51.5	1.8	44.8
Inputs															
Employment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Investment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	70.3	0.0	29.7

¹ Numbers represent percent of total responses. Items may not add up to 100 percent due to omission by respondents.

² 'Net balance' represents the percentage of respondents indicating an increase minus the percentage of respondents indicating a decrease.

³ Higher = approaching full capacity utilization; Same = normal capacity utilization; Lower = below capacity utilization.

Table 2. Summary of Survey Results for Public Firms¹

Activity	Evaluation January - June 1998			Evaluation July - December 1998			Evaluation January - June 1999			Expectations July - December 1999			
	Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower	Net Balance ²
Economic growth	n/a	n/a	n/a	28.4	43.3	22.4	38.5	46.2	15.4	58.2	40.7	1.1	57.1
Output													
Sales	38.0	40.0	22.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Domestic sales	n/a	n/a	n/a	26.9	37.3	35.8	29.2	39.3	31.5	74.4	21.1	4.4	70.0
International sales	n/a	n/a	n/a	17.9	23.9	25.4	24.3	45.7	30.0	66.7	29.3	4.0	62.7
Production	42.0	33.0	22.0	32.8	46.3	19.4	37.4	38.5	24.2	75.8	19.8	4.4	71.4
Size of inventory	20.0	49.0	27.0	29.9	22.4	47.8	21.1	35.6	43.3	n/a	n/a	n/a	n/a
Level of capacity utilization ³	27.0	44.0	22.0	29.9	47.8	20.9	15.4	62.6	22.0	n/a	n/a	n/a	n/a
Prices													
Final product prices	11.0	64.0	22.0	3.0	61.2	35.8	20.9	51.6	27.5	24.4	67.8	7.8	16.7
Input prices	n/a	n/a	n/a	31.3	41.8	26.9	40.0	44.4	15.6	26.4	67.0	6.6	19.8
Wage bill	n/a	n/a	n/a	59.7	19.4	20.9	54.9	38.5	6.6	50.5	46.2	3.3	47.3
Inputs													
Employment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8.8	51.6	39.6	-30.8
Investment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24.2	75.8	0.0	24.2

¹ Numbers represent percent of total responses. Items may not add up to 100 percent due to omission by respondents.

² 'Net balance' represents the percentage of respondents indicating an increase minus the percentage of respondents indicating a decrease.

³ Higher = approaching full capacity utilization; Same = normal capacity utilization; Lower = below capacity utilization.

Table 3. Summary of Survey Results for Privatr Firms¹

Activity	Evaluation January - June 1998			Evaluation July - December 1998			Evaluation January - June 1999			Expectations July - December 1999				
	Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower	Higher	Same	Lower	Net Balance ²	
Economic growth	n/a	n/a	n/a	35.2	29.6	31.0	4.2	26.4	43.1	29.2	45.9	36.5	17.6	28.4
Output														
Sales	41.0	35.0	24.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Domestic sales	n/a	n/a	n/a	42.3	25.4	26.8	15.5	30.0	40.0	30.0	60.0	27.1	12.9	47.1
International sales	n/a	n/a	n/a	23.9	26.8	29.6	-5.6	33.9	39.0	27.1	61.7	25.0	13.3	48.3
Production	39.0	44.0	17.0	53.5	29.6	16.9	36.6	36.5	51.4	12.2	55.4	37.8	6.8	48.6
Size of inventory	30.0	43.0	26.0	32.4	39.4	23.9	8.5	30.1	38.4	30.1	n/a	n/a	n/a	n/a
Level of capacity utilization ³	20.0	54.0	20.0	25.4	49.3	23.9	1.4	20.3	50.0	28.4	n/a	n/a	n/a	n/a
Prices														
Final product prices	2.0	76.0	22.0	5.6	69.0	23.9	-18.3	10.8	67.6	21.6	12.2	77.0	10.8	1.4
Input prices	n/a	n/a	n/a	35.2	40.8	23.9	11.3	32.9	54.8	12.3	33.8	60.8	5.4	28.4
Wage bill	n/a	n/a	n/a	67.6	32.4	0.0	67.6	74.0	26.0	0.0	41.9	58.1	0.0	41.9
Inputs														
Employment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27.0	59.5	13.5	13.5
Investment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	36.5	63.5	0.0	36.5

¹ Numbers represent percent of total responses. Items may not add up to 100 percent due to omission by respondents.

² 'Net balance' represents the percentage of respondents indicating an increase minus the percentage of respondents indicating a decrease.

³ Higher = approaching full capacity utilization; Same = normal capacity utilization; Lower = below capacity utilization.

Appendix

Methodology

In an effort to track and monitor trends in the Egyptian economy, ECES discovered that data on the financial side of the economy was widely available and its timeliness and accuracy had improved dramatically over the last few years. There is, however, a lack of timely real-side data reflecting trends in individual sectors. In order to gather data on entrepreneurs' perspectives of industrial trends, ECES conducted a survey targeted at certain sectors/industries. This will ultimately aid ECES in developing output indices for a number of sectors based on information gathered about past and present demand and supply elements, expectations about future orders, prices, and so on.

All three issues of the survey concentrated on the industrial sector, mainly manufacturing, and excluded construction, petroleum, agriculture, and service activities, which can be monitored by other means. Selecting the sample was done in three stages. First, the value-added contribution of each major subsector to manufacturing was calculated, including the relevant public/private split within each subsector. Second, the number of public and private firms needed from each subsector was calculated, based on the sample size. Finally, large firms were chosen on the assumption that they contribute the most value added to the industrial sector as a whole across different subsectors.

In the current survey, 165 firms, out of a sample of 200 distributed among 11 industrial sectors, responded between May and June 1999. Using the classification categories of the Ministry of Planning, the manufacturing sectors surveyed were: food; beverages and tobacco; spinning and weaving; ready-made clothes; printing; shoes; leather and leather products; chemicals and chemical-related products; non-metal mining products; basic metal products; and transportation equipment. The survey elicited responses on current levels of activity, prices, inventories, and capacity utilization relative to the previous six months, and expectations about output and input prices, final product demand,

wage and employment trends, the changing nature of constraints on business, as well as overall economic growth. Firms were requested to indicate an increased, decreased or unchanged level of activity for each indicator. Of all of the firms that responded, the response rate was above 90 percent for all but one indicator, international sales, due to the fact that some firms are not engaged in external trade.

The ECES survey focused on constraints to production and did not address general constraints to business (see survey). The purpose of this focus is to determine whether certain factors of production are causing bottlenecks, and thereby to help in the process of anticipating changes in price levels and employment. Therefore, this survey did not address some of the most often-cited constraints in the general business environment, such as tax laws.

Additionally, the ECES survey relies on the largest firms in each industry, in terms of employment, in order to capture as much of the production trends as possible. Since large firms tend to have fewer constraints than small firms, the sample is biased. Furthermore, the incidence and severity of constraints are not uniform across sectors and do not mirror results of other formal and informal surveys.

The ECES *Industrial Barometer* was conducted as a means of gaining information to make assessments and predictions about the Egyptian economy. As an industrial survey of input and output expectations—the first of its kind in Egypt—it has certain methodological weaknesses. ECES is committed to improving the rigor of the overall approach and increasing the sample size in each subsequent survey to ensure greater coverage of the manufacturing sector and industrial sector. The next *Industrial Barometer* survey will be conducted in November and December 1999 with the results due to be published in January 2000. ECES would like to thank all the firms that participated and those readers who sent their comments and suggestions. ECES has tried to incorporate their feedback into this survey and would welcome any further comments or suggestions.



Business Survey

Enterprise name: _____ Year of foundation: _____
 Nature of activity: _____ Number of employees: _____
 Date of interview: _____

1. Relative to the last six months,

- are your sales in the domestic market: higher normal lower
 are your sales in the international market: higher normal lower
 is your production: higher normal lower
 did prices for your products: rise stay the same fall
 did prices for your inputs: rise stay the same fall
 did wages: rise stay the same fall
 did your inventories: rise stay the same fall
 has your capacity utilization been:
 below normal normal approaching full capacity
 is the economy growing: faster at the same rate slower

2. Is your production currently constrained: yes no

If yes, please rank on a scale from 0 to 4 the following constraints to your production process, where 0 indicates not a constraint and 4 refers to severe constraints.

	0	1	2	3	4
Insufficient demand					
Insufficient capital					
Insufficient access to imports					
Insufficient skilled workforce					
Insufficient access to credit					
Other factors (please specify):					

3. In the next six months, do you expect

- your sales in the domestic market to: rise stay the same fall
 your sales in international markets to: rise stay the same fall
 your production to: rise stay the same fall
 prices for your products to: rise stay the same fall
 prices for your inputs to: rise stay the same fall
 wages to: rise stay the same fall

4. In the next six months, are you planning to:

- increase your work force maintain your workforce unchanged
 decrease your workforce
 increase capital investment maintain capital investment unchanged

5. In the next six months, do you expect the economy to grow:

- faster at the same rate slower

Produced by The Egyptian Center for Economic Studies

ECES Publications Team

Amira S. Shahd, *Editor*

Catharine Bufalino, *Editor*

Marwa Abdel Aal, *Production Assistant*

Layout and Production

Glow

Survey conducted by

M MARKET RESEARCH & DEVELOPMENT
MARKETEERS