Egypt’s Young And Growing Population: A Problem Or A Boon?

Contributed by Euromonitor International
Wednesday, 19 September 2012

Egypt, one of the future 7 economies, has one of the youngest populations in the world.Â Due to its high birth and fertility rates, in 2011 over half of the countryâ€™s total population was under 24 years.

Whilst this sizeable young population ought to benefit an economy, it is linked to such development issues as high unemployment, poverty and food shortages.Â Paralleled to this, the Egyptian Revolution of 2011-2012 has led to an ongoing transition period from which business could benefit.

Egyptâ€™s young population has led to strong growth in the overall population, which increased 2% per year between 2006 and 2011, compared to the global average of 1.2% to reach 80.3 billion in 2011, raising Egyptâ€™s population to 16th largest in the world.

The youth bulge is also creating shortages in food, housing and water resources, the fragmentation of cultivable land and environmental degradation. Such factors have increased socio-political risks in the country.Â Population growth in Egypt is also impacted by other economic development issues such as the high incidences of poverty and income inequality.

The growth in Egyptâ€™s labour supply has been impressive, however, job creation has not kept pace, thus in 2011 Egyptâ€™s unemployment rate rose to 12% (from 10.7 in 2006) of the economically active population.Â Egyptâ€™s youth unemployment which is currently the 8th highest in the Middle East and Africa was one of the key catalysts of the 2011-2012 Egyptian Revolution. Â

Following the revolution there is now an expectation of better economic governance and as a result consumer confidence of Egyptians over a 12-month horizon is rising.Â This could reverse the trend of investments and provide businesses with better opportunities.

Looking ahead, the rate of growth in Egyptâ€™s population is expected to decelerate as the birth and fertility rates which peaked in 2010 gradually decline.Â Nevertheless, Egyptâ€™s population will remain young with 48.7% of the total population aged 0-24 years.

Political stability prospects remain positive in the short term, yet can be volatile.Â A top priority for the new government ought to be job creation to stimulate Egyptâ€™s economic growth, with an expected growth in real GDP of over 3.3% in 2013.
For more information, download our free report, "Egypt in 2030."

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