

Why the Concern on Continued Stability of Egypt

By Mwangi Wanjumbi for Newtimes E- Library - Feb 2011

The occurrences in Egypt are rather disturbing to not only the Citizenly but also the rest of the world. But, could history be repeating itself in this great civilization? This may not be ruled out if we can consider some past experiences. In 51 B.C. - before the birth of Jesus Christ for instance, Cleopatra took over the reins of power upon the death of her father. Alongside, while still married to Mac Anthony, she fell in love with his brother Julius Caesar. The love escapades interfered with Cleopatra's effectiveness, as the ruler of Egypt. Anarchy and disorder ensued in what is today termed as the Egyptian era of decadence.

This period had disastrous effects on the economy of Egypt. The state was the granary of the world. In fact, Rome entirely depended upon Egypt on supplies of corn. Any time that there was corn failure in Egypt, Rome inevitably experienced seasons of hunger. So, when agricultural productivity and trade stagnated, Egypt became vulnerable. It was attacked by its enemies, eventually falling into the hands of the Roman Empire for many years.

Slightly more than 2 millenniums thereafter, Egypt has once again become a victim of change dynamics. The 30 year reign of President Hosni Mubarak has seemingly not been responsive to changes occasioned by globalization, technology and social cultural factors. Moreover, the world has been changing very fast into the global village that it has now become. Openness in leadership propelled by opening of democratic space has been part of the new world order. But, the Mubarak regime appears to have been pre-occupied in maintaining the status quo. More specifically, it has been deeply entrenched in a process of self preservation.

On the other hand, technology has moved fast especially in opening up the minds and sights of the Egyptian citizenly. There can be no better catalyst towards this than the internet. It has opened up to social communication channels such as face book and twitter. More still, cable networks channeled through televisions have opened up the global realities to the Egyptians, just like the rest of the global citizens. It is no wonder then that the Citizens of Egypt have said no to the status quo. They wanted change now; they wanted freedom of choice; they wanted an end to Mubarak's long reign. Why should we be concerned about the stability of Egypt? More specifically, how does the instability affect our country and therefore you and me?

Notably, Egypt is an oil producing country. Upheavals in this Arab Nation have already pushed the prices on the upward trend. More still, all shipments to and from Europe are channeled through the Suez Canal. This means that European imports could naturally attract higher charges, whereas exports could face daunting challenges especially if the Suez Canal route becomes untenable. What exactly is at stake?

Most importantly, Egypt is a COMESA country. Besides being a leading player in this integrated trading block of 19, it is a major consumer of Kenyan products. Egyptian imports from Kenya include: tea, tobacco, chemicals, oils and sisal amongst others. Incidentally, fruits and vegetables, fresh cut flowers, dried flowers and printing inks have recently joined list of Kenyan exports to Egypt. Major Egyptian exports to Kenya comprise of wide raging Industrial

and Consumer products. Examples are sugar, molasses, iron and steel products, tires and car batteries, paper products and many more.

Trade statistics indicate that the volume of bilateral trade between Egypt and Kenya was put at around \$320 million in 2007. Egyptian exports to Kenya having increased by 48.9% (\$176 million). The balance of trade was for the first time in 20 years in favor of Egypt, based on a surplus of \$34.4 million dollars.

In 2008, the volume of bilateral trade between the two countries was set at around \$378.3 million, an increase of 18 % compared to the previous year. The Egyptian exports to Kenya amounted to \$156.2 (41.29 %) million, while imports from Kenya amounted to \$222.1 million (58.71%), therefore a surplus of \$ 65.9 million in favor of Kenya. This increase was occasioned by enhanced volume and value of exports of tea to Egypt.

Apparently, tea is the most important Egyptian import from Kenya, as it constitutes more than 95% of total Egyptian imports. On the whole, 21% of Kenyan tea export is consumed in Egypt. Without doubt, trouble in Egypt destabilizes not only the state itself but also the COMESA trading block. More specifically, the Kenya tea market has started feeling the heat even at this stage. In addition, we are yet to experience the impact of a destabilized oil market, in the absence of the Egyptian supplies. Does this affect small businesses and individuals?

Certainly, the ripple effects of Instability in Egypt could eventually be felt by all and sundry. In that regard, let us all hope and pray that Egypt will soon overcome its leadership challenges and get back to normal business. Finally, let us all be proactive in creating and embracing change in business, politics and whatever our situations in this dynamic world. Change is in any case, the only constant in life which can never be avoided.

Mwangi Wanjumbi is a Management Consultant/Trainer and CEO of Newtimes Business Solutions. Contacts: www.newtimesconsultants.com