

# Mining Industries in Egypt and Its Role in Achievement of Economic Development

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**Abstract:** The importance of the mining sector and related industries in contributing to GDP and raise the value of exports and its impact in the reduction of permanent disability, but the trade balance and the possibility of achieving a surplus, provided the proper utilization of mineral resources and maximizing the value added.

The mining sector of the key sectors for its significant role in the supply of industrial raw materials and intermediate products and final.

The mining sector is an important source of competitive advantages to owning Egypt tremendous amount and variety of mineral wealth.

The mining sector's ability to absorb a large number of manpower to the multiplicity and diversity of activities both in the mining or extractive industries in the manufacturing associated with the mining sector.

**Keywords:** Economic Development; Mining.

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## I. INTRODUCTION

The development and progress in any country is measured as much as exploited natural resources optimum exploitation as the mining sector related industries of the driving sectors of economic and social development in many developing and developed countries as same, this sector is the most effective in transforming economies of added value as an activity tool to those that meet the rapid growth rates and an increased potential for achieving sustainable development.

## II. PROBLEM OF INTEREST

The problem can be put in a number of questions, namely:

- What are the features of the mining sector and related industries in Egypt?
- What is the economic importance of the mining sector?
- What are the challenges faced by the mining sector in Egypt and prevent the role he hoped it?
- How can the advancement of the mining sector to expand its role in the economy? What are the requirements for it?

## III. AIMS OF PAPER

The paper aims to answer the previous questions and raised the problem under study through the following:

- Statement of the features of mineral wealth in Egypt and geographical distribution of the most important and related to the mining sector industries.
- Clarify the economic importance of the mining sector through its contribution to the GDP and foreign trade as well as its role in the operation.

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- Monitor the challenges that prevent the mining sector, it is hoped the role with a vision aimed at promoting the mining sector is based on several key themes in its entirety aims to provide an attractive investment-friendly environment in the mining Egypt.

### IV. PAPER HYPOTHESES

The first assumption: that Egypt has the geological environment of vast and rich variety of mineral ores based upon many of the manufacturing mining industries.

The second hypothesis: that the mining sector and related industries play an important role in economic activity through its contribution to the GDP, foreign trade and employment, but it is not commensurate with the potential of Egypt mining.

The third hypothesis: that there is a challenge to prevent the mining sector, it is hoped the role, which requires the need to develop a new vision aims to create an attractive environment for investment in mining Egypt.

### V. RESEARCH METHODOLOGY

The author adopted the method for the preparation of his research through the steps and stages and to discuss his several hypotheses depending on the analytical methodology with its inductive and inference. The inductive technique will be through recognizing the reality and features a wealth of mining in Egypt, the most important mining industries in Egypt as well as the statement of the importance of the mining sector in economic activity.

The inference is drawn process to demonstrate the proportionality of the contribution of the mining sector in economic activity with what is available to Egypt of the possibilities in this sector as it is along the lines of these results can be some of the challenges that prevent the mining sector doing its role, helping to develop a vision that takes into account facing these challenges.

The author takes advantage adopted from the related research topic in the discussion and analysis of the basic hypotheses, which was built upon, and he his derived basic data by looking at their collection of books, research and scientific studies and reports, Arab and foreign statistics, which focused on studying and analyzing the associated research topic intellectual heritage intellectual heritage. Also, the author used the comparative approach through inference some experiences of other countries in the contribution of the mining industry in achieving economic development.

#### A. Firstly, the contribution of the extractive industries of mining in GDP:

Extractive industries data in Egypt indicate during the period from 2010 to 2015 and there is a steady increase in the value of production of the extractive industries of mining materials, which includes many of the most important raw materials (such as oxides) as well as materials and stone quarries, which includes raw materials (limestone, regular sand and white), the following table indicates the contribution of the extractive industries of mining in GDP and shows during the period (2010-2015)

year	The contribution of Extractive industries of mining gross domestic product at production factors cost
2010-2011	5.3
2011-2012	6.0
2012-2013	6.6
2013-2014	28.3
2014-2015	32.0

The previous Table indicates the increase in the contribution of the extractive industries in GDP, the value has increased of production of 5364 million pounds in 2010-2011 to about 6 billion pounds a year from 2011 to 2012, it was due to the increased amount of production from quarries and mines materials due to the introduction of new technologies in extraction of minerals such as phosphates and oxides of iron and manganese, as well as increased production of limestone, marble and granite, and the stability of the value of production rates in the period of 2011/2013, and this was due to the work in mines disrupted by frequent strikes of workers from work to demand better financial and health conditions till the

value of the contribution of the extractive industries in the GDP increase to 28 billion pounds in 2013-2014, achieving remarkable growth to reach about 32 billion pounds a year from 2014 to 2015.

**B. In second, the contribution of the mining industries of manufacturing in GDP:**

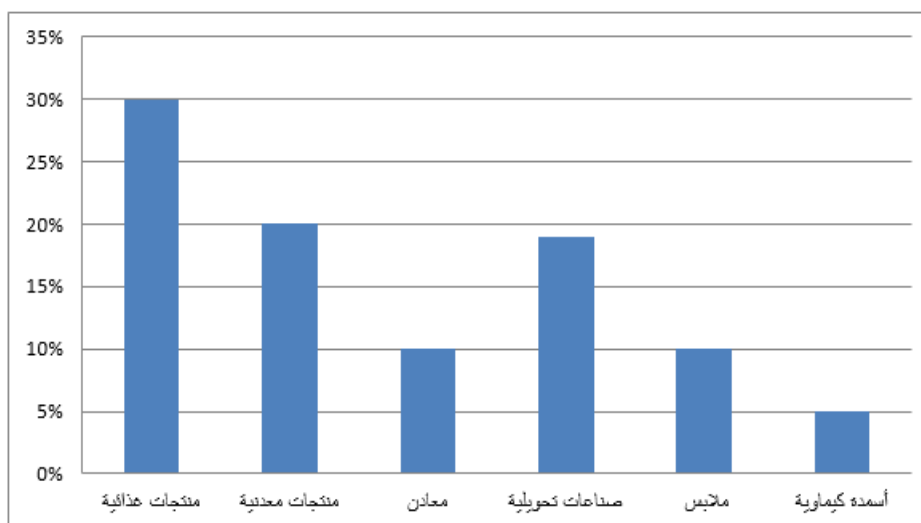
The importance of the mining sector in its contribution to the GDP does not lie as shown by statistics from the contribution of the extractive industries, it lies in contributing to its manufacturing industries related to the mining sector due to the characteristic of this industries to achieve added value in the GDP.

Once the metal is a resource development, the earnings yield on the state-owned takes multiple images, perhaps the most directly is the financial return which is achieved as a result of the profits of the project or as a result of the collection of outstanding production by taxes, and this yield is seen by governments when trying to assess the role or contribution carried out by the industry in supporting the national economy.

year	The contribution of Extractive industries of mining gross domestic product at production factors cost
2010-2011	201.3
2011-2012	221.4
2012-2013	242.8
2013-2014	261.8
2014-2015	305.5

From the table above, we find that the value of the contribution of the manufacturing sector (without oil refining) has reached the GDP in 2010/2011 around 201.335 billion pounds, representing the manufacturing associated with the mining sector about 41% of the output of the manufacturing sector, so we can say that the manufacturing Extraction can be roughly estimated to contribute 95 billion in gross domestic product (GDP), in a manner equivalent rate of about 10% of GDP, which amounted to approximately \$ 1,309,905 trillion in the same year, bringing the GDP in 2014-2015 to 2,459,025 trillion pounds , the proportion of the contribution of the manufacturing industry in which to reach about 305 billion pounds in the same year.

However, there is a private data on the contribution of the manufacturing mining industries are available due to the way GDP, which included the manufacturing of mining industries in a single item is the (manufacturing) without detailing the contribution of the branches of these industries, but he can estimate the contribution of the manufacturing mining industries by demonstrating tab the relative weight in the manufacturing sector also as in the upcoming figure.



Source: General Authority For Industrial Development

**Figure1. The relative weight of the industries in the manufacturing sector**

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