



ECONOMIC FEATURES OF THE INVESTMENT BEHAVIOR IN THE EGYPTIAN AGRICULTURAL SECTOR IN LIGHT OF THE LOCAL AND GLOBAL ECONOMIC CIRCUMSTANCES

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ABSTRACT

The agricultural sector is one of the most important productive sectors in the Egyptian economy. However, the share of the agricultural sector of the investments did not exceed 3% of the national investments in 2011. Therefore, the present study aims to; identify the current status of agricultural investments by studying the fairness of the distribution of national investments among different economic sectors, and estimate of agricultural investments in light of the agricultural development strategy 2030.

The results showed that the percentage of investment directed to agricultural sector ranged between 2.91 and 14.21 in years 2010 and 2002 respectively during the period 1995-2011. On the other hand, the public agricultural investment was 2.67 billion L.E (on average) representing 43.89% of the total agricultural investment, while the rest 56.11% was for private agricultural investment. The percentage of justice in the distribution of investments - among commodity sectors- according to the sectoral contribution output criteria in the national economy was about 75.3%.

By investigating of the most important determinants of agricultural investment, the results showed that about 78.3% of the changes in the value of investments in the agricultural sector are interpreted by the interest rate on agricultural loans, the interest rate on bank loans, the rate of inflation, and the exchange rate U.S. \$ / pound. On the other hand, workers' wages in pounds/day, the value of agricultural savings LE million, the value of private equity in millions of pounds explain about 96.3% of the total changes in the value of investments in the agricultural sector. In addition, the value of investments variables such as non-agricultural and agricultural loans, public investment, and agricultural output explain about 92.4% of the changes in the value of agricultural investment.

The study concludes with a set of important recommendations, including the need to develop and modernize the investment laws and legislation in line with the developments of the local and global changes. Work on a policy commensurate with the investment attributes in the Egyptian agricultural sector such as the disintegration of tenures, the need to restructure the agricultural Banks for Development and Credit to play its important role of credit through the diversification of sources and the establishment of new branches in attractive areas for investment.