One of the medium-term challenges in Egypt is to stimulate a return to higher and more inclusive levels of economic growth that will provide both more jobs and a better quality of employment opportunities for Egypt’s fast-growing workforce. Despite the impact of the financial crisis, Egypt’s export sector remains an important engine of economic growth and employment creation, with a key role to play in the country’s economic development. In the post-Revolution period, the Ministry of Industry and Foreign Trade counts promotion of investment in export-oriented industries and labor intensive industries among its top strategic priorities. Textiles and garments and food products are the highest-value, most employment-intensive sectors, together accounting for 34% by value of Egypt’s non-mineral exports. In particular, the Ministry considers the ready-made garment (RMG) sector and the food industry as two ‘national champions’ among export sectors.

Low productivity levels are frequently cited as one of the key issues that Egypt’s export sectors must address in order to achieve higher levels of international competitiveness. For example, a 2009 study on the RMG sector concluded that Egypt could increase its clothing exports by 25% to 40% by addressing its productivity problems. There are many factors that underpin this problem, many of which are linked to workforce issues, such as high levels of labor turnover, low skills levels, low levels of worker-management dialogue and a lack of workplace dispute resolution mechanisms.

The first training for labor inspectors has begun.

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