

# **Summary in English**

### ***Summary and Recommendations***

The agricultural sector in Egypt is considered one of the most important sectors in the field of economical reform either by applying the pricing policies or the domestic or foreign marketing policies. Besides the institutional and legislative reforms which aim at liberating the agricultural sector and turning it to the free market economy and encouraging the private sector to cope with the changes in the economical, social, international, regional and national policy as it aims at realizing the economical efficiencies and social justice through the continuing development.

The Egyptian agricultural sector suffered from various governmental interferences during the decades of the sixties and seventies of the last century by completely controlling the production policy (the system of the agricultural cycle), marketing (the system of cooperative marketing) and pricing either the product components or the final product. It also controlled both the foreign and domestic trade of most of the main agricultural stuffs. This resulted in the deficiency of the agricultural policy in utilizing the resources and in its weak participation in the domestic product in addition to the competitive incapability of the agricultural exports.

During the recent years and since the end of the eighties, various new instructions in the agricultural sector have been carried out to cancel the restrictions which were prevailing before among which, the restrictions of the areas to be cultivated with crops. Also canceling the system of compulsory provision and canceling the governmental restrictions on the private sector in exporting and importing the agricultural products and importing and distributing the agricultural production. Some institutional reforms have been adopted such as the gradual conversion of the Bank of Development and Agricultural Credit to an agricultural investing bank.

The private investments have been encouraged to increase and reclaim the new lands. The state's roles have been

limited to the scientific research, guidance and the services in providing economical and statistical information.

The Egyptian agricultural policies such as; the financing or loaning policies and the marketing, pricing and foreign trade policies have been affected by the economical and reformative policies whether national or sectoral. Examples: canceling of subsidy, raising the interest rates, limiting the credit ailing, and the policies of investments and foreign trade and the taxation policy and some other policies which much affected the agricultural policies and be affected by them.

The loaning policy is considered part of the agricultural policy in which various changes have happened as a result of applying the policy of economic freedom whether in the old lands or in the new lands. Consequently, these policies have affected the policy of the Bank of Development and Agricultural Credit as an institution specialized in giving loans in the agriculture sector.

It is well known that great changes have recently happened in the field of land reclamation and that many graduates and investors have owned reclaimed lands in the new zones which led to the increase of agricultural loans in the newly reclaimed areas. Besides, the changes, which occurred in the field of the loaning policy, will encounter many problems and difficulties on various levels.

The study aims at recognizing the economic structure of agricultural financing before and after adopting the reform policy. It also aims at evaluating the efficiency of the agricultural loans in some fields before and after the adopting the reform policy, with an attempt of studying the factors affecting the pricing policies and loans. The study also aimed at recognizing the impressions of the agriculturalists concerning the reform policy and the role of the Development Bank, the agricultural society and the private sector as financing institutions in the new lands through a field study on a sample of agriculturalists.

The study is divided into five main chapters in addition to the introduction, the aim and the problem.

- *The first chapter* has dealt with referent outlook of previous studies in the field of financing, credits and new lands.
- *The second chapter* is divided into two divisions;
  - *The first division* has dealt with the theoretical framework of the economic policies, their divisions and their relationship with the agricultural policy discussing various main concepts of agricultural and economic policies. The study then moved to the reform policy and its main components in the sector of agriculture. The study then dealt with the agricultural credit policy through which some common concepts of agricultural financing, credit, and agricultural loaning have been dealt with.
  - *The second division* has dealt with a background on the new lands in Egypt, from the historical point of view and the evolution of the land reclamation in Egypt before and after the reform policy. Also, the division informs some of the most important projects in the field of land reclamation such as; Sinia & Upper Egypt developments, Toshki and East El Owienat projects.
- *The third chapter* of the thesis has studied the agricultural loaning before and after applying the reform policy which shows that; the planting loans was 4.219 and 20.267 billion bounds before after applying the reform policy. Also, the investment loans were 10.8 and 49.2 billion bounds before after applying the reform policy. The chapter has also studied the evolution of different components of the economic loaning in Egypt in its short average and long runs. Also, it deals with the different kinds of loaning and their distribution.

- *Chapter four* of these theses study; the agricultural loaning in the new lands from the point of view of analyzing samples data from the area of study. It also discussed the agriculturalists respond to the change in the credit policy during the implementation of economic reform policy.
- *The last chapter* has presented the problems in which the agriculturalists in the new lands suffer from. The chapter is divided into two main parts;
  - *Part one* which discuss the problems in which the projects in the new lands reclamation are generally suffer from.
  - *Part two* study the problems in the study samples in the area of study and the proposed solutions.

Finally, the study has reached to the following recommendations:

- 1- It is important to reconsider the policies of the "Bank of Development and Agricultural Credit" in the new lands especially, the guarantees taken from the agriculturalists.
- 2- There must be a revise on the present rate of interest to encourage the agriculturalists to make use of the available credit.
- 3- Private and cooperative sectors should be entering fully in the market of agricultural inputs to create a competitive market.
- 4- Effects should be made to raise the levels of agriculturalists to make them understand the changes occurred in the economic policy and credit policy.