

**THE GROWTH EFFECTS OF FINANCIAL LIBERALISATION  
PROGRAMME IN EGYPT:  
DEVELOPMENTS AND DRAWBACKS**

(Key Words: financial liberalisation, economic growth, Egypt)

*Scientific Journal of The Faculty of Commerce and Business Administration, Helwan University, 2<sup>nd</sup>  
Issue, Cairo, 2006*

DR. Ayman M. Ebrahim  
Faculty of Commerce and Business  
Administration  
Helwan University  
Ein Helwan , Cairo  
E-mail: [ahendy@ksu.edu.sa](mailto:ahendy@ksu.edu.sa)  
[hendyayman@hotmail.com](mailto:hendyayman@hotmail.com)

## **ABSTRACT**

The paper begins with a review of theory and recent empirical evidence relating to financial liberalisation and economic development. Among the countries that underwent financial liberalisation programmes in the 1990s, Egypt appears to have performed well. Although the internal and external shock to the economy and the associated drawbacks in the financial liberalisation programme, over the past decade, which brought the experience of financial liberalisation, the Egyptian economic performance improved. Its aggregate growth rate was positive and macroeconomic variables moved in a favourable direction in accordance with the predictions of the financial liberalisation paradigm.

The econometric test specification follows the nonlinear least-squares estimations methodology to test the co-movement of the underlying variables.