Does the change of foreign trade promote Egypt's economic growth: future prospect

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Does the change of foreign trade promote Egypt's economic growth: future prospect

Dr. Nema Amin Sorour and Dr. Maha Mahmoud Alsebai

Abstract

The research aims to test the long-term causal relationship between foreign trade and the real economic growth rate in Egypt during the period (1990-2022). The research problem is represented by a main question: Is there a long-term causal relationship between foreign trade and the real economic growth rate in Egypt during the period (1990-2022)? The research derives its importance from the importance of foreign trade, which is characterized by its activity that represents an extension of the activity of other sectors in the national economy, including production, consumption, goods, and services. This means that the problems of these other sectors are reflected in the foreign trade sector, which also increases the complexity of foreign trade problems. The research seeks to test the validity of the hypothesis that states: There is a long-term causal relationship between foreign trade and the real economic growth rate in Egypt during the period (1990-2022). The research followed the deductive approach, especially in the hypotheses and results stage, which is the final stage of the deductive approach after formulating the hypotheses and then attempting to prove the validity of the hypothesis, with the aim of arriving at a set of quantitatively accurate research results. The research results show the absence of a long-term causal relationship between foreign trade and real economic growth in Egypt during the period (1990-2022). This is due to the continued imbalance in the Egyptian production structure, which affected the commodity structure of exports and imports, contributed to the persistence and increase of the trade deficit, and led to a slowdown in the economic growth rate. The most important conclusion of the research is that the Egyptian economy needs to implement export-oriented industrialization policies, which encourage Egyptian industries to strive to increase their competitive advantage and raise productivity, leading to increased exports, which would stimulate further investment and, consequently, increase the economic growth rate. Thus, foreign trade plays a positive and effective role in promoting economic growth in Egypt.

Keywords: foreign trade, economic growth, trade balance.

1. introduction

Egyptian foreign trade has witnessed many changes, which have had a direct and clear impact on the performance of the Egyptian economy. These changes are due to the development of trade policies pursued by various Egyptian governments. From the early 1950s to the late 1960s, the Egyptian economy was protected by import substitution policies and government intervention in economic activities. In the early 1970s, an open-door policy ("openness") was adopted, aiming to encourage foreign and domestic investment, particularly in the private sector, and limit government control over economic activity.

In 1991, Egypt signed the Economic Reform and Structural Adjustment Program with the International Monetary Fund, which represented a turning point for the Egyptian economy. It also actively participated in the Uruguay Round negotiations and is a founding member of the World Trade Organization, becoming a member of the World Trade Organization after Parliament ratified the Uruguay Round agreements and the issuance of the presidential decree on March 20, 1995. But how has Egyptian foreign trade evolved since then? And what impact has this had on the development of the economic growth rate?

The research derives its **importance** from the importance of foreign trade, which is characterized by its activity as an extension of the activity of other sectors of the national economy, from production and consumption, goods and services, and this means that the problems of those other sectors are reflected in the foreign trade sector, and this also means increasing the complexity of foreign trade problems, as they include both the inherent problems of foreign trade as a sector in itself, as well as the problems of other sectors that are reflected on it, on the one hand, and on the other hand, the foreign trade sector is affected by various external factors, from external competition and fluctuations in foreign markets, and the restrictions imposed by various countries and economic blocs, and the strategies of multinational companies to control global markets.

The research **problem** is represented in the main question which says: Is there a long-term causal relationship between foreign trade and the real economic growth rate in Egypt during the period (1990-2022)?The research seeks to test the **hypothesis** that states: There is a long-term causal relationship between foreign trade and the economic growth rate in Egypt during the period (1990-

2022).The research also **aims** to test the causal relationship between foreign trade and the real economic growth rate in Egypt during the period (1990-2022), relying on the Toda Yamamoto causality test. Regarding the research **methodology**, the research is based on the hypothetical deductive approach (the contemporary approach), which is based on deriving research hypotheses from the literature and testing them statistically.

2. Literature Review

2.1. Theoretical Literature

The correlation between foreign trade and economic growth raises intellectual debate about whether economic development and economic growth will be enhanced or hindered by foreign trade liberalization. The economic literature is full of positives and negatives on this matter. This part of the research examines the theoretical literature that has addressed the relationship between foreign trade and economic growth. This is done in light of international trade theories as follows:

In the mid-eighteenth century, David Hume and Adam Smith claimed that trade could be a factor for peaceful association between nations. They also strongly emphasized the unfortunate consequences of “commercial jealousy.” Hume emphasized the importance of free international trade, as imports provide the materials needed for new industries, and exports provide employment opportunities in goods not consumed domestically. Therefore, the more countries engage in free international trade, the more they are industrialized than those countries that are satisfied with their domestic goods, and therefore they are stronger, richer, and more prosperous (Walraevens 2017,11,17).

Smith firmly believed in the proposition that free international trade would contribute significantly to an increase in the volume of goods and thus to the welfare of each country. His strong conviction regarding the mutual benefits of free trade is based on an analysis of the consistent economic gains accruing to each country engaging in international trade without artificial restrictions (Meoqui 2010, 41). The view that trade promotes growth goes back to Smith, who argued in his book "An Inquiry into the Nature and Causes of the Wealth of Nations" that there are two main benefits of free international trade: first, it provides an outlet for surplus production (also known as the "surplus-suck"

theory), and second, international trade expands the market, and as a result, the division of labor is encouraged and a country's productivity level is maximized (Negem 2008, 48).

Ricardo asserted that if protection were removed, resources would be expected to move from high-cost products to low-cost products and as a result productivity would rise, and his trade theory advocates comparative advantage in favor of free trade (Siddiqui 2018, 1).

The comparative advantage model was further developed by Heckscher-Ohlin, who argued that a country's comparative advantage depends on its resource base, such as the abundant availability of labor in developing countries. According to them, these countries should specialize in labor-intensive products. The price equalization model argues that a free market will raise labor prices until all factor prices are equalized worldwide. With the implementation of free trade, workers in developing countries will be the greatest beneficiaries (Siddiqui 2018, 6).

Krugman (1979, 469) promoted the term "new trade theory" on the basis that these new models open up the possibility that government intervention in trade may, under some circumstances, be in the national interest after all, and that the optimal policy intervention in such cases is research and development or production support. He also asserted that countries benefit from trade liberalization through economies of scale. When countries move from autarky to free trade, the number of goods varieties in each country decreases, enabling firms to slide down their average cost curves. Therefore, there are gains from trade due to lower unit costs of production, and consumers gain access to more varieties through trade liberalization.

New trade models incorporate four innovations within neoclassical economics: Market imperfections, strategic behavior, new industrial economics, new growth theory, and political economy arguments. Many models based on market imperfections and strategic behavior justify interventionist trade policy, while much of the literature linking trade and new growth theory favors trade liberalization (based on knowledge spillovers). Thus, the possibility that free trade may harm economic growth is expected within the framework of new trade theory (Deraniyagala & Fine 2001, 4).

2.2. Empirical Literature

Many empirical studies have indicated that foreign trade liberalization makes economies grow faster than closed economies. It is assumed that increased trade openness has a positive impact on economic growth, while trade restrictions have a negative impact on economic growth. as in the study (Sachs& Warner 1995; Edwards 1998; Frankel & Romer 1999; Dollar & Kraay 2004; Rahman 2007; Idris 2016; Khalid 2016; Keho 2017; Sriyana & Afandi 2020; Bakari, El weriemmi & Mohamed. 2022). These studies relied on various indicators of foreign trade, ranging from trade openness to distortions resulting from trade liberalization. Previous empirical studies also varied in their reliance on a specific measure of trade openness, ranging from measuring openness based on total trade/GDP, exports/GDP, imports/GDP, or a combination of the three above. A few studies relied on the composite trade share (CTS) to measure trade openness. In contrast, methods for measuring distortions resulting from trade varied, ranging from average tariffs, average coverage of non-tariff barriers, or average black market premiums. Economic growth was measured either by GDP growth, per capita GDP growth, or per capita income growth.

Some previous studies have found that trade openness has a positive impact on economic growth by facilitating technological spillovers, which in turn increases productivity, international competitiveness, and export earnings. Others have indicated that increased trade openness to the international economy provides a range of benefits, including access to foreign capital, technology transfer, and the import of capital goods, which can support accelerated economic growth. Still others have concluded that restrictive trade policies deprive countries of all the aforementioned benefits of trade openness.

Another body of literature supports that foreign trade liberalization effectively promotes economic growth by improving certain policies and sectors, as in the study (Rodrik 1997; De Matteis 2004; Chang, Kaltani & Loayza 2005; Zahonogo, 2017; Huchet-Bourdon, Le Mouel & Vijil 2018). These studies relied on trade openness as an indicator of trade policy liberalization in the case of the study. Previous empirical studies varied in their reliance on a specific measure of trade openness, between measuring openness based on the share of traditional trade (total trade/GDP), or relying on three indicators to measure trade openness: the trade/GDP ratio, the quality and diversity of the export basket. Other studies tended to use three other indicators: exports/GDP, imports/GDP, and total

trade/GDP. As for economic growth, it was measured either by GDP growth or per capita GDP growth. GDP or per capita income growth.

Some previous studies have found that trade openness has a positive impact on economic growth, but this positive impact is conditional on other complementary policies. These studies have indicated that when trade openness is accompanied by insufficient policies to promote infrastructure, financial development, human capital, investment in physical capital, and price stability, trade openness does not further stimulate economic growth. While some studies have indicated that the positive impact of trade openness on economic growth is linked to certain institutional and economic characteristics, such as financial depth, macroeconomic price stability, and labor market flexibility, which enable a country to adapt to new conditions imposed by international competition.

On the other hand, some empirical studies have indicated a negative impact of foreign trade liberalization on economic growth, while others have found a positive and significant relationship between trade barriers and economic growth (Tekin 2012; Adu-Gyamfi, Nketiah & Obuobi 2020; Udeagha & Ngepah 2020; Wani, 2022). These studies have relied on various measures to measure trade openness, ranging from measuring openness based on the share of traditional trade (total trade/GDP) to the share of combined trade (CTS). In contrast, methods for measuring trade barriers have varied, ranging from the average customs tariff, the average coverage of non-tariff barriers, or the average black market premium. Some studies have also combined these indicators to measure distortions resulting from trade policy constraints.

Some previous studies have indicated that the negative impact of trade openness on economic growth is due to the dominance of the consumer sector rather than the productive sector, which leads to a decline in technology and knowledge development, which reflects a decline in the quality of use of natural and human resources, which are essential factors in increasing a country's geographical representation. Some studies examining developing countries have indicated that the negative impact of trade openness may be due to the reversal of the terms of trade to the detriment of least developed countries. Others have indicated that the negative impact of trade openness is due to the fact that it has

led to macroeconomic instability by increasing inflation, depreciating the exchange rate, and creating a trade deficit.

3. The development of the structure of foreign trade in Egypt during the period (1990-2022)

The following reviews the development of the commodity structure of Egyptian exports and imports, in addition to the development of the Egyptian trade balance during the period (1990-2022), as follows:

3.1. The commodity structure of Egyptian exports

The commodity structure of Egyptian exports can be illustrated according to the degree of industrialization through Figure No. (1):

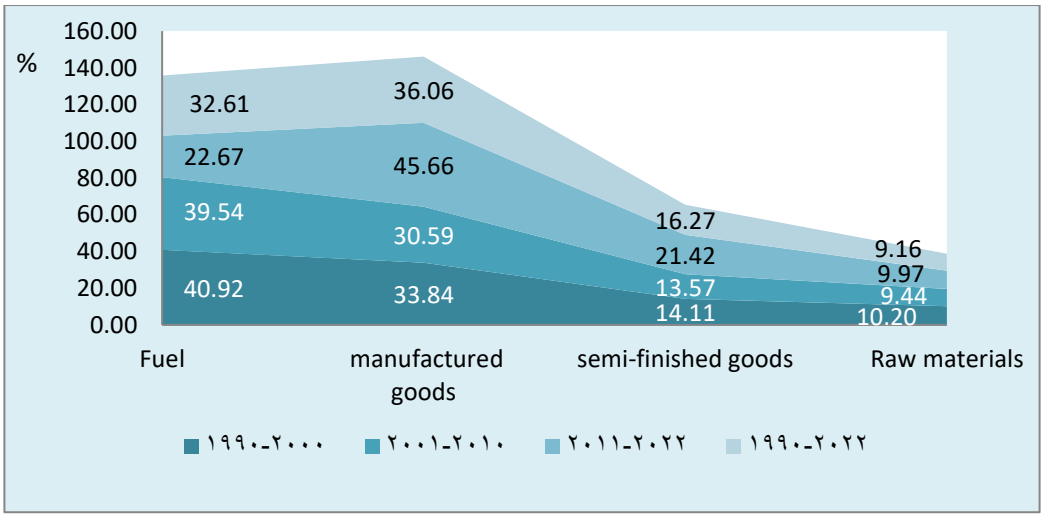

Figure (1): Changes in the Relative Importance of Egyptian Exports by Manufacturing Level (1990-2022)

Source: Based on data from the Central Bank of Egypt, Annual Report, various years.

The data in Figure (1) reveal the following: The relative importance of the total value of Egypt's exports of finished goods reached 36.06% of the total value of Egyptian exports for the average period (1990-2022), thus occupying the first place on the list of commodity exports. It is also noted that Egypt's exports of finished goods reached their highest value in the total value of exports at 45.66% of the average period (2011-2022). Egypt's fuel exports ranked second with a relative importance of 32.61% of the total value of exports for the average period (1990-2022), followed by exports of semi-finished goods and raw materials with a relative importance of 16.27% and 9.16%, respectively, of the total value of Egyptian exports for the average period (1990-2022).

3.2. The commodity structure of Egyptian import

The relative importance of Egyptian imports according to the degree of utilization can be clarified through Figure No. (2) as follows:

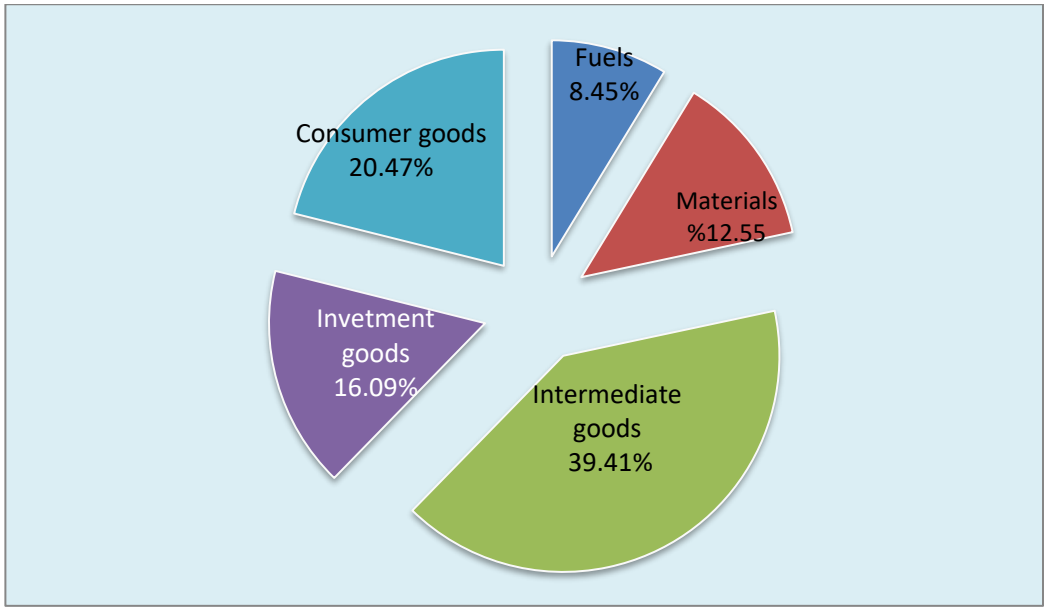

Figure (2): The development of the relative importance of Egyptian imports according to the degree of utilization compared to the average period (1990-2022)

Source: Based on data from the Central Bank of Egypt, Annual Report, various years.

It is clear from the Figure No. (2) as follows:

The relative importance of Egypt's imports of intermediate goods reached 39.41% of the total value of Egyptian imports for the average period (1990-2022), thus occupying the first place in the list of commodity imports. It is also noted that the relative importance of Egypt's imports of intermediate goods reached its highest value in the total value of Egyptian imports at 41.36% for the average period (1990-2000). Egypt's imports of consumer goods achieved second place with a relative importance of 20.47% in the total value of imports for the average period (1990-2022), followed by investment goods, raw materials, and fuel with a relative importance of 16.09%, 12.55%, and 8.45%, respectively, in the total value of Egyptian commodity imports for the average period (1990-2022).

3.3. The Egyptian trade balance during the period (1990-2022)

The Egyptian trade balance suffers from a deficit throughout the research period, which can be clarified through Figure No.(3), where the trade balance deficit is represented as a percentage of the gross domestic product on the right vertical axis, while the value of exports, imports and the trade balance deficit are represented on the left vertical axis, as follows:

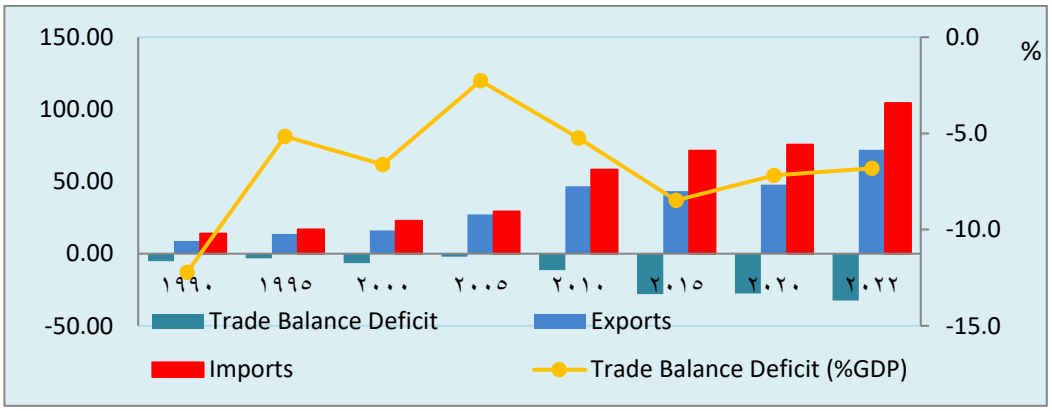

Figure (3): shows the development of the Egyptian trade balance during the period (1990-2022)

Source: Based on the World Bank table database (https://data.albankaldawli.org/indicato).

The data in Figure (3) show the following:

The trade balance deficit reached $5.25 billion in 1990, as the trade balance deficit as a percentage of GDP reached -12.2% in the same year, and it tended to decline, reaching $1.05 billion in 1992, at -2.5% of GDP, and then continued to rise, reaching $8.06 billion in 1998. The difference in the size of the trade deficit during that period is due to the openness of the economic policy that was implemented in Egypt since the implementation of the economic reform program in 1991, in addition to the openness in the international environment, especially after the GATT agreement and the establishment of the World Trade Organization in 1995.

The trade balance witnessed many significant changes during the period (2008-2018), due to several variables, the most prominent of which was the Central Bank's decision to liberalize the exchange rate in November 2016. In 2008, the trade balance deficit began a strong wave of increases, reaching $9.11 billion, and continued to rise until 2022, when the trade balance achieved its highest deficit during the research period, achieving $32.46 billion, at -6.8% of GDP in the same year. Despite the trend of export growth rate to rise at times, the value of imports is still higher than the value of exports during the research period.

This contributed to the continuation of the trade deficit. It is also noted that the trade deficit as a percentage of the gross domestic product, indicates that the percentage of exports covering imports ranged between 52% as a minimum in 2016 and 95.4% as a maximum in 2004, with an average of 74.8% during the period 1990-2022. This means that exports cover only about 74% of imports.

The superiority of the value of imports over Egyptian exports is due to the lack of development of the production structure and the weakness of the export capacity of the Egyptian economy, which led to the superiority of the value of Egyptian imports, which amounted to 43.76 billion dollars, over Egyptian exports, which amounted to 31.10 billion dollars, during the average period (1990-2022). Therefore, the average value of the trade deficit was estimated at 12.66 billion dollars during the same period.

4. Real GDP development and growth rate during the period (1990-2022)

The Egyptian economy witnessed a slight improvement in real GDP, while its growth rate witnessed an up and down within weak rates during the period (1990-2022), and this is evident from the data in Figure No. (4) as follows:

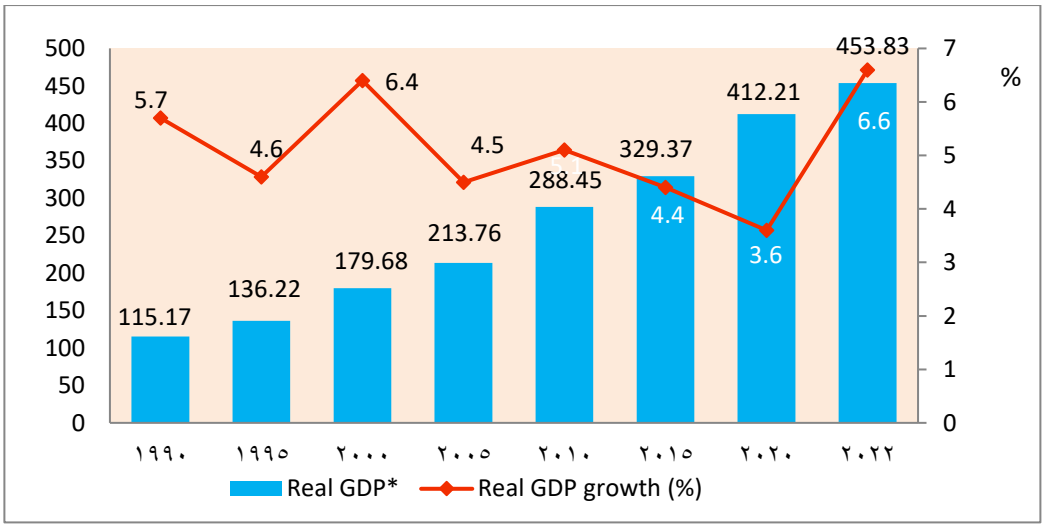

Figure (4): Development of GDP and annual growth rate during the period (1990-2022)

Source: World Bank Database (http://data.albankaldawli.org/indicator).

* Value: US$ 1 billion (at 2010 constant dollar prices).

Figure (4) show the following: Real GDP achieved its highest growth rate during the first years of economic reform in 1999, reaching 6.10%, after implementing several structural reforms included in the economic reform program. However, it declined in 2003 to 3.2%, affected by the events of September 11, in addition to the floating exchange rate and the accompanying decline in the value of the national currency. From 2004 to 2008, a gradual increase in GDP growth was observed, until it achieved a relatively high growth rate in 2008, reaching 7.2%. This was due to a pattern of nearly stable contributions from sectors.

The three sectors: manufacturing industries, wholesale and retail trade, and construction, topped the list in terms of their contribution to economic

growth. On the other hand, the sensitivity and fragility of growth levels during the period from 2002 to 2005 are primarily due to the fact that the Suez Canal sector and the restaurant and hotel sector held the top positions in terms of contribution to economic growth.

This made the economy more vulnerable to any negative effects that might arise from external shocks. The performance of the Egyptian economy in 2009 was also affected by the global financial crisis and its repercussions, with the GDP growth rate declining to 4.2% that year. In 2010, the Egyptian economy showed a relative recovery, with GDP growth reaching 5.2%. This was followed by another wave of declines affected by the events of January 25 and the accompanying political and economic instability.

GDP growth rates reached 1.8% and 2.2% in 2011 and 2012, respectively. GDP growth gradually increased, reaching rates of 2.9% and 4.4% in 2014 and 2015, respectively. It then declined in 2016 and 2017, reaching 4.3% and 4.2%, respectively. This slight decline was due to a decline in the contribution of domestic demand, both consumption and investment. Before reaching 6.6% in 2022, GDP growth declined again in 2020 and 2021, reaching 3.6% and 3.3%, respectively. This decline was due to a decline in the contribution of net external demand (exports of goods and services less imports of goods and services).

5. Model and methodology

5.1. Model

The research model was formulated based on the endogenous growth model proposed by Grossman and Helpman, and the real economic growth rate is explained by the following equation:

$$EG_t = A_t K^{\beta}{}_t L_t^{1-\beta} \qquad (1)$$

Where (EG_t) is the real economic growth rate (measured by real GDP growth), (K_t) is physical capital, (L_t) is employment (measured by the number of employed persons aged 15 and over as a share of the labor force), (A) is technological progress, (β,1-β) are the shares of physical capital and labor in output, (t) is the time period. The model is extended by assuming that technological progress depends on international trade, and thus two indicators of

foreign trade (trade openness TO_t). Therefore, the real economic growth rate is interpreted in Equation No. (2) as follows:

$$\mathrm{EG}_t = f(TO_t,, K_t, L_t) \quad (2)$$

After taking the logarithm of both sides of Equation No. (2), the standard model for research in Equation No. (3) is determined as follows:

$$lnEG_t = \beta_0 + \beta_1 lnTO_t + \beta_2 lnK_t + \beta_3 lnL_t + \mathrm{u}_t \quad (3)$$

where β_0 is a constant, $lnEG_t$ is the logarithm of the real economic growth rate, $lnTO_t$is the logarithm of trade openness (Measured by total trade/GDP), lnK_t is the logarithm of physical capital (measured by gross fixed capital formation as a share of GDP), $lnL_t$is the logarithm of employment (measured by the number of employed persons (15 years and over) as a share of the total labor force), While $\beta_1, \beta_2, \beta_3$, represent the parameters of the long-run relationship, and (u_t) represents the error term.

5.2. Methodology

The causal relationship test is an independent experimental method. This method is based on studying the causal relationship with the variables presented in this method. This method is based on different models and determining the direction of the causal relationship between them. It also includes 145 famous experiments, which are, in order: (Gweekes, 1983), (Granger, 1969), (Sims, 1972). The Granger methodology , which is estimated from the (VAR) model, is the most widespread. Based on the Granger test , the coefficient of variation can be determined to have a significant effect on the future variables if the previous values of the variables are affected , which depends on the stability of the timescale at the given level. In other words, this requires that the future values of the variables under investigation are integrated to degree zero.

Toda& Yamamoto put forward a new method, which can estimate the long-term causality of multiple variables under the condition that the time series integration order of search variables is different. He pointed out that the steps of causality test are as follows (Toda & Yamamoto 1995):

- According to AIC or SIC standards, the optimal deceleration period (K) is determined according to the autoregressive vector (VAR) model.
- Determine the maximum integration between model variables dmax.
- Estimate the model VAR($k+d_{max}$), and determine the stability of the model VAR($k+d_{max}$).
- Granger causality test VAR($k+d_{max}$).

6. Results

6.1. Unit Root Test Results

The Unit Root Test was conducted to identify the degree of stability of the time series of the study variables, based on the Extended Dickey-Fuller (ADF) test at the level and after taking the first differences as in Table No. (2) as follows:

Table (1): Unit Root Test Results

Variable	**Augmented Dickey-Fuller test**					
	at the level			**at first differences**		
ln(EG)	without constant and direction	Constant	constant and direction	without constant and direction	Constant	**constant and direction**
ln(TO)	-0.906 No	-3.441 *	-3.995 ***	-9.924 ***	-10.04 ***	**-9.924** ***
ln(K)	-0.369 No	-2.564 No	-2.715 *	-4.271 **	-4.418 ***	**-4.271** **
Ln(L)	-2.265 **	-3.105 No	-1.884 No	-4.590 ***	-4.610 ***	**-4.590** ***

Sources: estimated by authors by using EViews. (*Significant at 10%, **Significant at 5%, ***Significant at 1%).

From the data in Table (1), it is clear that all the research variables are time series without a unit root at the first differences, i.e. they are integrated at degree I(1).

6.2. Determining the maximum stability degree and the optimal slowdown period

The optimal slowdown period in the VAR model can be explained through Table No. (2) as follows:

Table (2): Determining the optimal lag periods in the VAR model

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-8.85398	NA	0.006905	0.700257	0.792772	0.730415
1	13.75845	40.84826*	0.002081*	-0.50054*	-0.22299*	-0.41007*
2	17.30788	5.953879	0.002152	-0.47148	-0.0089	-0.320688

Sources: estimated by authors by using EViews.

It is clear from Table No. (2) that the optimal slowdown period is one period according to the AIC and SC criteria in the VAR model.

6.3. Results of the stability test of the VAR(K+dmax) model

Before conducting the causality test, the VAR(K+dmax) model must be estimated, where K=1, dmax=1, and then the stability of this model must be tested through the single circle, as it is clear from Figure (4-5) that all the roots lie within the single circle, which means that the model is stable, i.e. it does not suffer from the problem of error correlation or the problem of non-constancy of variance.

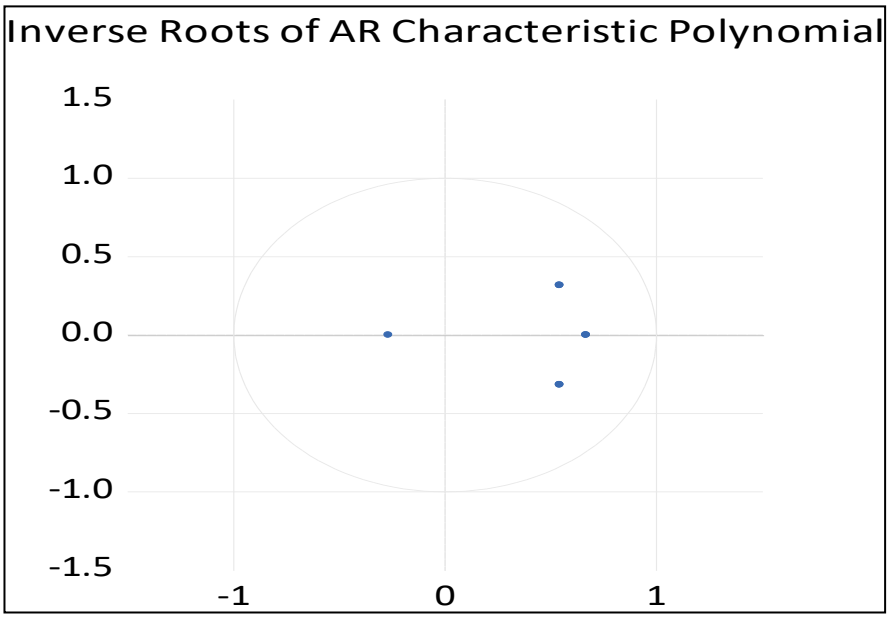

Figure (5): Results of the stability test of the VAR(K+dmax) model

Sources: estimated by authors by using EViews.

It is clear from Figure (5) that all the roots lie within the single circle, which means that the VAR(K+dmax) model is stable, i.e. it does not suffer from the problem of error correlation or the problem of non-constancy of variance.

Table (3): Results of the Toda-Yamamoto causality test between trade openness and real economic growth rate

Dependent variable: LNTO			
Excluded	Chi-sq	Df	Prob.
LNEG	0.470613	2	0.7903
All	0.470613	2	0.7903
Dependent variable: LNEG			
Excluded	Chi-sq	Df	Prob.
LNTS	3.183499	2	0.2036
All	3.183499	2	0.2036

Sources: estimated by authors by using EViews.

From Table (3), the following can be observed: There is no causal relationship between trade openness as the independent variable and real economic growth as the dependent variable. As shown in Table (3), the null hypothesis (LNTO does not cause LNEG) is not rejected at the 5% significance level.

There is no causal relationship between real economic growth rate as an independent variable and trade openness as a dependent variable, as shown in Table (3), where the null hypotheses (LNEG does not cause LNTO) are not rejected at the 5% significance level.

From the above, it is clear that there is no long-term causal relationship between trade openness (measured by the share of traditional trade) and the real economic growth rate in Egypt during the period (1990-2022), which indicates

that the trade-led growth hypothesis has not been a chieved in the case of the Egyptian economy during the research period.

7. Towards a New Role of Foreign Trade in Economic Activity: A Future Vision

The adoption of a new development plan must be based on a sectoral structure of output through the integration of the roles of all public and private sectors and foreign trade, import and export, and work to advance the development process so that it is based on multilateral trade to build the new role of foreign trade, and this is done as follows:

- Bring about a structural transformation in the structure of the GDP by promoting the most productive agricultural, industrial, and extractive sectors alongside the technology-based services sector, such as communications and information.
- Develop the manufacturing sector to become a key export sector.
- Link exports to the structure of the GDP, after bringing about a structural transformation in the GDP in line with the structure of exports and imports. In addition, increase allocations for research and development and shift towards high-tech industries, thus doubling the value of exports and reducing imports.
- Reduce the customs tariff rate on imports, which contribute significantly to Egypt's domestic industrial production.
- Boost integration into international trade agreements, particularly through taking advantage of opportunitieswithin the African Continental Free Trade Agreement (AfCFTA) and the European Union agreement anddeveloping direct shipping lines to reduce the price of market access.
- Diversify the composition of exports and intensify local production by moving away from raw material exportsand towards high value-added products, as well as enhancing green and digital industries.
- Increase the link between scientific research and industry through technology transfer offices, funding appliedresearch activities, and establishing industrial incubators for small and medium enterprises.

- Instill foreign direct investment in export industries by simplifying procedures and providing incentives togenuine investor-exporters and technologists.

8. conclusion

The Toda-Yamamoto causality test demonstrated the absence of a long-run causal relationship between trade openness (as an indicator of foreign trade) and real economic growth rates during the research period, supporting the failure of the trade-led growth hypothesis in the case of the Egyptian economy during the period 1990-2022. This research result is consistent with the studies of Tekin (2012); Adu-Gyamfi (2020); Udeagha & Ngepah (2020), while contradicting the studies of Intesar et al. (2020); Sriyana & Afandi (2020). Therefore, it can be argued that changes in foreign trade did not support real economic growth in Egypt during the period 1990-2022.

The research's most important conclusions are that the Egyptian economy needs to implement export-oriented manufacturing policies. This encourages Egyptian industries to enhance their competitive advantage and raise productivity, leading to increased exports that would stimulate more investment and, consequently, increase the rate of economic growth. This also requires a structural transformation of the GDP structure by promoting the more productive agricultural, industrial, and extractive sectors alongside the technology-based services sector, such as communications and information. Foreign trade will thus play a positive and effective role in enhancing economic growth in Egypt.

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مستخلص

يهدف البحث إلى اختبار علاقة السببية في الأجل الطويل بين التجارة الخارجية ومعدل النمو الاقتصادي الحقيقي في مصر خلال الفترة (١٩٩٠-٢٠٢٢)، وتتمثل مشكلة البحث في سؤال رئيس يقول: هل توجد علاقة سببية في الأجل الطويل بين التجارة الخارجية ومعدل النمو الاقتصادي الحقيقي في مصر خلال الفترة (١٩٩٠- ٢٠٢٢)؟. ويستمد البحث أهميته من أهمية التجارة الخارجية التي تتميز بنشاطها الذي يمثل امتداد لنشاط القطاعات الأخرى في الاقتصاد الوطني، بما في ذلك الإنتاج والاستهلاك والسلع والخدمات، وهذا يعني أن مشكلات هذه القطاعات الأخرى تنعكس على قطاع التجارة الخارجية، مما يعني أيضًا زيادة تعقيد مشكلات التجارة الخارجية. ويسعى البحث إلى اختبار صحة الفرضية التي تقول: توجد علاقة سببية في الأجل الطويل بين التجارة الخارجية ومعدل النمو الاقتصادي الحقيقي في مصر خلال الفترة (١٩٩٠٢٠٢٢). وقد اتبع البحث المنهج الاستنباطي، خاصة في مرحلة الفروض والنتائج، هي المرحلة الأخيرة من مراحل المنهج الاستنباطي بعد وضع الفروض ومن ثم محاولة إثبات صحة الفرضية من عدمها، بغرض الوصول إلى مجموعة من النتائج البحثية الدقيقة قياسياً. وتُظهر نتائج البحث غياب علاقة سببية في الأجل الطويل بين التجارة الخارجية ومعدل النمو الاقتصادي الحقيقي في مصر خلال الفترة (١٩٩٠- ٢٠٢٢). ويعود ذلك إلى استمرار الخلل في هيكل الإنتاج المصري، مما أثر على الهيكل السلعي للصادرات والواردات، وساهم في استمرار وتزايد العجز التجاري، مما أدى إلى تباطؤ معدل النمو الاقتصادي. كما تمثلت أهم استنتاجات البحث في أن الاقتصاد المصري بحاجة إلى تطبيق سياسات التصنيع الموجهة نحو التصدير، مما يشجع الصناعات المصرية على السعي لزيادة الميزة التنافسية ورفع الإنتاجية، مما يؤدي إلى زيادة الصادرات التي من شأنها تحفيز المزيد من الاستثمار وبالتالي زيادة معدل النمو الاقتصادي. ومن ثم مساهمة التجارة الخارجية بدورً إيجابي وفعال في تعزيز النمو الاقتصادي في مصر.

الكلمات المفتاحية: التجارة الخارجية، النمو الاقتصادي، الميزان التجاري.