

Egypt



key figures

- Land area, thousands of km² 1 001
- Population, thousands (2001) 69 080
- GDP per capita, \$ (2001) 1 426
- Life expectancy (2000-2005) 68.3
- Illiteracy rate (2001) 43.8

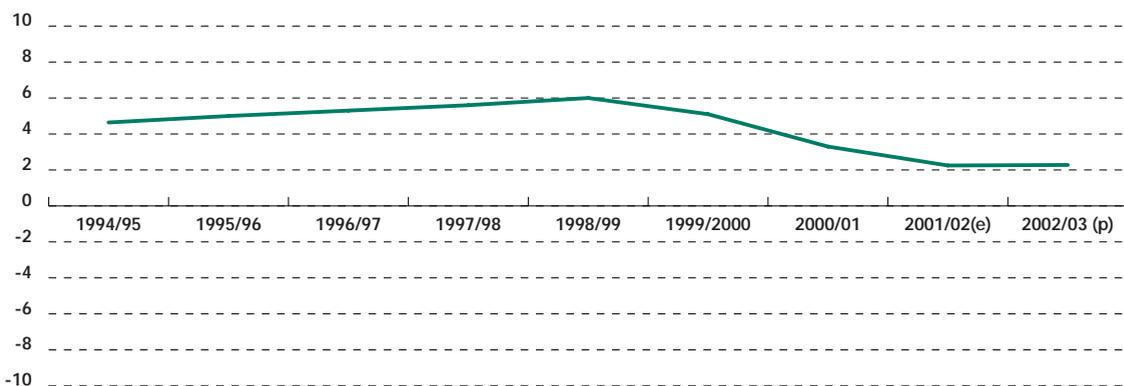
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THE EGYPTIAN ECONOMY had a very difficult year in 2001/02 with external problems that affected the entire economy being exacerbated by the 11 September attacks. The drop in revenues from tourism, oil and the Suez Canal, as well as the world economic slowdown and the region's security problems, reduced growth to 2.3 per cent, where it is expected to remain in 2002/03. After this difficult year, some indicators seem to be improving but the budget deficit is still large and may damage the macroeconomic stability Egypt has achieved

in recent years. However, the sharp devaluation of the Egyptian pound should revive exports, though the resulting imported inflation will push up domestic prices. Structural transformation, primarily through privatisation and financial reform, is progressing slowly but it should boost growth in the long run. The food-processing and petrochemical sectors especially stand to benefit from reform and both have strong prospects.

The drop in revenues from tourism, oil and the Suez Canal adversely affected Egypt's growth in 2001/02

Figure 1 - Real GDP Growth



Source: Authors' estimates and predictions based on domestic authorities' data.

Recent Economic Developments

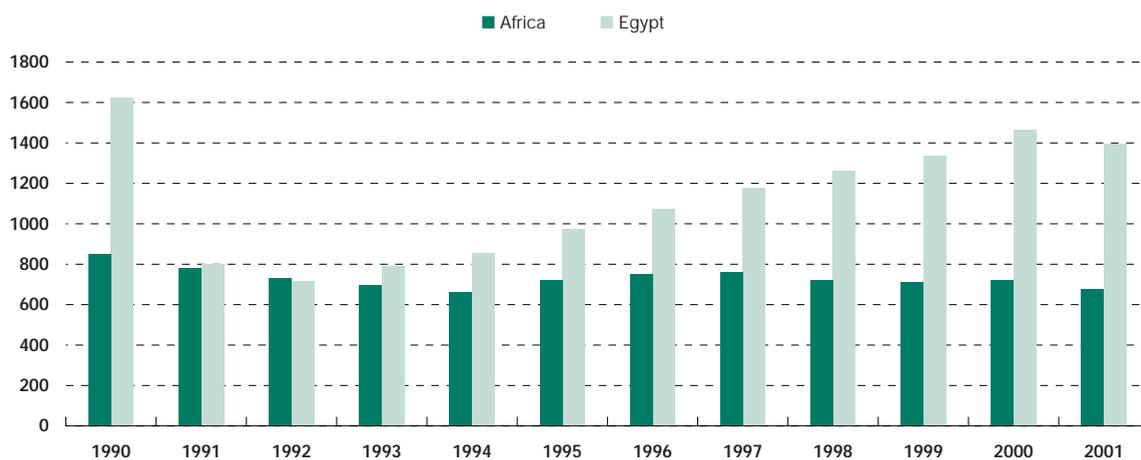
The Egyptian economy began to grow again following the efficient and well-managed 1991 implementation of the Economic Reform and Structural Adjustment Programme (ERSAP) which significantly reduced inflation, improved the current account balance and allowed for large-scale investment in infrastructure and key projects.

However, external constraints linked to the world economic slowdown and regional insecurity arising from the Israeli-Palestinian conflict, caused Egypt's

growth to become sluggish. Tourist income, the main source of foreign exchange and a key motor in the economy's growth, fell by 22 per cent between July 2001 and March 2002. Since 1999/2000, revenue from oil and the Suez Canal also shrank, and growth was virtually zero in the construction, heavy industry and consumer durable sectors.

As a result, GDP volume growth was only 3.3 per cent in 2000/01 (down from 5.1 per cent in 1999/2000) and it is expected to fall further, to 2.3 per cent in both 2001/02 and 2002/03, the lowest level since 1993.

Figure 2 - GDP Per Capita in Egypt and in Africa (current \$)



Source: Authors' estimates based on IMF data.

Growth in 2000/01 was uneven in the main sectors of the economy. Agricultural production rose 3.3 per cent from increased volume output of cereals and fruit despite the stagnation of other crops. Cotton production fell in response to lower prices.

Thanks to irrigation techniques made possible by the opening of the Aswan Dam in 1971, arable land has increased and crops have been greatly diversified. The main farming areas are the Nile Delta, Middle and Upper Egypt, the governorate of Sharkiya and new lands reclaimed from the desert. Egypt has comparative advantage in production of *berseem* (Egyptian clover), wheat, barley, broad beans, maize, rice and cotton. The country also produces fresh vegetables of great added value. However, food production cannot keep up with the high population growth and the country is only self-sufficient in meat and milk.

Agriculture's value-added contribution to GDP continues to decline slowly and is now about 16 per cent of GDP, down from 26 per cent in the 1970s. However, the sector itself is growing and now employs 29 per cent of the working population and accounts for 11 per cent of export revenue, deriving mainly from cotton, but also from potatoes, garlic, onions, lemons and medicinal plants.

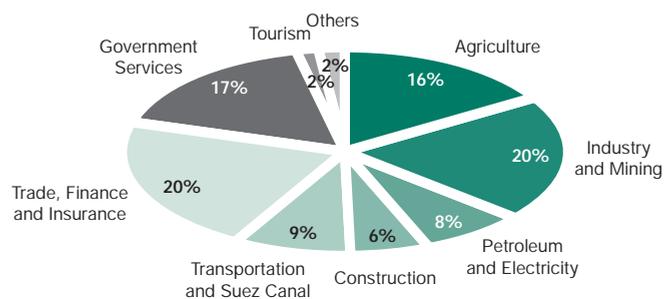
The GDP share of the non-oil part of the industry and mining sector rose slightly in 2000/01 to about

20 per cent. Non-oil products registered 6.8 per cent growth in value but this was mainly due to higher prices as well as major efforts to modernise, especially in manufacturing. The biggest growth was in chemicals and weaving, but the country's production of metals, cement and consumer goods is also not negligible. The 32 per cent devaluation of the Egyptian pound between January 2001 and January 2002 may revive manufacturing exports.

The energy sector continues to play a major role in the economy. Though it represents just 8 per cent of GDP, oil revenue is important to the government, with oil taxes contributing about 3 per cent of the national budget. The country has nine refineries and five more are being built. In addition to exporting oil, Egypt enjoys a strategically important position, given that it controls both the Suez Canal and the Sumed pipeline, two major export routes for oil from the Gulf. Traffic and revenue in these had fallen with competition from a new route via the Cape of Good Hope, but this decline was recently halted when the Suez Canal Authority lowered its charges.

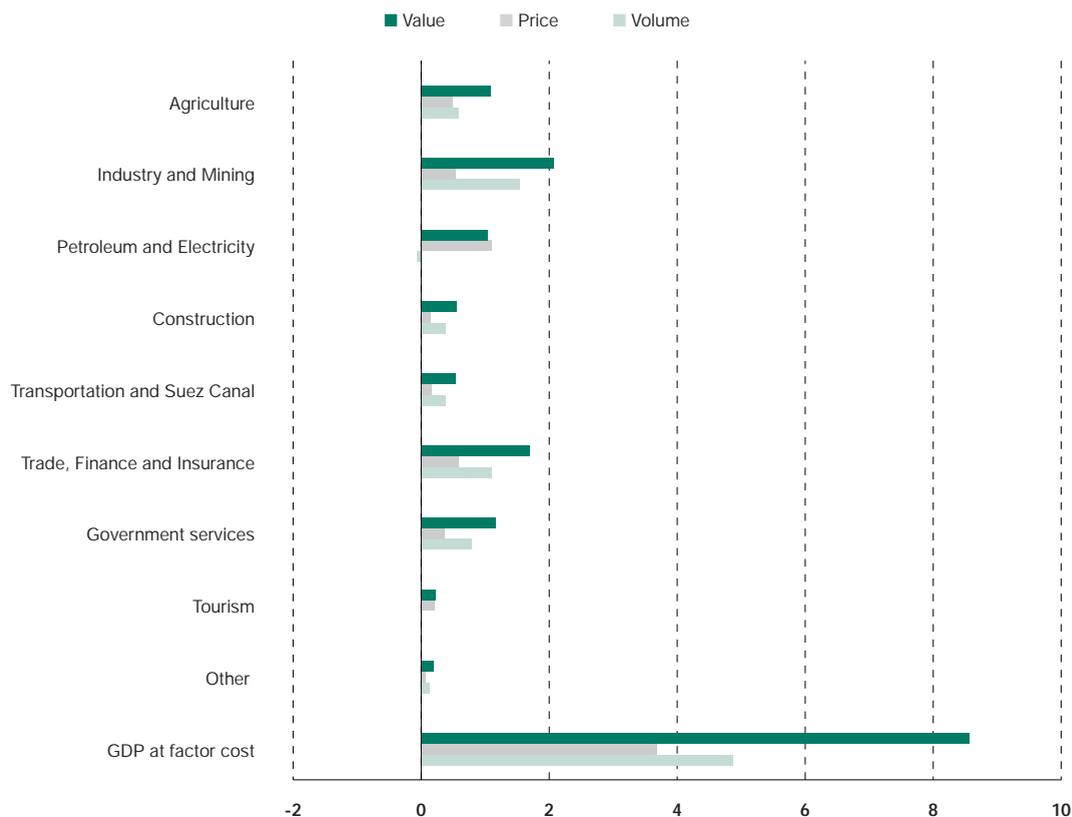
Production of crude and refined oil continued to drop in volume in 2000/01. Crude production peaked in 1996 (922 000 barrels a day) and has declined ever since (639 000 barrels in 2001). However, the opening up of new oilfields helped compensate for a slowdown in production in the Gulf of Suez, which represents

Figure 3 - GDP by Sector in 2000/01



Source: Authors' estimates based on domestic authorities' data.

Figure 4 - Sectoral Contribution to GDP Growth in 2000/01



Source: Authors' estimates based on domestic authorities' data.

two-thirds of national production. Proven reserves were estimated in 2001 at 2.9 billion barrels.

In a few years time, since domestic consumption is steadily rising (585 000 barrels a day in 2001), Egypt may become a net importer of oil.

Because of new discoveries, natural gas is expected to overtake oil as the main source of both energy-sector growth and export revenue when exports start in 2005. Gas production nearly doubled between 1999 and 2002, with domestic demand rising quickly as firms operating on thermal energy converted from oil

to gas. They now consume 65 per cent of the gas produced.

Gas reserves were put at 55 billion cubic metres in September 2001 but the recent discoveries have probably boosted them to around 120 billion or, the equivalent of 20 billion barrels of oil.

Electricity production also increased. About 79 per cent of it is currently heat-generated (gas turbine) and 21 per cent is hydroelectric. The national grid is now being

connected with those of Jordan, Syria, Turkey and Iraq. Links are also being considered with other Arab countries, Israel, the Palestinian Authority and North Africa.

The services sector accounts for a fairly high 49 per cent of GDP. Tourism is the main source of foreign exchange but revenue plummeted after the September 11 attacks, falling by more than 20 per cent between September 2001 and March 2002. The lack of European tourists has been made up for by more Arab visitors from the Gulf states.

Table 1 - Demand Composition (percentage of GDP)

	1994/95	1998/99	1999/00	2000/01	2001/02(e)	2002/03(p)
Gross capital formation	17.6	20.5	18.3	16.9	17.5	18.5
Public	6.0	7.6	6.0	4.0	3.9	4.1
Private	11.6	12.9	12.3	12.9	13.6	14.4
Consumption	87.4	87.9	88.3	87.8	88.5	88.0
Public	11.1	10.2	9.7	10.1	10.1	10.3
Private	76.4	77.7	78.6	77.7	78.4	77.7
External sector	-5.0	-8.4	-6.6	-4.8	-6.0	-6.4
Exports	23.1	15.3	16.3	17.4	19.2	20.4
Imports	-28.1	-23.7	-22.9	-22.1	-25.2	-26.8

Source: Authors' estimates and predictions based on domestic authorities' data.

Growth includes a low rate of domestic savings (up slightly from 11.7 per cent of GDP in 1999/2000 to 12.2 per cent in 2000/01) reflecting a high consumption/GDP ratio. The banking system does not make saving easy, being dominated by four state-owned banks that barely compete. The country is thus heavily dependent on savings held abroad.

Over the same 1999/2000 to 2000/01 period, the investment rate declined from 18.3 per cent to 16.9 per cent of GDP, which does not augur well for future growth. Private investment should rise to 14.4 per cent of GDP in 2002/03 and public investment is expected to settle at around 4 per cent, but the predicted overall investment rate of 18.5 per cent of GDP in 2002/03 is still below the 20.5 per cent of 1998/99. The private sector's lack of access to credit, foreign exchange restrictions and excessive government bureaucracy are often cited as obstacles to investment.

Macroeconomic Policy

Fiscal and Monetary Policy

The budget deficit was 5.5 per cent of GDP in 2000/01, compared with 3.9 per cent in 1999/2000 and 3 per cent the year before. It has been growing steadily since 1996/97 and is expected to reach 5.9 per cent in 2001/02 and 6.4 per cent in 2002/03, making it a major problem.

The government recently adopted IMF definitions and norms for its budget accounts, which now include three different consolidated measures of public revenue and expenditure. The first, which is used here, is a strict definition that includes the government's agencies and programmes. The second one adds in transfers from and to independent public bodies – such as the National Investment Bank (NIB) and General Authority

for Supply Commodities (GASC) – and the third adds the Social Insurance Funds (SIF), which are currently in surplus because of an increase in the salaried working population.

The finance ministry is trying to rationalise income and expenditure. It is conducting income tax and customs reforms and in February 2002 it converted the general sales tax into a proper value-added tax (VAT).

Budget receipts only covered 80 per cent of expenditure in 2000/02 and 2001/02 (85 per cent in 1999/2000). Spending rose significantly, by more than 6 per cent, while revenue grew only 3.4 per cent. Taxes and profit transfers of the state oil company and the Suez Canal Authority were 6.1 per cent and 6.9 per cent

of total government revenue in 2000/01, but income from the Canal fell by more than 4 per cent in 2001/02.

The deficit is no longer funded by seignorage, but by delaying payment to companies involved in major projects and by issuing treasury bonds (17.8 billion Egyptian pounds in 2001/02 – 4.6 per cent of GDP). The government also borrowed from the Social Insurance Funds in the National Investment Bank at pre-fixed below-market rates.

The tight monetary policy imposed in January 2001 slowed the growth of credit to the private sector. Since September 2001, the central bank has tried to revive the economy and increase liquidity by lowering the minimum lending rate and the obligatory reserve

Table 2 - Public Finances^a (percentage of GDP)

	1994/95	1998/99	1999/00	2000/01	2001/02(e)	2002/03(p)
Total revenue and grants^b	28.0	23.5	22.3	21.0	20.8	20.6
Taxes	17.2	15.4	14.7	14.2	13.7	13.8
Total expenditure and net lending^b	29.3	26.5	26.2	26.6	26.7	26.9
Current expenditure	23.6	20.3	20.6	22.3	22.6	22.6
<i>Excluding interest</i>	<i>16.2</i>	<i>14.8</i>	<i>15.1</i>	<i>16.6</i>	<i>16.5</i>	<i>16.8</i>
Wages and salaries	6.3	6.5	6.5	7.0	7.5	7.4
Interest payments	7.4	5.4	5.5	5.8	6.0	5.8
Capital expenditure	5.7	5.8	4.9	4.2	4.0	4.2
Primary balance	6.2	2.5	1.6	0.3	0.2	-0.5
Overall balance	-1.3	-3.0	-3.9	-5.5	-5.9	-6.4

a. Fiscal year begins 1 July.

b. Only major items are reported.

Source: Authors' estimates and predictions based on domestic authorities' data.

and liquidity ratios. It recently abolished the obligatory reserve ratio for long-term deposits and authorised banks to include several stocks and bonds in calculating liquidity ratios.

The money supply (M2) grew by 11.6 per cent in 2001/02, which was average for the previous five years. However, loans to the government increased by 22.5 per cent while those to the private sector rose only 9.5 per cent. In this uncertain climate, banks are not offering many loans and are focusing their activity on the least risky sectors, such as electricity, oil, natural gas, communications and food processing. Small and medium-sized firms are still shut out of the mainstream credit system.

The Egyptian economy has not suffered from inflationary pressure since the mid-1990s and the rate has steadily fallen, from 9.9 per cent in 1994/95 to 2.4 per cent in 2001/02. However, the devaluation of the currency is expected to push it above 3 per cent for 2002/03.

Interest rates have also declined, with a bias towards the short term. The daily rate on the money market rose in June 2002, having fallen to an artificial low of nearly 4 per cent. The central bank's minimum lending rate, which determines the longer-term credit rate, is still quite high, though it dropped in July 2001 to 11 per cent, after being at 12 per cent since 1998. Interest rates for borrowers also fell and were 9.42 per cent in June 2002.

The reduction in foreign currency reserves, from \$22 billion in 1997 to \$13.8 billion in January 2002, along with the currency liquidity crisis it entailed, put great pressure on exchange rates. For six months, the banking system's supply of dollars dried up and the needs of importers and private individuals had to be met by the grey market.

The present system is one of fixed exchange rates (though adjustable to the US dollar) but the government is thinking of allowing the Egyptian pound to float against a basket of currencies in which the euro would figure prominently.

After 10 years of being tied to the US dollar (at E£3.4 / \$), the pound was devalued by stages, to E£3.85 in January 2001, to E£3.90 in June and E£4.24 in August. In January 2002, the central bank announced the pound would be fixed at E£4.51 / \$, with fluctuation bands of 3 per cent each way for banks and currency exchange bureaux.

Despite this 32 per cent devaluation since June 2000, pressure on the pound continues and the grey market has revived (the street rate settled at about E£5.1 at the end of April 2002). The government has shut down 51 of the 126 currency exchange bureaux for periods ranging from 15 days to six months, accusing them of speculation. Since early 2002 however, the central bank's inability to supply foreign currency has effectively paralysed the currency market, pushing banks and bureaux to rely on their own resources. This shortage of foreign currency is a serious obstacle to economic growth.

External Position

Both the recent recession and the foreign currency shortages caused imports to fall, consequently resulting in an improved balance of trade in the 1999/2000 to 2000/01 period. Latest estimates are that devaluation should revive exports, pushing them up to 8.4 per cent of GDP in 2001/02 and 9 per cent in 2002/03.

Table 3 - Current Account (percentage of GDP)

	1994/95	1998/99	1999/00	2000/01	2001/02(e)	2002/03(p)
Trade balance	-13.4	-14.1	-11.5	-9.5	-10.7	-11.3
Exports of goods	8.4	5.0	6.4	7.2	8.4	9.0
Imports of goods	-21.8	-19.1	-18.0	-16.7	-19.1	-20.3
Services balance	6.6	5.6	4.7	4.6		
Factor income	0.2	1.1	0.9	1.1		
Current transfers	7.2	5.5	4.7	3.8		
Current account balance	0.7	-1.9	-1.2	-0.1		

Source: Authors' estimates and predictions based on domestic authorities' data.

However, as imports are also likely to recover, a trade deficit will remain.

The current account deficit was only 0.03 per cent of GDP in 2000/01 but the weak flow of foreign investment and the outflow of capital led to a deficit in the overall balance. The services balance remained strongly dependent on revenue from tourism and the Suez Canal. Both public and private net transfers fell sharply in 2000/01, before stabilising in 2001/02 (government by 17.5 per cent and private by 20.6 per cent). Remittances from Egyptian workers abroad and Gulf War reparations (dispersed over three fiscal years

between 1998/99 and 2000/01) comprised the greatest part of private transfers.

Imports, including capital goods such as machinery and transport equipment and consumer goods such as livestock, food and drinks, are increasingly edging out local products. Though the government is trying to reverse this trend, Egyptian industry depends heavily on production equipment. The decline in the pound's value is therefore expected to boost inflation.

Exports are chiefly comprised of raw materials, such as crude oil, raw cotton and farm crops. Refined-oil

products, clothing and metals follow. Lacking diversification, exports are at the mercy of world prices though devaluation could help make them more competitive. While the government does not directly subsidise exports, it previously engaged in indirect ones by awarding privileges such as credit facilities, lower customs duties, cheap energy and subsidised raw materials to some state firms. These have now been reduced.

In order to stimulate exports, Egypt is signing regional agreements with its Arab and African neighbours. As part of a broad Euro-Mediterranean partnership, under construction since 1995, Egypt also agreed to gradually eliminate its tariffs against EU member states. Signed in June 2001, the association agreement is to be implemented in four stages over 15 years, building towards free trade and political and social co-operation.

Both the country's trade liberalisation programme and its commitments to the World Trade Organisation prescribe tariff reduction, though duty remains high — as much as 40 per cent — on cars, spare parts,

alcoholic drinks and farm products. Non-tariff barriers, such as quality controls continue to be applied to many consumer goods, including meat, fruit, vegetables and electrical appliances. Imported goods must also be labelled in Arabic and instructions accompanying imported tools, machinery and capital goods must also be translated.

Egypt remains a relatively closed country with exports close to 7 per cent of GDP and all trade excluding services (imports plus exports) making up just 25 per cent of GDP.

That said, the government is looking to attract foreign investors by increasing transparency, protecting investor rights, and ensuring equality of treatment. Regional insecurity and the country's poor economic performance mitigate against these efforts, making Egypt increasingly unappealing to foreign capital. Investment flows declined from 400 million in 1999/2000 (when a number of successful privatisations took place, notably in the cement and energy sectors) to just €120 million in 2000/01.

Figure 5 - Stock of Total External Debt (percentage of GNP) and Debt Service (percentage of exports of goods and services)



Source: World Bank.

In 1991, the Paris Club wrote off approximately half of Egypt's debt, thus making the country's low external debt one of its current assets. Egypt is one of the world's most financially assisted economies, being the second biggest recipient of both US and EU aid. In February 2002, several international organisations (such as the IMF, the World Bank, USAID and the African Development Bank) agreed to provide the country with \$10.3 billion over three years in order to help it cope with the economic impact of the September 11 attacks. Most of Egypt's debt consists of soft public, medium and long-term loans.

Both external debt and debt servicing have been steadily reduced in recent years. In 2000/01, the external debt was 28 per cent of GDP while service was 8.7 per cent of goods and services exports (compared with 28.5 per cent and 9.6 per cent the previous year).

However, in order to finance the budget deficit the government floated \$1 500 million worth of eurobonds on the international financial market in June 2001. This should slightly increase the size of the debt in 2001/02. At the end of December 2001, the medium and long-term public debt was \$23 941 million.

Structural Issues

Egypt has, on the whole, managed to stabilise its economy. The trade balance has largely been liberalised and the country is slowly converting to a market economy. However, some structural reforms continue to make little headway.

The government plans to revive the privatisation plan it launched in August 1991 which ran into trouble in the mid-1990s, faced with the debt and overstaffing of state firms. Doing so in the current climate of uncertainty and social tension seems dubious though, particularly as the most attractive firms have already been bought. Many of the remainder are crippled with unrecoverable debts and it is estimated that privatisation would bring about some 300 000 layoffs. In a country already suffering from high unemployment, pushing ahead with such decisions is difficult.

The sale of loss-making state firms remains a priority for the government seeking to reduce its domestic debt. Financing schemes such as BOOT (Build-Own-Operate-Transfer) and BOT (Build-Operate-Transfer), mainly restricted to large-scale infrastructure projects, have not proved advantageous, and they continue to weigh on the state budget. The government has preferred to set up financially-independent holding companies.

Of 314 firms earmarked for privatisation in 1991, only 191 have been privatised: 31 in 1999, 25 in 2000, only 13 in 2001 and six thus far in 2002 (with 19 expected by the government). Thirty-two firms counted as privatised were in fact liquidated, and 30 or so others were sold to workers' co-operatives. The sectors most affected by privatisation have been commerce, followed by food processing, tourism, construction, the film industry and the metal and mining industries. In recent years, the private sector's share of GDP has increased annually by about 1.5 per cent.

The government retains a monopoly in many service industries as well as in banking and insurance. It also remains dominant in the textile, steel and aluminium industries. Since a law was passed in 1998, private firms have been permitted to participate in running ports, shipping and airports. Though 54 state firms were sold through the stock exchange, only in 38 of these do private investors hold majority positions. Other sales were made to either single investors (19 per cent of cases) or to the workers themselves (23 per cent).

The government has targeted "strategic" sectors for privatisation, such as telecommunications and public services, including the Egyptian Electricity Authority. Irrespective of this, private participation in the state oil company (Egyptian General Petroleum Company — EGPC) and the new natural gas firm (EgyGas) will remain very limited, as it will in the seven state-owned regional firms generating and transmitting electricity. On the other hand, 10 per cent of the distribution sector will soon be privatised.

A telecommunications and information technology ministry was created in October 1999 with the mandate of defining a policy for the sector. Though Telecom

Egypt has a monopoly on fixed phone lines, several Internet service providers and mobile phone operators exist. The telecommunications infrastructure greatly expanded with the recent addition of 5 million more lines. But the government has postponed the sale of 20 per cent of Telecom Egypt's shares because of poor market conditions.

Egypt has undertaken several infrastructure projects designed to streamline the economy. Bridges, highways and hotels have been built and the Cairo underground railway has been substantially extended. A number of industrial towns are also being built in the desert, near Cairo and Alexandria.

The 2002/03 budget includes E£19 billion (about \$4.2 billion) for funding mega-projects such as the Toshka land reclamation scheme, the Al-Salam Canal to irrigate northern Sinai and the development of the area east of Port Said. Lack of water is a major problem in Egypt and only 5 per cent of land is arable. To increase this, the Toshka Project (creating a second Nile Valley out of a new branch of the river) was launched in January 1997.

The financial sector was thoroughly reformed after liberalisation and deregulation, but banking services are still primitive. There are 28 commercial and 31 investment banks among the total 64, but the market is dominated by the state sector, whose eight banks include the country's four biggest: MISR, the National Bank of Egypt (NBE), the Bank of Cairo and the Bank of Alexandria. These 'Big Four' control more than half of the financial market activity, though they have a large number of bad debts on their books.

The privatisation of banks began in 1994 and most, with the exception of the Big Four are now listed on the stock exchange. Though Law 155, passed in 1998, established the constitutional basis for privatising these remaining state-owned banks, the government reneged on this intention in 2001 by banning joint-venture banks from holding shares in the Big Four.

In the insurance sector, 11 private and four large state-owned firms control much of the market. A 1998

law allows for 100 per cent foreign ownership of insurance companies. Surveys of the four state firms were concluded in mid-2001 as a first step towards privatisation.

Foreign brokers can operate freely on the Egyptian stock exchange, but since the intensification of the Israeli-Palestinian conflict, the shockwave of the 11 September attacks and the world economic slowdown, share performances have been very poor. Doubts about the stability of the exchange rate and the dragging privatisation programme have discouraged foreign investors. The value of their transactions fell from around 25 per cent of the total to 6 per cent in March 2002.

The new Cairo and Alexandria Stock Exchange (CASE) has grown fairly rapidly in recent years but it has been subject to wild fluctuations. Safe investments, in response, are performing better than ever, and bonds have risen to over 50 per cent. The Hermes share index is at its lowest level for eight years.

With just 100 of the 1 129 firms listed on CASE truly active at the end of April 2002, the exchange remains narrowly based.

Political and Social Context

Egypt is officially a social democracy divided into 26 administrative sections. President Hosni Mubarak has been in office since 1981 and Prime Minister Atef Obeid — a former public enterprises minister who launched the privatisation movement — since 1999.

Though the president is appointed by the People's Assembly, his six-year mandate must be confirmed by national referendum. The last of these was held on 26 September 1999, and the next will be in October 2005. The National Democratic Party retained its overwhelming majority in the autumn 2000 parliamentary elections. A supreme legislative council was recently set up to abolish outdated laws and to simplify the legal system. The economic, social and political situation is becoming increasingly complex

and the country is hampered by rigid centralisation and lack of co-ordination.

The World Bank estimated that 10.7 million Egyptians were living below the poverty line (income of E£40 a month) in 1999/2000 – about 16.7 per cent of the population – and that 250 000 people were living on less than a dollar a day. Though poverty is worse in the countryside, it varies greatly from region to region. While urban growth has been very high over the past decade, it was negligible in Upper Egypt.

The majority of Egypt's 5.8 million poor (in a population of 10.7 million), live in rural areas and Upper Egypt. Among them, 45 per cent are illiterate. Employed in agriculture, mining or construction, the poor are usually the most vulnerable to unemployment. Poverty varies more between urban and rural areas than it does between the sexes. The urban governorates are much better off than those in Lower and Upper Egypt. This last remains the country's most impoverished region.

The government is trying to reduce poverty with direct and indirect subsidies for consumer staples. Thus, 730 000 people currently receive *baladi* bread subsidies and 170 000 receive cooking oil. The ministry of social affairs reimburses social security payments and provides

pensions for the poorest households, but it has limited resources (only 0.04 per cent of GDP) and only pays an average of E£3.50 a month to families.

Unemployment is high, though official figures show that it fell steadily between 1992/93 and 1998/99 (from 10 per cent to 8.1 per cent of the working population) before rising in the last two years, to 9.3 per cent in 2000/01. It is young people seeking their first jobs and urban women between the ages of 15 and 30 that are most likely to be unemployed. Underemployment and job insecurity are major problems for young men in rural areas.

Egypt has made significant progress in reducing non-monetary poverty. For example, literacy, health indicators, infant mortality and access to drinking water have all improved. Health indicators in particular, are much higher than the African average. On the whole, Egyptians do not go hungry and they consumed on average, 119 per cent of the recommended minimum daily calorie level in 1999/2000. In addition, 81 per cent had access to drinking water. Malnutrition among children under five was nevertheless 4 per cent in 2000. Infant mortality was 29.2 per 1 000 live births in 1998 (108 in 1961) and 92 per cent of children had been immunised with the major vaccines in 2000.