



Central Bank of Egypt

Press Release
BOP Performance
During FY 2009/10

Egypt's transactions with the external world shifted to an overall BOP surplus of US\$ 3.36 billion during FY 2009/10, from an overall deficit of US\$ 3.38 billion in the previous FY. Consequently, international reserves at the CBE showed an equivalent increase. Shrinking by 2.4 percent, the current account deficit stood at US\$ 4.3 billion (against US\$ 4.4 billion in the preceding FY). On the other hand, the capital and financial account registered a net inflow of about US\$ 8.3 billion (against some US\$ 2.3 billion during the year of comparison).

The trade deficit remained at the previous year's level, registering US\$ 25.1 billion, as a dual effect of the decrease in **merchandise export proceeds** by 5.1 percent to US\$ 23.9 billion, and **merchandise import payments** by 2.7 percent to US\$ 49.0 billion. The drop in merchandise exports is owed to declines in oil exports by 6.8 percent and non-oil exports by 3.9 percent. Meanwhile, the decrease in merchandise imports reflects the drop of 26.6 percent in oil imports and the increase of 1.2 percent in non-oil imports (fuelled by a 27.6 percent rise in consumer goods).

The services surplus decreased by 17.3 percent, to reach US\$ 10.3 billion (against US\$ 12.5 billion). It was ascribed to the decline in **investment income receipts** by 57.2 percent to US\$ 829.0 million (against US\$ 1.9 billion), owing to the deceleration in interest payments on deposits abroad and low portfolio investment income. **Transportation** receipts also fell by 3.5 percent, caused by the 4.3 percent decline in **Suez Canal receipts** which posted US\$ 4.5 billion (against US\$ 4.7 billion). On the other hand, **tourism revenues** picked up by 10.5 percent, to US\$ 11.6 billion (from US\$ 10.5 billion), spurred by the rise in tourist nights by 10.5 percent to score 136.4 million nights.

Net unrequited transfers went up by 26.9 percent to US\$ 10.5 billion; as an outcome of the 24.6 percent rise in private transfers (mainly remittances of Egyptians working abroad which registered US\$ 9.8 billion against US\$ 7.8 billion) and the increase in official transfers, driven by the rise in cash donations and grants to the Egyptian government.

The capital and financial account, during FY 2009/10, revealed that **portfolio investment in Egypt** registered a net **inflow** of US\$ 7.9 billion (against a net **outflow** of US\$ 9.2 billion), including foreigners' investments in Egyptian TBs of about US\$ 5.0 billion (inflows). **FDI in Egypt** achieved a net **inflow** of US\$ 6.8 billion (against US\$ 8.1 billion), down by 16.7 percent, as net investments in the oil sector amounted US\$ 3.6 billion (against US\$ 5.4 billion), while net greenfield investments posted US\$ 2.7 billion (against US\$ 2.3 billion).

Balance of Payments

(US.\$m.)

	<u>2008/2009</u>	<u>2009/2010*</u>
<u>Trade Balance</u>	<u>-25173.3</u>	<u>-25120.0</u>
Exports	25168.9	23873.1
Petroleum	11004.5	10258.6
Other Exports	14164.4	13614.5
Imports	-50342.2	-48993.1
Petroleum	-7032.3	-5161.0
Other Imports	-43309.9	-43832.1
<u>Services (net)</u>	<u>12502.4</u>	<u>10339.0</u>
<u>Receipts</u>	<u>23801.3</u>	<u>23562.9</u>
Transportation of which,	7481.0	7216.5
<i>Suez Canal</i>	4720.6	4516.8
Travel	10487.6	11591.3
Investment Income	1936.7	829.0
Government Receipts	252.8	217.9
Other	3643.2	3708.2
<u>Payments</u>	<u>11298.9</u>	<u>13223.9</u>
Transportation	1491.9	1229.7
Travel	2739.3	2327.5
Investment Income of which,	1783.1	5193.7
<i>Interest Paid</i>	620.5	553.6
Government Expenditures	1182.3	1534.5
Other	4102.3	2938.5
<u>Balance of Goods & Services</u>	<u>-12670.9</u>	<u>-14781.0</u>
<u>Transfers</u>	<u>8246.6</u>	<u>10463.4</u>
Private Transfers (net)	7632.3	9509.4
Official Transfers (net)	614.3	954.0
<u>Current Account Balance</u>	<u>-4424.3</u>	<u>-4317.6</u>

* Preliminary.

Balance of Payments (cont.)

(US.\$m.)

	<u>2008/2009</u>	<u>2009/2010*</u>
<u>Capital & Financial Account</u>	<u>2284.7</u>	<u>8325.4</u>
<u>Capital Account</u>	<u>-2.6</u>	<u>-36.2</u>
<u>Financial Account</u>	<u>2287.3</u>	<u>8361.6</u>
Direct Investment Abroad	-1340.5	-976.6
Direct Investment In Egypt (net)	8113.4	6758.2
Portfolio Investment Abroad(net)	-410.8	-522.2
Portfolio Investment in Egypt (net)of which,	-9210.7	7879.3
Bonds	-1013.2	1357.3
Other Investment (net) **	5135.9	-4777.1
<u>Net Borrowing</u>	<u>1251.6</u>	<u>2350.0</u>
M&L Term Loans (net)	121.5	-522.8
Drawings	2010.3	1228.9
Repayments	-1888.8	-1751.7
MT Suppliers Credit (net)	-429.2	-39.7
Drawings	59.6	51.8
Repayments	-488.8	-91.5
ST Suppliers Credit (net)	1559.3	2912.5
<u>Other Assets</u>	<u>3744.0</u>	<u>-9669.1</u>
Central Bank	49.0	-40.7
Banks	8313.8	-2073.0
Other	-4618.8	-7555.4
<u>Other Liabilities</u>	<u>140.3</u>	<u>2542.0</u>
Central Bank	6.3	1187.1
Banks	134.0	1354.9
<u>Net Errors & Omissions</u>	<u>-1238.0</u>	<u>-652.1</u>
<u>Overall Balance</u>	<u>-3377.6</u>	<u>3355.7</u>
<u>Change in CBE's reserve assets (increase = -)</u>	<u>3377.6</u>	<u>-3355.7</u>

* Preliminary.

** Includes (Net Borrowing, Other Assets, & Other Liabilities).