



Central Bank of Egypt

**Press Release**  
**BOP Performance**  
**During July/March of FY 2009/10**

Egypt's BOP performed fairly well in the first nine months of FY 2009/10, running an overall surplus of US\$ 3.1 billion (against an overall deficit of US\$ 2.3 billion in the previous corresponding period). International reserves at the CBE showed an equivalent increase. The BOP improvement reflects a 24.0 percent contraction in the current account deficit, to stand at about US\$ 2.6 billion (against US\$ 3.4 billion in the period of comparison, under the aggravation of the global financial crisis). Concurrently, the capital and financial account recorded a net inflow of about US\$ 5.2 billion (against some US\$ 0.7 billion).

The trade deficit fell to US\$ 18.5 billion (from US\$ 19.5 billion), as a dual effect of the decrease in both **merchandise export proceeds** by 11.9 percent to US\$ 17.0 billion, and **merchandise import payments** by 8.4 percent to US\$ 35.5 billion. The decrease in merchandise export proceeds is traced to declines in oil exports by 17.9 percent and in non-oil exports by 7.0 percent. Likewise, the decrease in merchandise import payments is caused by the drop of 41.0 percent in oil imports and of 2.9 percent in non-oil imports.

The **services** surplus decreased by 9.0 percent, to register US\$ 8.8 billion (against US\$ 9.6 billion). This was ascribed to the decline in **investment income receipts** by 61.4 percent to US\$ 661.5 million (against US\$ 1.7 billion), owing to the deceleration in interest payments on deposits abroad and low portfolio investment income. **Transportation receipts** also fell by 10.2 percent, caused by the decline of 8.4 percent in **Suez Canal receipts** to US\$ 3.4 billion (against US\$ 3.7 billion). On the other hand, **tourism revenues** picked up by 10.1 percent, to US\$ 8.7 billion (from US\$ 7.9 billion), spurred by the rise in tourist nights by 10.1 percent to score 102.6 million nights against 93.3 million.

**Net unrequited transfers** stepped up by 11.3 percent, to reach US\$ 7.2 billion. This was an outcome of the 7.3 percent rise in private transfers (mainly remittances of Egyptians working abroad) to record US\$ 6.3 billion (against US\$ 5.9 billion), and the increase in official transfers, driven by the rise in both cash donations and grants to the Egyptian government.

The **capital and financial account** revealed that **portfolio investment** in Egypt recorded a net inflow of US\$ 7.1 billion (against a net outflow of US\$ 8.9 billion), including foreigners' investments in Egyptian TBs of about US\$ 6.1 billion (inflows). **FDI** in Egypt achieved a net inflow of US\$ 4.3 billion (against US\$ 5.2 billion), with a drop of 17.3 percent, as net greenfield investments posted US\$ 1.2 billion (against US\$ 2.0 billion), while net investments in the oil sector remained unchanged at US\$ 2.8 billion.

## Balance Of Payments

**(U.S.\$m.)**

	<u>July/March 2008/09*</u>	<u>July/March 2009/10*</u>
<b><u>Trade Balance</u></b>	<b><u>-19493.3</u></b>	<b><u>-18537.0</u></b>
Exports	19254.1	16967.1
Petroleum	8588.1	7050.0
Other Exports	10666.0	9917.1
Imports	-38747.4	-35504.1
Petroleum	-5531.3	-3262.9
Other Imports	-33216.1	-32241.2
<b><u>Services (net)</u></b>	<b><u>9624.1</u></b>	<b><u>8762.1</u></b>
<b><u>Receipts</u></b>	<b><u>18419.2</u></b>	<b><u>17741.9</u></b>
Transportation of which,	5825.0	5229.7
<i>Suez Canal</i>	3675.8	3366.1
Travel	7926.3	8722.9
Investment Income	1712.6	661.5
Government Receipts	176.9	136.9
Other	2778.4	2990.9
<b><u>Payments</u></b>	<b><u>8795.1</u></b>	<b><u>8979.8</u></b>
Transportation	1205.2	920.0
Travel	2180.1	1778.3
Investment Income of which,	1396.9	2949.1
<i>Interest Paid</i>	526.8	473.5
Government Expenditures	817.7	1126.1
Other	3195.2	2206.3
<b><u>Balance of Goods &amp; Services</u></b>	<b><u>-9869.2</u></b>	<b><u>-9774.9</u></b>
<b><u>Transfers</u></b>	<b><u>6439.0</u></b>	<b><u>7168.7</u></b>
Private Transfers (net)	5850.8	6275.6
Official Transfers (net)	588.2	893.1
<b><u>Current Account Balance</u></b>	<b><u>-3430.2</u></b>	<b><u>-2606.2</u></b>

\* Preliminary.

## Balance Of Payments(cont.)

	<u>(US.\$m.)</u>	
	<u>July/March 2008/09*</u>	<u>July/March 2009/10*</u>
<b><u>Capital &amp; Financial Account</u></b>	<b><u>679.8</u></b>	<b><u>5163.0</u></b>
<b><u>Capital Account</u></b>	<b><u>-0.1</u></b>	<b><u>-16.8</u></b>
<b><u>Financial Account</u></b>	<b><u>679.9</u></b>	<b><u>5179.8</u></b>
Direct Investment Abroad	-1079.9	-648.6
Direct Investment In Egypt (net)	5238.9	4332.0
Portfolio Investment Abroad(net)	-285.2	-692.6
Portfolio Investment in Egypt (net)of which,	-8889.8	7111.2
Bonds	-858.3	-255.8
Other Investment (net) **	5695.9	-4922.2
<u>Net Borrowing</u>	<u>-48.0</u>	<u>2234.6</u>
M&L Term Loans (net)	-661.6	-1058.9
Drawings	890.3	494.5
Repayments	-1551.9	-1553.4
MT Suppliers Credit (net)	-445.1	-10.8
Drawings	12.1	44.6
Repayments	-457.2	-55.4
ST Suppliers Credit (net)	1058.7	3304.3
<u>Other Assets</u>	<u>5194.2</u>	<u>-8419.0</u>
Central Bank	77.7	-34.0
Banks	10387.1	-2898.5
Other	-5270.6	-5486.5
<u>Other Liabilities</u>	<u>549.7</u>	<u>1262.2</u>
Central Bank	6.5	1180.3
Banks	543.2	81.9
<b><u>Net Errors &amp; Omissions</u></b>	<b><u>408.1</u></b>	<b><u>549.2</u></b>
<b><u>Overall Balance</u></b>	<b><u>-2342.3</u></b>	<b><u>3106.0</u></b>
<b><u>Change in CBE's reserve assets (increase = -)</u></b>	<b><u>2342.3</u></b>	<b><u>-3106.0</u></b>

\* Preliminary.

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