

Press Release
Performance of the Balance of Payments
During FY 2013/14

During FY 2013/14, Egypt's **balance of payments** recorded an **overall surplus** of some US\$ 1.5 billion (against US\$ 237.0 million in the previous FY). The **current account deficit** improved, registering only some US\$ 2.4 billion (against some US\$ 6.4 billion), while **the capital and financial account** resulted in a net inflow of around US\$ 4.9 billion (compared with some US\$ 9.8 billion).

The **improvement in the current account deficit** is mainly traceable to the increase in **net unrequited transfers**, to post about US\$ 30.4 billion (compared with about US\$ 19.3 billion), supported by the rise in net official transfers (commodity and cash) from US\$ 835.6 million to some US\$ 11.9 billion.

The improvement in the current account deficit could have been larger but for the drop in **services surplus** from some US\$ 5.0 billion to US\$ 978.5 million. Such a drop came mainly on the back of the 48.0 percent decline in **tourism revenues**, to roughly reach US\$ 5.1 billion (against some US\$ 9.8 billion), due to the fall in the number of tourist nights by 48.8 percent, to 72.9 million nights (from 142.4 million nights). Add to this the increase in the **trade deficit** by 9.8 percent to about US\$ 33.7 billion (versus US\$ 30.7 billion), owing to the 3.7 percent rise in merchandise imports, to record some US\$ 59.8 billion (against around US\$ 57.7 billion) and the 3.2 percent retreat in merchandise exports to some US\$ 26.1 billion (from some US\$ 27.0 billion).

The **capital and financial account** revealed a net inflow of some US\$ 4.9 billion (against some US\$ 9.8 billion), owing mainly to the following developments:

- **The decline in the net change in the liabilities of the CBE** to the external world, to register net inflows of only some US\$ 1.9 billion (against some US\$ 6.5 billion), due to the reimbursement of part of the deposits that had been placed at the CBE by some Arab countries;
- **The retreat of the net inflow of portfolio investment in Egypt** to about US\$ 1.2 billion (from US\$ 1.5 billion), primarily due to the

decline of foreigners' net investments in bonds to only US\$ 926.7 million (from US\$ 2.3 billion). Meanwhile, foreigners' net investments on the Egyptian Exchange (EGX) reversed from net sales of US\$ 758.7 million to net purchases of US\$ 444.5 million; and

- **The increase in the net FDI inflow** to about US\$ 4.1 billion (from about US\$ 3.8 billion), driven by the rise in the net inflow for oil sector investments from some US\$ 1.0 billion to some US\$ 1.6 billion, while the net inflow for greenfield investments declined by 6.7 percent, to register US\$ 2.2 billion (compared with US\$ 2.4 billion).

Balance of Payments

	(US.\$m.)	
	<u>2012/13*⁽¹⁾</u>	<u>2013/14*</u>
<u>Trade Balance</u>	<u>-30694.7</u>	<u>-33702.7</u>
Exports	26988.1	26119.0
<i>Petroleum</i>	13023.0	12452.3
<i>Other Exports</i>	13965.1	13666.7
Imports	-57682.8	-59821.7
<i>Petroleum</i>	-12124.2	-13246.7
<i>Other Imports</i>	-45558.6	-46575.0
<u>Services (net)</u>	<u>5039.4</u>	<u>978.5</u>
<u>Receipts</u>	<u>22224.4</u>	<u>17631.4</u>
Transportation of which,	9187.5	9466.0
<i>Suez Canal</i>	5031.8	5369.1
Travel	9751.8	5073.3
Investment Income	197.8	194.2
Government Receipts	437.6	654.4
Other	2649.7	2243.5
<u>Payments</u>	<u>17185.0</u>	<u>16652.9</u>
Transportation	1658.7	1717.2
Travel	2928.8	3044.5
Investment Income of which,	7604.2	7490.1
<i>Interest Paid</i>	755.1	721.2
Government Expenditures	1243.7	1073.9
Other	3749.6	3327.2
<u>Balance of Goods & Services</u>	<u>-25655.3</u>	<u>-32724.2</u>
<u>Transfers</u>	<u>19264.9</u>	<u>30367.9</u>
Private Transfers (net)	18429.3	18447.7
Official Transfers (net)	835.6	11920.2
<u>Current Account Balance</u>	<u>-6390.4</u>	<u>-2356.3</u>

Balance of Payments (cont.)

	(US.\$m.)	
	<u>2012/13*⁽¹⁾</u>	<u>2013/14*</u>
<u>Capital & Financial Account</u>	<u>9773.0</u>	<u>4934.5</u>
<u>Capital Account</u>	<u>-86.8</u>	<u>194.1</u>
<u>Financial Account</u>	<u>9859.8</u>	<u>4740.4</u>
Direct Investment Abroad	-183.6	-326.6
Direct Investment In Egypt (net)	3753.3	4119.3
Portfolio Investment Abroad(net)	22.4	65.9
Portfolio Investment in Egypt (net)of which,	1477.4	1237.2
<i>Bonds</i>	<i>2257.9</i>	<i>926.7</i>
Other Investment (net)	4790.3	-355.4
<u>Net Borrowing</u>	<u>1174.1</u>	<u>-618.6</u>
<u>M&L Term Loans (net)</u>	<u>750.4</u>	<u>-1316.2</u>
<i>Drawings</i>	<i>2709.6</i>	<i>793.4</i>
<i>Repayments</i>	<i>-1959.2</i>	<i>-2109.6</i>
<u>MT Suppliers Credit (net)</u>	<u>-18.2</u>	<u>-56.8</u>
<i>Drawings</i>	<i>43.4</i>	<i>7.6</i>
<i>Repayments</i>	<i>-61.6</i>	<i>-64.4</i>
<u>ST Suppliers Credit (net)</u>	<u>441.9</u>	<u>754.4</u>
<u>Other Assets</u>	<u>-2115.5</u>	<u>-1648.4</u>
<i>Central Bank</i>	<i>-9.8</i>	<i>-44.6</i>
<i>Banks</i>	<i>2061.2</i>	<i>661.5</i>
<i>Other</i>	<i>-4166.9</i>	<i>-2265.3</i>
<u>Other Liabilities</u>	<u>5731.7</u>	<u>1911.6</u>
<i>Central Bank</i>	<i>6452.6</i>	<i>1903.7</i>
<i>Banks</i>	<i>-720.9</i>	<i>7.9</i>
<u>Net Errors & Omissions</u>	<u>-3145.6</u>	<u>-1099.6</u>
<u>Overall Balance</u>	<u>237.0</u>	<u>1478.6</u>
<u>Change in CBE's reserve assets (increase = -)</u>	<u>-237.0</u>	<u>-1478.6</u>

* Preliminary.

(1) The data was revised, following the oil sector data revision .