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Contents

Main Macroeconomic Indicators of the Egyptian Economy 2006-2007 National Developments

1- Development and Growth

- 1/1 - Gross Domestic Product (GDP)
- 1/2 - GDP by Expenditure
- 1/3 - Cotton
- 1/4 - Suez Canal
- 1/5 - Tourism
- 1/6 - Population and Employment
- 1/7 - Inflation

2- Monetary and Banking Developments

- 2/1 - Monetary and Banking Policy and Monetary Aggregates
 - 2/1/1- Monetary Policy
 - 2/1/2- Reserve Money
 - 2/1/3- Banknote Issue
 - 2/1/4- SWIFT Local Services and Clearing Houses Activity
 - 2/1/5- Domestic Liquidity and Affecting Factors
- 2/2 - Banking Developments
 - 2/2/1- Overview of Banks' Aggregate Financial Position
 - 2/2/2- Interbank Money Market in Egypt
 - 2/2/3- Deposits
 - 2/2/4- Lending Activity

3- Non-Banking Financial Sector

- 3/1 - Stock Exchange
 - 3/1/1- Shares Market
 - 3/1/2- Bonds Market
 - 3/1/3- Mutual Funds
- 3/2 - Investments of the Insurance Sector

4 - Public Finance and Domestic Public Debt

- 4/1 - Consolidated Fiscal Operations of the General Government
 - 4/1/1- Budget Sector
 - 4/1/2- Budget Sector, NIB and SIFs
- 4/2 - Domestic Public Debt
 - 4/2/1- Domestic Government Debt
 - 4/2/2- Debt of Public Economic Authorities
 - 4/2/3- Debt of the National Investment Bank (NIB)

5 – External Transactions

- 5/1 - Foreign Exchange Market
- 5/2 - Balance of Payments
 - 5/2/1- Trade Balance
 - 5/2/2- Services Balance and Transfers
 - 5/2/3- Capital and Financial Account
- 5/3 - International Finance
 - 5/3/1- Foreign Direct Investment in Egypt
 - 5/3/2- Official Grants (Unrequited Transfers)
 - 5/3/3- External Debt

Annex

- Statistical Section

Main Macroeconomic Indicators of the Egyptian Economy 2006/2007

1) Area		
Total	1002.0	(Thousand km ²)
Populated	79.0	(Thousand km ²)
2) Population and Employment		
- Population on 1 st January, (excl. expatriates)	72.7	(million persons)
- Annual Growth Rate (%)	1.8	
- Number of Employees	20.1	(million Employees)
- Annual Growth Rate (%)	3.1	
3) GDP (2006/2007 Prices)		LE bn
GDP at Market Price		486.5
Annual Growth Rate (%)		7.1
GDP at Factor Cost		456.2
Annual Growth Rate (%)		7.1
GDP by Sector at Factor Cost		
A) Productive Sectors	227.3	(49.8% of GDP)
Of which:		
Manufacturing (Oil Refining & Others)	86.5	19%
Agriculture, Irrigation and Fishing	68.6	15%
Extractions (Oil, Natural Gas & Others)	39.0	8.5%
Construction and Building	22.8	5.0%
B) Services Sectors	228.9	(50.2% of GDP)
Of which:		
Wholesale and Retail Trade	53.2	11.7%
Financial Intermediaries and Supporting Services	26.1	5.7%
Transportation and Storage	23.0	5.0%
Suez Canal	16.4	3.6%
Restaurants and Hotels	16.0	3.5%
4) Annual Inflation Rate (1999/2000 = 100)		2006/2007
CPI during the Year		8.5
WPI during the Year		8.6

5) Annual Discount and Interest Rates (%)	June 2007
- CBE Lending and Discount Rate	9.0
- CBE Overnight Deposit and Lending Rates	
Deposit	8.75
Lending	10.75
- Interest Rate on 3- Month Deposits	6.10
- Interest Rate on One Year or Less Loans	12.60
6) CBE Announced US Dollar Exchange Rate	(PT Per US Dollar)
	June 2007
- Buy and Sell Exchange Rates (Average of the Year)	571.4
- End of the Year (Average Market Buy Rate)	568.9
7) Consolidated Fiscal Operations of the General Government (Preliminary Actual)	LE bn
	2006/2007
- Total Revenues	205.6
- Total Expenditure	244.0
<u>Cash Deficit</u>	<u>38.4</u>
Net Acquisition of Financial Assets	17.8
<u>Overall Deficit</u>	<u>56.2</u>
Total Finance	56.2
- Domestic Finance	35.4
Banking	-17.7
Non-Banking	53.1
Foreign Borrowing	3.6
Arrears	-0.7
Others	19.3
Financing Effects for Eliminations	0
Revaluation Differences	-0.4
- Net Privatization Proceeds	0.2
- Difference between treasury bills face value & present value	-1.2
- Discrepancy	0
- Cash Deficit/GDP (%)	5.2
- Overall Deficit/GDP (%)	7.7
- Expenditure/GDP (%)	33.4
- Revenues/GDP (%)	28.1

8) Domestic Public Debt (LE bn)

Gross, due on:

- Government
- Public Economic Authorities
- NIB

End of June
2006 **2007**

387.7	478.2
47.4	44.5
158.4	114.5

9) Monetary Survey (LE bn)

End of June
2006 **2007**

Domestic Liquidity (M2)	560.4	662.7
Growth Rate (%)	13.5	18.3
Reserve Money	116.0	134.1
Growth Rate (%)	14.8	15.6
Money Supply (M1)	109.3	131.3
Growth Rate (%)	21.8	20.1
Currency in Circulation/Money Supply (%)	67.9	66.2
Banking System Foreign Assets, of which:	219.0	305.0
CBE Foreign Assets	129.5	160.2
Banking System Foreign Liabilities, of which:	85.6	86.3
CBE Foreign Liabilities	68.2	64.8
Total Deposits with Banks (Excl. CBE)	568.8	650.0
In Local Currency	401.1	463.4
In Foreign Currencies	167.7	186.6
Foreign Currency Deposits/Total Deposits (%)	29.5	28.7
Total Lending and Discount Balances Extended by Banks (Excl. CBE), of which:	324.0	353.7
To Government and Public Economic Authorities	21.0	26.7
To Business Sectors (Public and Private)	247.3	263.5
Portfolio and TBs with Banks (Excl. CBE), of which:	194.0	176.1
TBs and Government Securities	130.8	111.0
Loans/Deposits with Banks (%)	57.0	54.4
Investment in Securities, TBs and Equity Participations/Deposits (%)	34.1	27.1

10) Balance of Payments (US\$ bn)

Current Account & Transfers	2.7
Trade Balance	(15.8)
Merchandise Exports	22.0
Oil and its Products %	45.9
Others %	54.1
Merchandise Imports	37.8
Intermediate Goods %	27.8
Investment Goods %	26.0
Consumer Goods %	14.0
Fuel, Raw Materials and Others %	32.2
Services Balance	11.4
Receipts, of which:	20.4
Transportation %	31.2
Travel %	39.3
Investment Income %	14.9
Payments, of which:	9.0
Transportation %	14.2
Travel %	21.4
Investment Income %	20.7
Transfers	7.1
Official %	11.3
Private %	88.7
Capital and Financial Account	1.1
Overall Surplus/(Deficit)	5.3

2006/2007

11) Outstanding External Debt (US\$ bn)

Total
Due on the Government and Public Sector
Due on the Private Sector

End of June

2006	2007
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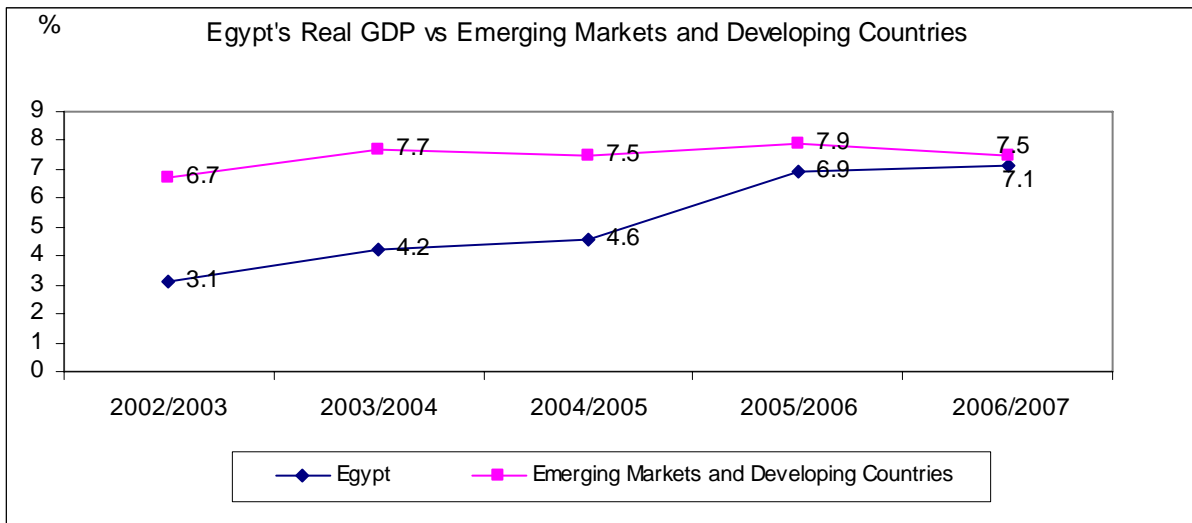
28.9	29.6
27.3	28.2
1.6	1.4

Domestic Developments

1- Development and Growth

1/1: Gross Domestic Product

According to the Ministry of Economic Development, the Egyptian economy continued its strong performance during FY 2006/2007, the final FY of the fifth quinquennial plan. Real GDP at factor cost grew from 6.9 percent during FY 2005/2006 to 7.1 percent during FY 2006/2007, reaching some LE 456.2 billion during the year under review, against LE 426.1 billion during the year of comparison. Similarly, the real GDP growth rate at market price increased from 6.8 percent during FY 2005/2006 to 7.1 percent during FY 2006/2007, posting LE 486.5 billion, against LE 454.3 billion a year earlier.



Source: Ministry of Economic Development
World Economic Outlook, IMF, April 2007

Follow-up of the implementation of the 2006/2007 plan revealed that the productive sectors contributed 3.1 percent to real GDP growth (7.1 percent). Atop these sectors came the manufacturing with a share of about 1.3 percent, then construction and building with 0.8 percent, and agriculture, irrigation and fishing with 0.6 percent.

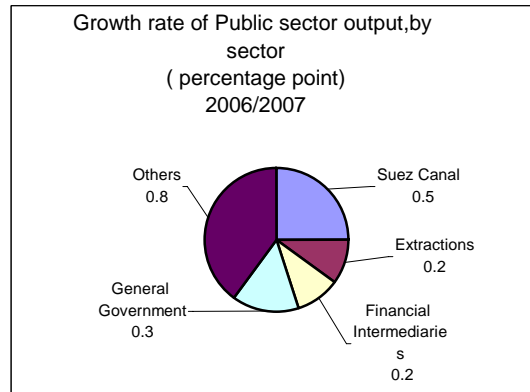
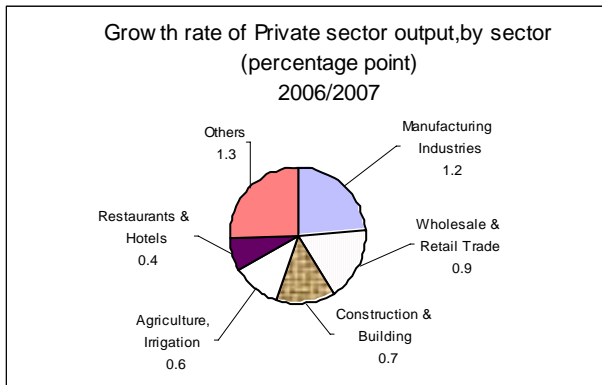
The services sectors generated 4.0 percent of GDP. The main contributors were the wholesale and retail trade with about 1.0 percent, the Suez Canal 0.5 percent, the financial intermediaries and supporting services 0.4 percent, and communications 0.3 percent.

**Productive and Services Sectors : Real Growth Rate
GDP at Factor Cost**

	(%)	
	2005/2006	2006/2007
<u>GDP</u>	<u>6.9</u>	<u>7.1</u>
<u>Productive Sectors, of which:</u>	<u>4.1</u>	<u>3.1</u>
Agriculture, irrigation and fishing	0.5	0.6
Extractions (oil, natural gas and others)	1.6	0.3
Manufacturing (oil refining and others)	1.1	1.3
Construction and building	0.7	0.8
<u>Services Sectors, of which:</u>	<u>2.8</u>	<u>4.0</u>
Wholesale and retail trade	0.8	1.0
Financial intermediaries and supporting services	0.3	0.4
Transportation and storage	0.4	0.4
Suez Canal	0.3	0.5
Restaurants and hotels	0.1	0.4
Communications	0.2	0.3

Source: Ministry of Economic Development

The real GDP growth rate of the private sector remained on the rise, reaching 7.6 percent during FY 2006/2007 against 6.2 percent a year earlier. Accordingly, the private sector contributed 5.1 percent in GDP during the reporting year, against 4.1 percent during the previous FY. The major contributors were the manufacturing, wholesale and retail trade, construction and building, and agriculture, irrigation and fishing.



Real GDP Growth Rates of the Public and Private Sectors

	2005/2006		2006/2007	
	Public	Private	Public	Private
GDP	8.5	6.2	6.0	7.6
Productive Sectors, of which:	14.6	6.2	4.8	6.8
Agriculture, irrigation and fishing	-79.0	3.3	4.9	3.7
Extractions (oil, natural gas and others)	20.3	23.7	3.5	6.2
Manufacturing (oil refining and others)	4.8	5.9	5.8	7.5
Construction and building	12.4	14.3	12.0	16.4
Service Sectors, of which:	5.2	6.1	6.7	8.6
Wholesale and retail trade	4.5	6.6	7.6	8.3
Financial intermediaries and supporting services	5.4	5.2	6.9	7.6
Transportation and storage	6.4	7.8	7.6	8.1
Suez Canal	9.4	0.0	14.9	0.0

Source: Ministry of Economic Development.

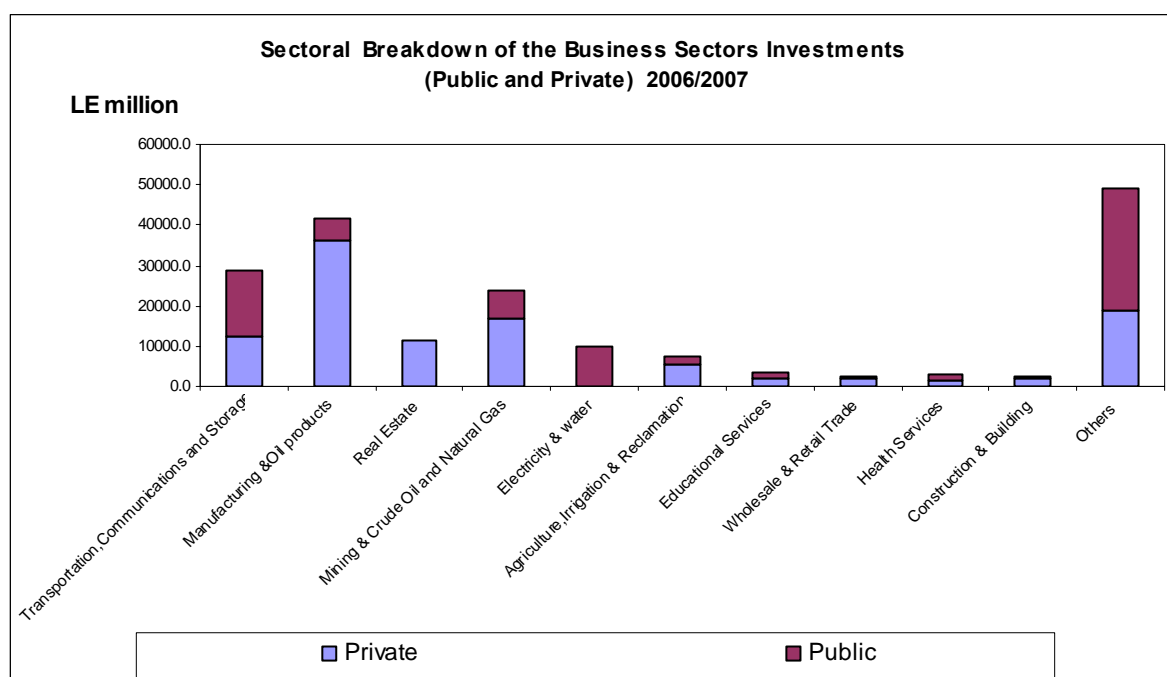
1/2: GDP by Expenditure

The robust economic performance during the period was supported by a strong domestic and external demand. Total implemented investments increased markedly by 34.2 percent to LE 155.3 billion or 21.2 percent of GDP during the reporting year. The bulk of the increase in total investments was in the manufacturing, and transportation, communications and storage with a combined share of about 83.8 percent.

Total Implemented Investments

	<u>2005/2006</u>	<u>2006/2007</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2006/2007</u>
	<u>Value</u>		<u>Structure</u>		<u>Growth</u>
	<u>(LE bn)</u>		<u>%</u>		<u>Rate %</u>
Total Investments	115.7	155.3	100.0	100.0	34.2
Private	66.3	96.1	57.3	61.9	44.9
Public	49.4	59.2	42.7	38.1	19.8

The increase in total implemented investments was concentrated in the investments of the private sector (75.2 percent), as they surged by 44.9 percent, reaching some LE 96.1 billion or 61.9 percent of total implemented investments during FY 2006/2007. This was the main reason behind the higher contribution of the private sector to the GDP at factor cost and current prices (62.3 percent) during the year under review. The rise in the investments of the private sector was associated by an inch-up in its credit share (by 12.3 percent of total credit) during the year under review.



The private consumption grew to 18.2 percent during the reporting period from 13.2 percent, reaching LE 515.5 billion or 70.5 percent of GDP. This pickup may be partly attributable to the tangible cuts in the income tax and customs duties.

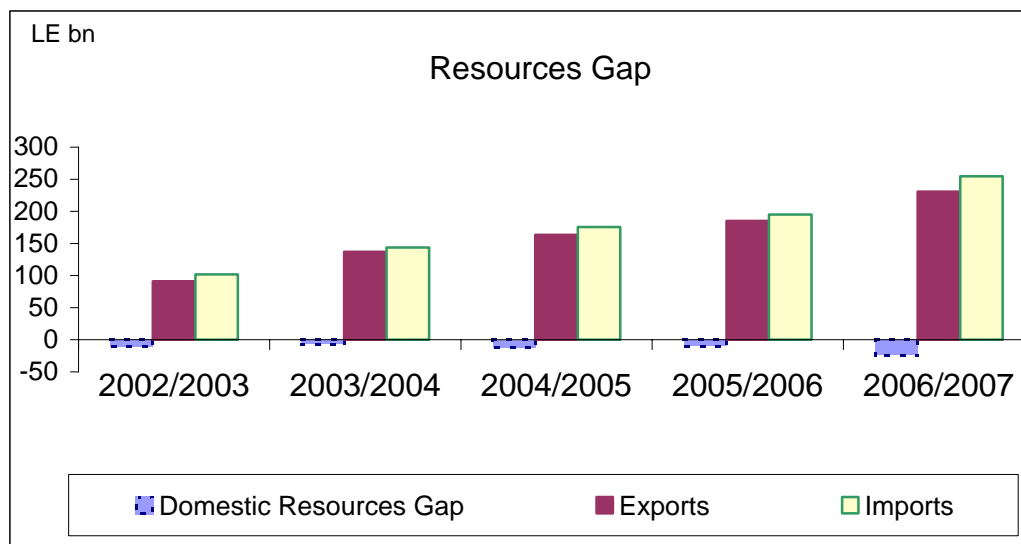
GDP by Expenditure

(Current prices)

	<u>Value</u>		<u>Growth Rate</u>	
	<u>(LE bn)</u>		<u>(%)</u>	
	2005/2006	2006/2007	2005/2006	2006/2007
<u>1- GDP at Market Prices (2+5-6)</u>	<u>617.7</u>	<u>731.2</u>	<u>14.7</u>	<u>18.4</u>
<u>2- Gross Domestic Expenditure (3+4)</u>	<u>627.7</u>	<u>755.2</u>	<u>14.0</u>	<u>20.3</u>
<u>3- Final Consumption</u>	<u>512.0</u>	<u>599.9</u>	<u>12.8</u>	<u>17.2</u>
- Private	436.1	515.5	13.2	18.2
- Public	75.9	84.4	10.6	11.2
<u>4-Gross Capital Formation</u>	<u>115.7</u>	<u>155.3</u>	<u>19.5</u>	<u>34.2</u>
- Investments	115.7	155.3	19.5	34.2
- Change in inventory	0.0	0.0	0.0	0.0
<u>5- Exports of Goods and Services</u>	<u>185.0</u>	<u>230.6</u>	<u>13.2</u>	<u>24.6</u>
<u>6- Imports of Goods and Services</u>	<u>195.0</u>	<u>254.6</u>	<u>11.0</u>	<u>30.6</u>
<u>7-Gross Domestic Savings (1-3)</u>	<u>105.7</u>	<u>131.3</u>	<u>24.9</u>	<u>24.2</u>
<u>8-Domestic Resources Gap (5-6)</u>	<u>-10.0</u>	<u>-24.0</u>	<u>:</u>	<u>:</u>

Source: Ministry of Economic Development.

The strong economic performance was also spurred by the growth in the exports of goods and services to LE 230.6 billion, at a rate of 24.6 percent during the period, against 13.2 percent during the period of comparison. Despite the higher growth rate of these exports, imports grew faster by 30.6 percent, against 11.0 percent, posting LE 254.6 billion. Consequently, the external trade gap widened, enlarging in turn the domestic resources gap.



1/3: Cotton

During the 2006/2007 season, the government continued its cotton policy that aims at maintaining the internationally reputable quality of Egyptian cotton and expanding its production. To this end, a high priority was accorded to increasing the average productivity per feddan by cultivating new varieties with high yield and superior quality. In addition, the government continued its technical and financial assistance to farmers.

Hereunder are the main cotton developments for the 2006-2007 season in terms of supply and demand:

Production

According to the estimates of the Cotton and Textile Industries Holding Company, the cultivated area amounted to about 536 thousand feddans during 2006-2007, 17.5 percent lower than the cultivated area of the previous season, and 8.8 percent than the targeted area of the current season. The shrinkage of the cultivated area was attributed to the farmers 'shift to planting more lucrative crops, amid expectations of lower world cotton prices. The area cultivated with long-staple varieties constituted 73.5 percent of the total cultivated land, whereas extra-long staples accounted for 26.5 percent.

Area and Production of Cotton Varieties

	<u>Area</u>				<u>Change</u> + (-) %	<u>Production</u>				<u>Change</u> + (-) %
	<u>(Thousand Feddans)</u>					<u>(Thousand Metric Cantars)</u>				
	<u>2005/2006</u>		<u>2006/2007</u>			<u>2005/2006</u>		<u>2006/2007</u>		
	<u>Final</u>		<u>Estimate</u>			<u>Final</u>		<u>Estimate</u>		
Total	650	100.0	536	100.0	(17.5)	4019	100.0	4215	100.0	4.9
Extra-long staple	155	23.8	142	26.5	(8.4)	858	21.3	1058	25.1	23.3
Long staple	495	76.2	394	73.5	(20.4)	3161	78.7	3157	74.9	(0.1)

Source: The Cotton and Textile Industries Holding Company.

According to the estimates of the aforementioned company, cotton output totaled about 4.2 million metric cantars during 2006-2007 season, up by 4.9 percent as compared with the previous season. Despite the diminution of the cotton cultivated area during the 2006-2007 season, the increase in cotton output was owed to the pickup in the average productivity per feddan to about 7.5 cantars/feddan, against 6.2 cantars/feddan in the preceding season.

Stock, Total Supply and Domestic Consumption

During 2006-2007 season, total supply of raw cotton amounted to about 4.6 million metric cantars, with a growth rate of 10.0 percent compared with the previous season. The increase was attributed to the rise in the opening stock by some 0.3 million metric cantars (against 0.1 million metric cantars), together with the pickup in the production of extra-long staples by 23.3 percent compared with the preceding season.

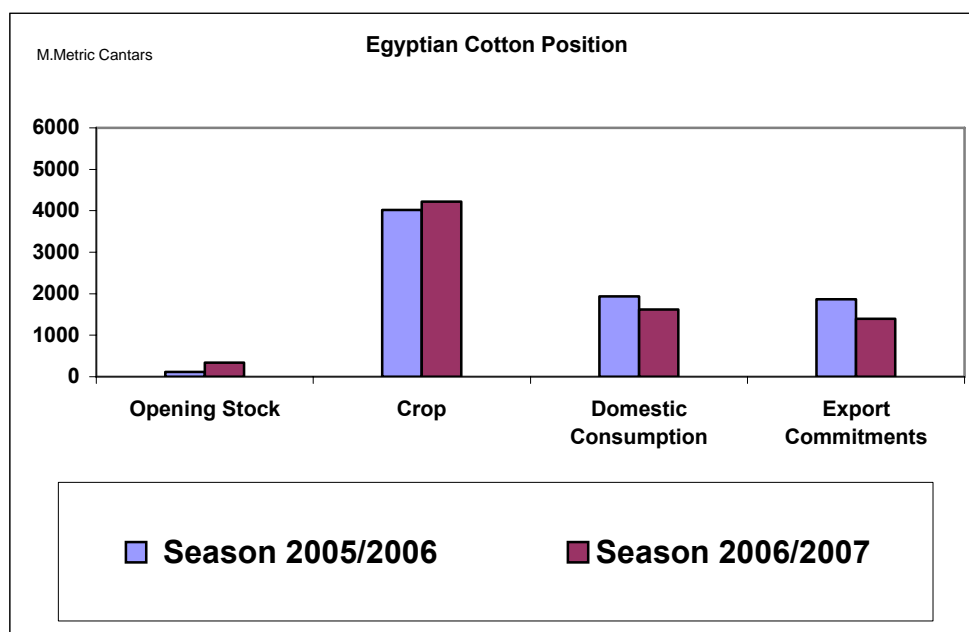
Total Uses

(Thousand metric cantars)

	2005/2006 Season Till 30/6/2006	2006/2007 Season Till 30/6/2007
	Final	Estimate
Total Uses	<u>3801</u>	<u>3016</u>
Domestic consumption	1936	1622
Export commitments	1865	1394

Source: Ibid.

As for domestic consumption, local mills received about 1.6 million metric cantars of cotton since the beginning of the 2006-2007 season up to end-June 2007, against 1.9 million metric cantars during the previous season.



Export Commitments

According to the Cotton and Textile Industries Holding Company , total export commitments reached about 1.4 million metric cantars since the beginning of the 2006-2007 season up to end-June 2007. Commitments on extra-long staple varieties accounted for some 489.5 thousand metric cantars or 35.1 percent of the total, whereas long staples reached 904.9 thousand metric cantars or 64.9 percent. The private sector's companies accounted for the bulk of total commitments with a share of 73 percent.

As for export commitments by importer, Asian countries - mainly India and Pakistan - were in the forefront, accounting for 59.9 percent of the total. The EU countries came second with 15.4 percent of the total, headed by Italy and Portugal.

Egyptian cotton export prices fluctuated, but they trended downwards towards the end of the period under review.

Export Commitments by Major Importer

Up to the end of June	2005-2006 Season	2006-2007 Season
<u>Total</u> (thousand metric cantars)	<u>1843.0</u>	<u>1394.4</u>
<u>Asian countries; of which</u>	<u>66.3%</u>	<u>59.9%</u>
India	21.1%	29.9%
Pakistan	23.0%	13.4%
<u>EU countries; of which</u>	<u>13.6%</u>	<u>15.4%</u>
Italy	9.4%	7.9%
Portugal	2.2%	3.2%
<u>Other European countries; of which</u>	<u>8.8%</u>	<u>10.3%</u>
Switzerland	4.6%	4.0%
Turkey	4.2%	6.3%
<u>USA</u>	<u>5.9%</u>	<u>2.6%</u>
<u>Arab countries</u>	<u>3.9%</u>	<u>6.9%</u>
<u>Other</u>	<u>1.5%</u>	<u>4.9%</u>

Source: Ibid.

International Developments

According to the estimates of the International Cotton Advisory Commission (ICAC), total world supply of cotton rose to 171.1 million bales or 1.7 percent. The increase was due to higher world cotton production, up by 2.7 percent, driven by the favorable weather conditions in the major producing countries in the southern hemisphere, particularly Brazil; and the higher production in China. The ICAC estimates also indicate that world consumption is forecasted to rise by 4.1 percent because of the rising consumption of China, India and Pakistan. According to ICAC estimates, the average volume of world trade declined by 11.6 percent, reaching 39.7 million bales due to the expected decrease in the volume of Chinese imports.

Position of Egyptian Cotton

	(million bales *)		
	2005/2006	2006/2007	Change
	Season	Season	+ (-) %
Opening stock	55.0	54.7	(0.5)
World production	113.3	116.4	2.7
Total Supply	<u>168.3</u>	<u>171.1</u>	<u>1.7</u>
World consumption	114.7	119.4	4.1
Carryover	53.6	51.6	(3.7)
World trade **	44.9	39.7	(11.6)

Source: International Cotton Advisory Commission (ICAC).

* World bale = 4.6 cantars

** Measured in terms of average exports and imports

1/4: Suez Canal

During FY 2006/2007, Suez Canal receipts scaled up by 17.2 percent to some US\$ 4.2 billion, against US\$ 3.6 billion during the previous FY. This reflected the rise in both the number of transiting ships and net tonnage, as well as the appreciation of SDRs - on the basis of which tolls are charged - vis-à-vis the US dollar, by about 3.1 percent during the year under review.

During the reporting year, the number of transiting ships rose by 943 to 19.4 thousand ships. This was an outcome of the rise in the number of ships (other than oil tankers) by 1096 to 15.9 thousand ships or 81.8 percent of the total and the decline in oil tankers by 153 to 3.5 thousand.

Traffic in Suez Canal

	<u>2005/2006</u>	<u>2006/2007</u>	Change %
<u>Total Number of Ships</u>	<u>18476</u>	<u>19419</u>	<u>5.1</u>
Oil tankers	3689	3536	-4.1
Others	14787	15883	7.4
<u>Total Net Tonnage (million tons)</u>	<u>702.3</u>	<u>792.5</u>	<u>12.8</u>
Oil tankers	155.4	157.7	1.5
Others	546.9	634.8	16.1

During FY 2006/2007, the cargo transiting the Suez Canal increased by 78.7 million tons or 13.2 percent, reaching 673.9 million tons, against 595.1 million tons during the previous FY. This mainly stemmed from the increase in the northbound cargo by 62.5 million tons or 18.2 percent (mainly ores and metals, oil substances and others) as well as the rise in southbound cargo by 16.3 million tons or 6.5 percent (chiefly oil substances and others).

Traffic in Suez Canal

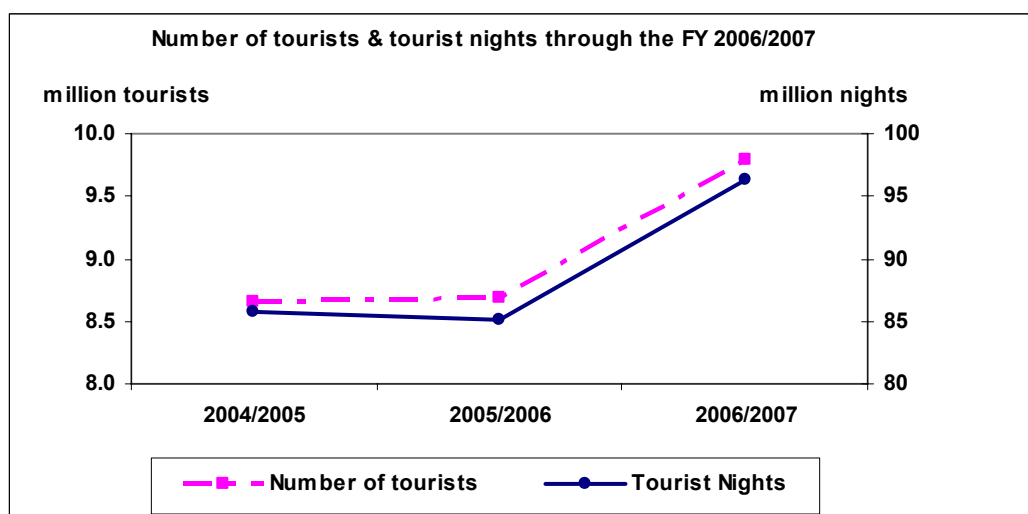
		<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
<u>Oil Tankers</u>				
Number		3430	3689	3536
Net tonnage	Million tons	148.2	155.4	157.7
Average tonnage	Thousand tons	43.2	42.1	44.6
<u>Other Ships</u>				
Number		13904	14787	15883
Net tonnage	Million tons	498.0	546.9	634.8
Average tonnage	Thousand tons	35.8	37.0	40.0
<u>Total</u>				
Number		17334	18476	19419
Net tonnage	Million tons	646.2	702.3	792.5
Average tonnage	Thousand tons	37.3	38.0	40.8

Transiting Cargo by Destination

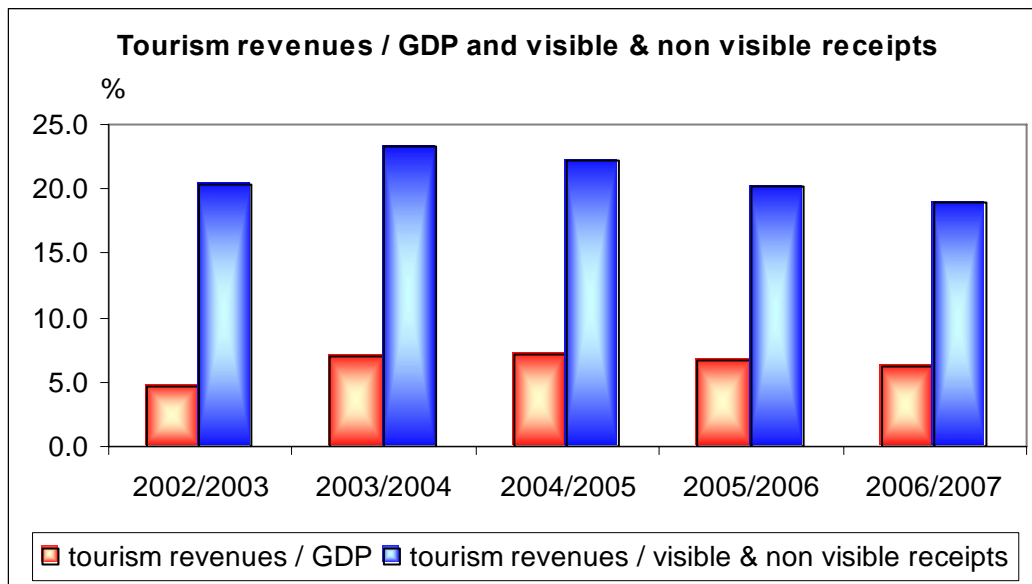
	(million tons)		
	2004/2005	2005/2006	2006/2007
Total	<u>541.5</u>	<u>595.1</u>	<u>673.9</u>
Southbound:	<u>219.9</u>	<u>251.9</u>	<u>268.2</u>
Oil substances	19.8	31.2	39.4
Cereals	11.3	17.7	20.9
Mineral Fertilizers	19.1	21.9	20.7
Fabricated metals	25.8	22.6	16.7
Others	143.9	158.5	170.5
Northbound:	<u>321.6</u>	<u>343.2</u>	<u>405.7</u>
Oil substances	71.9	79.6	82.5
Ores and Metals	30.2	24.1	34.8
Cereals	0.9	0.7	0.5
Oil Seeds	2.9	2.4	2.3
Others	215.7	236.4	285.6

1/5: Tourism

Statistics of the CAPMAS during FY 2006/2007 revealed positive indicators of arrival tourism compared with the preceding FY. Total number of arrivals increased by 12.6 percent to about 9.8 million tourists, and the number of tourist nights by 13.1 percent to 96.3 million nights.



Tourism revenues kept up its increase during the reporting year at a rate of 13.1 percent, to reach US\$ 8.2 billion or 6.4 percent of GDP at current market price for this year, representing about 19.3% of the BOP visible and invisible receipts during the same year. This was mainly attributed to the step-up in the average tourist stay per night by 1.0 percent, reaching 10.5 nights against 10.4. Meanwhile, the average spending per tourist a night maintained the same level of the previous FY (85 US dollar a night).



Investments in the tourism sector (restaurants and hotels) amounted to some LE 2.7 billion during FY 2006/2007, constituting 1.7 percent of total investments. The private sector implemented about 74.5 percent of these investments. The number of employees in the tourism sector (restaurants and hotels) reached 345.0 thousand or 9.5 percent of total employers, mostly working for the private sector.

Tourism Indicators

	<u>2004/2005</u>		<u>2005/2006</u>		<u>2006/2007</u>	
		Change + (-) %		Change + (-) %		Change + (-) %
Number of arrivals (000s)	8650	15.1	8693	0.5	9788	12.6
Number of departures (000s)	8206	16.3	8181	(0.3)	9156	11.9
Number of tourist nights of departures (000s)	85730	17.4	85113	(0.7)	96270	13.1
Average spending per tourist a night (US\$)	75.0	0.0	85.0	13.3	85.0	0.0
Tourism revenues (US\$ mn)	6429.8	17.4	7234.6	12.5	8183	13.1
Average tourist stay (night)	10.4	0.0	10.4	0.0	10.5	1.0
Total visible and invisible receipts (US\$ bn)	28.9	23.5	35.9	24.2	42.4	18.1
GDP (LE bn)	538.5	11.0	617.7	14.7	731.2	18.4
Number of employees in the tourism sector (restaurants & hotels) (000s)	285.0	9.6	315.0	10.5	345.0	9.5

Source: CBE, CAPMAS, Ministry of Economic Development, and Ministry of Tourism.

Number of Tourists

During FY 2006/2007, total arrivals from all tourist exporting markets amounted to some 9.8 million tourists, with an increase of 1095 thousand or 12.6 percent in comparison with the previous FY. This upturn was primarily attributed to the continuous success achieved by the well-planned promotion campaigns in the international markets and the development of new tourist areas in the North Coast. This is in addition to the diversification of tourism products by introducing new promising types, such as safari, ecotourism, as well as medical and conference tourism.

Number of Tourist Arrivals

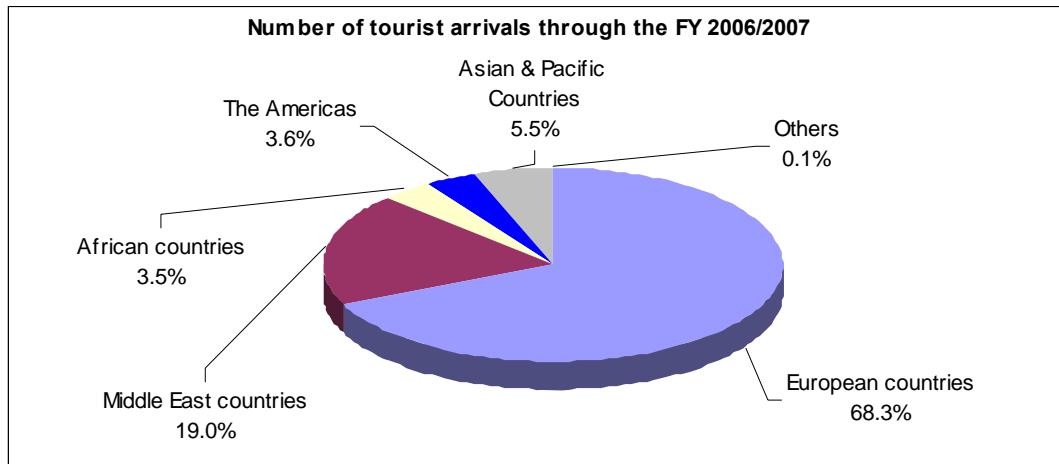
(Thousand)

	<u>2004/2005</u>			<u>2005/2006</u>			<u>2006/2007</u>		
	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %
Total	8650	100.0	15.1	8693	100.0	0.5	9788	100.0	12.6
	<u>By Period</u>								
July/Sept.	2390	27.6	23.3	2214	25.5	(7.4)	2269	23.2	2.5
Oct./Dec.	1999	23.1	7.5	2132	24.5	6.7	2467	25.2	15.7
Jan./March	2102	24.3	16.6	2154	24.8	2.5	4280	25.3	15.1
April/June	2159	25.0	13.0	2193	25.2	1.6	2572	26.3	17.3
	<u>By Group</u>								
Europe	5983	69.2	20.5	5818	66.9	(2.8)	6690	68.3	15.0
Middle East	1743	20.2	0.4	1834	21.1	5.2	1860	19.0	1.4
Africa	258	3.0	16.7	280	3.2	8.5	342	3.5	22.1
The Americas	276	3.2	16.5	325	3.7	17.8	356	3.6	9.5
Asia and the Pacific	386	4.4	10.6	432	5.0	11.9	534	5.5	23.6
Others	4	0.0	0.0	4	0.1	0.0	6	0.1	50.0

Source: CAPMAS.

A breakdown of the number of tourist arrivals by type of tourism during FY 2006/2007, revealed that tourism for sightseeing and recreation came in the forefront with a share of 93.2 percent of the total, against 92.8 percent during the preceding FY. Ship stopovers accounted for about 4.7 percent, followed by medical tourism (0.8 percent), while cultural tourism represented (0.6 percent), conferences (0.5 percent), and study and training (0.4 percent).

¹ "Stopover arrivals" are the passengers and crew members in transit through the Egyptian ports, who leave their ships and go ashore for a maximum of three days, but are going to embark on the same ship from the same port or at a different port.



The **European group** came in the forefront, accounting for 68.3 percent of total tourist flows during the year, with a rise of some 872 thousand tourists or 15 percent. The increase was mainly in arrivals from Eastern Europe; up by some 567 thousand or 35 percent, mostly from Russia (424 thousand). Likewise, tourists from Western Europe mounted by about 305 thousand or 7.3 percent, mostly from Germany (99 thousand), Italy (81 thousand) and the UK (51 thousand).

The **Middle East markets** continued to occupy the second position, accounting for 19 percent of the total number of tourists, with a rise of almost 28 thousand tourists or 2.1 percent. The bulk of this increase was attributed to the higher number of arrivals from Libya (57 thousand), Kuwait (36 thousand), Jordan (35 thousand), Saudi Arabia (21 thousand) and Syria (13 thousand). In contrast, a decline was observed in other countries of this group, particularly Palestine (132 thousand).

Ranking third, the **Asian and Pacific markets** contributed about 5.5 percent of the total number of tourists, with an increase of nearly 102 thousand or 23.6 percent. Japan accounted for almost 77.5 percent of this increase (37 thousand), followed by China (22 thousand), India (11 thousand), and South Korea (9 thousand).

Arrivals from the **Americas group** scaled up by about 31 thousand or 9.5 percent, mainly from the USA (22 thousand). Tourists from the **African markets** also mounted by some 62 thousand or 22.1 percent, chiefly from the Sudan (40 thousand).

Tourist Nights

The number of tourist nights manifested during the year the same upward trend as the number of tourist arrivals. During FY 2006/2007, the total number of nights spent by all departure groups reached some 96.3 million, up by 11.2 million nights or 13.1 percent as compared with the previous FY. The major part of this increase was in the third and fourth quarters of FY 2006/2007.

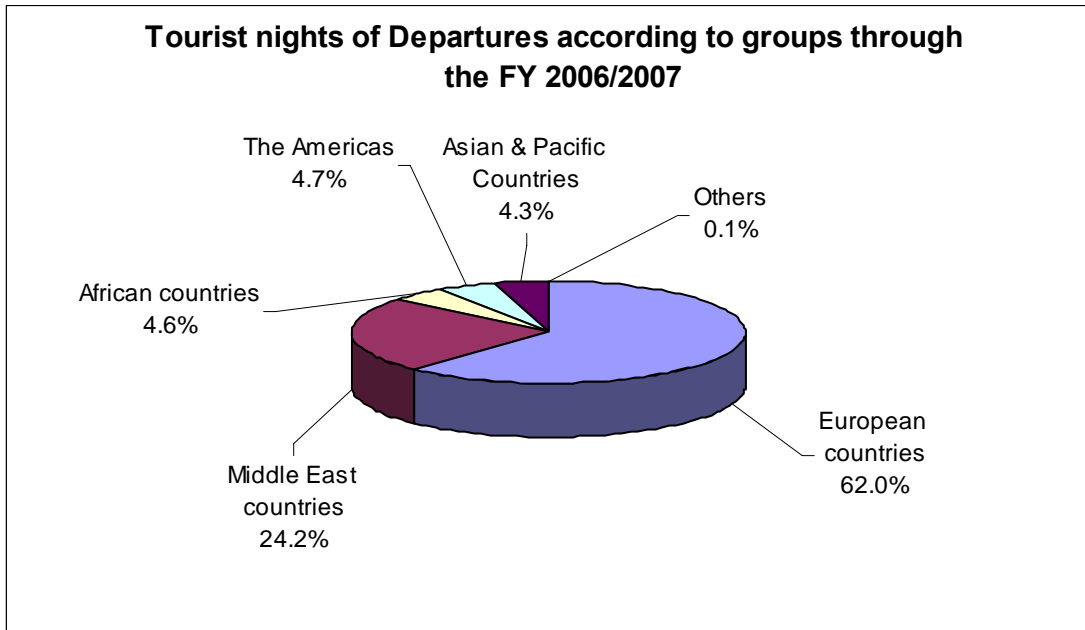
Number of Tourist Nights by Departures

(Thousand)

	<u>2004/2005</u>			<u>July/June 2005/2006</u>			<u>2006/2007</u>		
	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %
Total	85730	100.0	17.4	85113	100.0	(0.7)	96270	100.0	13.1
<u>By Period</u>									
July/Sept.	28146	32.8	29.3	27316	32.1	(2.9)	28854	30.0	5.6
Oct./Dec.	18677	21.8	14.0	18949	22.3	1.5	21602	22.4	14.0
Jan./March	19331	22.6	12.1	19227	22.6	(0.5)	22325	23.2	16.1
April/June	19576	22.8	11.2	19621	23.0	0.2	23489	24.4	19.7
<u>By Group</u>									
Europe	55631	64.9	20.5	52987	62.3	(4.8)	59641	62.0	12.6
Middle East	20249	23.6	10.7	21223	24.9	4.8	23396	24.2	10.2
Africa	3101	3.6	21.5	3434	4.0	10.7	4418	4.6	28.7
The Americas	3605	4.2	14.5	4046	4.8	12.2	4591	4.8	13.5
Asia and the Pacific	3088	3.6	11.8	3357	3.9	8.7	4154	4.3	23.7
Others	56	0.1	(5.1)	66	0.1	17.9	70	0.1	6.1

Source: Ibid.

The **European group** ranked first, with a relative weight of 62.0 percent of the total, as its share of tourist nights picked up by about 6.7 million or 12.6 percent compared with the preceding FY. This was mainly ascribed to the increased number of nights spent by departures from Eastern Europe, up by some 4.7 million or 31.9 percent (mostly by tourists from Russia with a share of almost 3.6 million of the increase). Moreover, the nights by departures from Western Europe picked up by some 2.0 million, chiefly by departures from the UK (about 573 thousand), Italy (some 572 thousand) and Germany (almost 350 thousand).



Tourist nights by departures from the **Middle East** moved up by some 2.2 million or 10.2 percent. The increase came primarily from Saudi Arabia (490 thousand nights), followed by Kuwait (397 thousand), Libya (386 thousand), Lebanon (221 thousand) and Iraq (219 thousand).

As for the **Asian and Pacific markets**, tourist nights scaled up by about 797 thousand nights or 23.7 percent. The increase was mainly contributed by Japan (192 thousand nights), China (163 thousand), and India (120 thousand).

The number of tourist nights by departures from the **African group** mounted by some 984 thousand nights or 28.7 percent. Almost 75 percent of this increase was contributed by the Sudan (738 thousand nights).

The **Americas' group** recorded an increase of about 545 thousand nights or 13.5 percent in departures' nights, mostly from the USA (369 thousand) and Canada (118 thousand).

1/6: Population and Employment

According to the Ministry of Economic Development, Egypt's total population reached some 75.0 million on Jan. 1, 2007, of which 2.3 million work abroad.

The improvement in economic growth in several productive and services sectors helped create more job opportunities, driving up employment by some 3.1 percent-compared with the previous year-to 20.1 million. In this context, close to 600 thousand job opportunities were created in different economic sectors, mainly agriculture, manufacturing, wholesale and retail trade, construction and building, education, health and personal activities. In addition, a major contribution in this regard is owed to the employment programs financed by the Social Fund for Development (SFD). The Fund finances labor-intensive small and micro enterprises, and provide marketing and technical services. Accordingly, unemployment receded to 9.1 percent during the reporting year (from 9.5 percent in the previous year), as the growth in employment outpaced that of the workforce during the reporting year.

The stronger economic performance resulted in a higher average real productivity per capita of some LE 22.7 thousand during FY 2006/2007 (against some LE 21.9 thousand), with a rise of 3.9 percent.

Population, Labor Force & Unemployment

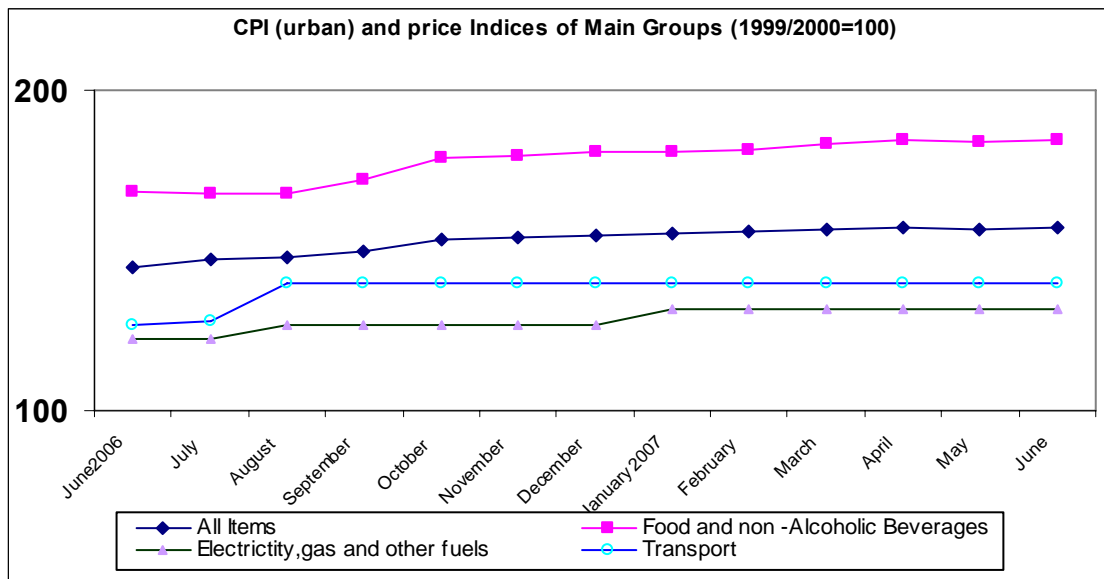
FYs	<u>Million</u>		<u>Growth Rate %</u>
	2005/2006	2006/2007	2006/2007
<u>Total Population in A.R.E.</u>	<u>71.4</u>	<u>72.7</u>	<u>1.8</u>
<u>Total Labor Force (15-64 Years)</u>	<u>21.6</u>	<u>22.1</u>	<u>2.3</u>
<u>Total Employment (15-64 Years)</u>	<u>19.5</u>	<u>20.1</u>	<u>3.1</u>
<u>Unemployment Rate (%)</u>	<u>9.5</u>	<u>9.1</u>	<u>-4.2</u>
<u>Average Real Productivity (LE)</u>	<u>21856.4</u>	<u>22696.5</u>	<u>3.8</u>

(Real GDP at factor cost/ number of workers)

1/7: Inflation

The annual inflation rate, according to the CPI (urban) issued by the CAPMAS, accelerated to about 8.5 percent during FY 2006/2007, against 7.2 percent during the previous FY. The higher inflation was ascribed to the second round effects of the supply shocks associated with oil subsidy cuts and the outbreak of avian flu. It is noteworthy that this disease did not only result in the lower supply and higher prices of poultry, but it had also spillover effects on the prices of meat and fish, and several other goods.

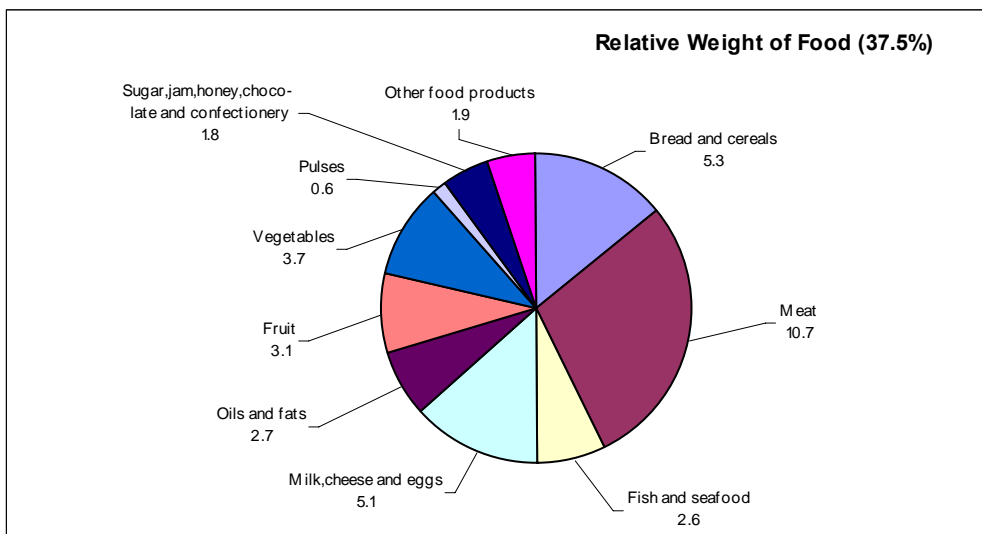
Moreover, the increase in the inflation rate was also driven by the strong domestic demand related to the steady pace of economic growth. The tangible pickup in the sectoral growth rates reflected the extensive use of productive capacities in a number of economic sectors, such as construction and building as well as manufacturing; a matter which fueled the prices of capital goods. The stronger domestic demand, and the ensuing spike in inflation, was propelled by fast economic growth. In this sense, the upturn opened the way for increased job opportunities and pushed up demand on certain jobs leading to the rise in their salaries. Another factor at work was the wealth effect of higher share and real estate prices and the resultant increase in domestic demand and inflationary pressures.



Hereunder are the rises in the main CPI groups:

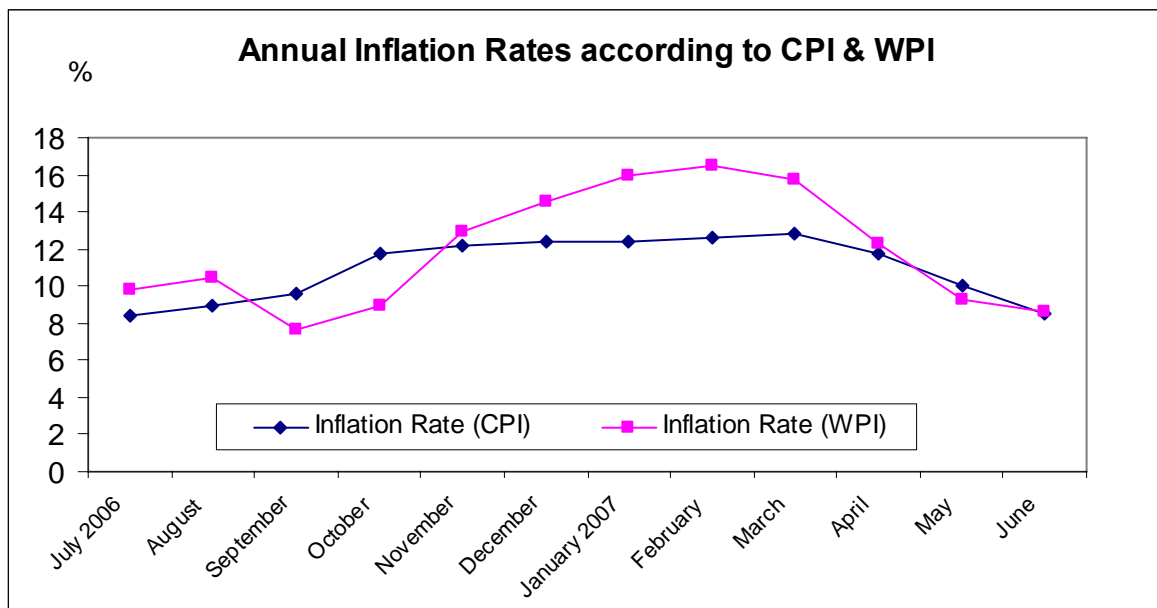
1- **Foodstuffs and non-alcoholic beverages** by 9.6 percent, as a main result of the increase in the prices of foodstuffs, particularly the following:

- a) **Vegetables** by 24.6 percent, due to the rise in the prices of potatoes by 53.6 percent, onions by 35.9 percent, tomatoes by 17.8 percent for seasonality reasons, and the surge in the exports of potatoes and onions.
- b) **Meat** by 8.3 percent due to higher prices of poultry, up by 12.0 percent (due to the continuing effect of the avian flu). Likewise, the prices of fresh red meat increased by 6.6 percent (under the lower supply due to the foot & mouth and lumpy skin diseases, and the higher demand thereon under the influence of the avian flu).
- c) **Fish and seafood** by 10.4 percent, mainly due to the rise in fresh fish prices (in the light of the lower supply due to the ban imposed on fishing in the Mediterranean Sea in the period from the first of May till the end of June of every year –in accordance with the Minister of Agriculture and Land Reclamation's Decree No. 130 for 2007 in this concern, effective April, 29th, 2007).
- d) **Bread and cereals** by 12.4 percent, mainly because of the increase of rice prices by 30.5 percent and wheat flour by 6.6 percent.



- 2- **Housing, water, electricity and fuel** rose by 5.7 percent, mainly due to the increase in the prices of water and housing utilities by 34.0 percent and in electricity, natural gas and fuel by 7.5 percent because of the raising of fuel prices by 27.5 percent (pursuant to the Prime Minister's Decree on 21/7/2006) and natural gas and butagas by 14.0 percent.
- 3- **Transportation** rose by 9.8 percent, as a chief result of the rise in private transportation expenditures by 16.4 percent and also transportation services by 6.8 percent.
- 4- **Clothing, textiles and footwear** stepped up by 4.9 percent, mainly due to the price increase of ready-made clothes, tailoring and footwear.
- 5- **Culture and recreation** mounted by 19.5 percent because of the higher prices of package holidays by 26.7 percent and newspapers, books, and stationery by 21.1 percent.
- 6- **Education** increased by 11.1 percent as a result of the rise in the secondary education prices by 16.8 percent, higher education by 14.9 percent and primary education by 5.0 percent.

Inflation – according to the WPI issued by the CAPMAS – mounted to 8.6 percent in FY 2006/2007, against 5.7 percent in the previous FY.



The following table reveals that the CPI inflation of Egypt's main trade partners, ranged between 0.05 percent and 1.05 percent, with a weighted average – for comparison purposes – of 2.53 percent during FY 2006/2007, against 3.05 percent a year earlier. This average was calculated on the basis of the relative weights of Egypt's merchandise exports and imports to and from those partners during 2005/2006 and 2006/2007, with the exclusion of crude oil exports and commodity grants.

Inflation in Egypt's Main Foreign Trade Partners

	Relative Weight of Foreign Trade	<u>Inflation Rates (%)</u>	
		2005/2006	2006/2007
USA	0.388	1.68	1.05
UK	0.131	0.30	0.31
Italy	0.070	0.16	0.11
Germany	0.095	0.21	0.17
Netherlands	0.044	0.09	0.07
France	0.090	0.19	0.05
Switzerland	0.083	0.13	0.05
India	0.045	0.22	0.48
China	0.054	0.07	0.24
Total	1.000		
Weighted Average		3.05	2.53

2: Monetary and Banking Developments
2/1: Monetary and Banking Policy and Monetary Aggregates

2/1/1: Monetary Policy

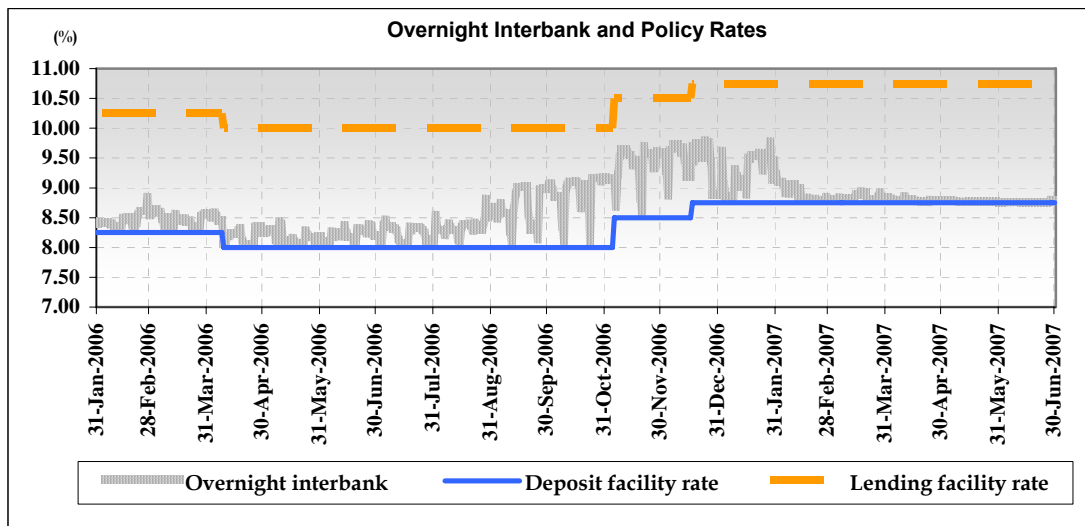
In virtue of Law No. 88 of 2003, the CBE works on realizing price stability as the overriding objective of its monetary policy. To this end, the Monetary Policy Committee (MPC) decided in its periodical meetings during FY 2006/2007 to move up the key CBE interest rates (the overnight deposit and lending rates). The purpose was to contain the inflationary pressures arising from accelerating economic growth and the second round effects of supply shocks (set off by the outbreak of the Avian flu and oil subsidy cuts). The above-mentioned interest rates were changed as follows:

	Overnight Deposit Rate	Overnight Lending Rate
In July 2006	8.00%	10.00%
After the MPC meeting in November 2006, they went up by 0.5% to reach	8.50%	10.50%
After the MPC meeting in December 2006, they went up by 0.25% to reach (these rates remained effective till the end of FY 2006/2007)	8.75%	10.75%

Due to the increasing liquidity in the market – resulting from higher foreign direct and indirect investment flows, the CBE used two instruments to absorb excess liquidity. It reactivated the deposit auctions in January 2007, and used its certificates of deposits (CDs) and notes. The outstanding balance of these instruments reached LE 163.6 billion at end of June 2007, against LE 93.7 billion at end of June 2006.

The following are the outcomes of the monetary policy adopted during the year under review:

- The inflationary pressures were eased, as the annual CPI inflation rate (urban) declined to 8.5 percent in June 2007, compared with 9.6 percent in September 2006, 12.4 percent in December 2006, and 12.8 percent in March 2007.
- Consistency was achieved between the overnight interbank interest rate (the operational target of the monetary policy) and the MPC's decisions. (see the following chart) As such, the weighted average of the overnight interbank rate moved in the lower half of the corridor due to the excess liquidity at the banking system.



- With the improvement in monetary policy transmission mechanisms, deposit and lending interest rates became more responsive to the changes in the CBE overnight interest rates. The interest rates on three-month deposits reached about 6.6 percent at end of July 2006; increased to 6.8 percent in October 2006 and ranged between 6.7 percent and 6.8 percent from November 2006 till June 2007. However, the interest rates on one-year-or-less loans were less flexible as they ranged from 11.3 percent to 11.9 percent during the year.

2/1/2: Reserve Money

Reserve money augmented by LE 18.1 billion or 15.6 percent during FY 2006/2007 (against LE 15.0 billion or 14.8 percent in the previous FY), to record LE 134.1 billion at end of June 2007. Such a rise stemmed from the increase in the currency in circulation outside the CBE by LE 13.6 billion, and banks' deposits in local currency at the CBE by LE 4.5 billion.

Reserve Money and Counterpart Assets

(LE mn)

	<u>Balances</u> <u>at End of</u> <u>June 2007</u>	<u>Change during FYs</u>			
		<u>2005/2006</u>		<u>2006/2007</u>	
		<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
A- Reserve Money	<u>134126</u>	<u>14970</u>	<u>14.8</u>	<u>18076</u>	<u>15.6</u>
-Currency in circulation outside the CBE	92174	11363	16.9	13571	17.3
-Banks' deposits in local currency	41952	3607	10.7	4506	12.0
B- Counterpart Assets	<u>134126</u>	<u>14970</u>	<u>14.8</u>	<u>18076</u>	<u>15.6</u>
Net Foreign Assets	<u>95372</u>	<u>24007</u>	<u>64.4</u>	<u>34070</u>	<u>55.6</u>
Foreign assets	160197	20739	19.1	30720	23.7
Foreign liabilities	64825	(3268)	(4.6)	(3350)	(4.9)
Net Domestic Assets	<u>38754</u>	<u>(9038)</u>	<u>(14.2)</u>	<u>(15994)</u>	<u>(29.2)</u>
Claims on the government (net)	117254	(8208)	(6.7)	3199	2.8
Claims on banks (net)	59512	23000	(104.6)	58495	5746.0
Other Items (Net)	<u>-138012</u>	<u>(23829)</u>	<u>65.3</u>	<u>(77687)</u>	<u>128.8</u>

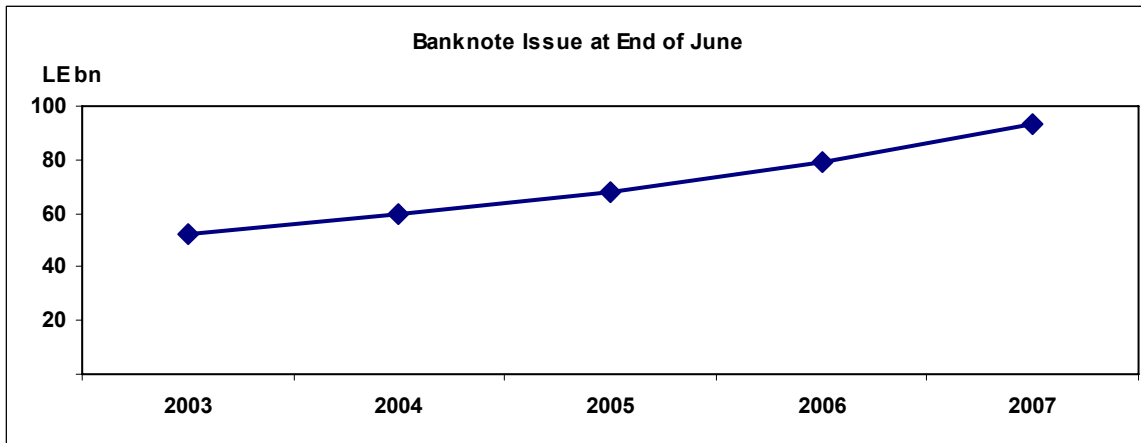
Source: Statistical Section –Table 2/1/1

As for the counterpart assets, net foreign assets had a remarkable expansionary effect on reserve money that was somewhat mitigated by the contractional effect of net domestic assets. Net foreign assets of the CBE rose by LE 34.1 billion worth to LE 95.4 billion worth at end of June 2007. Such an increase was mainly an outcome of the pickup in the CBE foreign assets by LE 30.7 billion worth and the decline in its foreign liabilities by LE 3.4 billion worth.

As for net domestic assets, they retreated by LE 16.0 billion to LE 38.7 billion. This was a dual effect of the decline in other items (net) by LE 77.7 billion and the increase in the CBE net claims on banks and the government. The CBE net claims on banks mounted by LE 58.5 billion (mainly because of the rise in its claims thereon by LE 59.9 billion), and on the government by LE 3.2 billion (due to the increase in its claims thereon by LE 20.4 billion and the government deposits therewith by LE 17.2 billion) during FY 2006/2007.

2/1/3: Banknote Issue

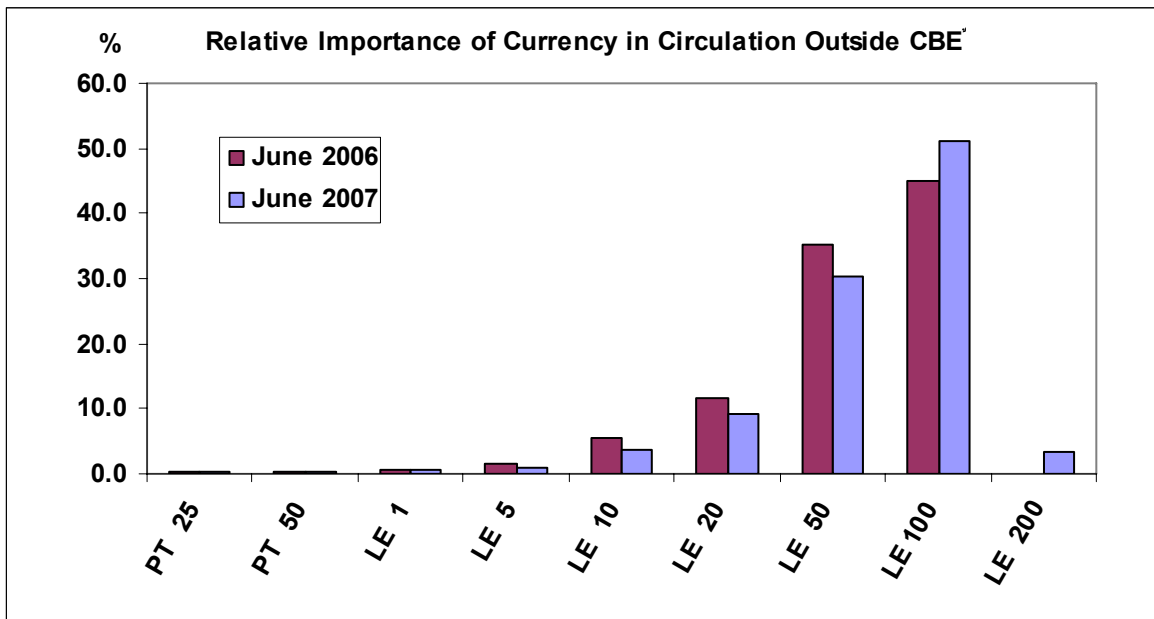
Banknote issue (including subsidiary coins) rose by LE 14.2 billion or 18.0 percent during FY 2006/2007 (against LE 11.5 billion or 17.0 percent during the previous FY). This brought the balance of banknote issue up to LE 93.5 billion at end of June 2007.



As for the components of the issue cover, the value of gold climbed by about LE 0.3 billion to LE 6.7 billion, due to its revaluation on the 30th of June 2007. Likewise, Egyptian government bonds rose also by LE 13.9 billion to LE 86.5 billion. Accordingly, the relative importance of government bonds increased to 92.8 percent at end of June 2007 from 91.9 percent at end of June 2006.

Such a rise in banknote issue was reflected on the currency in circulation outside the CBE, which grew by LE 13.6 billion or 17.3 percent, to LE 92.2 billion at end of June 2007.

The following chart shows a marked increase in the circulation of the LE 100 note against a decline in all other denominations, except for pt 25 which remained unchanged. As of May 2007, the LE 200 note was put into circulation to go in line with the rising level of prices and the higher value of transactions. The relative importance of the LE 200 note reached 3.3 percent of total currency in circulation at end of June 2007. Accordingly, the average value per note climbed to LE 25.6 at end of June 2007, against LE 22.0 at end of June 2006, up by 16.4 percent during FY 2006/2007.



2/1/4: SWIFT Local Services and Clearing Houses Activity

Data of Fin-Copy system via SWIFT indicate a rise in the number of the messages executed in Egyptian pound, which reached 525.2 thousand transactions, with a value of LE 2280.2 billion during FY 2006/2007 (against 404.8 thousand transactions at a value of LE 1658.8 billion during the previous FY).

SWIFT Local Services in Local Currency

During FYs	Number of Messages (Unit)	Value of Transfers (LE mn)	<u>Change during the Period</u>	
			Number	Value
2003/2004	258501	970617	41567	(27588)
2004/2005	326341	1246023	67840	275406
2005/2006	404776	1658794	78435	412771
2006/2007	525236	2280198	120460	621404

As for the US\$ inter-bank transactions via the Fin-Copy system (applied as of September 2004), the number of executed transactions reached 12.1 thousand, with a value of US\$ 79.0 billion during FY 2006/2007 (against 11.0 thousand transactions at a value of US\$ 39.8 billion during the previous FY).

SWIFT Local Services in US Dollar

During FYs	Number of Messages (Unit)	Value of Transfers (LE mn)	<u>Change during the Period</u>	
			Number	Value
2004/2005	10604	11933	-	-
2005/2006	11049	39773	445	27840
2006/2007	12070	78997	1021	39224

According to the statistics of the CBE Automated Clearing House, the number and value of exchanged cheques rose during FY 2006/2007. The number of exchanged cheques reached 10.5 million, with a total value of LE 356.9 billion during the reporting year (against 9.5 million cheques with a total value of LE 288.7 billion during the previous FY). Accordingly, the average value per cheque rose to LE 34.1 thousand during the year from LE 30.4 thousand.

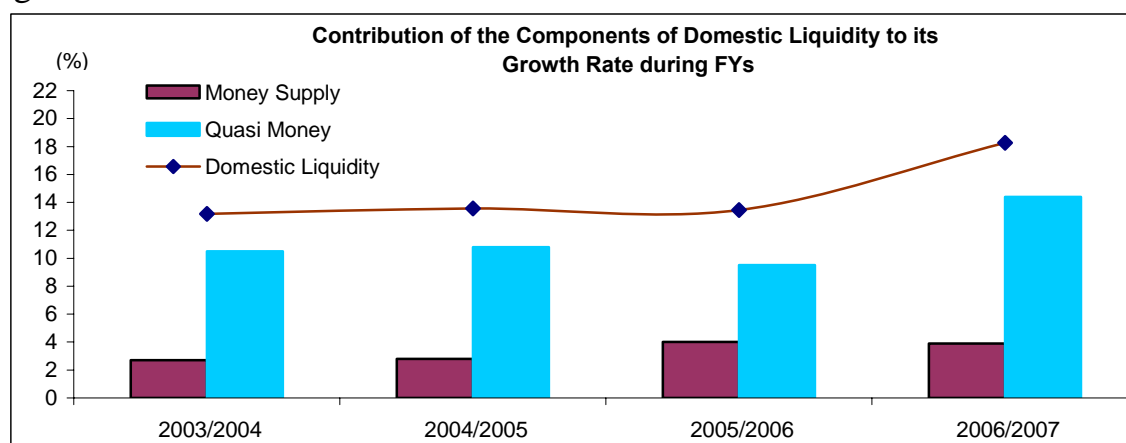
CBE Clearing Houses* Activity

During FYs	Number of Cheques (000s)	Value of Cheques (LE mn)	Change	
			Number	Value
2003/2004	9591	248224	(4.3)	1.5
2004/2005	9321	262423	(2.8)	5.7
2005/2006	9508	288713	2.0	10.0
2006/2007	10480	356900	10.2	23.6

* As of 1/1/2006, the manual clearing houses in Alexandria and Port-Said were cancelled, and all their activities were transferred to Cairo Automated Clearing House.

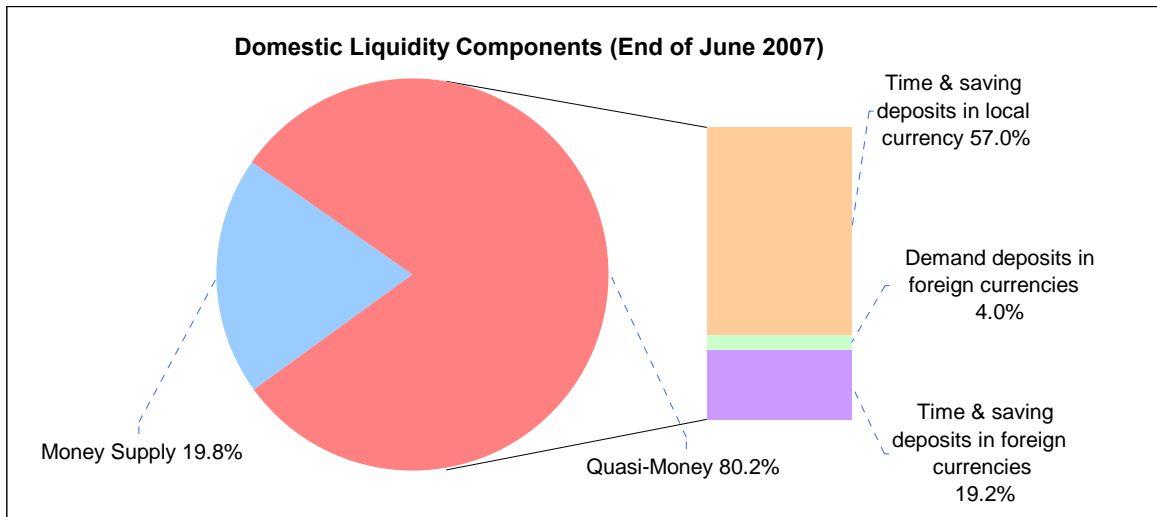
2/1/5: Domestic Liquidity and Affecting Factors

At end of June 2007, domestic liquidity (M2) reached LE 662.7 billion (representing 90.6 percent of GDP in FY 2006/2007), with a remarkable growth of LE 102.3 billion or 18.3 percent during the year (the highest since December 2004) against 13.5 percent during the previous FY. The rise in domestic liquidity was an outcome of the increase in both money supply (M1) and quasi-money. Quasi-money –time and saving deposits – contributed the bulk of the increase in domestic liquidity during the year. This helped containing the inflationary pressures that could have been larger due to such high rate.



Source: Statistical Section – Table 2/1/2

As to the components of domestic liquidity, money supply (M1) went up by LE 22.0 billion or 20.1 percent (against LE 19.6 billion or 21.8 percent during the previous FY), to reach LE 131.3 billion or 19.8 percent of total domestic liquidity at end of June 2007. The rise reflected the pickup in money in circulation outside the banking system by LE 12.6 billion or 17.0 percent (against LE 11.2 billion or 17.8 percent during the previous FY), to reach LE 86.9 billion at end of June 2007. Added to this was the increase in LE demand deposits by about LE 9.4 billion or 26.8 percent (against LE 8.4 billion or 31.4 percent) to reach LE 44.4 billion at end of June 2007.



Quasi-money (time and saving deposits in local currency and deposits in foreign currencies) noticeably augmented by LE 80.3 billion or 17.8 percent (against LE 46.9 billion or 11.6 percent during the previous FY), to reach LE 531.4 billion or 80.2 percent of total domestic liquidity at end of June 2007. LE time and saving deposits increased by LE 63.2 billion or 20.1 percent (against LE 31.2 billion or 11.0 percent during the previous FY), to reach LE 377.4 billion (almost two thirds of the deposits and more than half of domestic liquidity) at end of June 2007. The private business and household sectors contributed the bulk of the increase in these deposits. This mirrored a continued preference for saving in Egyptian pound, particularly given the stability (or even the rise) of its exchange rate vis-à-vis the US dollar during the reporting year and the decision taken by the US Federal Reserve to keep the short-term interest rate unchanged.

Foreign currency deposits escalated by LE 17.1 billion worth or 12.5 percent (against LE 15.7 billion worth or 13.0 percent during the previous FY), reaching LE 154.0 billion worth at end of June 2007.

As for the counterpart assets of domestic liquidity, net foreign assets continued to exert the largest expansionary effect on domestic liquidity. Domestic credit had a similar effect. Both effects were offset by the contractional effect of net balancing items.

Domestic Liquidity Counterpart Assets

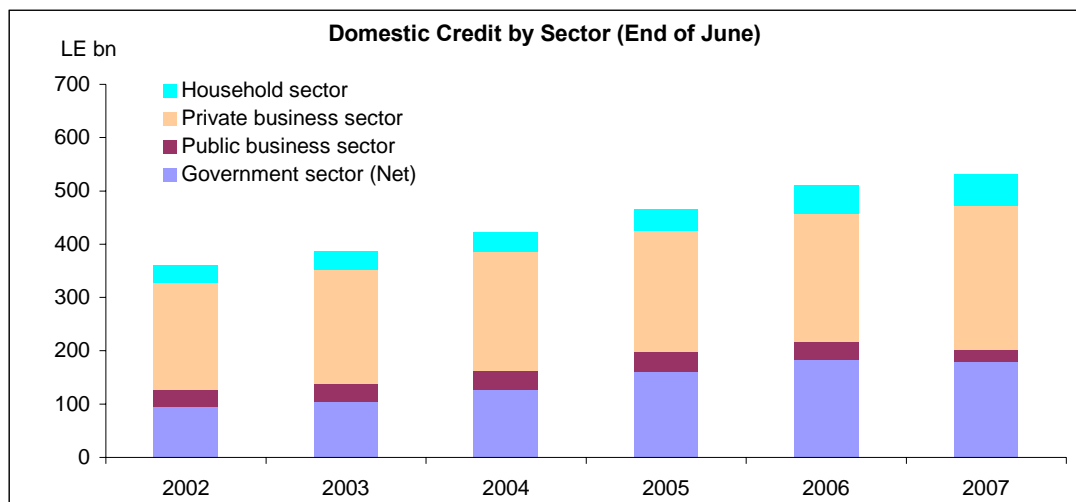
(LE mn)

	<u>End of June 2007</u>		<u>Change during FYs</u>			
	<u>Balances</u>	<u>Relative Importance</u>	<u>2005/2006</u>		<u>2006/2007</u>	
			<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<u>Counterpart Assets</u>	<u>662688</u>	<u>100.0</u>	<u>66472</u>	<u>13.5</u>	<u>102332</u>	<u>18.3</u>
<u>Net Foreign Assets</u>	<u>218629</u>	<u>33.0</u>	<u>52472</u>	<u>64.8</u>	<u>85244</u>	<u>63.9</u>
* CBE	95372	14.4	24007	64.4	34071	55.6
* Other Banks	123257	18.6	28465	65.3	51173	71.0
<u>Domestic Credit</u>	<u>531314</u>	<u>80.2</u>	<u>42761</u>	<u>9.2</u>	<u>21782</u>	<u>4.3</u>
Government (net)	178323	26.9	24242	15.2	(5808)	(3.2)
Public business sector	24446	3.7	(4532)	(12.1)	(8442)	(25.7)
Private business sector	268607	40.5	11143	4.9	29269	12.2
Household sector	59938	9.0	11908	28.9	6763	12.7
<u>Other Items (Net)</u>	<u>-87255</u>	<u>-13.2</u>	<u>(28761)</u>	<u>53.5</u>	<u>(4694)</u>	<u>5.7</u>

Net foreign assets at the banking system rose by LE 85.2 billion worth or 63.9 percent during the year (against LE 52.5 billion worth or 64.8 percent during the previous FY), to reach LE 218.6 billion worth at end of June 2007. The increase was an outcome of the escalation in net foreign assets at banks and the CBE. Net foreign assets at banks rose by LE 51.2 billion worth (due to the pickup in banks' foreign assets by the equivalent of LE 55.3 billion, thus exceeding the rise of only LE 4.1 billion worth in their foreign currency obligations). Those at the CBE went up by LE 34.1 billion worth (owing to the increase in its foreign assets by LE 30.7 billion worth and the decline in its foreign obligations by LE 3.4 billion worth), due to higher foreign currency inflows during the period.

Domestic credit scaled up by LE 21.8 billion or 4.3 percent during the FY (against LE 42.8 billion or 9.2 percent during the previous FY), to reach LE 531.4 billion at end of June 2007. The rise reflected an expansion in credit to the private business sector by LE 29.3 billion or 12.2 percent (more than double its amount and growth rate during the year of comparison). This brought the sector's indebtedness up to LE 268.6 billion (or more than half of the domestic credit) at end of June 2007. The rise in credit to this sector is expressive of its growing role in economic development, as its share of total implemented investments reached around 62.0 percent during FY 2006/2007. The manufacturing units obtained more than half of the increase in the loans extended to the private business sector; thus raising their debts by LE 17.8 billion. Moreover, credit to the household sector increased by some LE 6.8 billion or 12.7 percent (against LE 11.9 billion or 28.9 percent during the previous FY).

On the other hand, net government credit – including that of public economic authorities – retreated by LE 5.8 billion or 3.2 percent during the reporting year (against a rise of LE 24.2 billion or 15.2 percent in the previous FY). Accordingly, the government sector's debts reached about LE 178.3 billion (or almost one third of domestic credit) at end of June 2007. The retreat was an outcome of the decrease in government securities with banks by LE 18.0 billion, and the increase in government deposits by LE 11.9 billion, on the one hand, and the rise in loans by LE 24.1 billion, on the other.



Credit to the public business sector declined (in the context of settling its debt to banks) by LE 8.5 billion or 25.7 percent. Consequently, its debt to banks posted LE 24.5 billion at end of June 2007.

Net balancing items had a contractional effect on domestic liquidity during the reporting year, as their negative balance scaled up by LE 4.7 billion (against LE 28.8 billion in the previous FY). The increase was ascribed to the strengthening of capital accounts by LE 12.4 billion. The contractional effect on domestic liquidity was offset by the rise in unclassified net assets and liabilities by LE 4.3 billion, and inter-bank net debit and credit positions by LE 3.4 billion.

2/2: Banking Developments

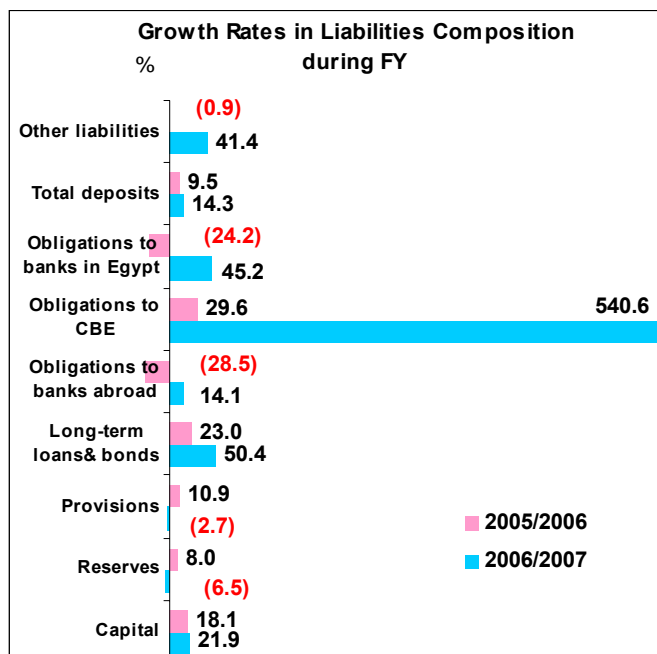
2/2/1: Overview of Banks' Aggregate Financial Position

Banks' aggregate financial position amounted to LE 937.9 billion at end of June 2007, up by LE 176.4 billion or 23.2 percent during FY 2006/2007, against a rise of LE 57.9 billion or 8.2 percent during the previous FY.

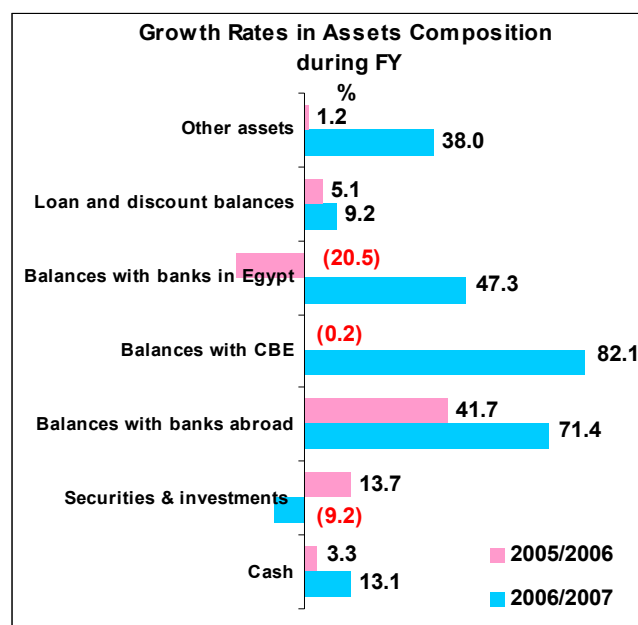
Banks' Aggregate Financial Position

	(LE mn)			
End of June	2006	Relative Importance	2007	Relative Importance
Cash	6813	0.9	7705	0.8
Securities & investments	193965	25.5	176098	18.8
Balances at banks abroad	72554	9.5	124366	13.3
Balances at CBE	109597	14.4	199542	21.3
Balances at banks in Egypt	12098	1.6	17821	1.9
Loan & discount balances	324041	42.5	353746	37.7
Other assets	42494	5.6	58645	6.2
Assets = Liabilities	761562	100.0	937923	100
Capital	27112	3.6	33037	3.5
Reserves	13418	1.8	12552	1.3
Provisions	54950	7.2	53469	5.7
Bonds & long-term loans	17526	2.3	26351	2.8
Obligations to banks abroad	8770	1.2	10006	1.1
Obligations to CBE	10379	1.4	66485	7.1
Obligations to banks in Egypt	11109	1.5	16134	1.7
Deposits	568841	74.7	649953	69.3
Other liabilities	49457	6.5	69936	7.5

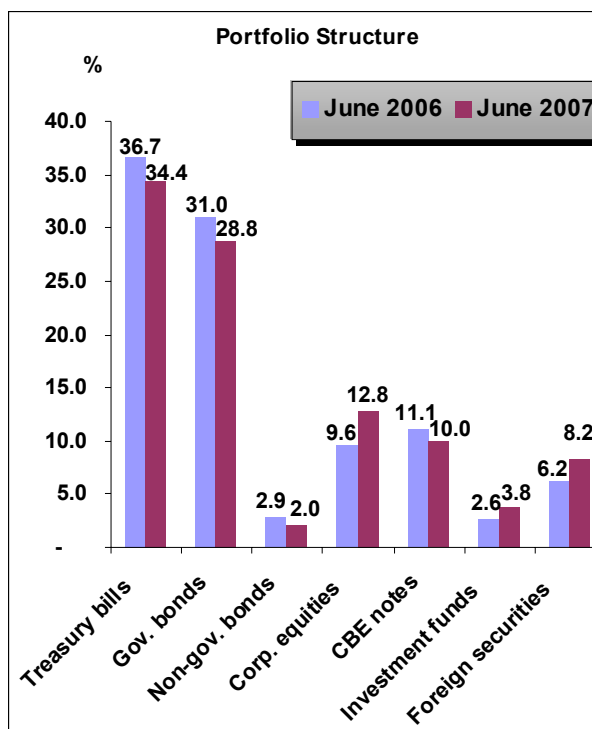
On the liabilities side, the rise reflects mainly the growth in deposits by LE 81.1 billion and obligations to banks in Egypt by LE 61.1 billion (mainly CBE deposits in foreign currencies). In addition, long-term loans and issued bonds scaled up by LE 8.8 billion, and equity rights by LE 5.1 billion (due to the increase in banks' capitals by LE 5.9 billion), whereas banks' provisions declined by LE 1.5 billion.



On the assets side, the increase was ascribed to a couple of developments. First, the balances at banks in Egypt rose by LE 95.7 billion (of which 94 percent represented deposits accepted at the CBE within the open market operations as one of the monetary policy instruments). Second, the balances at banks abroad picked up by LE 51.8 billion, and lending and discount balances by LE 29.7 billion.



The rise in assets was curbed by the decline in banks' investments in bills and securities by LE 17.9 billion, as an outcome of the fall in their investments in TBs by LE 10.6 billion, and the amortization of part of government bonds (LE 9.3 billion). In addition, banks' investments in CBE notes went down by LE 3.9 billion, and non-government bonds by LE 2.1 billion. In the meantime, the pickup in banks' investments in corporate equities was confined to LE 5.6 billion and in foreign securities by LE 2.4 billion worth.



Transactions of banks in Egypt with their correspondents abroad unfolded a rise in their net credit balances during FY 2006/2007 by LE 50.6 billion worth or 79.3 percent, reaching LE 114.4 billion worth at end of June 2007 (against the equivalent of LE 63.8 billion at end of June 2006). Such an increase was ascribed to the marked rise in their balances at banks abroad by the equivalent of LE 51.8 billion (due mainly to the pickup in foreign currency deposits of individuals and CBE foreign currency deposits at banks), i.e. by more than the rise in their obligations to banks (merely LE 1.2 billion worth).

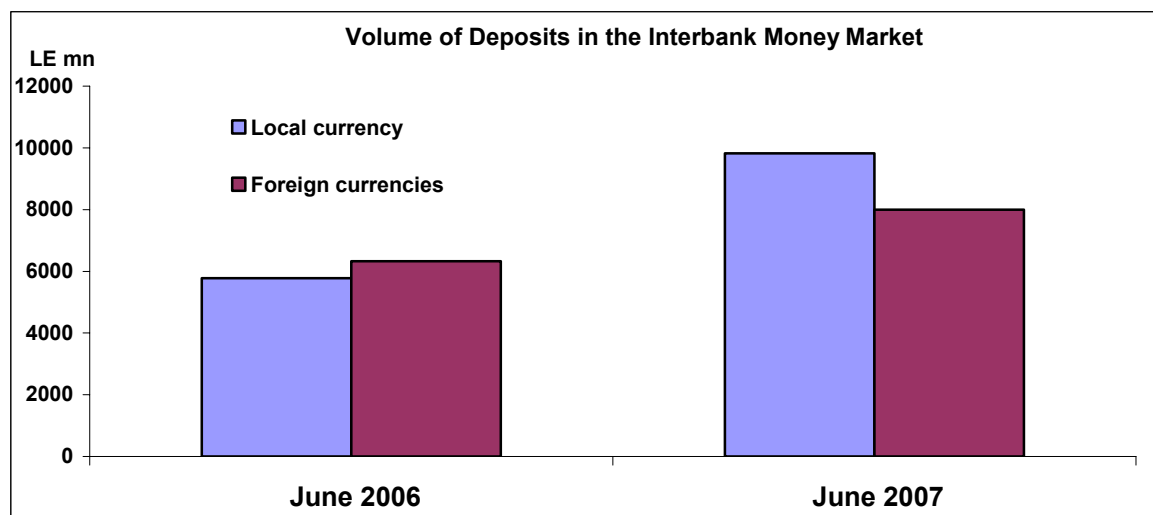
Transactions with Banks Abroad

(LE mn)

At End of	<u>June 2006</u>	<u>June 2007</u>	<u>Change During FY</u>			
			<u>2005/2006</u>		<u>2006/2007</u>	
			Value	%	Value	%
Net Position	<u>63784</u>	<u>114360</u>	<u>24842</u>	<u>63.8</u>	<u>50576</u>	<u>79.3</u>
Balances at banks abroad	72554	124366	21350	41.7	51812	71.4
Obligations to banks abroad	8770	10006	(3492)	(28.5)	1236	14.1

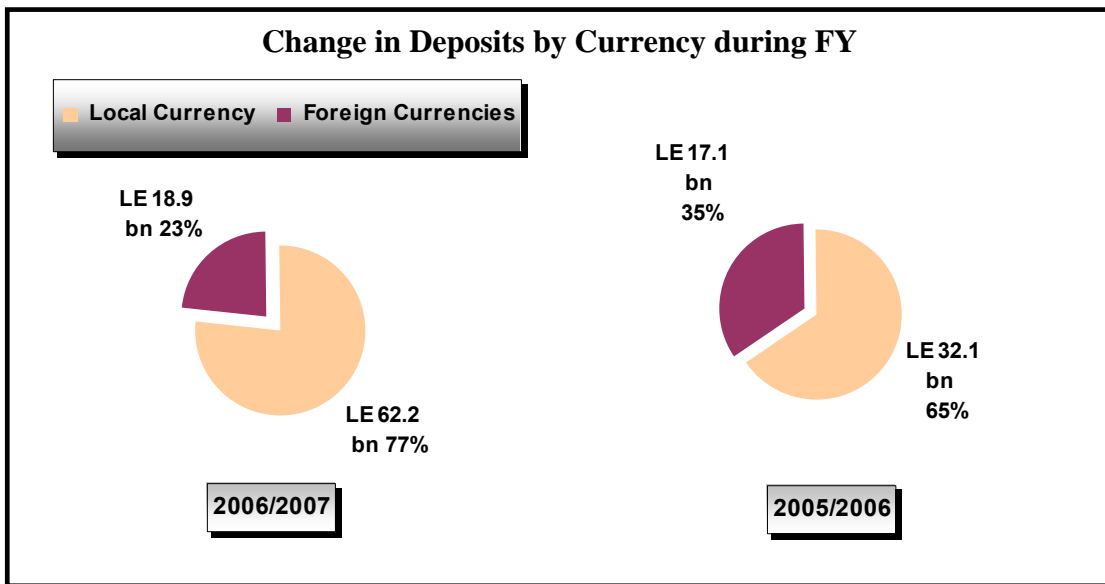
2/2/2: Inter-bank Money Market in Egypt

During 2006/2007, the volume of transactions in the inter-bank money market surged in terms of deposits by LE 5.7 billion or 47.3 percent, to LE 17.8 billion at end of June 2007. Moreover, the rise in LE deposits accounted for 70.7 percent of the total.

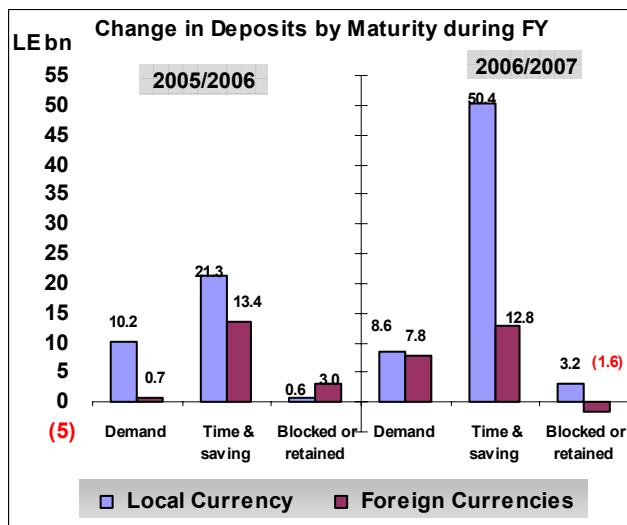


2/2/3: Deposits

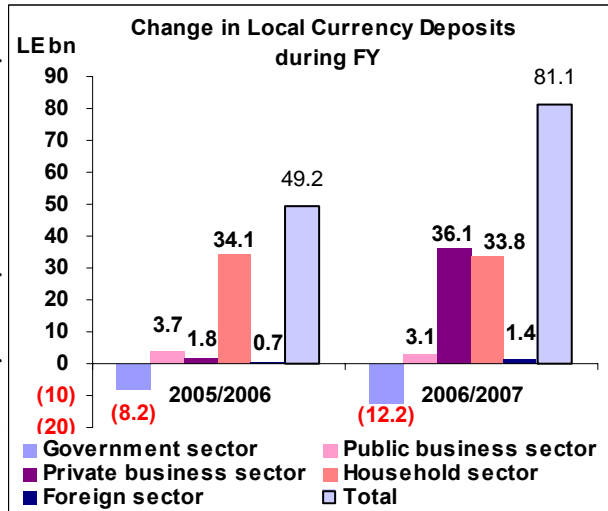
Deposits at banks grew by LE 81.1 billion or 14.3 percent during FY 2006/2007, posting LE 650.0 billion or 69.3 percent of the aggregate financial position of banks at end of June 2007, against a rise of LE 49.2 billion or 9.5 percent during the preceding FY.



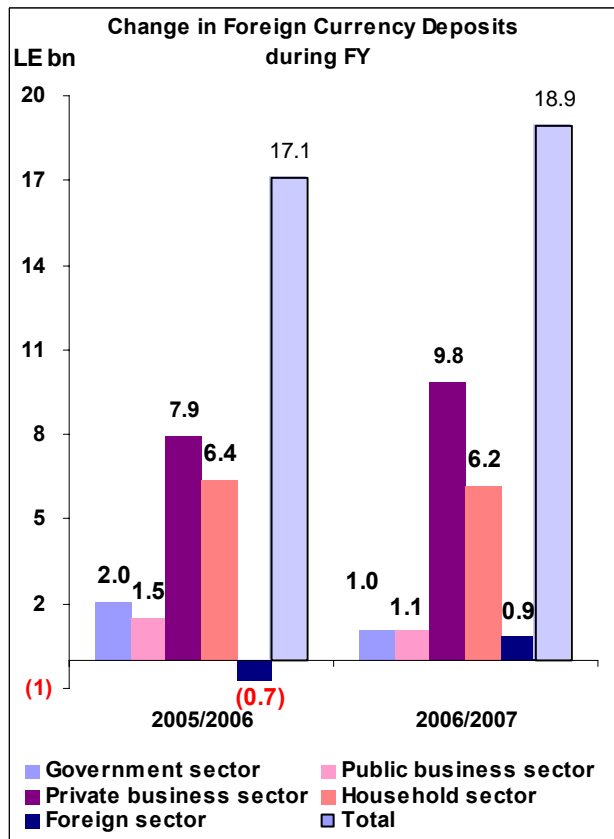
A breakdown of deposits by maturity denoted that time & saving deposits accounted for the bulk as their relative importance reached 83.5 percent of the total. In addition, these deposits accounted for most of the increase in both the local currency (81.0 percent) and foreign currencies (67.6 percent) during FY 2006/2007.

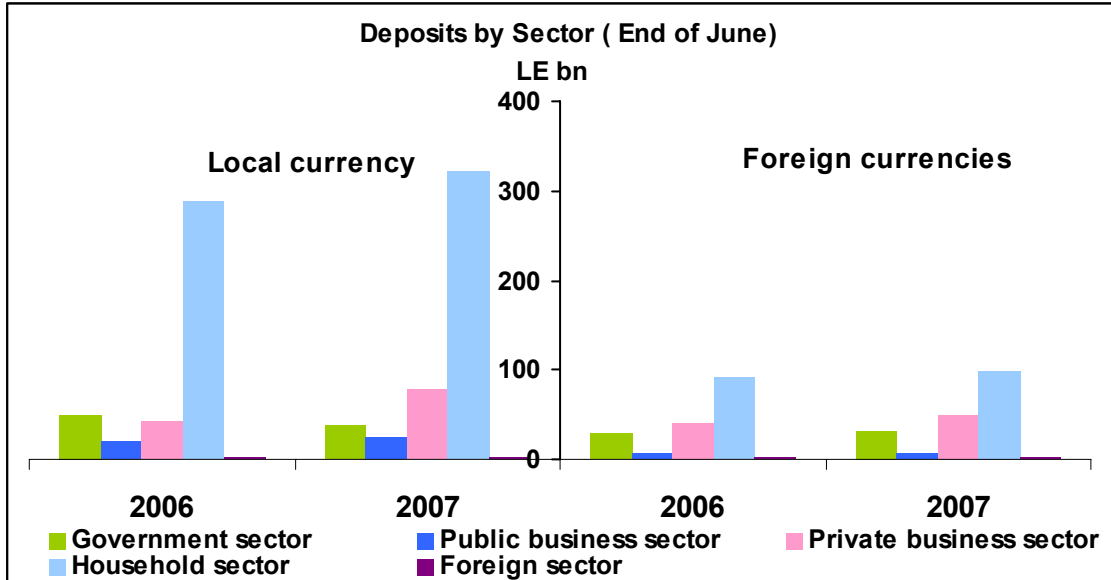


Balances of **LE deposits** posted LE 463.3 billion at end of June 2007, rising by LE 62.2 billion or 15.5 percent during the year, i.e. almost double the increase in the corresponding year. This increase came from the rise in the deposits of the private business sector by LE 36.0 billion or 87.0 percent (of which more than 40 percent from the deposits of mutual funds) and the household sector's by LE 33.8 billion or 11.7 percent.



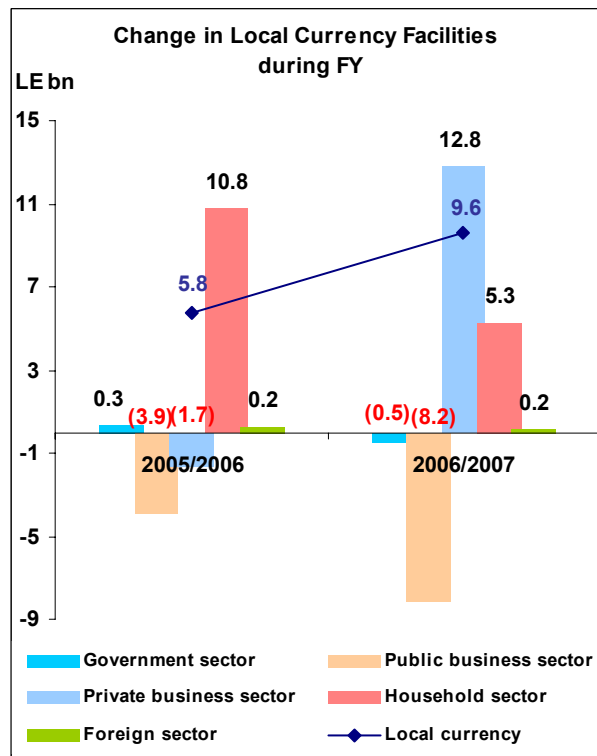
Foreign currency deposits recorded a rise of LE 18.9 billion or 11.3 percent, standing at LE 186.6 billion worth at end of June 2007 (against a rise of LE 17.1 billion or 11.4 percent during the preceding FY). The bulk of the increase (84.4 percent) was both in the deposits of the private business sector (LE 9.8 billion worth or 25.0 percent) and the household sector's (LE 6.2 billion or 6.7 percent). Comparing between the rises in the local and foreign currency deposits of the household sector indicates that the Egyptian pound continued to be the preferred saving instrument in the light of the stability of the US dollar vis-à-vis the Egyptian pound.



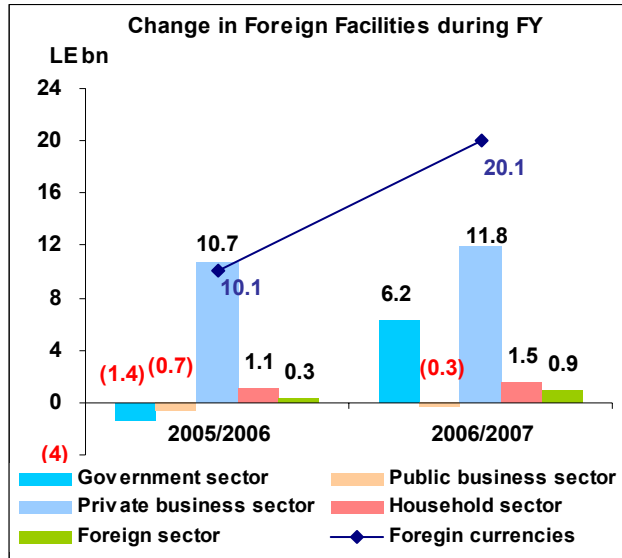


2/2/4 : Lending Activity

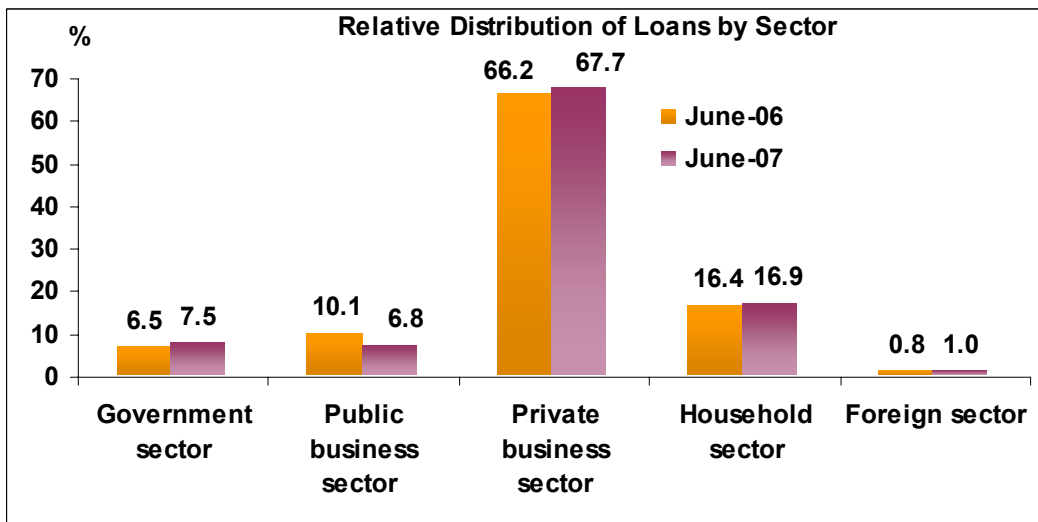
Banks expanded their lending activity during the year under review. Credit facilities rose by LE 29.7 billion or 9.2 percent during the year, reaching LE 353.7 billion or 37.7 percent of banks' aggregate financial position, and 54.4 percent of total deposits at end of June 2007. More than two thirds of this increase stemmed from the rise in **foreign currency loans** by LE 20.1 billion worth or 23.6 percent, to the equivalent of LE 105.2 billion. In addition, local currency loans increased by LE 9.6 billion or 4.0 percent, standing at LE 248.5 billion or 70.3 percent of total bank loans at end of June 2007.



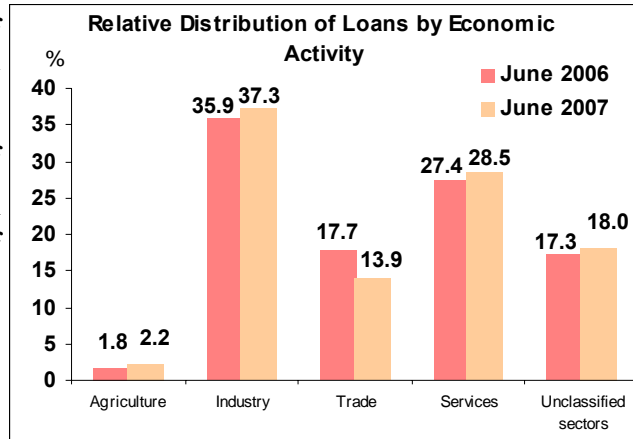
With the major part of economic development being assigned to the private sector, the LE debt of this sector to banks rose by LE 12.8 billion or 8.5 percent to LE 163.3 billion or 65.7 percent of total local currency loans at end of 2007. Likewise, the private sector's foreign currency debt showed the same trend, rising by LE 11.8 billion worth or 18.4 percent, to LE 76.0 billion or 72.3 percent of total foreign currency loans.



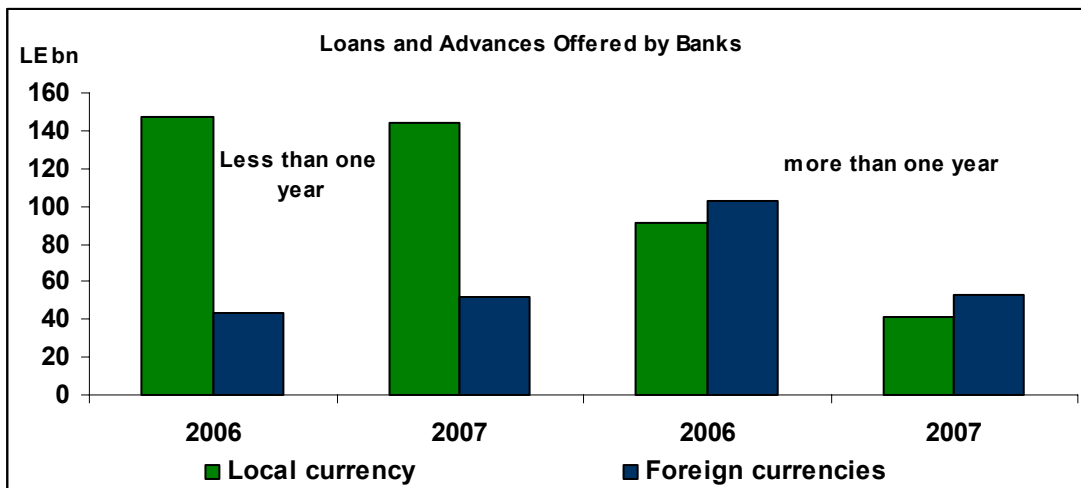
As regards the public business sector, its local and foreign currency loans declined after the repayment of part of its debts to banks. Local currency lending to the government sector retreated by 4.4 percent, whereas it rose in foreign currencies by 63.7 percent during the reporting period.



The relative distribution of credit facilities by economic activity showed that the manufacturing sector was the major recipient of bank loans in local and foreign currencies (37.3 percent) at end of June 2007, followed by the services sector (28.5 percent), trade (13.9 percent), and the unclassified sectors (18.0 percent).



Loans and advances offered by banks (excluding discounts) surged by LE 29.4 billion or 9.1 percent during the reporting year, to LE 352.4 billion at end of June 2007. With the improvement in the investment climate, most of the increase was in long-term loans (maturities of more than one year), that rose by LE 23.7 billion or 18.0 percent due to the growth in local currency loans by LE 12.2 billion and in foreign currency loans by LE 11.5 billion worth. The rise in loans of less than one year was only LE 5.7 billion or 3.0 percent, as an outcome of the pickup in foreign currency loans by LE 8.4 billion worth and the decline in local currency loans by LE 2.7 billion.



3- Non-Banking Financial Sector

3/1- Stock Exchange

During FY 2006/2007, the government continued its efforts to improve the legislative and structural environment of the stock exchange, to enhance the disclosure and transparency on the one hand, and protect investors' rights on the other. In this context, the Minister of Investment issued Decree No. 243 for 2006 regarding the issuance of new Egyptian accounting standards to comply with the International Financial Reporting Standards. In addition, Decree no 314 for 2006 raised the requirements of minimum issued and paid-in capital of securities brokerage companies in order to strengthen their solvency and ensure their financial soundness. Moreover, the Prime Minister issued Decree no 12 for 2007, adding a new part to the executive regulations of the Law on the Capital Market No. 95 of 1992 to re-regulate the rules for the purchase of joint stock companies for acquisition of ownership and management purposes.

With a view to regulating the market, enhancing disclosure and transparency and ensuring the protection of investors, the Capital Market Authority (CMA) took several measures. Salient of these were the issue of the regulations of listing, continued listing and delisting of securities on the stock exchange; amendment of the rules of listing at CMA auditors' register and setting of fees on financial statement review. Furthermore, the reporting year witnessed the issue of the quality control standard for auditors performing audits and limited reviews of historical financial information and the standards regulating the publication of researches on listed active companies; which will guide investors' decisions. At the same time, other decisions were issued regarding the bond repurchase agreements and contracts concluded by dealing, intermediation, and brokerage companies; and the rules of splitting the nominal value of listed shares.

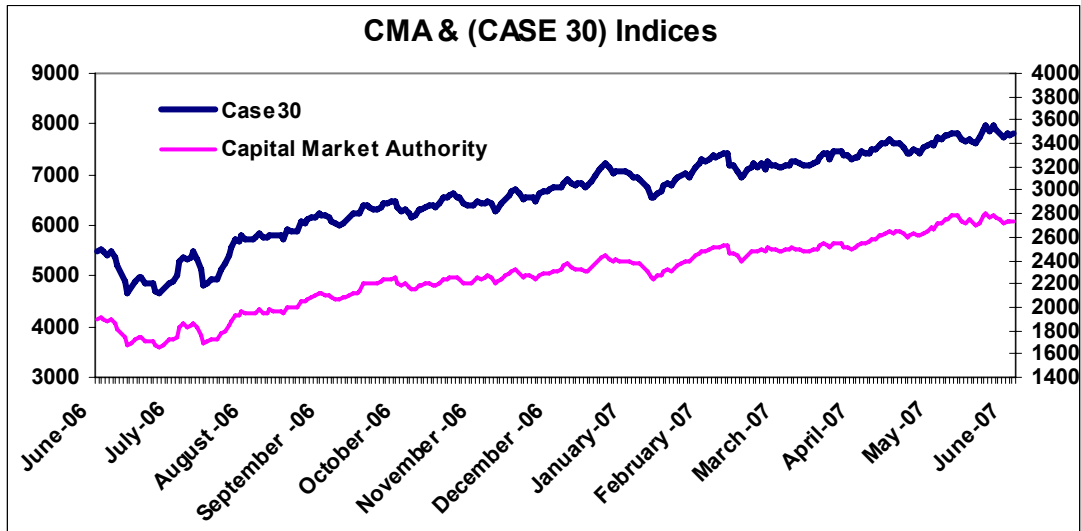
Moreover, the CMA issued the rules of applying corporate governance on unlisted securities companies, and a guide for their application. Other decisions were also issued concerning the capital adequacy requirements of securities companies; and the application of these requirements when opening new branches or introducing new activities related to financial instruments.

Also, issued during the reporting period were the standards of staff licensing for securities companies; and regulations for financial advisors and valuations, upon capital increase or acquisition. Another decision was issued to amend the provisions of trading in unlisted securities. In this respect, dealing on unlisted securities shall be restricted to the "ownership transfer market" and the CMA should take the necessary measures to transfer securities traded at "orders market" to ownership transfer market. In addition, the CMA issued a decision specifying fees for reviewing tender offers and applications for offering securities in public subscription or private placement; and another one concerning the code of ethics for accountants and auditors registered at the CMA.

As for raising the operational efficiency of the market, the CMA required Misr for Central Clearing, Depository and Registry (MCDR) to shorten the duration of paper and financial settlements of securities listed at CASE, to be within two workdays (T+2) from the date of completion of sale or purchase transaction. This decision applies to all securities listed at CASE regardless of being active or not. In addition, for securities purchased or sold through the system of same-day trading, there shall be an immediate settlement (T+O).

To regulate the offering of public stakes in joint venture companies or public enterprises whose shares are listed on CASE, the Prime Minister issued Decree No. 505/2007 on determining the guiding fair value when offering stakes of public money. The Decree stated that the leading fair value should be determined according to average closing prices during the last six month prior to the offer, provided that those shares should comply with the rules of CASE concerning active shares. The CMA also issued a decree organizing online trading on CASE. The decree also mandates web security provisions, which brokerage firms must meet in order to provide online services.

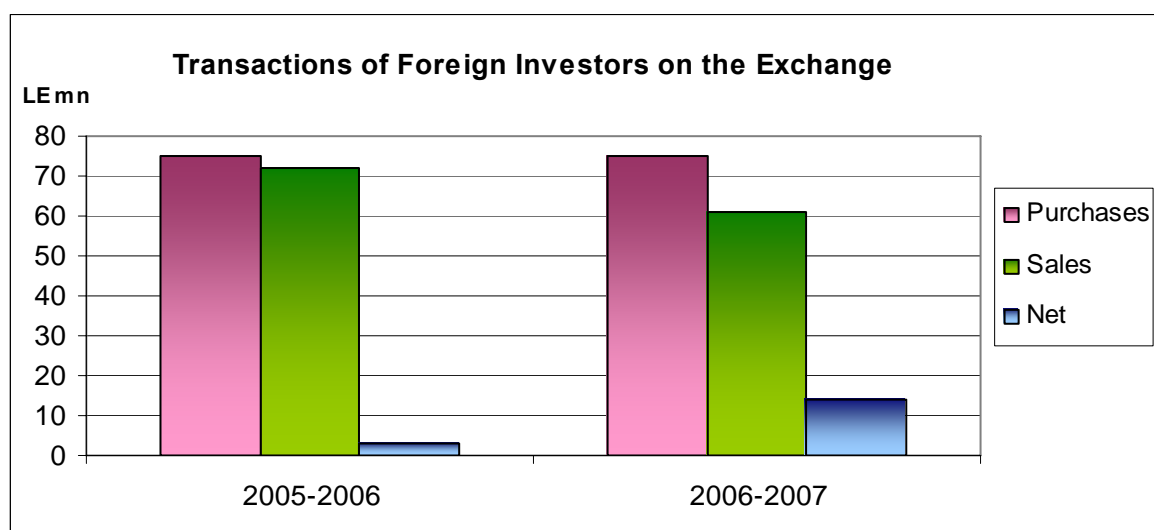
Thanks to these decisions and measures, and the concomitant political, banking and economic reforms, the growth of the Egyptian economy has strengthened. This trend helped attract an increased number of investors to the stock exchange (Egyptians, Arabs and foreigners), and was positively reflected on dealing indicators on CASE. As such, CASE 30 moved up by 63.5 percent during the year to 7803.4 point at end of June 2007. likewise, the CMA index scaled up by 61.1 percent, standing at 2733.7 point.



The volume of trading on the Exchange increased by 60.3 percent during the year, as the number of dealt-in securities rose to 11.3 billion. The value of traded securities also went up by LE 22.4 billion or 8.8 percent, reaching LE 277.0 billion. Of the total trading value, shares accounted for the bulk (94.4 percent), against 95.4 percent in the previous FY, while bonds constituted only 5.6 percent (against 4.6 percent).

The relative structure of dealings by institutions and individuals on the Exchange showed a growing activity on part of institutions, shifting the structure to their side. Institutions' transactions scaled up, representing 60.3 percent of the total value of transactions at end of June 2007, from 39.0 percent at end of June 2006. On the other hand, individuals' transactions retreated to 39.7 percent, against 61.0 percent.

During FY 2006/2007, foreigners' purchases of Egyptian securities boomed on the back of their own expectations and the projections by international institutions of a further growth in the Egyptian economy. This led to an increase in foreigners' profits from investment in the Egyptian Exchange. Their transactions unfolded net purchases of LE 14.0 billion during the year under review (against LE 3.2 billion during the previous FY), up by LE 10.8 billion. Foreigners' transactions in LE securities resulted in net purchases of LE 21.2 billion, while their transactions in US dollar unfolded net sales of US\$ 1.3 billion (equivalent to LE 7.2 billion).



3/1/1- Shares Market

1- Primary (Issue) Market

A- New Issues

During FY 2006/2007, the CMA approved 2850 new issues, with a total value of LE 93.7 billion. Of these issues, 1937 were for new incorporations, with a value of LE 35.4 billion, or 68.0 percent of total issues during the year, and 913 for capital increases, with a total value of LE 58.3 billion or 32.0 percent.

New Share Issues on the Stock Exchange

During FY	2005/2006	2006/2007
<u>Total Number of Issues (Unit)</u>	<u>2239</u>	<u>2850</u>
New incorporations	1389	1937
Capital increases	850	913
<u>Total Number of Shares (mn)</u>	<u>3494</u>	<u>4833</u>
New incorporations	487	1772
Capital increases	3007	3061
<u>Total Value of Shares (LE mn)</u>	<u>43830</u>	<u>93669</u>
New incorporations	8073	35384
Capital increases	35757	58285

Source: CMA

B- Companies Listed on the Stock Exchange

During FY 2006/2007, the number of companies listed on the Exchange decreased to 544 companies at end of June 2007 (against 656 companies at end of June 2006). This was due to the fact that the number of companies that were de-listed (because they did not comply with the listing conditions) exceeded the number of the new listed companies. The nominal value of the capital of listed companies reached LE 121.1 billion and their market value LE 601.8 billion at end of June 2007.

Companies Listed on the Stock Exchange

End of	(LE mn)					
	No. of Companies (Unit)	<u>June 2006</u> Nominal Capital	Market Capital	No. of Companies (Unit)	<u>June 2007</u> Nominal Capital	Market Capital
Total	<u>656</u>	<u>109165</u>	<u>377070</u>	<u>544</u>	<u>121072</u>	<u>601826</u>
Listed on official schedules	141	58432	298478	147	73403	497319
Listed on unofficial schedules	503	50354	78013	394	47387	104055
Listed on the temporary schedule	12	379	579	3	282	452

Source: CASE.

The sectoral distribution of the market capital at end of June 2007 shows that the finance, insurance and real estates; and the manufacturing sectors attracted most of the investments, accounting for 34.9 percent and 31.1 percent of the total market capital, respectively. The services followed with 18.6 percent, then utilities (transportation – communications – electricity – gas – health) with 13.4 percent.

Market Capital by Sector

	(LE mn)			
End of	June 2006	%	June 2007	%
Total	<u>377070</u>	<u>100.0</u>	<u>601826</u>	<u>100.0</u>
Agriculture, Forests & Fishing	1291	0.3	1686	0.3
Extractions	1090	0.3	4262	0.7
Construction	2987	0.8	3090	0.5
Manufacturing	136575	36.2	187459	31.1
Transportation-Communications- Electricity-Gas-Health	60304	16.0	80648	13.4
Wholesale & Retail Trade	2178	0.6	2824	0.5
Finance, Insurance & Real Estate	100565	26.7	210144	34.9
Services	72080	19.1	111713	18.6

Source: CMA's Monthly Report.

2- Secondary (Trading) Market

Trading in the secondary market significantly boomed during the year under review. This was reflected on share trading, as the total value of traded shares (on the floor and over the counter) in LE and US dollar rose to LE 261.6 billion (against LE 242.8 billion during the previous FY).

Trading on the floor (93.2 percent of the total value of trading), was concentrated in LE shares. Their trading volume registered 8.5 billion papers at a value of LE 228.3 billion, through 7.2 million transactions.

Trading in Shares on the Stock Exchange

During FY	<u>2005/2006</u>			<u>2006/2007</u>		
	No. of Transactions (Unit)	Volume (000s)	Market Value (mn)	No. of Transactions (Unit)	Volume (000s)	Market Value (mn)
<u>Total Trading on the Floor in LE</u>	<u>5695380</u>	<u>5821245</u>	<u>229918</u>	<u>7481202</u>	<u>9437469</u>	<u>243842</u>
LE shares	5501188	5517762	218496	7210676	8521503	228365
US\$ shares	194192	303483	1979	270526	915966	2711
<u>Total OTC Trading in LE</u>	<u>208015</u>	<u>1190416</u>	<u>12919</u>	<u>215530</u>	<u>1805017</u>	<u>17766</u>
LE shares	207540	1069387	9457	206585	1638090	14627
US\$ shares	474	121019	601	8945	166927	549
Euro shares	1	10	615	-	-	-

Source: the CMA.

Trading in US\$ shares was brisk on the floor as the volume of traded securities reached 916.0 million, at a value of US\$ 2.7 billion.

OTC dealing in shares reached only 6.8 percent of the total. The bulk of the trading was in LE shares, registering an overall volume of 1.6 billion at a value of LE 14.6 billion, through 0.2 million transactions. Nearly 167 million shares were traded in US dollar, at a value of US\$ 549 million, through 8945 transactions.

3/1/2- Bonds Market

1- Primary (Issue) Market

During FY 2006/2007, the nominal value of listed bonds decreased by LE 3.6 billion, to reach LE 62.1 billion at end of June 2007. The decrease was a result of the decline in corporate bonds by LE 1.9 billion, government bonds by LE 1.4 billion and bank bonds by LE 1.0 billion. The decline was somewhat offset by the issuance of securitization bonds of LE 0.7 billion. Securitization bonds are nominal bonds, non-convertible to shares, and backed by a securitization portfolio. The interest on and nominal value of these bonds are repaid from the receipts of the said portfolio.

Accordingly, the relative structure of bonds changed, with the government bonds edging up to 92.7 percent of total listed bonds at end of June 2007. Corporate bonds, securitization bonds and bank bonds followed with shares of 6.0 percent, 1.1 percent and 0.2 percent, in order.

Bonds Listed on the Stock Exchange

	(LE mn)			
At End of	<u>June 2006</u>		<u>June 2007</u>	
	Value	%	Value	%
<u>Total</u>	<u>65725</u>	<u>100.0</u>	<u>62130</u>	<u>100.0</u>
<u>Government Bonds</u>	<u>58951</u>	<u>89.7</u>	<u>57598</u>	<u>92.7</u>
-Treasury bonds	11000	16.7	4000	6.4
-Treasury bonds (primary dealers system)	47000	71.5	53000	85.3
-Housing bonds	122	0.2	118	0.2
-US dollar development bonds	829	1.3	480	0.8
<u>Corporate Bonds</u>	<u>5573</u>	<u>8.5</u>	<u>3693</u>	<u>6.0</u>
<u>Bank Bonds</u>	<u>1201</u>	<u>1.8</u>	<u>150</u>	<u>0.2</u>
<u>Securitization Bonds</u>	<u>0.0</u>	<u>0.0</u>	<u>689</u>	<u>1.1</u>

Source: CASE.

2- Secondary Market (Trading)

Transactions on bonds (on the floor and over the counter) exhibited a marked activity during FY 2006/2007. The total value of traded bonds in LE and US dollar rose by LE 3.9 billion or 34.6 percent, to LE 15.3 billion against LE 11.4 billion during the preceding FY.

The LE bonds were mostly traded on the floor, through 923 transactions, 16.6 million papers and value of LE 15.3 billion. Of the total value of trading in LE, treasury bonds (under the primary dealers system) accounted for 96.2 percent. Their trading volume registered 13.9 million papers at a value of LE 14.7 billion, through 803 transactions. Meanwhile, the value of trading in US dollar bonds was confined to LE 21.3 million, with 0.2 million papers being dealt in, through only 9 transactions during the year under review.

Dealing in Listed Bonds on the Floor

During FY	<u>2005/2006</u>			<u>2006/2007</u>		
	No. of Transactions (Unit)	Volume (000s)	Value (mn)	No. of Transactions (Unit)	Volume (000s)	Value (mn)
<u>Total Bonds (LE)</u>	<u>635</u>	<u>12196.8</u>	<u>11347.9</u>	<u>923</u>	<u>16628.0</u>	<u>15266.1</u>
Treasury bonds	17	110.3	115.4	19	1064.1	406.4
Treasury bonds (primary dealers)	478	10233.2	11033.7	803	13948.5	14692.0
Housing bonds	59	6.6	0.3	31	5.6	0.3
Corporate bonds	70	1835.7	197.4	67	1609.8	167.4
Bank bonds	11	11.0	1.1	3	0.0	0.0
<u>Total Bonds (US\$)</u>	<u>3</u>	<u>66.7</u>	<u>6.9</u>	<u>9</u>	<u>207.3</u>	<u>21.3</u>
Corporate bonds	3	66.7	6.9	9	207.3	21.3

Source: CASE.

OTC dealings were confined to US dollar bonds with a value of US\$ 2.2 million, where as the trading volume registered 2200 bonds, through one transaction.

3/1/3- Mutual Funds

During FY 2006/2007, the CMA approved the inception of 7 new mutual funds, bringing their number up to 37 (34 open-end and 3 close-end). The nominal value of the funds' certificates at the time of incorporation reached LE 7.5 billion at end of June 2007.

3/2- Investments of the Insurance Sector

The Government pursued, during the reporting period, its diligent steps to restructure and modernize the insurance sector, with emphasis on developing the legislative environment of this sector and improving the regulatory performance of the Egyptian Insurance Supervisory Authority (EISA). This aimed at promoting the insurance market, making it more attractive for investment and increasing its share in GDP. The Presidential Decree No. 246 for 2006 was issued to establish the Insurance Holding Company (IHC) as a legal entity, headquartered in Cairo, and subjected to the provisions of the Law of Public Business Sector Companies No. 203 for 1991. Moreover, Misr Insurance Company, Al-Chark Insurance Company, the National Insurance Company of Egypt and the Egyptian Reinsurance Company became subsidiary to the IHC. The IHC is entitled to implement and follow-up the activities of these companies and to manage their development activities, and the Minister of Investment is responsible for applying the Law of Public Business Sector Companies to the IHC and its subsidiary companies.

At the beginning of February 2007, the Ministry of Investment designed a plan for restructuring the ownership in the insurance sector, with the aim of increasing the productivity and profitability of subsidiary companies. Accordingly, a set of recommendations was put forward to enforce the Compulsory Motor Insurance Act and a plan was devised to establish a giant insurance entity through merging three public insurance companies (Al-Chark Insurance Company, the Egyptian Reinsurance Company and Misr Insurance Company). Meanwhile, the National Insurance Company of Egypt remained subsidiary to the IHC, which owns 100 percent of its shares.

In addition, the Minister of Investment's Decree No. 53 for 2007 was issued approving the establishment of "Misr Company for Real Estate Asset Management" as an IHC-affiliated company. The purpose of the company is to manage, purchase, sell, rent, let and maintain the real estate assets owned by the insurance companies i.e. manage the real estate portfolios of the IHC-affiliated companies. The idea behind this is to relieve the companies from the

burden of managing the assets, enable them to improve the outcome of their insurance activity and create a strong real estate entity capable of managing the assets of insurance companies effectively.

It is to be noted that the insurance sector in Egypt comprises the Supreme Council of Insurance, the Egyptian Insurance Supervisory Authority (EISA), and the establishments that transact insurance and re-insurance business. At end of June 2007, the number of insurance and re-insurance companies were 21, of which 18 were direct insurance companies, one specialized in re-insurance, another in export credit guarantee and a cooperative insurance society. This is in addition to government insurance funds, private insurance funds, insurance pools and federations, and other auxiliary organs.

At the end of June 2007, total investments of the insurance sector mounted by LE 8.8 billion or 3.2 percent to LE 287.5 billion (against an increase of LE 26.3 billion and 10.4 percent during the previous FY). The increase was a result of a pickup in the investments of the National Authority for Social Insurance by only LE 4.4 billion or 1.8 percent (against LE 24.4 billion during the previous FY), to post LE 247.8 billion or 86.2 percent of total investments at end of June 2007. Add to this the rise in the total investments estimated for insurance companies and funds by LE 4.4 billion or 12.5 percent during FY 2006/2007, to reach LE 39.7 billion or 13.8 percent of total investments at the end of June 2007.

Investments of Insurance Sector

(LE bn)

<u>End of June</u>	<u>2006</u>			<u>2007</u>		
	Private Insurance Companies & Funds	National Authority For Social Insurance	Total	Private Insurance Companies & Funds*	National Authority For Social Insurance	Total
<u>Grand Total</u>	<u>35.3</u>	<u>243.4</u>	<u>278.7</u>	<u>39.7</u>	<u>247.8</u>	<u>287.5</u>
Real estates	0.8	-	0.8	0.8	-	0.8
Securities	22.8	2.0	24.8	25.7	199.8	225.5
Deposits with NIB	-	241.4	241.4	-	48.0	48.0
Loans	0.4	-	0.4	0.5	-	0.5
Fixed deposits with banks	11.2	-	11.2	12.6	-	12.6
Other Investments	0.1	-	0.1	0.1	-	0.1

* The estimates of the Central Bank are based on the rate of increase of this item during the previous FY.

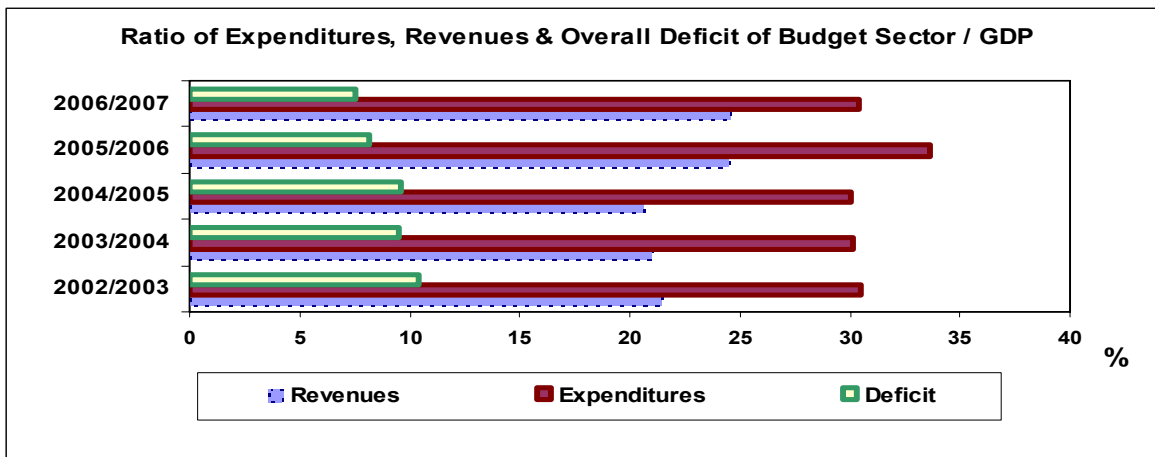
The investments of the National Authority for Social Insurance, showed a shift in the pattern of investment. Investments in securities rose to LE 199.8 billion at the end of June 2007, against LE 2.0 billion at the end of June 2006. On the other hand, the investments with the NIB declined to LE 48.0 billion, against LE 241.4 billion, after the balance of government debt to the NIB was cleared to zero as of 1/7/2006 and replaced by government bonds (SIFs bonds) for the insurance and pension funds. The distribution of investments of insurance companies and funds indicated that securities accounted for the bulk (64.7 percent) of the total estimated investments at the end of June 2007. Moreover, their deposits at banks' recorded 31.7 percent and other investments 3.5 percent of the total at the end of June 2007.

4- Public Finance and Domestic Public Debt

4/1- Consolidated Fiscal Operations of the General Government

The fiscal policy pursued by the government during FY 2006/2007 aimed at strengthening economic growth, while cushioning the vulnerable brackets of society. The government increased the number of beneficiaries of the social security pension, and stepped up its allocations for health and education (by 5.7 percent and 2.1 percent, respectively, compared with FY 2005/2006). This is in addition to maintaining the levels of commodity subsidy and other subsidies to the under-privileged. On the revenues side, the fiscal policy aimed at raising the efficiency of the tax authorities' staff, amending tax legislations to activate tax collection, expanding the taxpayers' base, and facilitating the settlement of tax disputes. As a consequence, public revenues augmented during FY 2006/2007, bringing down the overall budget deficit/GDP ratio to 7.5 percent during 2006/2007, from 8.2 percent during the previous FY.

During the reporting year, a number of legislations and measures were issued in the field of fiscal policy, including the amendments to the customs and tax legislations on the one hand, and the subsidy cuts on certain oil products as of the beginning of the reporting FY, on the other. Moreover, to ensure the provision of high quality medical care to the low-income earners and beneficiaries of health insurance, a decree was issued to establish a holding company to assume this responsibility.

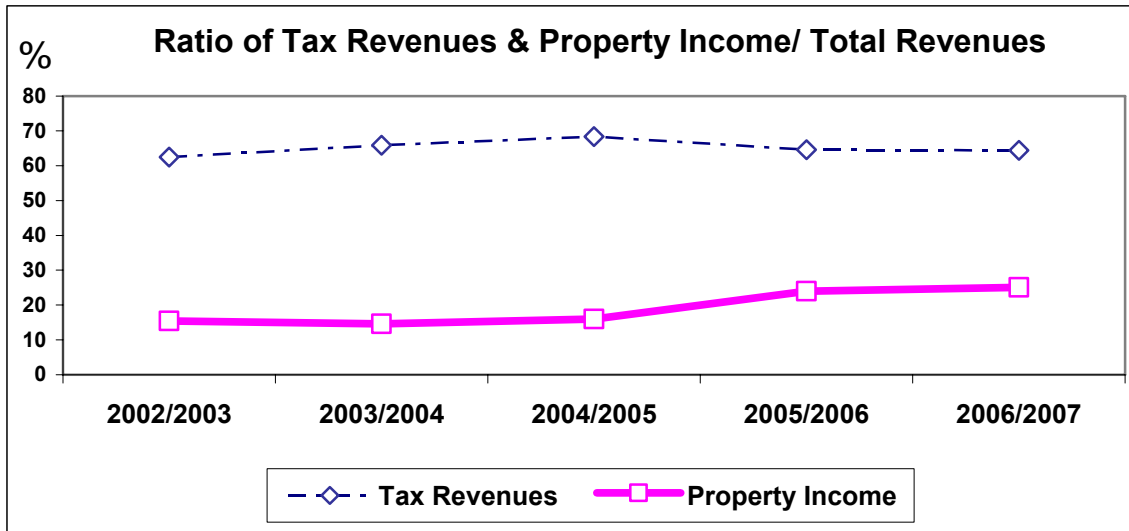


Hereunder is a follow-up of the executed consolidated fisoperations of the general government during FY 2006/2007, according to the Ministry of Finance as compared with estimates and implementation data of the previous FY:

4/1/1- Budget Sector (Administrative System- Local Administration- Service Authorities)

A follow-up of the executed fiscal operations of the budget sector during FY 2006/2007 indicates that total collected revenues reached LE 180.2 billion, up by 19.1 percent over the preceding FY, and 9.9 percent above the budgeted revenues for this year.

Tax revenues contributed 63.4 percent of total revenues, reaching LE 114.3 billion, up by 16.9 percent over the previous FY and 8.2 percent above estimates. Almost 51.2 percent of tax revenues came from the collected taxes on income and business profits, which rose by LE 10.3 billion or 21.3 percent over the level of the previous FY, standing at LE 58.5 billion. Of this amount, LE 25.4 billion were collected from the EGPC, with a rise of 7.5 percent over the previous year; and LE 14.3 billion from companies, with a rise of LE 6.3 billion or 79.9 percent - more than double the total estimated for the whole year (101.3 percent), due to the growth in corporate profits. Taxes collected from the Suez Canal Authority (SCA) reached LE 9.1 billion, up by 24.9 percent due to the rise in its earnings. Likewise, taxes payable by individuals posted LE 9.7 billion, up by 3.6 percent.



The proceeds of taxes on goods and services accounted for LE 39.4 billion or 34.5 percent of total tax revenues, with a rise of 13.7 percent over the preceding FY. Customs proceeds amounted to LE 10.4 billion, up by 7.4 percent or 8.0 percent over the total projected for the whole year owing to the continued escalation in the value of merchandise imports.

The revenues collected from property income posted LE 45.1 billion or 25.1 percent of total revenues, up by 24.0 percent. This was a result of the "one-time receipts" from the sale of the third mobile license, which represented 35.5 percent of total property income. Combined with this were the substantial rises in the transfers of profit surpluses: from companies by 156.6 percent, public economic authorities by 22.1 percent, and the SCA by 13.8 percent. In contrast, the profit surplus transfers from the EGPC and some other entities went down by 12.1 percent and 34.2 percent, respectively.

Grants obtained during 2006/2007 reached LE 3.9 billion, up by 63.3 percent over the level of the previous FY. This was attributed mainly to the pickup in current grants by 257.6 percent, while the value of capital grants remained almost unchanged.

**Consolidated Fiscal Operations of the General Government
Budget Sector
(Public Revenues)**

(LE bn)

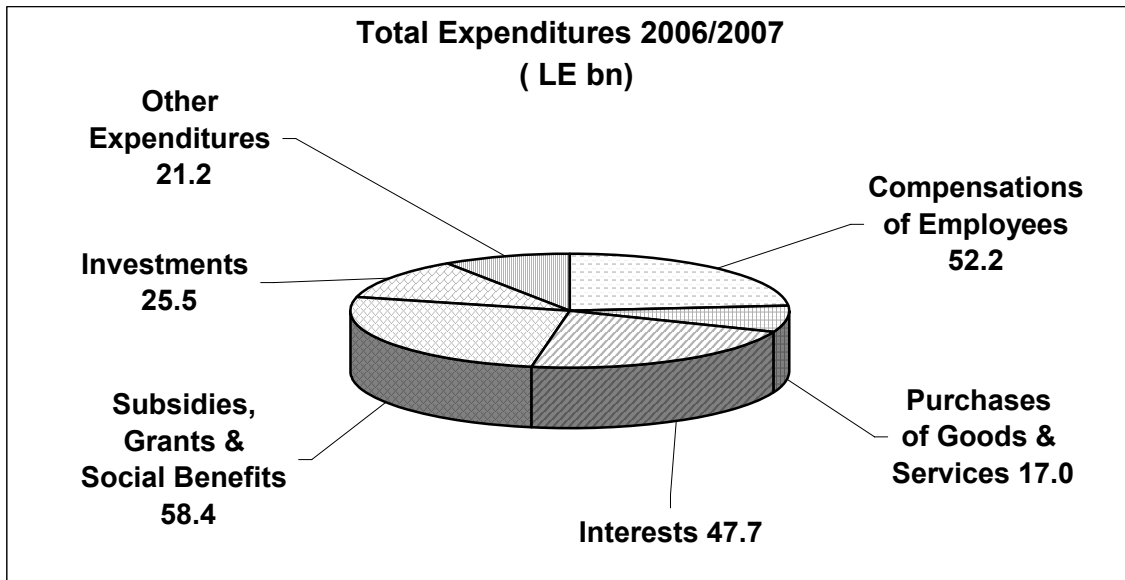
	<u>2005/2006</u>			<u>2006/2007</u>		
	<u>Actual</u>	<u>%</u>	<u>Change (%)</u>	<u>Preliminary Actual</u>	<u>%</u>	<u>Change (%)</u>
<u>Total Revenues</u>	<u>151.3</u>	<u>100.0</u>	<u>36.4</u>	<u>180.2</u>	<u>100.0</u>	<u>19.1</u>
<u>Tax Revenues</u>	<u>97.8</u>	<u>64.6</u>	<u>29.1</u>	<u>114.3</u>	<u>63.4</u>	<u>16.9</u>
<u>Taxes on Income and Profits</u>	<u>48.3</u>	<u>31.9</u>	<u>52.9</u>	<u>58.5</u>	<u>32.5</u>	<u>21.3</u>
The EGPC	23.6	15.6	486.1	25.4	14.1	7.5
The SCA	7.3	4.8	-0.3	9.1	5.1	24.9
The CBE	0.0	0.0	0.0	0.0	0.0	0.0
Other entities	7.9	5.3	-25.5	14.3	7.9	79.9
Payable by Individuals	9.4	6.2	0.7	9.7	5.4	3.6
<u>Taxes on Property</u>	<u>1.2</u>	<u>0.8</u>	<u>17.4</u>	<u>1.8</u>	<u>1.0</u>	<u>47.3</u>
<u>Taxes on Goods and Services</u>	<u>34.7</u>	<u>22.9</u>	<u>10.4</u>	<u>39.4</u>	<u>21.9</u>	<u>13.7</u>
<u>Taxes on International Trade (Customs)</u>	<u>9.7</u>	<u>6.4</u>	<u>24.7</u>	<u>10.4</u>	<u>5.7</u>	<u>7.4</u>
<u>Other Taxes</u>	<u>3.9</u>	<u>2.6</u>	<u>-0.9</u>	<u>4.2</u>	<u>2.3</u>	<u>6.4</u>
<u>Grants</u>	<u>2.4</u>	<u>1.6</u>	<u>-16.6</u>	<u>3.9</u>	<u>2.2</u>	<u>63.3</u>
Current	0.6	0.4	-39.6	2.1	1.2	257.6
Capital	1.8	1.2	-4.8	1.8	1.0	0.3
<u>Other Revenues</u>	<u>51.1</u>	<u>33.8</u>	<u>58.5</u>	<u>62.0</u>	<u>34.4</u>	<u>21.3</u>
<u>Property Income</u>	<u>36.4</u>	<u>24.1</u>	<u>104.8</u>	<u>45.1</u>	<u>25.1</u>	<u>24.0</u>
The EGPC	12.5	8.3	8038.3*	11.0	6.1	-12.1
The SCA	10.5	6.9	8.7	11.9	6.6	13.8
The CBE	0.0	0.0	0.0	0.0	0.0	0.0
Economic authorities	0.5	0.3	18.4	0.6	0.3	22.1
Companies	0.9	0.6	253.5	2.2	1.2	156.6
Others (the EGPC and the third mobile license)	6.9	4.6	0.0	16.0	8.9	131.9
Other	5.1	3.4	121.6	3.4	1.9	-34.2
<u>Selling Proceeds of Goods and Services</u>	<u>7.9</u>	<u>5.2</u>	<u>9.6</u>	<u>9.8</u>	<u>5.4</u>	<u>23.9</u>
<u>Financial Investments</u>	<u>3.7</u>	<u>2.4</u>	<u>17.8</u>	<u>4.4</u>	<u>2.4</u>	<u>18.1</u>
<u>Others</u>	<u>3.1</u>	<u>2.1</u>	<u>-24.4</u>	<u>2.7</u>	<u>1.5</u>	<u>-12.7</u>

Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

* Due to change in the accounting treatment.

Expenditures totaled, according to preliminary actual data, LE 222.0 billion during FY 2006/2007, with a rise of LE 14.2 billion or 6.8 percent over the level of the pervious FY. Almost 38.7 percent of such a rise went mainly to the compensations of employees (including salaries and wages), as they reached some LE 52.2 billion or 23.5 percent of total expenditures. In this respect, the government was guided by a policy oriented to the improvement of the conditions of civil servants. It is to be noted that this item includes the cash and in-kind benefits as well as all the increases, periodical allowances and incentive bonuses determined at the beginning of the FY, and the costs of adding the special allowance granted in 2001/2002.



Interest payments (external and domestic) rose by LE 10.9 billion or 29.6 percent, posting LE 47.7 billion or 21.5 percent of total expenditures. This rise was mainly due to the increase in domestic interest payments of the NIB and SIFs and the other expenditures related to the public debt service by LE 10.7 billion or 31.4 percent. In addition, the rise in external interest payments was confined to LE 0.2 billion, as dictated by the government policy of minimizing external borrowing. Defense outlays posted LE 17.7 billion while the purchases of goods and services and the costs of regular maintenance for the management of government operations reached LE 17.0 billion.

**Consolidated Fiscal Operations of the General Government
Budget Sector
(Public Expenditures)**

(LE bn)

	2005/2006			2006/2007		
	Actual	%	Change (%)	Preliminary Actual	%	Change (%)
<u>Total Expenditures</u>	<u>207.8</u>	<u>100.0</u>	<u>28.6</u>	<u>222.0</u>	<u>100.0</u>	<u>6.8</u>
<u>Compensations of</u>						
<u>Employees</u>	<u>46.7</u>	<u>22.5</u>	<u>12.5</u>	<u>52.2</u>	<u>23.5</u>	<u>11.6</u>
Salaries and Wages	37.7	18.1	15.3	42.4	19.1	12.5
Social contributions	5.1	2.5	11.7	5.5	2.5	8.3
Other	3.9	1.9	-8.4	4.2	1.9	7.3
<u>Purchases of Goods & Services</u>	<u>14.4</u>	<u>6.9</u>	<u>14.4</u>	<u>17.0</u>	<u>7.6</u>	<u>18.0</u>
Goods	5.8	2.8	-22.2	6.5	2.9	13.3
Services	6.0	2.9	23.7	7.0	3.1	15.8
Other	2.6	1.2	715.2	3.5	1.6	33.5
<u>Interest</u>	<u>36.8</u>	<u>17.7</u>	<u>12.3</u>	<u>47.7</u>	<u>21.5</u>	<u>29.6</u>
Foreign interest	2.8	1.4	-6.0	3.0	1.4	7.4
Domestic interest	34.0	16.3	14.2	44.7	20.1	31.4
To NIB & SIFs	8.8	4.2	-12.5	17.3	7.8	97.9
To others	25.2	12.1	27.6	27.4	12.3	8.3
<u>Subsidies, Grants and Social Benefits</u>	<u>68.9</u>	<u>33.2</u>	<u>131.9</u>	<u>58.4</u>	<u>26.3</u>	<u>-15.2</u>
<u>Subsidies</u>	<u>54.2</u>	<u>26.1</u>	<u>294.1</u>	<u>54.0</u>	<u>24.3</u>	<u>-0.5</u>
To GASC	9.4	4.5	-16.0	9.4	4.2	0.0
To petroleum*	41.8	20.1	0.0	40.1	18.1	-3.9
To others	3.1	1.5	19.4	4.4	2.0	44.5
<u>Grants</u>	<u>2.2</u>	<u>1.0</u>	<u>17.8</u>	<u>2.6</u>	<u>1.2</u>	<u>19.5</u>
<u>Social Benefits</u>	<u>12.3</u>	<u>5.9</u>	<u>-12.5</u>	<u>1.6</u>	<u>0.7</u>	<u>-86.9</u>
Contribution to SIFs*	11.0	5.3	-16.6	0.0	0.0	0.0
Other	1.3	0.6	47.3	1.6	0.7	20.7
<u>Other</u>	<u>0.1</u>	<u>0.1</u>	<u>7000.0</u>	<u>0.3</u>	<u>0.1</u>	<u>91.5</u>
<u>Other Expenditures</u>	<u>19.8</u>	<u>9.5</u>	<u>-9.0</u>	<u>21.2</u>	<u>9.6</u>	<u>7.4</u>
Defense	15.8	7.6	8.1	17.7	8.0	12.4
Other	4.0	1.9	-44.1	3.5	1.6	-12.1
<u>Purchases of Non-Financial Assets (Investments)</u>	<u>21.2</u>	<u>10.2</u>	<u>-8.9</u>	<u>25.5</u>	<u>11.5</u>	<u>20.2</u>
Fixed assets	17.6	8.5	-11.7	20.9	9.4	18.9
Others	3.6	1.7	7.7	4.6	2.1	26.8

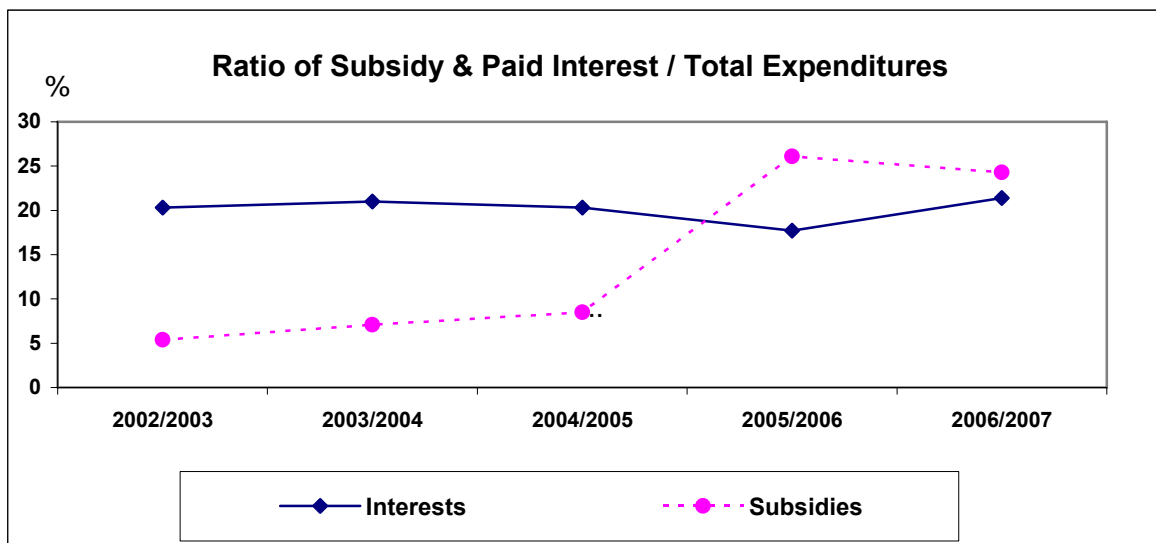
Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

* Due to the change in the accounting treatment.

The costs of subsidy reached about LE 54.0 billion, constituting 24.3 percent of total expenditures, down by LE 0.3 billion below the previous FY. This resulted from the oil subsidy cuts of LE 1.6 billion, according to the above mentioned decision, on the one hand, and the increase in the other subsidy items, on the other.

Expenditures on the investments of the government entities, outlined in the social and economic development plan, reached LE 25.5 billion or 11.5 percent of total expenditures, up by LE 4.3 billion or 20.2 percent over those executed in the previous FY. Most of this spending went to the essential investments, according to the priorities of the Development Plan that aims at improving the basic services rendered to citizens; especially in the fields of infrastructure (water, sanitary sewage, and electricity), education, health, transportation, communications and cultural & youth-related services.



In the light of these developments on budget expenditures and revenues during FY 2006/2007, the cash deficit amounted to LE 41.8 billion or 5.7 percent of GDP against 9.2 percent a year earlier. When adding the net acquisition of financial assets (about LE 12.9 billion, up by LE 19.0 billion), the overall deficit of this sector reached LE 54.7 billion during FY 2006/2007,

constituting 7.5 percent of GDP, against 8.2 percent a year earlier. This emphasizes the fact that the deficit has remained within reasonable limits, for it has neither constrained the national economy's capacity to perform well, nor adversely affected economic activity which managed to fare well nonetheless.

Local non-banking sources were the main financiers of the overall budget deficit (LE 54.7 billion), plus domestic repayments of LE 33.2 billion (mainly owed to the banking system). The funding raised through these sources (a total of LE 67.2 billion) consisted of subscriptions of individuals and companies for TBs and government bonds (LE 28.5 billion), the funds available at the Treasury Single Account at the CBE (around LE 31.7 billion) and both the NIB and the SIFs (LE 7.0 billion). The remaining finance came from external borrowing (LE 3.6 billion worth), privatization proceeds (LE 0.2 billion), and some other miscellaneous sources (LE 7.0 billion).

4/1/2- Budget Sector, NIB, and SIFs

When adding the fiscal operations of the NIB and the SIFs to those of the budget sector during FY 2006/2007, collected revenues surged by LE 25.4 billion to LE 205.6 billion or 28.1 percent of GDP. Likewise, expenditures rose by LE 22.0 billion to some LE 244.0 billion or 33.4 percent of GDP.

**Summary of Consolidated Fiscal Operations of the General Government
(The Budget Sector, NIB & SIFs)**

(LE bn)

	<u>2005/2006</u>				<u>2006/2007</u>			
	Budget Sector	Consolidated Fiscal Operations of the General Government		Budget Sector	Consolidated Fiscal Operations of the General Government			
		%	%		%	%	%	
Total Revenues	151.3		175.9	180.2		205.6		
Total Expenditures	207.8		223.6	222.0		244.0		
Cash Deficit	56.5		47.7	41.8		38.4		
Net Acquisition of Financial Assets	-6.1		8.9	12.9		17.8		
Overall Deficit	-50.4		-56.6	-54.7		-56.2		
Finance Sources	50.4	100.0	56.6	54.7	100.0	56.2	100.0	
Domestic Finance	54.4	107.9	64.9	33.3	60.8	35.4	63.0	
Banking Finance	14.8	29.4	27.8	-20.9	-38.3	-17.7	-31.4	
CBE	-11.5	-22.7	-9.9	3.2	5.7	3.2	5.7	
Other banks	-26.3	52.1	37.7	-24.1	-44.0	-20.9	-37.1	
Non-Banking Finance	39.6	78.5	37.1	54.2	99.1	53.1	94.4	
The NIB	12.6	25.0	13.7	0.1	0.3	0.0	0.0	
SIFs	11.0	21.8	0.0	6.9	12.5	0.0	0.0	
Other non-banking sources	16.0	31.7	16.0	28.5	52.1	28.5	50.7	
NIB Borrowing	0.0	0.0	7.4	0.0	0.0	5.9	10.4	
Special accounts for economic authorities	0.0	0.0	0.0	18.7	34.2	18.7	33.2	
External Borrowing	3.6	7.2	3.6	3.6	6.5	3.6	6.3	
Arrears	-1.8	-3.5	-1.8	-0.7	-1.2	-0.7	-1.2	
Others, of which:	-0.5	-1.0	-4.8	19.9	36.4	19.3	34.4	
Special accounts for budget entities	0.0	0.0	0.0	13.0	23.7	13.0	23.0	
Financing Effects for Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exchange Rate Revaluation	-0.3	-0.6	-0.3	-0.4	-0.8	-0.4	-0.8	
Net Privatization Proceeds	0.1	0.3	0.1	0.2	0.3	0.2	0.3	
Difference between Treasury Bills Face Value & Present Value	-0.7	-1.4	-0.7	-1.2	-2.1	-1.2	-2.1	
Discrepancy	-4.5	-8.9	-4.4	0.0	0.1	0.0	0.1	

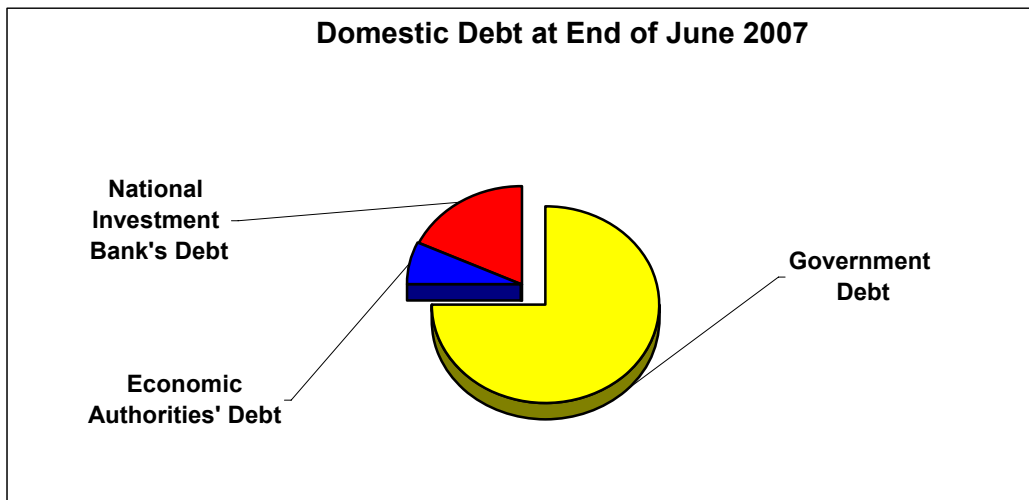
Source: Ministry of Finance.

Against this background, the consolidated fiscal operations of the general government resulted in a cash deficit of LE 38.4 billion during FY 2006/2007. By adding the net acquisition of financial assets (LE 17.8 billion), the overall deficit reaches LE 56.2 billion.

The finance of this deficit and some domestic repayments was covered primarily by non-banking domestic sources. The remainder came from the government's other sources of the Treasury Single Account and net privatization proceeds.

4/2- Domestic Public Debt

Domestic public debt includes the debt due on the government, the public economic authorities and NIB. The balance of this debt has been on the rise, accelerating by LE 43.7 billion or 7.4 percent during FY 2006/2007 and standing at some LE 637.2 billion or 87.1 percent of GDP at end of June 2007. Although this ratio remains high, it is expected to go down with the decline of the budget deficit/GDP ratio. Domestic government debt represented 75.0 percent of the total, debt of public economic authorities 7.0 percent and net debt of the NIB 18.0 percent.



4/2/1- Domestic Government Debt

Domestic government debt totaled LE 478.2 billion, up by LE 90.5 billion or 23.3 percent during FY 2006/2007. The rise was partly an outcome of the increase in the balances of treasury bills and bonds by LE 212.9 billion; and the decline of LE 15.7 billion in the net credit position of government balances at the banking system (as the rise of LE 18.5 billion in its loans outpaced the LE 2.8 billion rise in its deposits). Another affecting factor was the introduction of a new item representing the counterpart of the deposits of the two insurance and pension funds at the Treasury, at a value of LE 4.5 billion. In addition, the NIB debt to these two funds declined by some

LE 142.6 billion (as the government debt to the NIB was cleared to zero). The NIB's obligations to the two insurance and pension funds were transferred to the government within the balance of the government debt to the NIB, up till 30/6/2006. Moreover, a new item entitled "SIFs bonds" was introduced as of 1/7/2006.

The rise in the bonds balance reached LE 197.4 billion during the reporting year, due to the following:

- Issuance of two Treasury bonds on 1/7/2006 for the benefit of the two insurance funds for Civil Servants and Public and Private Business Sector Employees, at a value of about LE 197.7 billion. In addition, another "SIFs bond" was issued in the amount of LE 0.1 billion on 30/6/2007.
- Issuance of a 10 year T. bond (bearing no interest) on 30/ 6/ 2007 for the benefit of the CBE, in the amount of LE 3.0 billion. This bond represents part of the debit balances of the evaluation differences of the principal repayments to abroad (under rescheduled loans) made till 30/6/2004.
- Issuance of a 7 year T. bond on 29/5/2007 at a value of LE 2.0 billion and an interest of 9.45 percent.
- Increase of the value of the two treasury bonds issued earlier in Sept. 2005 and Jan. 2007, by LE 2 billion for each. This brought the value of each bond to LE 6.0 billion under the same issuance terms and conditions.
- The redemption of two treasury bonds, the first (LE 4.0 billion) on 1/1/2007 and the second (LE 3.0 billion) on 3/5/2007.
- The bonds issued in 1986/87 were redeemed on 30/6/2007 to repay the cash deficit of LE 1.0 billion.
- The amortization of a part of other bonds at a value of LE 1.4 billion in July 2006, due to the redemption of the first tranche of the dollar-denominated sovereign bonds held by the financial institutions resident in Egypt (LE 1.2 billion).

Domestic Government Debt

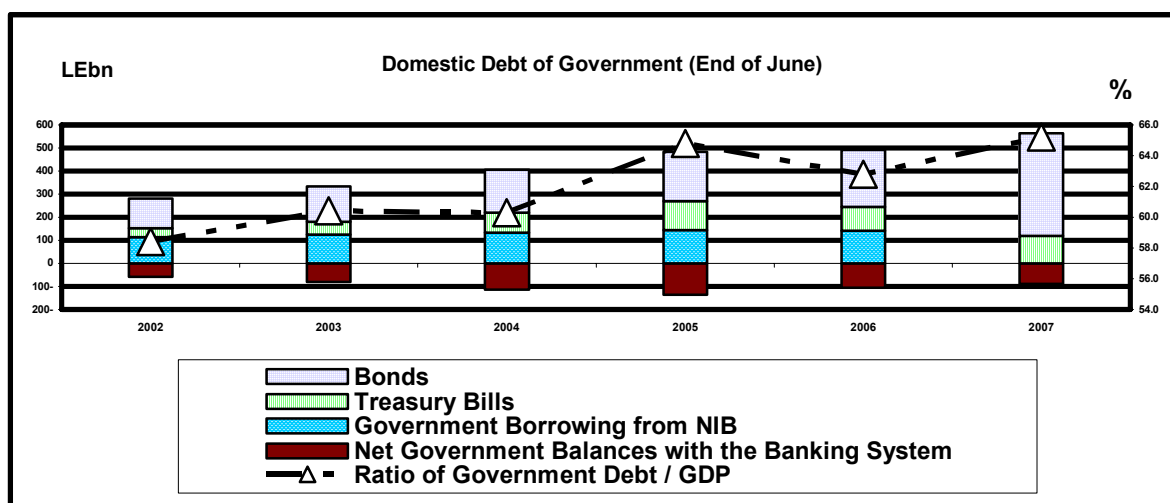
Balances at End of June	2006		2007		Change + (-)
	Value	%	Value	%	
Domestic Government Debt	387.7	100.0	478.2	100.0	90.5
- Balances of Bonds and Bills	350.0	90.2	562.9	117.7	212.9
• Bonds and notes*	246.8	63.6	444.2	92.9	197.4
Of which: tradable on exchanges	63.2	16.3	61.0	12.8	(2.2)
• TBs	103.2	26.6	118.7	24.8	15.5
- Net Balances at the Banking System	-104.9	-27.0	-89.2	-18.7	15.7
• Facilities	5.1	1.3	23.6	4.9	18.5
• Deposits	-110.0	-28.3	-112.8	-23.6	(2.8)
- Counterpart of Insurance Deposits at the Treasury	0	0.0	4.5	1.0	4.5
- Borrowing from the NIB	142.6	36.8	0.0		(142.6)
Domestic government debt/GDP (%)		62.8		65.4	

Source: Ministry of Finance, CBE and the NIB.

Percentages are calculated in terms of LE million.

* Including treasury bonds; housing bonds; bonds denominated in foreign currencies with public commercial banks; the 5 percent ratio retained from profits of corporations subject to Law No. 97 of 1983 for the purchase of government bonds; and the holdings of resident financial institutions (banking system and insurance sector) of dollar-denominated sovereign bonds tradable on world exchanges.

The total balance of TBs increased at the end of June 2007 by some LE 15.5 billion. The bulk of the increase (64.3 percent) was in banks' subscriptions, followed by foreigners' subscriptions (27.5 percent), mutual funds (5.4 percent), insurance funds and companies (2.2 percent), and other entities (0.6 percent).



4/2/2- Debt of Public Economic Authorities

Debt of these authorities went down by LE 2.9 billion during the reporting year to reach LE 44.5 billion. This was the outcome of the improvement in the credit position of the net balances of these authorities at the banking system by LE 4.4 billion (due to the rise in their deposits by LE 9.8 billion; i.e. by more than the LE 5.4 billion rise in their borrowings), on the one hand, and their higher borrowing from the NIB by LE 1.5 billion, on the other.

Debt of Public Economic Authorities

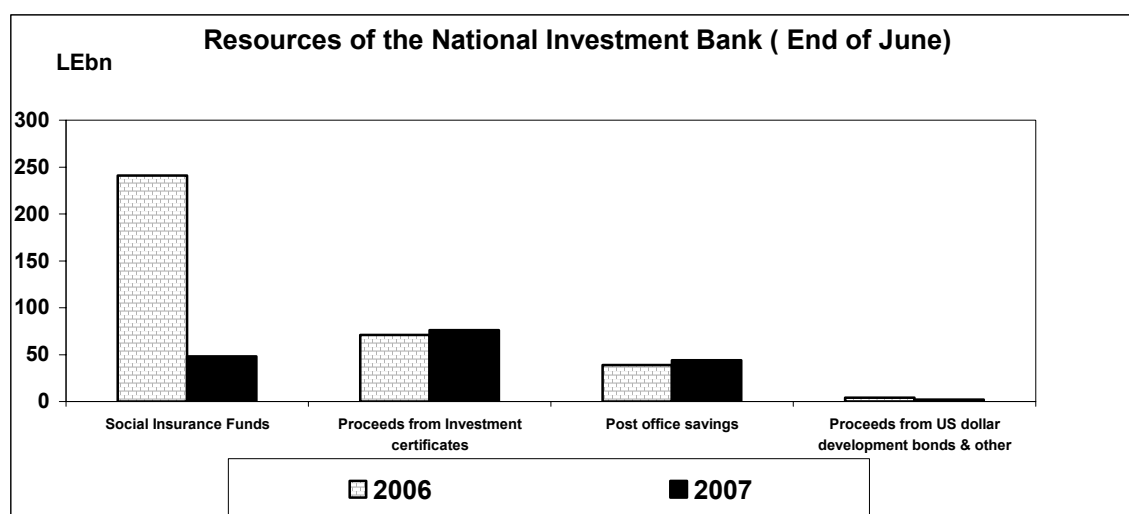
Balances at End of June	2006		2007		Change + (-)
	Value	%	Value	%	
Total Debt	47.4	100.0	44.5	100.0	(2.9)
- Net balances with the banking system	-2.8	-5.9	-7.2	-16.1	(4.4)
• Facilities	23.4	49.4	28.8	64.8	5.4
• Deposits	-26.2	-55.2	-36.0	-80.9	(9.8)
- Borrowing from NIB	50.2	105.9	51.7	116.1	1.5
Total Debt/GDP (%)	7.7		6.1		

Source: Ibid.

4/2/3- Debt of NIB

NIB resources sharply declined by LE 185.8 billion during the reporting year to LE 169.2 billion at the end of June 2007. Such a decline resulted from the fall of LE 193.4 billion in the surpluses transferred to the NIB from the two Social Insurance Funds for civil servants and public and private business sector employees, after clearing the government debt to the NIB as of 1/7/2006, as mentioned above. Another affecting factor was the drop of LE 1.5 billion in the resources transferred to the NIB from the private insurance funds, saving certificates, and the deposits of various entities, and of LE 0.3 billion in the proceeds of US dollar development bonds. This decline was mitigated by the rise in the deposits of the post office saving accounts

by LE 4.4 billion and the proceeds of investment certificates & the accumulated interest on investment certificates (group A) by LE 5.0 billion. It is worth mentioning that the interest on these certificates was raised by 0.5 percent for groups A and B, reaching 9.5 percent and 10.0 percent, respectively, as of 1/2/2007 (Minister of Finance's Decree No. 40 for 2007).



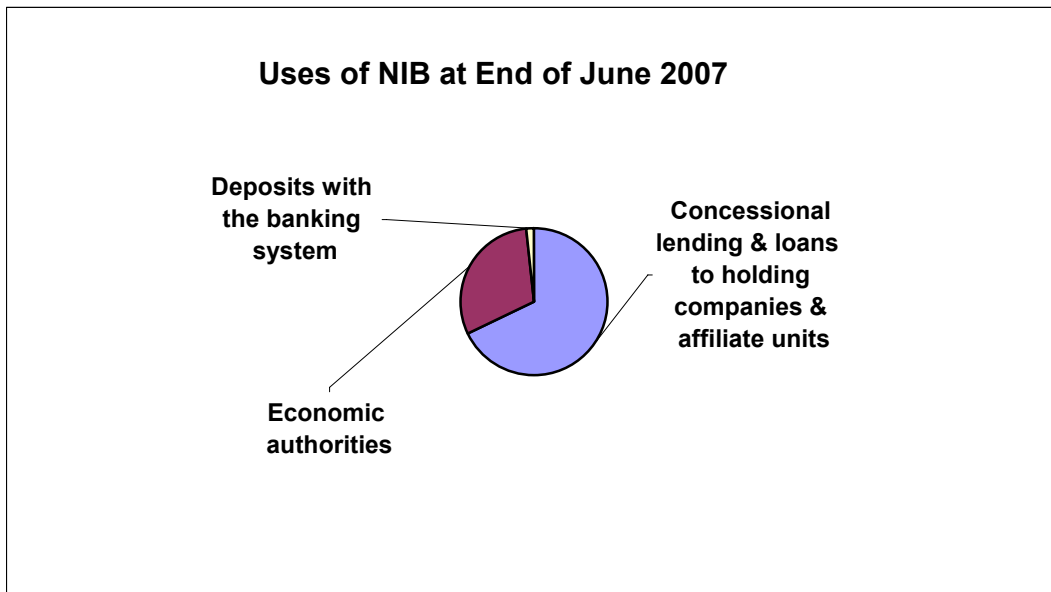
Resources and Uses of the NIB

Balances at End of June	(LE bn)				
	<u>2006</u>		<u>2007</u>		Change
	Value	%	Value	%	+ (-)
<u>Resources</u>	<u>355.0</u>	<u>100.0</u>	<u>169.2</u>	<u>100.0</u>	<u>(185.8)</u>
• Social Insurance Fund for Civil Servants	135.7	38.2	27.4	16.2	(108.3)
• Social Insurance Fund for Public and Private Business Sector Employees	105.7	29.8	20.6	12.2	(85.1)
• Investment certificate proceeds	64.1	18.1	68.5	40.5	4.4
• Accumulated interest on investment certificates (group A)	7.0	2.0	7.6	4.5	0.6
• US dollar development bonds	0.8	0.2	0.5	0.3	(0.3)
• Post office saving accounts	39.1	11.0	43.5	25.7	4.4
• Others*	2.6	0.7	1.1	0.6	(1.5)
<u>Uses</u>	<u>355.0</u>	<u>100.0</u>	<u>169.2</u>	<u>100.0</u>	<u>(185.8)</u>
• Government	142.6	40.2	0.0	0.0	(142.6)
• Public economic authorities	50.2	14.1	51.7	30.6	1.5
• Others	158.4	44.6	114.5	67.7	(43.9)
• NIB balances with the banking system (net)	3.8	1.1	3.0	1.7	(0.8)
Debt of NIB/ GDP (%)	25.6		15.6		

Source: Ibid.

* Including the deposits of private insurance funds, saving certificates, and deposits and loans of various entities.

The NIB used LE 51.7 billion (30.6 percent of its total resources) to finance the investments of public economic authorities. Moreover, the Bank allocated LE 114.5 billion (67.7 percent of its total resources) for its concessional lending to low-cost housing, and lending to holding companies and their affiliates.



5- External Transactions

5/1- Foreign Exchange Market

In its management of the Forex market and international reserves, the CBE achieved tangible positive results lauded by most international rating agencies. Ratings of the Egyptian economy have, accordingly, been upgraded. Outstandingly, the parallel foreign exchange market was eliminated and the LE exchange rate vis-à-vis the US dollar noticeably appreciated over the last three years. The US dollar posted LE 5.7 at the end of June 2007 after hitting a peak of more than LE 7.0 at the end of 2003. This led individuals to surrender their US dollar holdings in return for the Egyptian pound and, consequently, foreign exchange resources have become increasingly available. Importers have been enabled to finance their imports, especially investment and intermediate goods which remarkably rose to 53.8 percent of total merchandise imports during FY 2006/2007.

A key contributor to these favorable results was the launch of the inter-bank market by the end of 2004. Of great help also was the economic and banking policies that enforced the confidence of foreign investors in the Egyptian economy, and encouraged them to increase their investments.

Such positive developments were reflected on the performance of the forex market which remarkably improved during FY 2006/2007 compared with the preceding fiscal year. A surplus of US\$ 10.8 billion (up by US\$ 5.8 billion) was posted, thereby exceeding double the surplus of the preceding FY. The surplus achieved in 2006/2007 was attributed to the significant increase in resources by US\$ 14.4 billion (of which the banking system contributed 85.5 percent). The rise in resources covered one-and-half time the increase in utilizations of US\$ 8.6 billion (of which the banking system accounted for 73.2 percent).

It is worth mentioning that the significant increase in the CBE resources during the reporting year was a result of adding part of the TML's selling proceeds of US\$ 1.9 billion, and the selling of 80 percent of the stakes of the Bank of Alexandria at a value of US\$ 1.6 billion. Added to this were the investment proceeds from a part of the forex reserves of US\$ 1.0 billion.

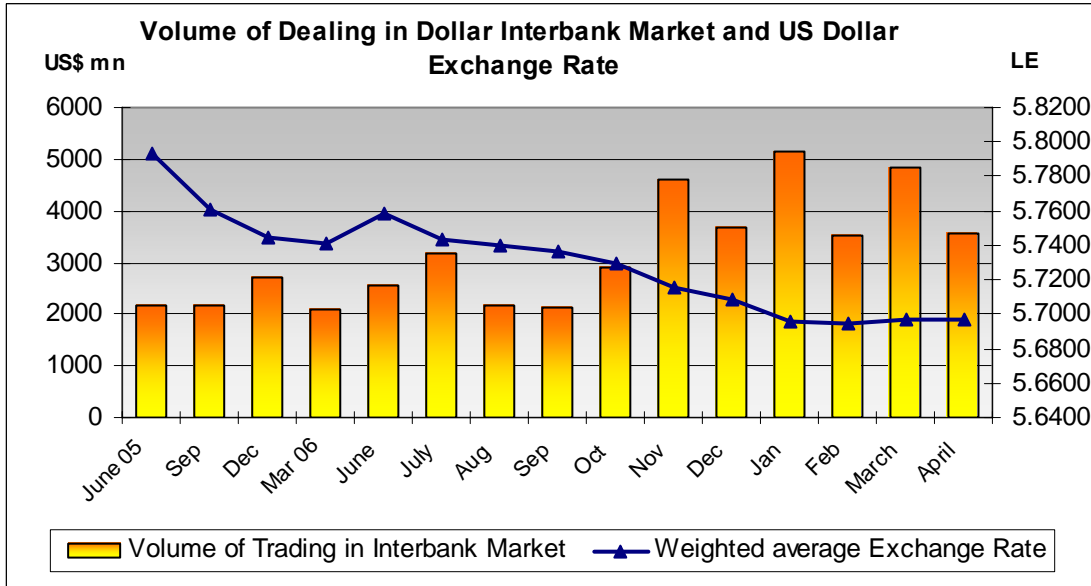
**Resources and Utilizations of the
Forex Market**

(US\$ mn)

During the FY	2005/2006	2006/2007
<u>Surplus/Deficit (-)</u>	<u>5032</u>	<u>10804</u>
The banking system	4862	10847
Foreign exchange dealer companies	170	-43
<u>Resources</u>	<u>29742</u>	<u>44098</u>
The banking system	26852	39124
Foreign exchange dealer companies	2890	4974
<u>Utilizations</u>	<u>24710</u>	<u>33294</u>
The banking system	21990	28277
Foreign exchange dealer companies	2720	5017

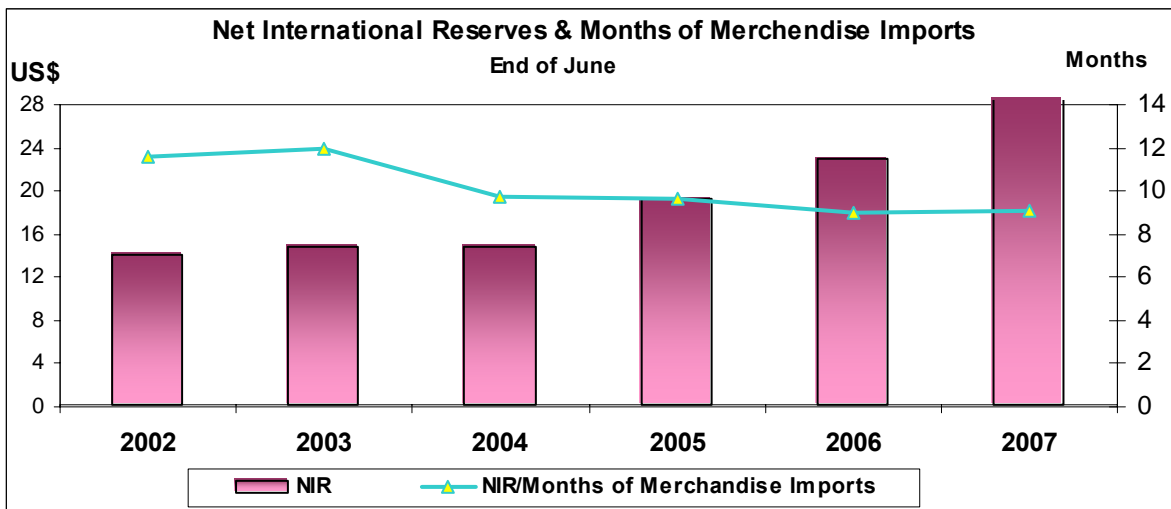
Net foreign currency assets of banks - excluding the CBE - rose by US\$ 116.7 million to US\$ 4.4 billion at end of June 2007. However, this step-up did not result in a rise in the ratio of banks' assets to their obligations in foreign currencies (109.4 percent at end of June 2007, against 112.9 percent at end of June 2006). This was due to the increase of banks' obligations in foreign currencies at a higher rate than their foreign currency assets.

The value of the Egyptian pound improved versus the US dollar, as the weighted average of the US\$ in the inter-bank market declined from LE 6.2137 at the launch of the market on 23/12/2004 to LE 5.7579 on 29/6/2006 and LE 5.6968 on 28/6/2007. This indicated a rise in the LE value by 9.1 percent since the launch of the market and by 1.1 percent during the reporting year. Moreover, the US\$ market rate (buy) dropped to LE 5.6892 at end of June 2007, against LE 5.7523 at end of June 2006.



A follow-up of dealings in the dollar inter-bank market shows that the volume of dealing reached US\$ 46.5 billion during FY 2006/2007, against US\$ 26.1 billion during the preceding FY, with a growth rate of 78.0 percent. Accordingly, total dealings in the market since its launch till the end of June 2007 recorded US\$ 82.2 billion.

Net international reserves at the CBE continued to improve, as they grew by US\$ 5.6 billion or 24.5 percent during FY 2006/2007, to reach US\$ 28.6 billion, thereby covering 9.1 months of merchandise imports at end of June 2007. While preparing this Report, the NIR balance remained on the rise registering US\$ 30.9 billion at end of October 2007.



As far as the international reserves are concerned, the Central Bank continued to apply its investment policy for managing reserves. The policy aims at shifting from the traditional investment pattern (deposits) to modern investment tools chosen according to prudential investment determinants and standards. According to this policy, investment of reserves is diversified to be in other currencies besides the US dollar, according to a number of strategic factors like the structure of foreign currencies that constitute Egypt's external debt and the currencies of Egypt's main trade partners. Furthermore, the CBE distributed its foreign exchange reserves among several portfolios with varying maturities, goals and parameters that strike a balance between risk and return.

Moreover, the CBE sought the assistance of international investment managers in managing part of the reserves, in cooperation with an international investment advisor. To develop the management of foreign reserves according to the new policy, the Bank used the latest systems of reserve management. Moreover, the Bank prepared the infrastructure of risk management by adopting international risk measurement systems in collaboration with the World Bank and other international institutions. The Bank also recruited a group of qualified professionals and experts to work in this vital field. The policy, through diversifying the foreign exchange reserves to include a bigger number of currencies, succeeded not only in escaping losses of US\$ 950 million, but also in earning investment proceeds of US\$ 1 billion during the reporting year.

5/2: Balance of Payments *

During FY 2006/2007, Egypt's transactions with the external world realized an overall BOP surplus of US\$ 5.3 billion, or 4.1 percent of GDP mainly because of the surplus of LE 2.7 billion in the current account, and the net inflows of US\$ 1.1 billion in the capital and financial account. The surplus on the current account was an outcome of the rise in the services surplus and net unrequited transfers, on the one hand, and the wider trade deficit on the other.

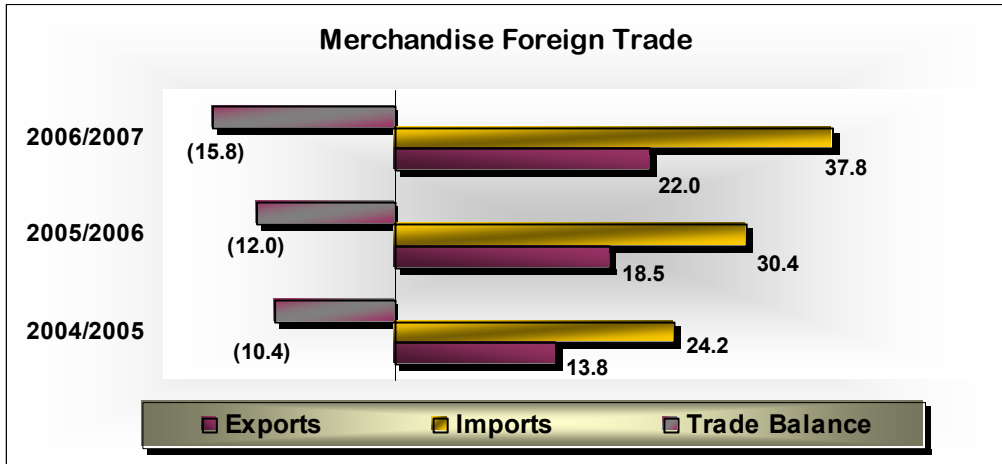
Hereunder are the details of Egypt's BOP and the commodity structure of external transactions.

5/2/1: Trade Balance

Main indicators of foreign trade showed that trade between Egypt and the external world noticeably improved during FY 2006/2007. Export proceeds increased by 19.3 percent to US\$ 22.0 billion and import payments by 24.3 percent to around US\$ 37.8 billion. Accordingly, the total value of Egypt's foreign trade as a percentage of GDP rose from 45.5 percent to 46.8 percent.

As imports grew faster than exports, the trade deficit went up to US\$ 15.8 billion or 12.4 percent of GDP. In addition, the ratio of merchandise export proceeds to merchandise import payments dropped from 60.6 percent to 58.2 percent. The following chart shows the developments in foreign trade during the reporting period.

* Compiled in accordance with the fifth edition of the IMF's Balance of Payments Manual, September 1993.



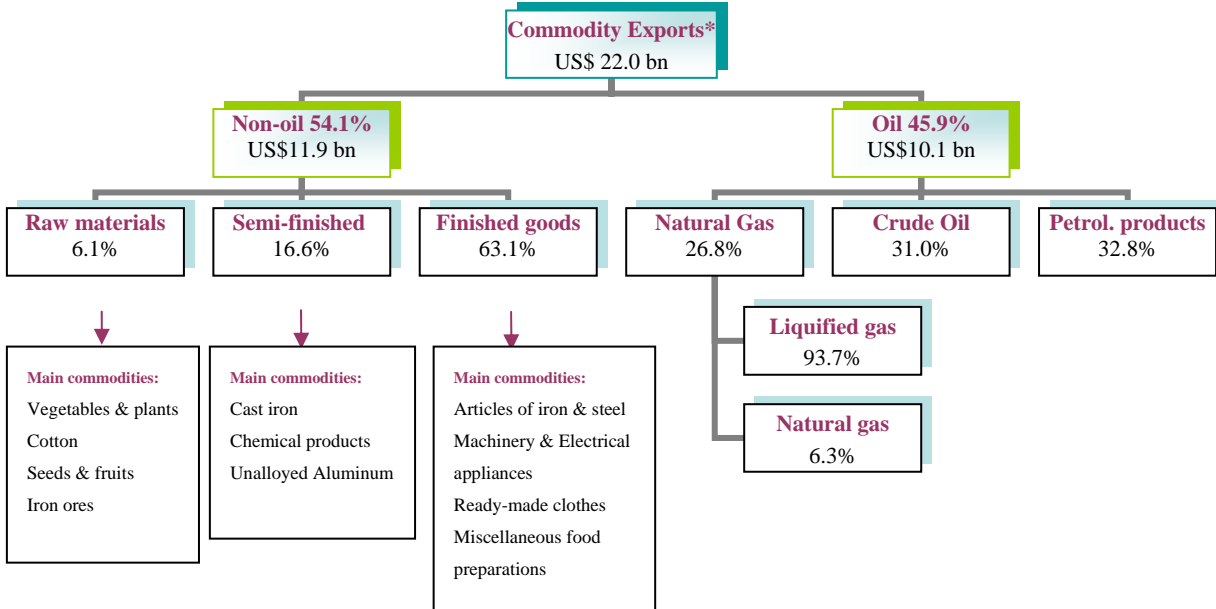
The growth in export proceeds was mainly fuelled by strong non-oil exports (up by 44.7 percent), particularly finished goods (representing 34.2 percent of total exports). Finished goods grew by 45.4 percent to US\$ 7.5 billion and semi-finished goods by 66.8 percent to US\$ 2.0 billion. On the other hand, oil exports slightly retreated by 1.1 percent following their noticeable growth during the previous FYs.

The step-up in import payments reflected higher import payments for all commodity groups especially of intermediate and investment goods that accounted for 28.6 percent and 26.5 percent of the total increase respectively. This largely contributed to stimulating production and accordingly enhanced the exports' role in strengthening economic growth.

5/2/1/1: Commodity Structure of Exports and Imports

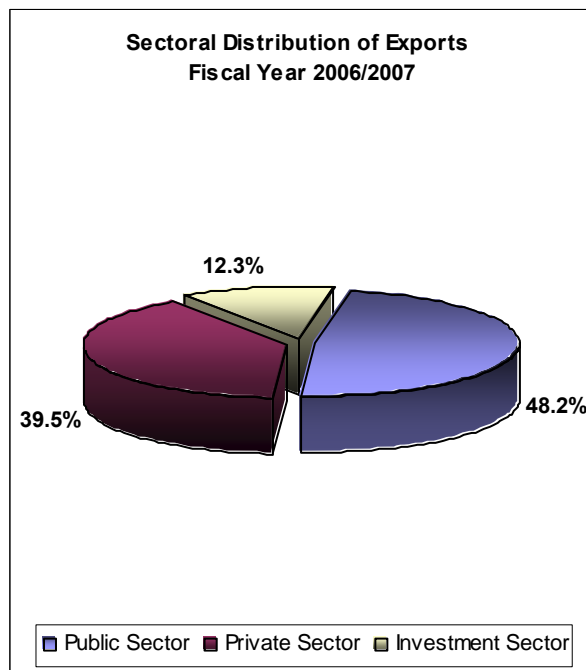
A. Exports by Degree of Processing

During the period under review, merchandise exports reached US\$ 22.0 billion. Of this value, oil exports contributed 45.9 percent, whereas non-oil exports around US\$ 11.9 billion, with a rise of US\$ 3.7 billion or 44.7 percent. The bulk of the increase was in the group of semi-finished goods, (up by 66.8 percent), followed by finished goods (45.4 percent). On the other hand, a slight decline was seen in the group of fuel, mineral oils and products. The following chart shows the distribution of merchandise exports by their relative importance during the period under review.



Concerning the contribution of sectors to foreign trade, the public sector came on top, accounting for almost 50 percent of the total volume of exports. Its key exports were crude oil and products (with a share of 80.9 percent against 98.1 percent in the corresponding period), unalloyed aluminum; cotton; iron and steel products and cast iron.

As for the private sector, finished goods constituted 75.4 percent of its total exports. Its main exports were cast iron; electric machines and appliances; iron and steel products; miscellaneous food-stuff preparations and miscellaneous articles of base metals.



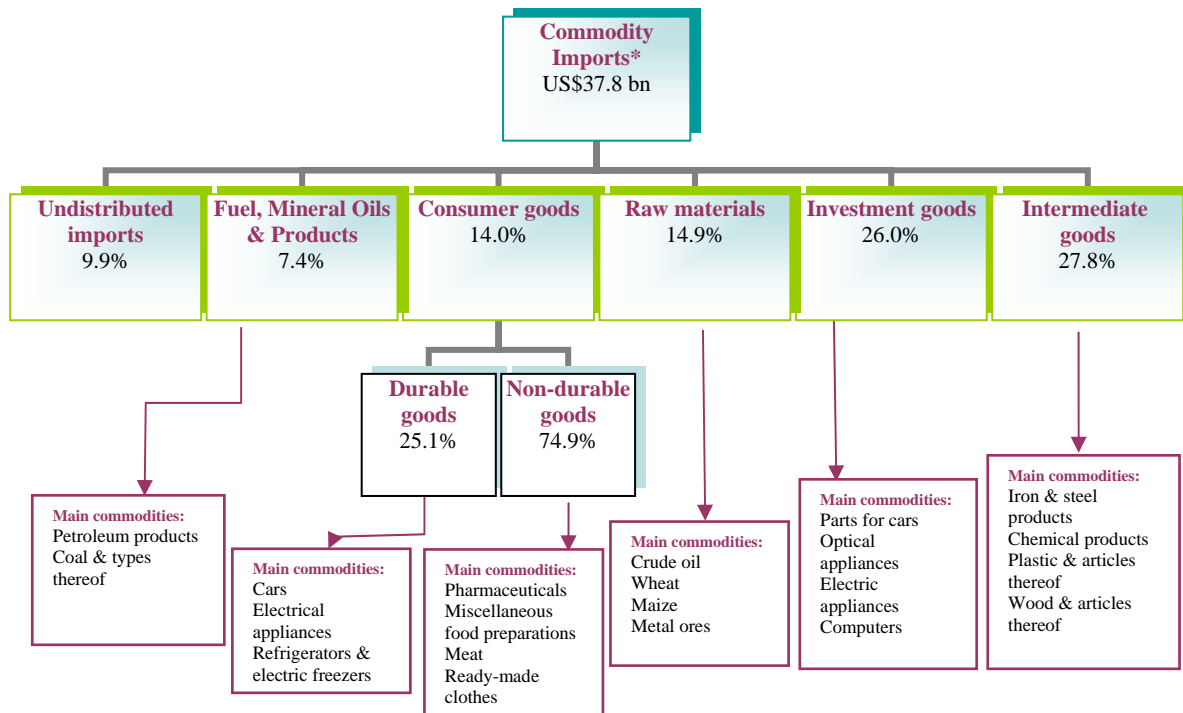
* Calculated on FOB basis, as their value is calculated at the customs borders of the Egyptian economy, i.e. excluding the costs of shipment, insurance and freight. They include exports of free zones to the rest of the world.

Oil products contributed 56.4 percent of the investment sector's total exports. Exports of ready-made clothes, cast iron, fertilizers, iron and steel products, pharmaceuticals and cotton textiles accounted for the remainder.

B. Imports by Degree of Use

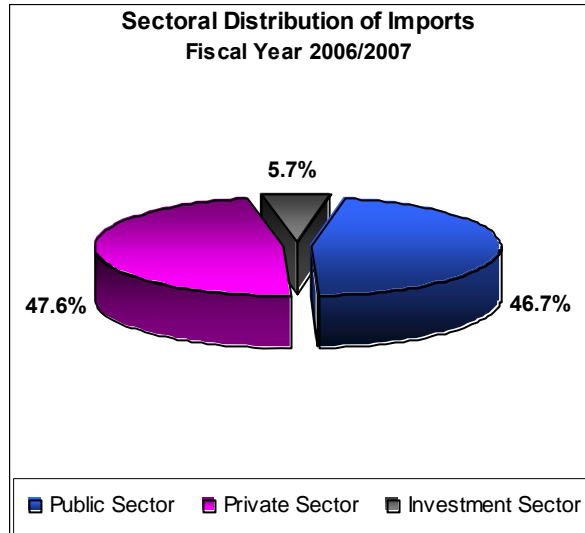
Import payments scaled up by some US\$ 37.8 billion or 24.3 percent. The rise was attributed to an increase in all groups of merchandise imports, particularly of investment, intermediate and consumer goods. The rise in these three groups combined represented 78.8 percent of the total increase in imports.

The following chart illustrates the distribution of merchandise imports by their relative importance during the period.



* Calculated on CIF basis, i.e. including the costs of shipment, insurance and freight. They include imports of free zones from the rest of the world.

The public and private sectors were the main importers (94.3 percent), with a rise in the relative importance of the latter's imports from 41.9 percent to 47.6 percent (see chart). The increase was ascribed to a rise in all of its merchandise groups, especially intermediate and consumer goods. The most important imports of this sector were iron and steel products; organic and inorganic chemicals; plastics and articles thereof and wood and its products.

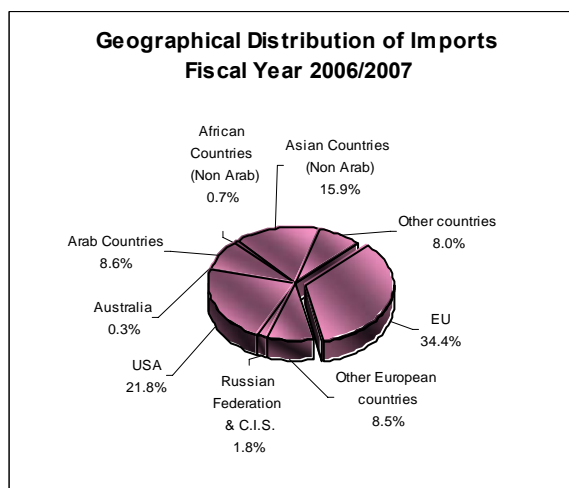
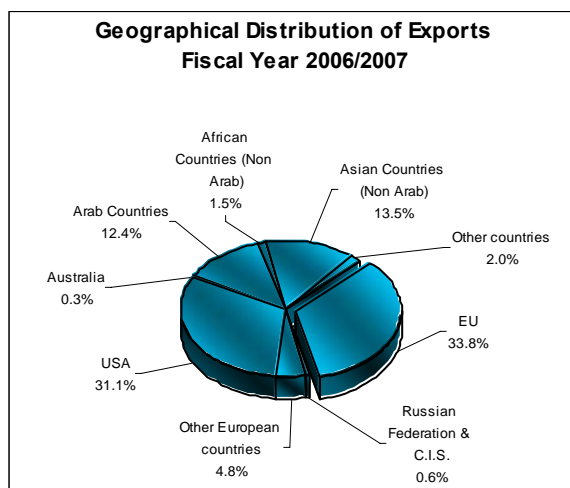


On the other hand, the relative importance of the public sector's imports declined from 54.5 percent to 46.7 percent. Its chief imports were crude oil and products, wheat; organic and inorganic chemicals; animal & vegetable fats, greases & oils and products.

Imports of the investment sector were concentrated in animal & vegetable fats, greases & oils and products; oil products; iron and steel products; crude oil; wheat and metal ores.

5/2/1/2: Exports and Imports Geographical Distribution

The volume of Egypt's foreign trade increased by 22.4 percent to reach US\$ 60.0 billion during FY 2006/2007. The following two charts display the geographical distribution of merchandise exports and imports.



The trade deficit with the USA widened to US\$ 1.4 billion because imports therefrom increased by 44.0 percent; whereas exports thereto rose by only 21.4 percent. Likewise, the trade deficit with the other European countries increased by 56.8 percent; with non-Arab Asian countries by 30.1 percent and with the EU by 28.2 percent. Meanwhile, the deficit with Australia noticeably declined by 83.2 percent; the Russian Federation and CIS by 21.1 percent and Arab countries by 15.7 percent. On the other hand, the surplus with non-Arab African countries decreased by 21.3 percent. (see the following table).

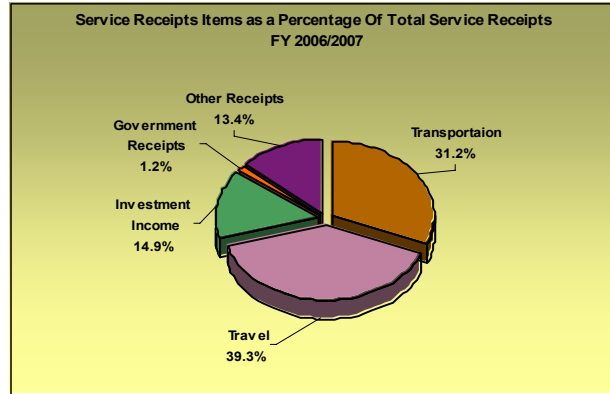
Geographical Distribution of Merchandise Transactions

(US\$ mn)

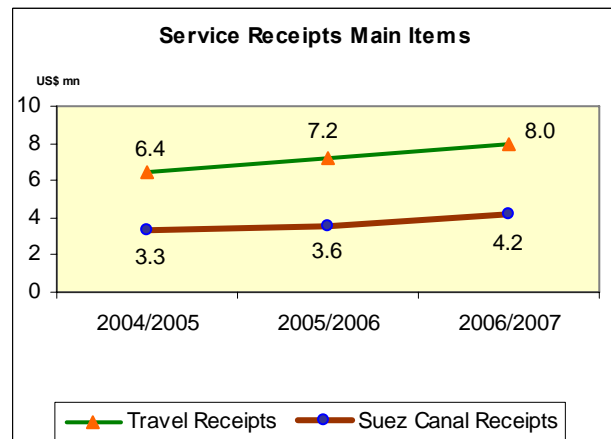
	<u>Export Proceeds</u>		<u>Import Payments</u>		<u>Trade Balance</u>	
	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Grand Total	18455.1	22017.5	30441.0	37834.2	(11985.9)	(15816.7)
EU	6948.0	7440.6	11289.4	13005.5	(4341.4)	(5564.9)
Other European countries	964.5	1048.6	2340.1	3205.6	(1375.6)	(2157.0)
Russian Federation and CIS	68.7	151.9	744.8	685.2	(676.1)	(533.3)
USA	5644.3	6849.8	5737.1	8262.3	(92.8)	(1412.5)
Arab countries	2125.2	2729.6	2735.7	3244.4	(610.5)	(514.8)
Non-Arab Asian countries	2094.0	2969.0	4444.8	6027.6	(2350.8)	(3058.6)
Non-Arab African countries	251.3	328.1	176.5	269.2	74.8	58.9
Australia	16.9	64.0	277.1	107.8	(260.2)	(43.8)
Other countries and regions	342.2	435.9	2695.5	3026.6	(2353.3)	(2590.7)

5/2/2: Services Balance and Transfers

The services balance ran a surplus of US\$ 11.5 billion or 8.9 percent of GDP during FY 2006/2007, (against US\$ 8.2 billion and 7.6 percent of GDP during the corresponding period) with a rise of 39.8 percent. This surplus was an outcome of a step-up in service receipts by 17.0 percent to US\$ 20.4 billion and a decline in service payments by 3.1 percent to only US\$ 9.0 billion.



The rise in service receipts was attributed to an increase in travel revenues* (tourism) by 10.7 percent to US\$ 8.0 billion, (representing 6.3 percent of GDP). The pickup in tourism revenues stemmed from the increase in the number of tourist nights from 85.1 million during the previous fiscal year, to 94.2 million** during the reporting period, given that the average tourist spending remained unchanged at US\$ 85 per night.



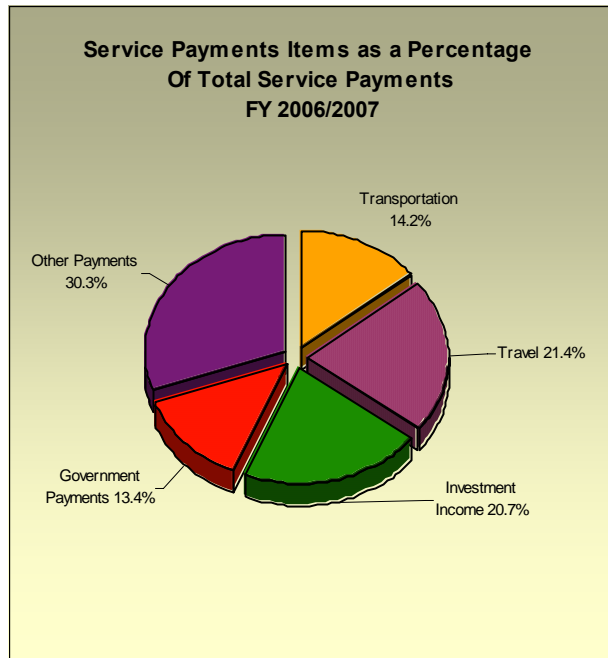
Likewise, transportation receipts grew by 28.8 percent to US\$ 6.4 billion, representing 5.0 percent of GDP. This was mainly ascribed to a rise in Suez Canal earnings by 17.2 percent, because of the increase in the number of transiting ships and net tonnage.

Investment income surged by 52.1 percent to US\$ 3.0 billion, as a result of the rise in world interest rates and the income receipts of financial investment (portfolio investment), as well as the interest payments on foreign assets abroad.

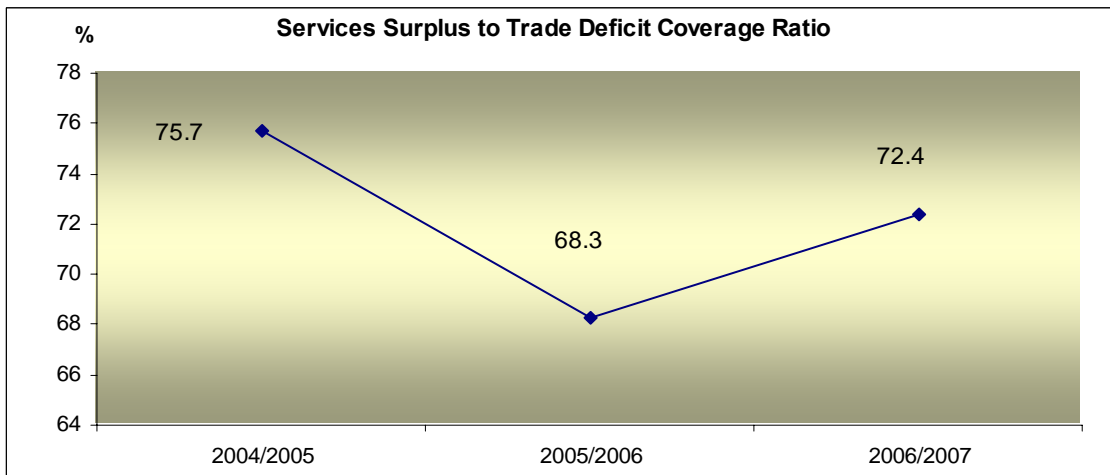
* Calculated on the basis of the number of tourist nights multiplied by the average tourist spending per night.

** Figures of June are preliminary.

Service payments went down by 3.1 percent to US\$ 9.0 billion, mainly due to a decline of 25.1 percent in "other payments". The decline was ascribed to decreases in external transfers by Egyptian petroleum companies, brokerage fees; as well as the decline of 9.4 percent in government expenditures.



In light of these developments, the coverage ratio of the services surplus to the trade deficit recovered during FY 2006/2007 as compared with the previous fiscal year.



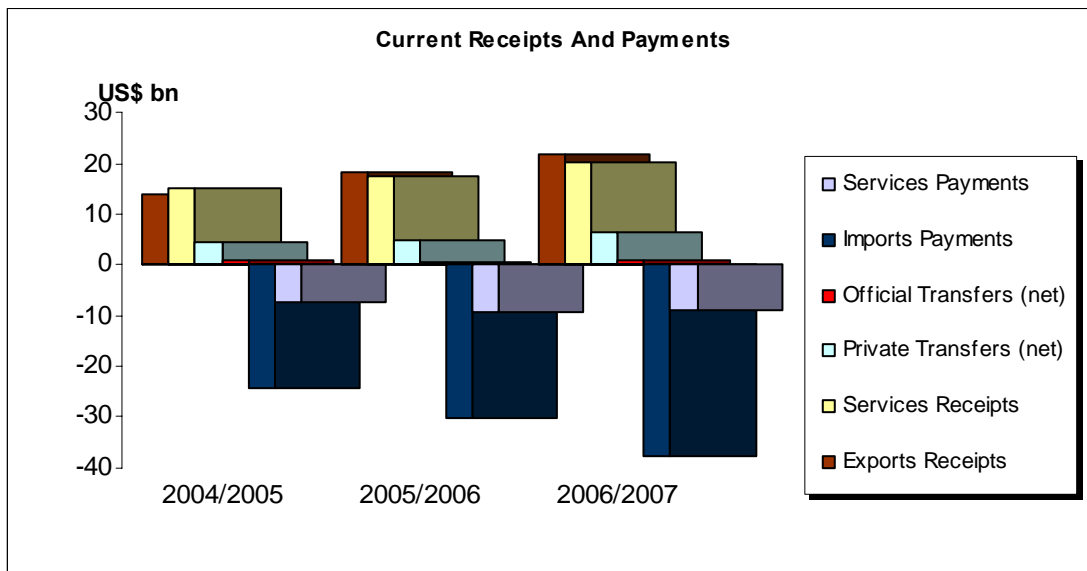
During the reporting year, net unrequited transfers rose by 27.3 percent to US\$ 7.1 billion, representing 14.3 percent of current receipts and 5.5 percent of GDP (against 13.4 percent and 5.2 percent, respectively, during the previous fiscal year).

Unrequited Transfers

(US\$ mn)

	FYs		Change (-)	Change %
	2005/06	2006/07		
<u>Net Current Transfers</u>	<u>5547.1</u>	<u>7061.3</u>	<u>1514.2</u>	<u>27.3</u>
<u>1- Official Transfers (Net)</u>	<u>571.7</u>	<u>800.3</u>	<u>228.6</u>	<u>40.0</u>
-Inward cash grants	190.2	375.0	184.8	97.2
-Other inward grants	409.6	461.1	51.5	12.6
-Outward grants (-)	-28.1	-35.8	(7.7)	27.4
<u>2- Private Transfers (Net)</u>	<u>4975.4</u>	<u>6261.0</u>	<u>1285.6</u>	<u>25.8</u>
-Workers' remittances	5034.2	6321.0	1286.8	25.6
-Other transfers	48.1	92.4	44.3	92.1
-Foreigners' transfers abroad (-)	-106.9	-152.4	(45.5)	42.6

Against this background, the current account unfolded a surplus of US\$ 2.7 billion as a result of a rise in current receipts by US\$ 8.0 billion or 19.4 percent to US\$ 49.5 billion, and in current payments by US\$ 7.1 billion or 17.9 percent to US\$ 46.8 billion.



Most of the current external transaction indicators improved as follows:

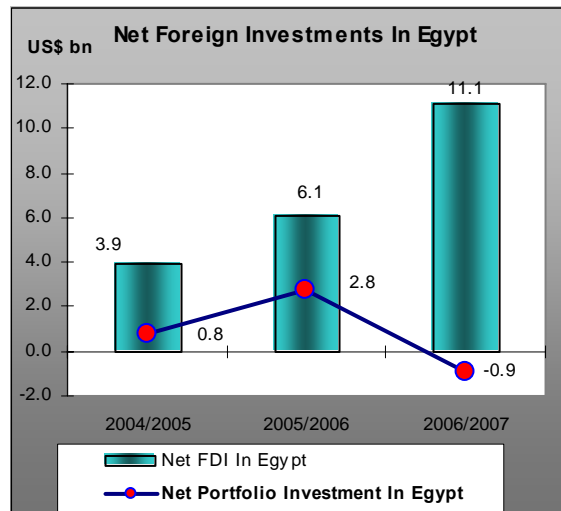
	<u>FYs</u>	
	<u>2005/2006</u>	<u>2006/2007</u>
	%	%
Merchandise exports/merchandise imports	60.6	58.2
Service receipts/service payments	188.6	227.8
Current receipts (excluding official transfers)/current payments	103.0	104.1
Current receipts/current payments	104.4	105.8

5/2/3: Capital and Financial Account

The capital and financial account revealed a net inflow of US\$ 1.1 billion during FY 2006/2007 (against US\$ 3.5 billion). This was mainly attributed to the following factors:

- **Foreign investment in Egypt** (direct and portfolio) achieved a total inflow of US\$ 24.2 billion, and a total outflow of US\$ 14.1 billion during FY 2006/2007 (against US\$ 24.4 billion and US\$ 15.5 billion, respectively, during the previous FY).

A- Net FDI (US\$ 11.1 billion) in Egypt* included net investments of US\$ 3.0 billion in the oil sector and privatization proceeds of US\$ 2.8 billion (against US\$ 1.8 billion and US\$ 0.9 billion, respectively, during the period of comparison).



* FDI represents the investments in which the foreign investor owns 10 percent or more of the capital of a resident entity in one economy, or has an effective voice in its management. In Egypt, the foreign investor owns 10 percent or more of the capital.

It is worth mentioning that apart from the oil sector, the main FDI activities in Egypt during the period were concentrated in the sectors of finance, communications and information technology, and manufacturing.

B- Net portfolio investment in Egypt* included purchases of dollar-denominated sovereign bonds by banks and insurance companies in Egypt in the amount of US\$ 291.6 million (outflows), foreigners' net sales of US\$ 386.0 million (outflows) on the Egyptian Exchange, in addition to US\$ 259.1 million as repayments for other Egyptian bonds and notes.

The net outflow of other assets and liabilities (the change in banks' foreign assets and liabilities, the CBE's non-reserve foreign assets, and the contra-entries for some current account items) increased to US\$ 10.0 billion during the period under review (against US\$ 5.9 billion during the period of comparison).

- Medium- and long-term loans and facilities achieved a net repayment of US\$ 0.3 billion, (against US\$ 1.0 billion). This was an outcome of the following factors:

A- Total repayments decreased to US\$ 1.67 billion (from US\$ 2.45 billion), because of a 51.1 percent decline in the repayments of international organizations' medium- and long-term loans, and a 61.6 percent drop in suppliers' and buyers' medium- and long-term credit.

B- Total disbursements stepped down to US\$ 1.35 billion (from US\$ 1.42 billion), due to a fall in the disbursements of medium- and long-term facilities by 90.8 percent and bilateral loans by 32.7 percent.

* Representing foreigners' net portfolio (according to CMA statement). This excludes foreign investors' equity participation in local enterprises, which is equal to 10 percent or more of the capital of any enterprise. Included also is the data of trading in Egyptian bonds and notes.

5/3: International Finance

Net resource inflows, as shown by international finance data, rose by around US\$ 2.0 billion, to US\$ 12.0 billion during FY 2006/2007 (against US\$ 10.0 billion during the previous FY). The rise was attributed to the increase in net FDI in Egypt to US\$ 11.1 billion during the year under review (against US\$ 6.1 billion during the year of comparison). On the other hand, net portfolio investment in Egypt declined to US\$ 936.7 million (against US\$ 2.8 billion in the previous FY, during which other Egyptian bonds and notes were issued).

Concerning medium- and long-term loans and facilities, net repayments reached US\$ 0.3 billion (against US\$ 1.0 billion).

Net Resource Flows

	FYs		(US\$ mn)
	2005/2006	2006/2007 ⁺	Change
Total Net Flows	<u>9998.5</u>	<u>11972.2</u>	<u>1973.7</u>
-External Debt	<u>1425.8</u>	<u>2148.5</u>	<u>722.7</u>
• Bilateral loans	-684.8	-847.0	(162.2)
Disbursements	188.8	127.0	(61.8)
Principal repayments	-873.6	-974.0	(100.4)
• International organizations' loans	-242.7	-752.3	995.0
Disbursements	606.8	1168.0	561.2
Principal repayments	-849.5	-415.7	433.8
• Medium- and long-term suppliers' & buyers' credit	-101.2	-221.7	(120.5)
Disbursements	625.4	57.7	(567.7)
Principal repayments	-726.6	-279.4	447.2
• Short-term suppliers' & buyers' credit (net)	2454.5	2464.9	10.4
-Official Grants (Net)	<u>571.7</u>	<u>800.3</u>	228.6
-Direct Investment in Egypt (Net)	<u>6111.4</u>	<u>11053.2⁺⁺</u>	<u>4941.8</u>
-Direct Investment Abroad	<u>-145.3</u>	<u>-535.6</u>	<u>(390.3)</u>
-Portfolio Investment in Egypt (Net), of which:	<u>2764.0</u>	<u>-936.7</u>	<u>(3700.7)</u>
• Bonds	2690.2 [*]	-550.7	(3240.9)
-Portfolio Investment Abroad	<u>-729.1</u>	<u>-557.5</u>	<u>171.6</u>

+ Provisional.

++ Including net FDI of US\$ 3.0 billion in the oil sector and the proceeds of selling local production assets to foreign investors of US\$ 2.8 billion.

* Issuance of Egyptian bonds and notes in the amount of US\$ 2.8 billion.

Net resource transfers (net inflows less interest payments and profit transfers) achieved an inflow of US\$ 10.1 billion, during FY 2006/2007, (against US\$ 8.5 billion a year earlier). This was attributed to a rise in net resource inflows to US\$ 12.0 billion as aforementioned and a pickup in total outflows to US\$ 1.9 billion (mainly in the FDI profit transfers and interests on external loans and facilities).

Net Resource Transfers from Abroad

(US\$ mn)

	FYs	
	2005/2006	2006/2007
Net resources from abroad	8527.4	10115.3
- Net inflows	9998.5	11972.2
- Outflows (interest payments and profit transfers)	-1471.1	-1856.9
1- External loans and facilities	-518.3	-536.5
· Bilateral loans	-317.1	-327.7
· International organizations' loans	-150.7	-163.0
· Suppliers' and buyers' credit	-50.5	-45.8
2- Deposits at Egyptian Banks	-56.2	-60.9
3- Profit transfers of FDI	-694.1	-1074.4
4- Profit transfers of portfolio investment	-202.5	-185.1

5/3/1: FDI in Egypt

On the back of stable investment climate in Egypt, net FDI continued to significantly increase during FY 2006/2007, to reach US\$ 11.1 billion (against US\$ 6.1 billion during the previous FY). The increase was an outcome of a rise in total investment inflows by 43.8 percent, to post US\$ 13.1 billion (against US\$ 9.1 billion), and a decline in capital repatriation by 32.0 percent to US\$ 2.0 billion.

Flows from the Arab countries rose by around US\$ 2.8 billion to US\$ 3.4 billion, mainly from the UAE (contributing to the establishment of the third mobile phone company). Likewise, flows from the EU countries rose by around US\$ 1.1 billion to US\$ 4.1 billion; mainly from Italy (the purchase of Egypt's Bank of Alexandria by Italy's San Paolo for US\$ 1.6 billion). Moreover, flows from the USA stepped up by around US\$ 0.1 billion, to US\$ 4.7 billion. By contrast, flows from the rest of the world declined by about US\$ 45 million, to US\$ 1.0 billion.

FDI in Egypt

	FYs		(US\$ mn)
	2005/2006	2006/2007	Change
			(-)
FDI Flows in Egypt (Net)	6111.4	11053.2	4941.8
Inflows	9097.9	13084.3	3986.4
USA	4553.5	4681.3	127.8
EU	2954.3	4061.0	1106.7
Germany	113.6	97.2	(16.4)
France	565.7	36.7	(529.0)
UK	1724.7	2209.6	484.9
Italy	20.2	1631.4	1611.2
Greece	140.2	22.2	(118.0)
Spain	361.4	6.7	(354.7)
The Netherlands	8.4	39.6	31.2
Belgium		8.7	8.7
Luxemburg		1.0	1.0
Denmark	1.4	2.5	1.1
Sweden	0.4	0.5	0.1
Austria	1.5	1.7	0.2
Romania	10.5	0.1	(10.4)
Cyprus	6.3	2.8	(3.5)
Latvia		0.3	0.3
Arab Countries	554.5	3351.4	2796.9
Saudi Arabia	99.0	204.0	105.0
UAE	63.0	3049.5	2986.5
Kuwait	72.5	24.8	(47.7)
Lebanon	233.6	11.4	(222.2)
Libya	3.8	20.6	16.8
Jordan	9.0	3.5	(5.5)
Bahrain	65.6	18.6	(47.0)
Qatar	6.4	2.5	(3.9)
Others	1.6	16.5	14.9
Other Countries	1035.6	990.6	(45.0)
Switzerland	78.3	49.4	(28.9)
Japan	4.2	0.6	(3.6)
Canada	0.8	4.8	4.0
China	0.8	8.4	7.6
Australia	6.3	9.3	3.0
India		4.1	4.1
Turkey	0.8	8.6	7.8
Bermuda		3.0	3.0
Others	944.4	904.4	(42.0)
Capital Repatriation	-2986.5	-2031.1	955.4

5/3/2: Official Grants (Unrequited Transfers)

Net transfers of official grants (cash or in-kind) reached US\$ 0.8 billion during FY 2006/2007 (against US\$ 0.6 billion during the previous FY), with an increase of US\$ 228.6 million or 40.0 percent.

Transfers of Official Grants

(US\$ mn)

	FYs		Change
	2005/2006	2006/2007	
<u>Official Grant Transfers (Net)</u>	<u>571.7</u>	<u>800.3</u>	<u>228.6</u>
Inward grants	599.8	836.1	236.3
- Cash grants	190.2	375.0	184.8
- Other grants	409.6	461.1	51.5
Outward grants	-28.1	-35.8	(7.7)

A breakdown of flows of official grants indicated an increase in inflows to US\$ 800.3 million (mainly in grants from the USA) and a rise in outflows to US\$ 35.8 million.

New Commitments and Net Actual Flows of Official Grants

<u>FYs</u>	(US\$ mn)			
	<u>New Commitments</u>		<u>Actual Flows</u>	
	<u>2005/ 2006</u>	<u>2006/ 2007</u>	<u>2005/ 2006</u>	<u>2006/ 2007</u>
<u>Net Inflows</u>			<u>571.7</u>	<u>800.3</u>
<u>Inflows</u>	<u>303.7</u>	<u>693.6</u>	<u>599.8</u>	<u>836.1</u>
USA	124.1	414.4	378.1	693.0
Japan	22.3	8.9	21.7	7.4
Germany		21.6	35.9	45.3
Italy		101.9	3.1	2.3
UK			3.1	0.1
France				0.3
Denmark		4.2		
Belgium			155.1	78.9
Finland	0.6	1.1		
Austria			0.1	
China	9.9	6.6		4.0
Canada	14.1		2.7	3.6
Saudi Arabia				0.3
Kuwait				0.9
EU	124.4	130.7		
International Fund for Agricultural Development				1.0
African Development Bank				0.9
Arab Fund for Economic and Social Development	6.7	0.9		
Global Environmental Facility				0.3
Kuwaiti Fund for Development	1.0			
World Bank	0.6	1.2		
<u>Outflows</u>			<u>-28.1</u>	<u>-35.8</u>

According to the Ministry of International Cooperation, total grant commitments during the period under review rose by US\$ 396.0 million, to reach US\$ 693.6 million. The rise was mainly ascribed to the increase in the value of commitments with the USA, in addition to the new commitments made with Germany, Italy and Denmark.

A sectoral breakdown of grant commitments by beneficiary shows that the bulk of the increase was in services (US\$ 619.3 million). This was a result of the new commitments made for wholesale and retail trade; the rise in the commitments made for the general government, health and education; and the decline in those of transportation and communications. Moreover, commitments for the productive sectors declined by US\$ 54.6 million to reach only US\$ 74.3 million (mainly for construction and building).

Breakdown of Official Grant Commitments (by Beneficiary)

(US\$ mn)

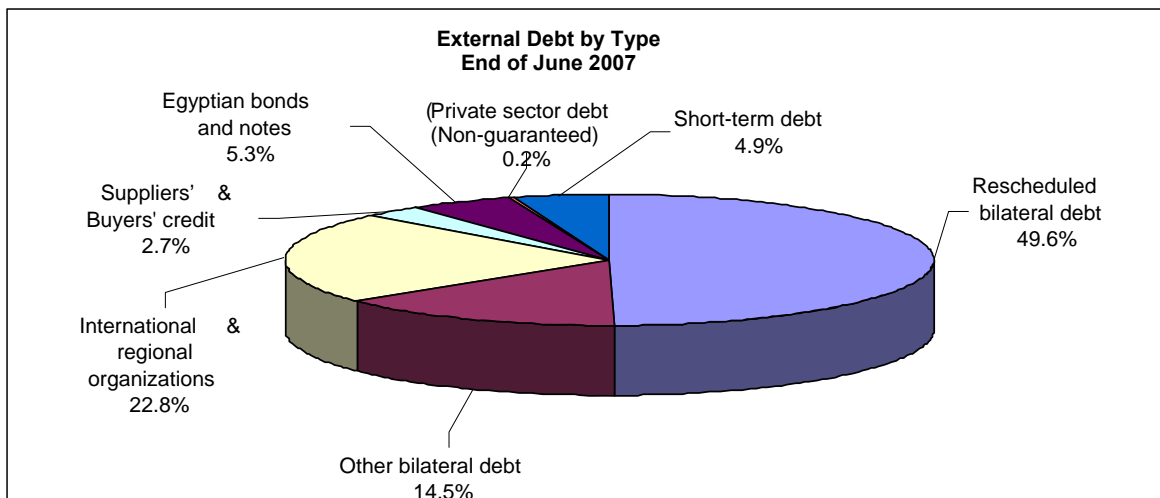
	<u>FYs</u>				Change
	2005/2006	%	2006/2007	%	
<u>Total</u>	<u>303.7</u>	<u>100.0</u>	<u>693.6</u>	<u>100.0</u>	<u>389.9</u>
<u>Productive Sectors</u>	<u>128.9</u>	<u>42.4</u>	<u>74.3</u>	<u>10.7</u>	<u>(54.6)</u>
Agriculture and irrigation	103.9	34.1	7.6	1.1	(96.3)
Manufacturing industries	2.6	0.9			(2.6)
Potable water & sanitary sewage	22.4	7.4	6.2	0.9	(16.2)
Construction and building			60.5	8.7	60.5
<u>Services Sectors</u>	<u>174.8</u>	<u>57.6</u>	<u>619.3</u>	<u>89.3</u>	<u>444.5</u>
Transportation, communications & information	5.6	1.8	5.2	0.7	(0.4)
Wholesale and retail trade			197.3	28.4	197.3
General government	56.8	18.8	285.2	41.1	228.4
Education and health	102.4	33.7	128.1	18.5	25.7
Others	10.0	3.3	3.5	0.5	(6.5)

5/3/3: External Debt

At the end of June 2007, the balance of external debt (public and private) with all maturities (denominated in the US dollar), amounted to US\$ 29.9 billion, or 23.3 percent of GDP, up by US\$ 0.3 billion over the end of June 2006. The rise was a result of the appreciation of most currencies of borrowing versus the US dollar (resulting in an increase in the debt balance by the equivalent of US\$ 0.6 billion) on the one hand; and the net repayment of loans and facilities of US\$ 0.3 billion (as an outcome of repayments of US\$ 2.7 billion and disbursements of US\$ 2.4 billion) on the other.

Medium- and long-term external debt reached about US\$ 28.4 billion or 95.1 percent of total debt at the end of June 2007. Of this amount, 64.4 percent or US\$ 19.3 billion was owed to Paris Club members in the form of bilateral loans (rescheduled or non-rescheduled) and suppliers' and buyers' credit. Debt due to countries other than Paris Club members amounted to US\$ 0.7 billion or 2.4 percent of the total. Moreover, debts due to international and regional organizations reached US\$ 6.8 billion or 22.8 percent of the total (of which, 94.9 percent was owed by the public sector). The balance of Egyptian bonds and notes (holdings of non-residents) reached US\$ 1.6 billion or 5.3 percent of total external debt (of which, government bonds and notes

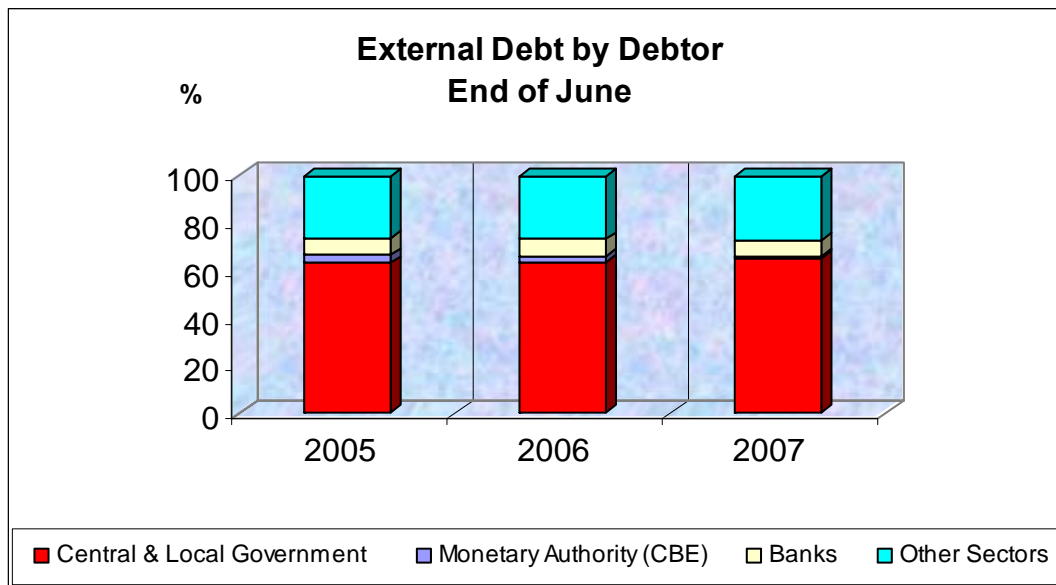
(guaranteed) accounted for US\$ 1.3 billion and dollar-denominated sovereign bonds for US\$ 0.3 billion). Moreover, non-guaranteed debt of the private sector reached only US\$ 0.1 billion or 0.2 percent.



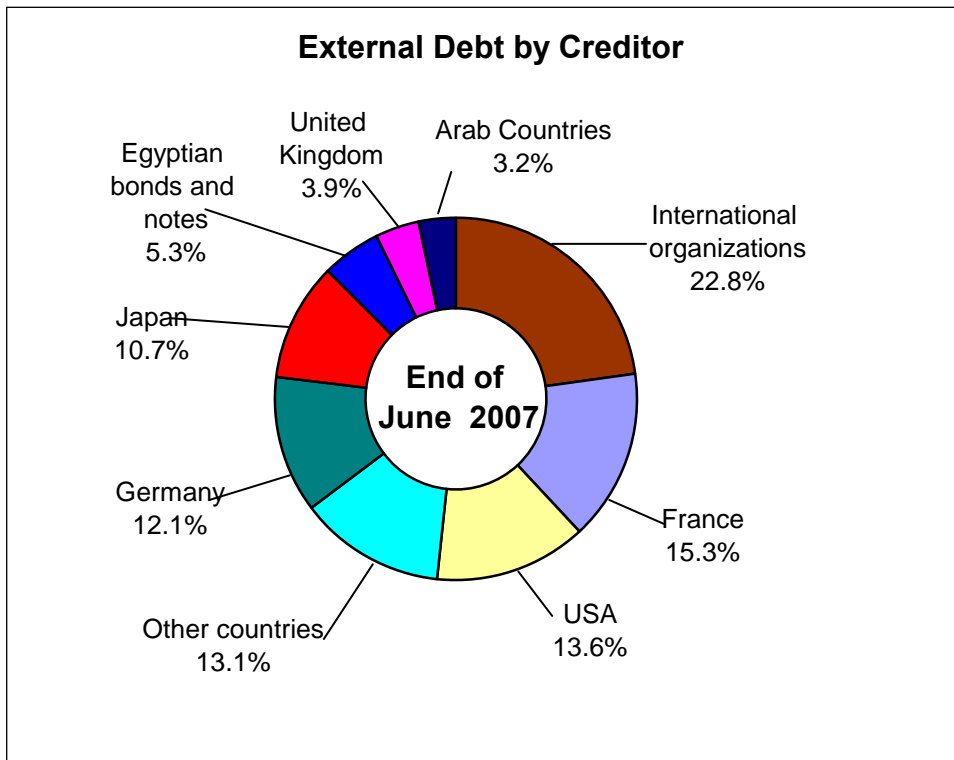
The balance of short-term debt remained almost unchanged at US\$ 1.5 billion or 4.9 percent (of which, 61.1 percent was owed by the private sector).

At the end of June 2007, the debt owed by the public sector accounted for the bulk (95.5 percent) of the total external debt. It posted US\$ 28.6 billion, whereas that of the private sector amounted to only US\$ 1.3 billion remaining almost unchanged at 4.5 percent.

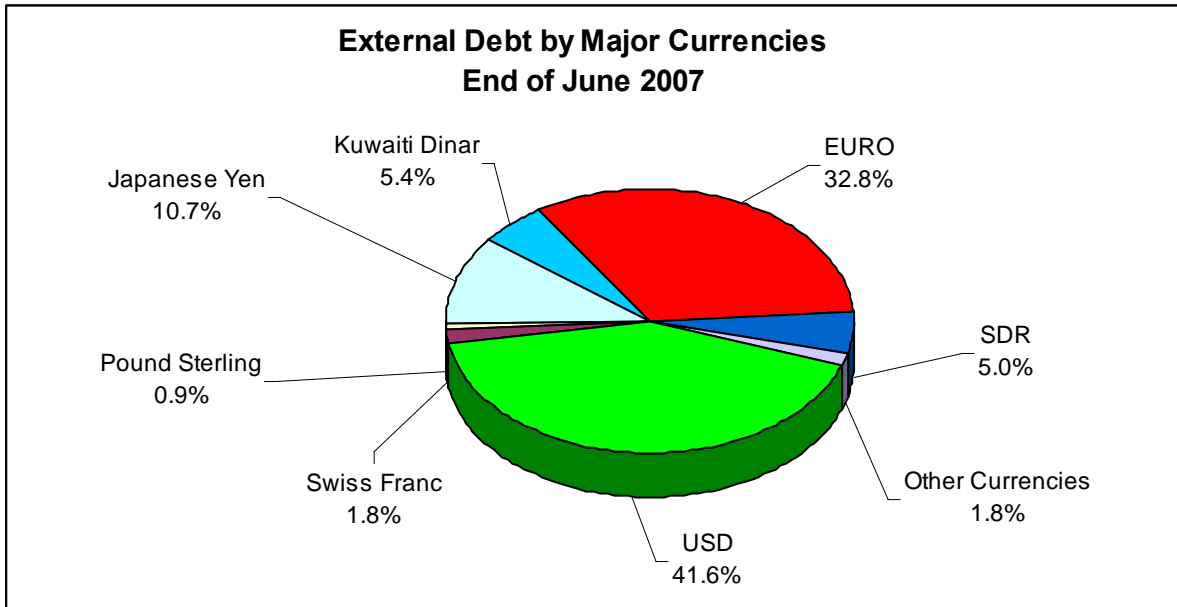
A breakdown of external debt by debtor indicates that debts owed by the central government stepped up by US\$ 0.6 billion to US\$ 19.5 billion and other sectors by US\$ 0.2 billion reaching US\$ 8.1 billion. By contrast, debts owed by banks declined by US\$ 0.2 billion to US\$ 2.0 billion and the monetary authority (the Central Bank) by US\$ 0.3 billion to US\$ 0.3 billion. Nevertheless, such developments did not affect the external debt structure by debtor. In other words, the central government remained the principal debtor (65.1 percent) at the end of June 2007, followed by other sectors (27.3 percent), then banks (6.5 percent), and finally the monetary authority (1.1 percent).



A breakdown of the external debt by creditor indicates that 51.7 percent of the total was due to the Paris Club four main members; namely France (15.3 percent), the USA (13.6 percent), Germany (12.1 percent) and Japan (10.7 percent). The Arab countries combined accounted for 3.2 percent, chiefly Kuwait (1.8 percent), Saudi Arabia (0.4 percent) and the UAE (0.3 percent). Debts due to international and regional organizations represented 22.8 percent, mainly the European Investment Bank (5.8 percent).



External debt by main currency indicates that the US dollar accounted for the bulk (41.6 percent) of the total external debt, due to the existence of outstanding obligations in the US dollar to creditors other than the USA. The euro followed with 32.8 percent, then the Japanese yen with 10.7 percent, and the Kuwaiti dinar with 5.4 percent (see the following chart).



External debt service (principal repayments and interest payments) declined by US\$ 0.7 billion to reach US\$ 2.3 billion during FY 2006/2007. The decrease was an outcome of the fall in principal repayments (medium- and long-term) by US\$ 0.8 billion to US\$ 1.7 billion and the rise in interest payments by US\$ 58.4 million to US\$ 0.6 billion.

External debt indicators, during the year ending June 2007, improved for the third year in a row. As such, external debt/GDP improved from 27.6 percent to 23.3 percent. Given the rise of 19.4 percent in the export proceeds of goods and services, the ratio of debt service to current receipts (including transfers) improved from 7.3 percent to 4.7 percent; and to export proceeds of goods and services from 8.5 percent to 5.5 percent. In addition, the ratio of debt balance to exports of goods and services improved from 82.4 percent to 70.5 percent.

Main Indicators of External Debt

	(%)		
	FYs		
	2004/2005	2005/2006	2006/2007
Debt balance/GDP	31.1	27.6	23.3
Debt balance/exports of goods and services	100.3	82.4	70.5
Debt service/exports of goods and services	9.4	8.5	5.5
Debt service/current receipts (including transfers)	7.9	7.3	4.7
Interest [*] /exports of goods and services	2.0	1.6	1.5
Interest [*] /current receipts (including transfers)	1.7	1.4	1.3
Short-term debt/total debt	6.4	5.5	4.9
Short-term debt/net international reserves	9.6	7.1	5.1
External debt per capita (US\$)	402.6	401.7	398.5

* Including interest payments on bonds and notes with non residents.

During FY 2006/2007, new loan and facility commitments rose by US\$ 0.6 billion to US\$ 2.5 billion. Loans from international and regional organizations accounted for most of the commitments (US\$ 1.9 billion or 73.8 percent of the total), followed by bilateral loans (17.1 percent), then suppliers' and buyers' credit (9.0 percent) of the total during FY 2006/2007. This indicates a potential rise in the value of loan commitments during the next FY.

Annex

Statistical Section

1- Indicators of Development and Economic Growth

- (1/1) GDP at Factor Cost by Economic Sector (at 2001/2002 Prices)
- (1/2) GDP by Expenditure at 2001/2002 Prices
- (1/3) Implemented Investments by Economic Sector (Public & Private)
- (1/4) Output of Main Crops
- (1/5) Position of Egyptian Cotton
- (1/6) Cotton Export Commitments by Importing Countries
- (1/7) Output of Main Industrial Products
- (1/8) Number of Tourists (By Group)
- (1/9) Number of Tourist Nights (By Group)
- (1/10) Number of Tourists (Departures) and Average Stay
- (1/11) Consumer Price Index (Urban Population) (1999/2000=100)
- (1/12) Wholesale Price Index (1999/2000=100)

2- Monetary Aggregates

- (2/1/1) CBE Financial Position: Reserve Money and Counterpart Assets
- (2/1/2) Banking Survey: Domestic Liquidity and Counterpart Assets
- (2/1/3) Banking Survey: Deposits in Local Currency
- (2/1/4) Banking Survey: Deposits in Foreign Currencies
- (2/1/5) Banking Survey: Foreign Assets and Liabilities
- (2/1/6) Banking Survey: Domestic Credit and Other Items (Net)
- (2/1/7) Total Saving Vessels
- (2/1/8) Banks' Lending and Discount Balances to Business Sector

Financial Sector

- (2/2/1) Structure of the Egyptian Banking System as at 30/6/2007
- (2/2/2) Banking Density

- (2/2/3) Representative Offices Registered with the CBE (up to June 30,2007)
- (2/2/4) Local Mutual Funds : Authorized and Operating as at 30/6/2007
- (2/2/5) Structure of the Insurance Sector in Egypt

Activity of the Banking System

Central Bank of Egypt

- (2/3/1) Note Issue Including Cash in CBE Vaults by Denomination
- (2/3/2) Currency in Circulation Outside CBE by Denomination
- (2/3/3) Activity of Clearing Houses

Banks

- (2/4/1) Aggregate Financial Position
- (2/4/2) Deposits by Maturity
- (2/4/3) Deposits by Sector
- (2/4/4) Deposits by Economic Activity
- (2/4/5) Portfolio Investments by Sector
- (2/4/6) Lending and Discount Balances by Sector
- (2/4/7) Credit by Sector
- (2/4/8) Lending and Discount Balances by Economic Activity

Interest Rates

- (2/5/1) Discount and Interest Rates on Deposits and Loans in Egyptian Pound
- (2/5/2) Domestic Interest Rates on 3- Month Deposits in Major Currencies
- (2/5/3) Interest Rates on Treasury Bills (Quarterly Weighted Averages)
- (2/5/4) Interest Rates on Treasury Bills (Weekly Weighted Averages)

3- Non Banking Financial Sector

- (3/1) Companies Listed on the Stock Exchange
- (3/2) Trading in Shares on the Stock Exchange
- (3/3) Trading in Bonds on the Stock Exchange
- (3/4) Foreign Transactions on the Stock Exchange
- (3/5) Global Depository Receipts (GDRs)
- (3/6) Investment of the Insurance Sector
- (3/7) Outstanding Balance of Treasury Bills (Quarterly)
- (3/8) Outstanding Balance of Treasury Bills (Weekly)
- (3/9) Outstanding Balance of Treasury Bonds

4- Public Finance & Domestic Public Debt

- (4/1) Consolidated Fiscal Operations of the General Government
(Total Expenditures)
- (4/2) Consolidated Fiscal Operations of the General Government
(Total Revenues)
- (4/3) Summary of Consolidated Fiscal Operations of the General
Government
- (4/4) Government Domestic Debt & Economic Authorities Debt
- (4/5) National Investment Bank (Resources & Uses)

5- External Transactions

- (5/1) Balance of Payments (LE)
- (5/2) Balance of Payments (US\$)
- (5/3) Exports by Degree of Processing
- (5/4) Imports by Degree of Use
- (5/5) Regional Distribution of Exports and Imports
- (5/6) Average LE Exchange Rates against Currencies (in piasters per
foreign currency unit)
- (5/7) External Debt
- (5/8) External Debt Indicators
- (5/9) Distribution of External Debt by Main Currencies

(1/1) GDP at Factor Cost by Economic Sector

At 2001/2002 prices

(LE mn)

Sectors	2005/2006			2006/2007			Growth Rate % 2006/2007		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
Total GDP	141739.1	284410.8	426149.9	150206.7	305987.3	456194.0	6.0	7.6	7.1
Agriculture, Irrigation & Fishing	10.3	66159.7	66170.0	10.8	68594.5	68605.3	4.9	3.7	3.7
Extractions	31800.7	5770.3	37571.0	32906.6	6130.4	39037.0	3.5	6.2	3.9
Oil	14225.0	2174.0	16399.0	13994.0	2297.0	16291.0	-1.6	5.7	-0.7
Natural gas	17219.0	3119.0	20338.0	18540.0	3333.0	21873.0	7.7	6.9	7.5
Others	356.7	477.3	834.0	372.6	500.4	873.0	4.5	4.8	4.7
Manufacturing Industries	10382.9	70258.0	80640.9	10986.1	75513.0	86499.1	5.8	7.5	7.3
Oil refining	1787.0	1214.0	3001.0	1746.0	1201.0	2947.0	-2.3	-1.1	-1.8
Others	8595.9	69044.0	77639.9	9240.1	74312.0	83552.1	7.5	7.6	7.6
Electricity	6727.9	1112.0	7839.9	7158.6	1174.7	8333.3	6.4	5.6	6.3
Water	1849.8	0.0	1849.8	1982.1	0.0	1982.1	7.2	-	7.2
Construction & Building	2368.3	17318.9	19687.2	2651.5	20155.1	22806.6	12.0	16.4	15.8
Transportation & Storage	4425.2	16910.6	21335.8	4763.5	18285.2	23048.7	7.6	8.1	8.0
Communications	465.5	9022.0	9487.5	529.2	10291.4	10820.6	13.7	14.1	14.1
Suez Canal	14262.0	0.0	14262.0	16380.1	0.0	16380.1	14.9	-	14.9
Wholesale & Retail Trade	2041.9	47054.3	49096.2	2196.6	50969.8	53166.4	7.6	8.3	8.3
Financial Intermediaries & Supporting Services	15846.6	8549.4	24396.0	16937.6	9200.5	26138.1	6.9	7.6	7.1
Insurance	597.0	218.0	815.0	637.0	231.2	868.2	6.7	6.1	6.5
Social Solidarity	9764.0	0.0	9764.0	10416.4	0.0	10416.4	6.7	0.0	6.7
Restaurants & Hotels	173.9	13996.0	14169.9	196.5	15850.6	16047.1	13.0	13.3	13.2
Real Estate	636.4	14941.0	15577.4	664.8	15589.0	16253.8	4.5	4.3	4.3
Real Estate Ownership	267.5	7898.0	8165.5	277.6	8226.2	8503.8	3.8	4.2	4.1
Business Services	368.9	7043.0	7411.9	387.2	7362.8	7750.0	5.0	4.5	4.6
General Government	39546.0	0.0	39546.0	40898.1	0.0	40898.1	3.4	-	3.4
Education, Health & Personal Services	840.7	13100.6	13941.3	891.2	14001.9	14893.1	6.0	6.9	6.8
Education	0.0	3013.8	3013.8	0.0	3177.1	3177.1	0.0	5.4	5.4
Health	840.7	4756.1	5596.8	891.2	4991.2	5882.4	6.0	4.9	5.1
Others	0.0	5330.7	5330.7	0.0	5833.6	5833.6	0.0	9.4	9.4

Source : Ministry of State for Economic Development.

(1/2) GDP by Expenditure

At 2001/2002 prices

	<u>Value at LE bn</u>		<u>Structure%</u>		<u>Growth Rate %</u>	
	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007
<u>1- GDP at Market Prices (2+5-6)</u>	<u>454.3</u>	<u>486.5</u>	<u>100.0</u>	<u>100.0</u>	<u>6.8</u>	<u>7.1</u>
<u>2- Total Domestic Expenditure (3+4)</u>	<u>463.8</u>	<u>506.7</u>	<u>102.1</u>	<u>104.2</u>	<u>7.2</u>	<u>9.2</u>
<u>3- Final Consumption</u>	<u>378.8</u>	<u>401.5</u>	<u>83.4</u>	<u>82.5</u>	<u>6.0</u>	<u>6.0</u>
Final private Consumption	325.8	348.4	71.7	71.6	6.4	6.9
Final government Consumption	53.0	53.1	11.7	10.9	3.1	0.2
<u>4- Gross Capital Formation</u>	<u>85.0</u>	<u>105.2</u>	<u>18.7</u>	<u>21.6</u>	<u>13.3</u>	<u>23.8</u>
Investments	85.0	105.2	18.7	21.6	13.3	23.8
Change in stock	0.0	0.0	0.0	0.0	0.0	0.0
<u>5- Exports of Goods & Services</u>	<u>144.3</u>	<u>177.9</u>	<u>31.8</u>	<u>36.6</u>	<u>21.3</u>	<u>23.3</u>
<u>6- Imports of Goods & Services</u>	<u>153.8</u>	<u>198.1</u>	<u>33.9</u>	<u>40.7</u>	<u>21.8</u>	<u>28.8</u>
<u>7- Gross Domestic Saving (1- 3)</u>	<u>75.5</u>	<u>85.0</u>	<u>16.6</u>	<u>17.5</u>	<u>11.5</u>	<u>12.6</u>
<u>8- Domestic Resources Gap (5-6)=(7-4)</u>	<u>-9.5</u>	<u>-20.2</u>	<u>2.1</u>	<u>4.2</u>		

Source : Ministry of State for Economic Development.

(1/3) Implemented Investments by Economic Sector

(Public & Private)

(At Current Prices & LE mn)

Sectors	2005/2006					2006/2007				
	Government Sector	Economic Authorities	Public Companies	Private Sector	Total	Government Sector	Economic Authorities	Public Companies	Private Sector	Total
Total Investments	21211.8	9659.8	18544.3	66325.0	115740.9	25629.7	6401.0	27187.8	96123.4	155341.9
Agriculture, Irrigation & Reclamation	2659.6	140.0	0.1	5244.1	7420.2	2083.5	106.2	0.0	5357.5	7547.2
Mining , Crude Oil & Natural Gas	0.0	5227.9	3139.0	17900.0	17245.1	3.8	39.1	7030.9	16750.7	23824.5
Manufacturing & Oil Products	282.1	17.3	4729.5	9475.0	12704.2	256.6	25.6	5226.3	36290.0	41798.5
Electricity & Water	3375.0	979.8	4653.3	0.0	9551.2	3974.4	1314.6	4784.8	0.0	10073.8
Construction & Building	78.5	0.0	342.1	3715.0	1189.3	40.5	3.7	420.2	2000.0	2464.4
Transportation , Communications & Storage	2985.6	2259.5	4883.0	12685.9	18860.4	3919.3	3500.8	8640.3	12625.2	28685.6
Suez Canal	0.0	337.2	0.0	0.0	305.6	0.0	302.5	0.0	0.0	302.5
Wholesale & Retail Trade	0.0	104.3	173.4	1266.0	1113.7	0.0	30.3	354.5	2050.0	2434.8
Financial Intermediaries, Insurance & Social Solidarity	0.0	42.7	354.3	0.0	730.3	3.4	34.2	408.1	0.0	445.7
Restaurants & Hotels	25.3	20.1	200.0	3000.0	2740.2	400.0	24.2	260.0	3450.0	4134.2
Real Estate	155.5	0.0	0.0	10454.0	10035.6	100.5	45.9	0.0	11500.0	11646.4
Educational Services	2666.8	37.7	0.0	1000.0	3458.2	2503.1	49.8	0.0	2000.0	4552.9
Health Services	1734.5	160.3	0.0	795.0	3123.7	1221.0	127.4	0.0	1400.0	2748.4
Others	7248.9	333.0	69.6	790.0	7978.7	8123.6	796.7	62.7	2700.0	11683.0
Settlements	0.0	0.0	0.0	0.0		3000.0	0.0	0.0	0.0	3000.0

Source : Ministry of State for Economic Development.

(1/4) Output of Main Crops

Crops	2005/2006				2006/2007 (Provisional)		
	Productivity	Production	Area	Productivity	Production	Area	Productivity
	Unit	(Thousand Tons)	(Thousand Feddans)	per Feddan	(Thousand Tons)	(Thousand Feddans)	per Feddan
Wheat	d	8274	3064	18.63	7379	2715	18.81
Barley	d	136	106	14	137	83	14.04
Maize	Summer Crops	6366	1791	25.68	5892	1732	25
	Nile Crops	719	277	18.79	914	350	19
Millet	Summer Crops	834	351	17.14	953	392	17.5
	Nile Crops	19	9	16.37	102	50	15
Rice	ton	6124	1459	4.22	6748	1593	4.25
Beans	d	257	176	9.2	267	190	9.2
Lentils	d	1	2	4	9	10	6.2
Cotton (seeds)	mc	644	657	6.2	626	536	7.42
Flax	ton	86	22	3.9	117	30	3.9
Groundnuts	d	199	148	18.0	188	132	18.2
Sesame	d	37	67	4.90	55	97	5.00
Soybeans	ton	26	20	1.300	23	18	0.968
Sunflower	ton	34	35	0.969	31	32	1.300
Sugar cane	ton	16317	321	51	16790	330	51.3
Sugar beet	ton	3905	187	21.2	4183	200	21.3
Vegetables	ton	20374	1833	11.11	20938	1860	11.25
Onion	ton	Mtgh	65	13.0	1485	85	12.3
Fruits	ton	7818	1225	6.7	8134	1250	6.8

Source : Ministry of State for Economic Development.

d: Ardeb

mc: metric cantar

(1/5) Position of Egyptian Cotton

Season	Cultivated Area (Thousand Feddans)	Extra Long	Crop Long & Long Medium	Total	Productivity Metric cantar per Feddan	Opening Stock	Total Supply	Total Exports	(Thousand metric cantars)			Average Purchase Prices* LE / Cantar
									Local Consumption				Egyptian	Imported	Total
1999/2000	659	519	4075	4594	7.0	1267	5861	1980	2886	317	3203	428
2000/2001	518	620	3535	4155	8.0	1026	5181	1391	2708	393	3101	498
2001/2002	731	1025	5238	6263	8.6	1082	7345	2177	2905	-	2905	379
2002/2003	706	1316	4411	5727	8.1	2279	8006	3649	4140	120	4260	444
2003/2004	531	1168	2795	3963	7.5	24	3987	1137***	1412	1061	2473	595
2004/2005	715	1551	4282	5833	8.3	370	6203	2837	3247	1458 +	-	594
2005/2006	650	858	3161	4019	6.2	118	4137	1865	1936	772 +	-	899
2006/2007**	536	1058	3157	4215	7.7	337	4553	1394***	1622	656 +	-	777

Source: Cotton, Spinning and Weaving Holding Company.

* The average price of Giza 70 and 86 varieties due to suspending the cultivation of Giza 75 variety.

+ Calendar years.

** Provisional.

*** Until 30/6/2007.

(1/6) Cotton Export Commitments by Importing Countries

(Thousand metric cantars)

	<u>2005/2006 Season</u>		<u>2006/2007 Season</u>	
	<u>till the end of June 2006</u>		<u>till the end of June 2007</u>	
	<u>Quantity</u>	<u>Relative Importance</u>	<u>Quantity</u>	<u>Relative Importance</u>
<u>Export Commitments</u>	<u>1843.0</u>	<u>100</u>	<u>1394.0</u>	<u>100</u>
<u>Asian Countries</u>	<u>1222.0</u>	<u>66.3</u>	<u>837.0</u>	<u>60.0</u>
India	389	21.1	417	29.9
Pakistan	423	23.0	188	13.5
China	206	11.2	94	6.8
South Korea	63	3.4	51	3.7
Japan	51	2.8	38	2.7
Bangladesh	26	1.4	15	1.1
Indonesia	15	0.8	8	0.6
Taiwan	0	0.0	2	0.1
Thailand	33	1.8	20	1.4
Cambodia	4	0.2	0	0.0
Malaysia	4	0.2	2	0.1
Vietnam	0	0.0	0	0.0
Philippines	8	0.4	2	0.1
<u>EU Countries</u>	<u>251</u>	<u>13.6</u>	<u>213</u>	<u>15.3</u>
Italy	173	9.4	110	7.9
Portugal	41	2.2	45	3.2
Germany	32	1.7	38	2.7
Spain	1	0.0	10	0.7
The Netherlands	0	0.0	1	0.1
Greece	1	0.1	5	0.4
The UK	2	0.1	0	0.0
Slovenia	1	0.1	2	0.1
Belgium	0	0.0	0	0.0
Ireland	0	0.0	0	0.0
Hungary	0	0.0	2	0.2
<u>Other European Countries</u>	<u>164</u>	<u>8.9</u>	<u>144</u>	<u>10.3</u>
Switzerland	85	4.6	55	3.9
Turkey	79	4.3	89	6.4
<u>The USA</u>	<u>106</u>	<u>5.8</u>	<u>36</u>	<u>2.6</u>
<u>Arab Countries</u>	<u>71</u>	<u>3.9</u>	<u>96</u>	<u>6.9</u>
The UAE	71	3.9	94	6.8
Bahrain	0	0.0	0	0.0
Morocco	0	0.0	2	0.1
<u>Other Countries</u>	<u>29</u>	<u>1.5</u>	<u>68</u>	<u>4.9</u>
Brazil	23	1.2	59	4.2
Mexico	4	0.2	5	0.4
Colombia	0	0.0	1	0.1
Peru	0	0.0	0	0.0
El Salvador	0	0.0	3	0.2
Australia	0	0.0	0	0.0
South Africa	2	0.1	0	0.0
The free zone	0	0.0	0	0.0

Source: Cotton, Spinning and Weaving Holding Company.

(1/7) Output of Main Industrial Products

Products	Unit	2005/2006			2006/2007 (Provisional)		
		Public	Private	Total	Public	Private	Total
Refined sugar	Thousand tons	1081.0	602.2	1683.2	1088.0	611.0	1699.0
Animal & poultry fodder	"	519.8	10383.4	10903.2	521.7	10552.1	11073.8
Carbonated drinks	Box (million)	0.0	362.9	362.9	0.0	361.0	361.0
Cigarettes	Billion	68.5	11.0	79.5	69.5	11.4	80.9
Cotton yarn, fibran	Thousand tons	126.8	174.8	301.6	128.6	185.6	314.2
Wool yarn	"	5.7	22.8	28.5	6.0	23.7	29.7
Silk yarn	"	0.6	18.4	19.0	0.6	19.9	20.5
Synthetic fibres	"	2.6	84.6	87.2	2.8	94.8	97.6
Blankets	Million pieces	1.2	16.9	18.1	1.2	17.2	18.4
Ready-made clothes	" "	41.0	265.0	306.0	42.2	287.1	329.3
Cars	Units	7910.0	28020.0	35930.0	7977.0	28131.0	36108.0
Buses	"	312.0	5848.0	6160.0	312.0	5985.0	6297.0
Lorries	"	560.0	22690.0	23250.0	578.0	23201.0	23779.0
Washing machines	Thousands	5.7	916.9	922.6	6.0	936.4	942.4
Refrigerators	"	5.8	916.5	922.3	5.9	951.8	957.7
Electric lamps	Million	27.1	144.4	171.5	27.9	174.6	202.5
Butagaz heaters	Thousands	83.0	98.0	181.0	84.4	201.0	285.4
Water metres	Thousands	523.0	0.0	523.0	534.0	0.0	534.0
Ectetric metres	Thousands	765.0	0.0	765.0	850.6	0.0	850.6
Aluminium & sheets thereof	Thousand tons	271.6	0.0	271.6	273.0	0.0	273.0
Reinforcing iron	Thousand tons	111.9	4735.9	4847.8	1152.1	4991.7	6143.8
Cement	" "	3059.0	32740.0	35799.0	3146.0	33750.0	36896.0
Glass sheets	" "	28.8	142.2	171.0	30.8	143.0	173.8
Phosphatic fertilizers	" "	509.0	835.0	1344.0	515.0	844.0	1359.0
Azotic fertilizers	" "	3328.0	7779.2	11107.2	3366.0	8012.6	11378.6
Tyres	Thousands	690.0	463.0	1153.0	698.5	478.0	1176.5
Laundry soap	Thousand tons	48.6	324.4	373.0	49.0	325.0	374.0
Toilet soap	Thousand tons	35.4	145.6	181.0	37.0	145.8	182.8
Caustic soda	Thousand tons	130.0	0.0	130.0	135.0	0.0	135.0

Source : Ministry of State for Economic Development.

(1/8) Number of Tourists (By Group)

(Thousands)

	1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Total	<u>4266</u>	<u>5311</u>	<u>5347</u>	<u>4341</u>	<u>5239</u>	<u>7512</u>	<u>8650</u>	<u>8693</u>	<u>9788</u>
European Countries	<u>2282</u>	<u>3241</u>	<u>3501</u>	<u>2769</u>	<u>3469</u>	<u>4965</u>	<u>5983</u>	<u>5818</u>	<u>6690</u>
East Europe	<u>242</u>	<u>298</u>	<u>369</u>	<u>469</u>	<u>733</u>	<u>1205</u>	<u>1432</u>	<u>1620</u>	<u>2187</u>
West Europe	<u>2040</u>	<u>2943</u>	<u>3132</u>	<u>2300</u>	<u>2736</u>	<u>3760</u>	<u>4551</u>	<u>4198</u>	<u>4503</u>
France	268	371	346	244	282	419	521	393	412
Germany	426	698	804	647	656	897	1024	947	1046
Italy	546	742	722	517	726	990	1000	754	835
Spain	52	109	97	73	81	141	167	138	166
Switzerland	55	89	116	89	97	120	139	123	129
United Kingdom	300	358	388	318	371	446	694	990	1041
Others	393	576	659	412	523	747	1006	853	874
The Middle East Countries	<u>1388</u>	<u>1303</u>	<u>1070</u>	<u>1025</u>	<u>1179</u>	<u>1736</u>	<u>1743</u>	<u>1834</u>	<u>1860</u>
Jordan	82	75	76	81	84	115	125	127	162
Kuwait	71	71	61	64	69	91	94	101	137
Palestine	195	155	133	131	156	219	176	281	148
Saudi Arabia	240	258	229	229	229	307	325	370	390
Syria	70	60	75	71	77	88	90	93	106
Others	730	684	496	449	564	916	933	862	917
African Countries	<u>150</u>	<u>148</u>	<u>145</u>	<u>144</u>	<u>168</u>	<u>221</u>	<u>258</u>	<u>280</u>	<u>342</u>
South Africa	28	21	19	16	14	18	22	24	28
Morocco	14	15	14	14	19	19	21	23	25
Sudan	49	52	55	53	60	90	110	115	155
Tunisia	23	27	20	19	21	30	28	31	35
Others	36	33	37	42	54	64	77	87	99
Americas	<u>244</u>	<u>315</u>	<u>325</u>	<u>184</u>	<u>168</u>	<u>237</u>	<u>276</u>	<u>325</u>	<u>356</u>
Canada	33	43	43	31	32	45	50	55	63
United States	170	219	229	127	115	156	182	216	237
Latin America	41	53	53	26	21	36	44	54	56
Asia & Pacific	<u>200</u>	<u>301</u>	<u>304</u>	<u>217</u>	<u>253</u>	<u>349</u>	<u>386</u>	<u>432</u>	<u>534</u>
Australia	36	48	45	34	31	41	52	56	56
Japan	36	75	90	40	53	78	73	75	112
South Korea	15	36	33	20	25	38	43	54	64
China	10	12	14	14	21	28	33	41	64
India	25	35	30	30	31	44	46	59	70
Others	78	95	92	79	92	120	139	147	168
Other Countries	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>6</u>

(1/9) Number of Tourist Nights (By Group)

(Thousands)

	1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Total	25692	34045	32702	28542	33011	73002	85730	85113	96270
European Countries	15426	23056	22627	19021	22399	46182	55631	52987	59641
East Europe	1285	1496	1717	2461	4022	11266	13333	14727	19427
West Europe	14141	21560	20910	16560	18377	34916	42298	38260	40214
France	1982	2817	2482	1981	1965	3952	4805	3593	3574
Germany	3329	5469	5942	5129	4809	9452	11015	9712	10063
Italy	4217	5920	5047	3698	4855	8337	8123	5914	6486
Spain	384	898	779	531	630	1387	1456	1259	1822
Switzerland	342	690	734	619	626	1067	1383	1125	1168
United Kingdom	1548	2064	2160	1989	2204	3886	6121	8581	9154
Others	2339	3702	3766	2613	3288	6835	9395	8076	7947
The Middle East Countries	7017	6760	5709	6080	7213	18297	20249	21223	23396
Jordan	409	386	364	434	480	1129	1221	1254	1549
Kuwait	515	513	553	544	574	1268	1461	1683	2080
Palestine	535	563	411	568	623	2133	2054	2487	2104
Saudi Arabia	1813	1858	1773	1788	1967	3982	5161	5417	5907
Syria	361	295	328	404	420	841	884	938	1125
Others	3384	3145	2280	2342	3149	8944	9468	9444	10631
African Countries	874	966	934	1003	1106	2553	3101	3434	4418
South Africa	79	82	72	60	52	116	137	154	188
Morocco	93	92	98	126	117	220	229	241	273
Sudan	426	522	502	493	608	1430	1900	2062	2800
Tunisia	89	93	81	94	105	255	252	280	319
Others	187	177	181	230	224	532	583	697	838
Americas	1422	1926	1979	1294	1164	3149	3605	4046	4591
Canada	188	235	277	218	220	603	687	763	880
United States	1060	1461	1479	953	836	2246	2544	2844	3213
Latin America	174	230	223	123	108	300	374	439	498
Asia & Pacific	939	1320	1441	1130	1117	2762	3088	3357	4154
Australia	234	316	337	256	209	585	688	716	741
Japan	145	357	440	217	242	529	478	500	692
South Korea	45	83	86	61	75	185	201	250	299
China	47	65	67	75	111	216	245	297	461
India	118	137	138	141	127	328	334	419	539
Others	350	362	373	380	353	919	1142	1175	1422
Other Countries	14	17	12	14	12	59	56	66	70

Source : Central Agency for Public Mobilization and Statistics (CAPMAS) .

(1/10) Number of Tourists (Departures) & Average Stay

(Thousands)

	2004/2005		2005/2006		2006/2007	
	Number	Average Stay	Number	Average Stay	Number	Average Stay
<u>Total</u>	<u>8206</u>	<u>10.4</u>	<u>8181</u>	<u>10.4</u>	<u>9156</u>	<u>10.5</u>
<u>By Period</u>						
July/Sept.	2268	12.4	2167	12.6	2212	13
Oct. / Dec.	1863	10.0	1916	9.9	2151	10
Jan. / March	2006	9.6	2031	9.5	2357	9.5
April / June	2069	9.5	2067	9.5	2436	9.6
<u>By Group</u>						
Europe	6014	9.5	5681	9.5	6355	9.5
Middle East	1370	13.6	1582	12.8	1695	13.3
Africa	228	13.6	238	14.4	300	14.7
The Americas	260	13.9	304	13.3	331	13.9
Asia and the Pacific	330	9.3	372	9.0	470	8.8
Others	4	12.7	4	14.7	5	13.5

Source: Central Agency for Public Mobilization and Statistics (CAPMAS) .

(1/11) Consumer Price Index (Urban Population) (1999/2000=100)

	Relative Weights	Inflation Rate %				
		June			July / June	
		2005	2006	2007	2005/2006	2006/2007
<u>General Index</u>	<u>100.0</u>	<u>135.0</u>	<u>144.8</u>	<u>157.1</u>	<u>7.2</u>	<u>8.5</u>
Food and Non-alcoholic Beverages	38.9	150.7	168.2	184.4	11.6	9.6
Tobacco	2.8	136.1	146.2	146.2	7.4	0.0
Clothing , Textiles & Footwear	10.4	130.8	131.9	138.4	0.8	4.9
Housing, Water, Electricity, Gas & Fuel	11.7	112.4	114.9	121.5	2.2	5.7
Furnishings, Household Equipment & Routine Maintenance of the House	4.9	132.5	138.0	144.7	4.2	4.9
Health	4.6	120.3	125.0	129.0	3.9	3.2
Transportation	5.6	125.5	127.0	139.5	1.2	9.8
Communications	2.0	180.7	216.6	219.1	19.9	1.2
Recreation & Culture	5.9	119.5	128.2	153.2	7.3	19.5
Education	5.7	119.5	125.0	138.9	4.6	11.1
Restaurants & Hotels	2.5	130.1	130.1	141.1	0.0	8.4
Miscellaneous Goods & Services	5.0	121.1	124.3	138.7	2.7	11.5

Source: Central Agency for Public Mobilization and Statistics(CAPMAS) (Monthly CPI Bulletin) .

(1/12) Wholesale Price Index (1999/2000=100)*

	Relative Weights	June			Inflation Rate (%)	
					<u>July/June</u>	
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2005/2006</u>	<u>2006/2007</u>
<u>General Index</u>	<u>100.0</u>	<u>167.5</u>	<u>177.1</u>	<u>192.3</u>	<u>5.7</u>	<u>8.6</u>
Farm Products	34.4	..	207.2	224.8	..	8.5
Foodstuffs	18.2	..	172.5	181.6	..	5.3
Beverages & Tobacco	2.7	..	169.0	196.1	..	16.0
Yarn & Textiles	3.9	..	173.2	174.3	..	0.6
Ready-made clothes	1.4	..	124.5	124.5	..	0.0
Leather & Footwear	0.2	..	174.9	182.5	..	4.3
Wood & Products	1.5	..	167.1	191.9	..	14.8
Paper & Printing	1.7	..	154.3	157.3	..	1.9
Chemicals & Products	7.4	..	126.4	127.4	..	0.8
Fuel & Related Products	10.5	..	125.1	142.9	..	14.2
Rubber & Plastic Products	0.6	..	142.7	146.7	..	2.8
Non-metallic Mineral Products	3.5	..	132.3	146.1	..	10.4
Metals	5.2	..	248.2	302.4	..	21.8
Metal Prods., Machinery & Equipment	5.4	..	164.2	173.2	..	5.5
Transportation Equipment	2.8	..	175.4	189.5	..	8.0
Other Manufacturing Products	0.6	..	205.7	223.9	..	8.8

- 113 -

Source : Central Agency for Public Mobilization and Statistics (CAPMAS)(Monthly WPI Bulletin).

* A new series was developed by taking the average of the fiscal year 1999/2000 as a base period. The averages of two years (1999/2000 and 2000/2001) for agriculture and industrial production values were taken as weights for this series, in order to avoid big and sudden changes which may occur in the production of some commodities in case of selecting one year. This series has been released as of September 2005.

.. Not available.

(2/1/1) CBE Financial Position: Reserve Money and Counterpart Assets

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Reserve Money</u>	<u>70010</u>	<u>73772</u>	<u>82955</u>	<u>94288</u>	<u>101080</u>	<u>116050</u>	<u>134126</u>
Currency in circulation outside the CBE	40729	45376	51959	59415	67241	78604	92174
Banks' deposits in local currency	29281	28396	30996	34873	33839	37446	41952
<u>Counterpart Assets</u>	<u>70010</u>	<u>73772</u>	<u>82955</u>	<u>94287</u>	<u>101080</u>	<u>116050</u>	<u>134126</u>
<u>Net Foreign Assets</u>	<u>13002</u>	<u>9816</u>	<u>12343</u>	<u>9858</u>	<u>37295</u>	<u>61302</u>	<u>95372</u>
<u>Foreign Assets</u>	<u>53598</u>	<u>61894</u>	<u>86287</u>	<u>88313</u>	<u>108738</u>	<u>129477</u>	<u>160197</u>
Gold	1879	2568	3808	4438	4500	6429	6744
Foreign securities	9866	13621	15569	17103	16665	48353	108606
Foreign currencies	41853	45705	66910	66772	87573	74695	44847
<u>Foreign Liabilities</u>	<u>40596</u>	<u>52078</u>	<u>73944</u>	<u>78455</u>	<u>71443</u>	<u>68175</u>	<u>64825</u>
<u>Net Domestic Assets</u>	<u>57008</u>	<u>63956</u>	<u>70612</u>	<u>84429</u>	<u>63785</u>	<u>54748</u>	<u>38754</u>
<u>Net Claims on Government</u>	<u>65062</u>	<u>71325</u>	<u>70768</u>	<u>99472</u>	<u>122264</u>	<u>114055</u>	<u>117254</u>
Claims; of which:	98303	117532	136722	181313	227367	171808	192192
Government securities	80336	98512	116527	164441	208021	164761	166724
Deposits	33241	46207	65954	81841	105103	57753	74938
<u>Net Claims on Banks</u>	<u>-10049</u>	<u>-17687</u>	<u>-34505</u>	<u>-35545</u>	<u>-21983</u>	<u>1018</u>	<u>59512</u>
Claims	10108	10292	9766	9530	11572	17412	77270
Deposits in foreign currencies	20157	27979	44271	45074	33555	16394	17758
<u>Other Items (Net)</u>	<u>1995</u>	<u>10318</u>	<u>34349</u>	<u>20502</u>	<u>-36496</u>	<u>-60325</u>	<u>-138012</u>
Assets	9455	18413	48758	54355	49071	41743	39141
Liabilities; of which:	7460	8095	14409	33853	85567	102068	177153
Equities	5149	5500	1790	2325	2513	2423	2139
Provisions	384	297	235	307	302	50	41

Source : Central Bank of Egypt.

(2/1/2) Banking Survey : Domestic Liquidity and Counterpart Assets

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>1- Domestic Liquidity</u>	<u>284873</u>	<u>328728</u>	<u>384262</u>	<u>434911</u>	<u>493884</u>	<u>560356</u>	<u>662688</u>
<u>A- Money Supply</u>	<u>53448</u>	<u>59805</u>	<u>67212</u>	<u>77606</u>	<u>89685</u>	<u>109274</u>	<u>131290</u>
Currency in circulation outside the banking system	38161	42299	48258	55933	63029	74239	86860
Demand deposits in local currency	15287	17506	18954	21673	26656	35035	44430
<u>B- Quasi-Money</u>	<u>231425</u>	<u>268923</u>	<u>317050</u>	<u>357305</u>	<u>404199</u>	<u>451082</u>	<u>531398</u>
Time & saving deposits in local currency	170681	192718	212010	233610	283020	314188	377424
Demand and time & saving deposits in foreign currencies	60744	76205	105040	123695	121179	136894	153974
<u>2- Counterpart Assets</u>							
Net foreign assets	18957	17285	25429	45241	80913	133385	218629
Domestic credit	321870	360090	387446	422040	466771	509532	531314
Other items (net)	-55954	-48647	-28613	-32370	-53800	-82561	-87255

- 115 -

Source : Central Bank of Egypt.

(2/1/3) Banking Survey : Deposits in Local Currency

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total Deposits in Local Currency</u>	<u>185968</u>	<u>210224</u>	<u>230964</u>	<u>255283</u>	<u>309676</u>	<u>349223</u>	<u>421854</u>
<u>1- Demand Deposits</u>	<u>15287</u>	<u>17506</u>	<u>18954</u>	<u>21673</u>	<u>26656</u>	<u>35035</u>	<u>44430</u>
Public business sector *	2556	2813	2937	2857	3027	4934	6278
Private business sector	6033	7385	7989	9235	12228	15863	20681
Household sector	7610	8255	8674	10306	11985	14831	18378
Minus: Purchased cheques & drafts	912	947	646	725	584	594	907
<u>2- Time and Saving Deposits</u>	<u>170681</u>	<u>192718</u>	<u>212010</u>	<u>233610</u>	<u>283020</u>	<u>314188</u>	<u>377424</u>
Public business sector *	10258	11116	10990	12557	13700	15465	17186
Private business sector	23047	24209	22099	25984	27439	25580	56823
Household sector	137376	157393	178921	195069	241881	273143	303415

Source : Central Bank of Egypt.

*Includes all public sector companies subject or not to Law No. 203 for 1991.

(2/1/4) Banking Survey : Deposits in Foreign Currencies

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total Deposits in Foreign Currencies</u>	<u>60744</u>	<u>76205</u>	<u>105040</u>	<u>123695</u>	<u>121179</u>	<u>136894</u>	<u>153974</u>
<u>1- Demand Deposits</u>	<u>6742</u>	<u>8267</u>	<u>12159</u>	<u>16280</u>	<u>18140</u>	<u>18533</u>	<u>26918</u>
Public business sector *	236	311	475	878	1249	935	947
Private business sector	3936	4155	6123	8891	10234	10417	18453
Household sector	2753	3992	5689	6697	6823	7392	7689
Minus: Purchased cheques & drafts	183	191	128	186	166	211	171
<u>2- Time and Saving Deposits</u>	<u>54002</u>	<u>67938</u>	<u>92881</u>	<u>107415</u>	<u>103039</u>	<u>118361</u>	<u>127056</u>
Public business sector *	2344	1883	2403	2554	2946	4734	5774
Private business sector	13629	15272	19056	20659	21103	28845	30640
Household sector	38029	50783	71422	84202	78990	84782	90642

Source : Central Bank of Egypt.

* Includes all public sector companies subject or not to Law No. 203 for 1991.

(2/1/5) Banking Survey : Foreign Assets and Liabilities

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Net Foreign Assets</u>	<u>18957</u>	<u>17285</u>	<u>25429</u>	<u>45241</u>	<u>80913</u>	<u>133385</u>	<u>218629</u>
<u>Foreign Assets</u>	<u>78630</u>	<u>90125</u>	<u>126068</u>	<u>145297</u>	<u>174328</u>	<u>218982</u>	<u>304968</u>
Central Bank of Egypt	53599	61894	86287	88313	108737	129477	160197
Banks	25031	28231	39781	56984	65591	89505	144771
<u>Foreign Liabilities</u>	<u>59673</u>	<u>72840</u>	<u>100639</u>	<u>100056</u>	<u>93415</u>	<u>85597</u>	<u>86339</u>
Central Bank of Egypt	40596	52078	73944	78455	71443	68176	64825
Banks	19077	20762	26695	21601	21972	17421	21514

Source : Central Bank of Egypt.

(2/1/6) Banking Survey : Domestic Credit and Other Items (Net)

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Domestic Credit</u>	<u>321870</u>	<u>360090</u>	<u>387446</u>	<u>422040</u>	<u>466771</u>	<u>509532</u>	<u>531314</u>
Net claims on government (A+B-C)	83323	95423	103518	126343	159889	184131	178323
A-Securities	129676	162675	203845	258178	311375	295974	278011
B-Credit facilities	31340	33580	33493	33075	41364	28044	52151
C-Government deposits	77693	100832	133820	164910	192850	139887	151839
Claims on public business sector *	29185	31143	34986	35588	37420	32888	24446
Claims on private business sector	178597	200230	214308	223096	228195	239338	268607
Claims on household sector	30765	33294	34634	37013	41267	53175	59938
<u>Other Items (Net)</u>	<u>-55954</u>	<u>-48647</u>	<u>-28613</u>	<u>-32370</u>	<u>-53800</u>	<u>-82561</u>	<u>-87255</u>
Capital accounts; of which :	-62530	-68579	-76905	-83821	-94179	-102139	-114534
Capital and reserves	-27343	-29205	-31750	-34125	-37881	-43043	-48133
Provisions	-31584	-36165	-40334	-44891	-49843	-55000	-53510
Net unclassified assets and liabilities	6576	19932	48292	51451	40379	19578	27279

Source : Central Bank of Egypt.

* Including all public sector companies subject or not to Law No. 203 for 1991.

(2/1/7) Total Saving Vessels

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total Saving Vessels</u>	<u>289118</u>	<u>335651</u>	<u>395068</u>	<u>445887</u>	<u>498190</u>	<u>560229</u>	<u>655376</u>
<u>Savings at the Banking System</u>	<u>231425</u>	<u>268923</u>	<u>317050</u>	<u>357305</u>	<u>404199</u>	<u>451082</u>	<u>531398</u>
Time & saving deposits in local currency	170681	192718	212010	233610	283020	314188	377424
Demand and time & saving deposits in foreign currencies	60744	76205	105040	123695	121179	136894	153974
<u>Net Sales of Investment Certificates</u>	<u>43966</u>	<u>49008</u>	<u>55218</u>	<u>60178</u>	<u>58485</u>	<u>63697</u>	<u>68311</u>
<u>Post Office Saving Deposits</u>	<u>13727</u>	<u>17720</u>	<u>22800</u>	<u>28404</u>	<u>35506</u>	<u>45450</u>	<u>55667</u>

Source : Central Bank of Egypt.

**(2/1/8) Banks' Lending and Discount Balances to Business Sector
Public Business Sector***

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>28941</u>	<u>30892</u>	<u>34885</u>	<u>35430</u>	<u>37242</u>	<u>32636</u>	<u>24163</u>
<u>In Local Currency</u>	<u>24742</u>	<u>25831</u>	<u>26834</u>	<u>27690</u>	<u>30165</u>	<u>26269</u>	<u>18072</u>
Agriculture	388	399	55	44	16	59	7
Manufacturing	14664	15539	16854	17263	18318	16215	9071
Trade	4270	4985	5094	5272	5936	4318	3986
Services	5420	4908	4831	5111	5895	5677	5008
<u>In Foreign Currencies</u>	<u>4199</u>	<u>5061</u>	<u>8051</u>	<u>7740</u>	<u>7077</u>	<u>6367</u>	<u>6091</u>
Agriculture	-	-	-	-	-	-	-
Manufacturing	3880	4564	5614	5603	5260	3752	2611
Trade	319	327	446	532	511	1555	880
Services	-	170	1991	1605	1306	1060	2600

Source : Central Bank of Egypt.

* Includes all public sector companies subject or not to Law No. 203 for 1991.

(2/1/8) Banks' Lending and Discount Balances to Business Sector (Contd.)

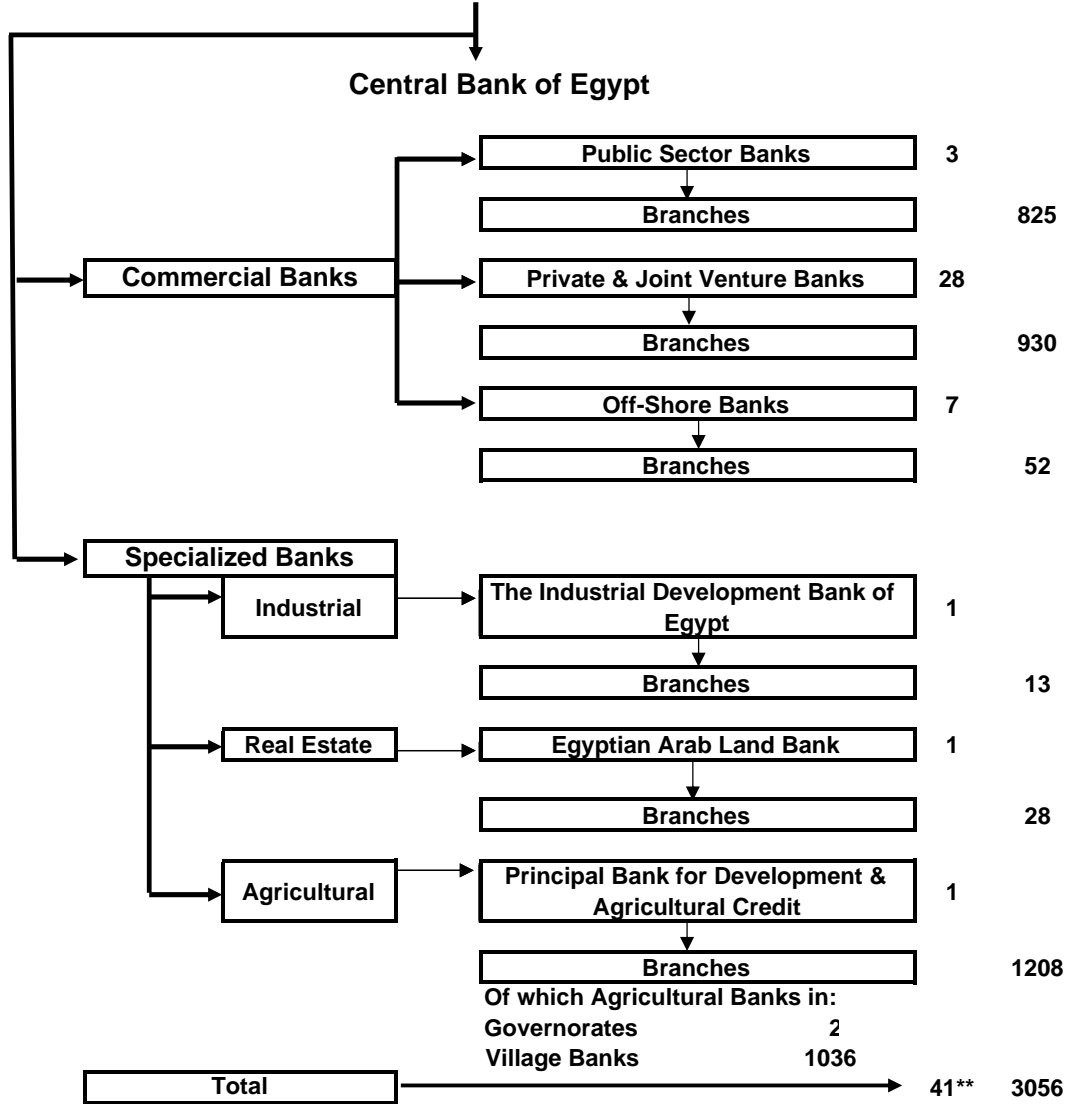
Private Business Sector

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>164987</u>	<u>185078</u>	<u>199896</u>	<u>205816</u>	<u>205693</u>	<u>214665</u>	<u>239312</u>
<u>In Local Currency</u>	<u>128599</u>	<u>144408</u>	<u>149068</u>	<u>154147</u>	<u>152191</u>	<u>150485</u>	<u>163292</u>
Agriculture	4344	4659	4444	4972	5756	4794	6922
Manufacturing	48919	55896	55775	58434	59099	55827	65453
Trade	38527	42266	42436	42267	39712	39110	33487
Services	36809	41587	46413	48474	47624	50754	57430
<u>In Foreign Currencies</u>	<u>36388</u>	<u>40670</u>	<u>50828</u>	<u>51669</u>	<u>53502</u>	<u>64180</u>	<u>76020</u>
Agriculture	554	549	447	550	619	829	929
Manufacturing	15234	14969	19764	19850	20388	26072	34199
Trade	7626	8848	11111	12020	11369	12337	10944
Services	12974	16304	19506	19249	21126	24942	29948

Source : Central Bank of Egypt.

(2/2/1) Structure of the Egyptian Banking System
As at 30/6/2007*



* Excluding branches of Egyptian banks abroad and two banks which are established under private laws and not registered with CBE: Arab International Bank and Nasser Social Bank.

** Compared with 43 banks at end of June 2006 due to the merger and acquisition operations in the banking sector, according to the reform plan implemented by the CBE .

(2/2/2) Banking Density

End of June	2006			2007		
	Population (Thousands)**	Number of Banking Units	Banking Density*	Population (Thousands)**	Number of Banking Units	Banking Density*
Cairo	17602	889	19.8	18297	949	19.3
Alexandria	8940	376	23.8	9169	387	23.7
Delta	16051	552	29.1	15975	558	28.6
Qanal	7531	358	21.0	7854	377	20.8
North Upper Egypt	8916	291	30.6	8983	293	30.7
Asiut	3668	121	30.3	3629	123	29.5
South Upper Egypt	8640	356	24.3	8670	369	23.5
Total	71348	2943	24.2	72577+	3056	23.7

Source: Yearbook of the Central Agency for Public Mobilization and Statistics (CAPMAS).

* Population in thousand for each unit .

** Population at January of each year.

+ Provisional .

**(2/2/3) Representative Offices Registered with the CBE
(up to June 30, 2007)**

Name	Registration Date	Address
Al-Raghi Banking & Investment Corp.	20/10/1993	19 Adly St., 2nd Floor , Apart. 59, Cairo
Bank of New York	27/10/1993	9 Abd El- Moneim Riad St., Dokki, Giza
Societe Generale	06/02/1994	2 Abd El –Kader Hamza St., Cairo Center Building, 5th Floor, Garden City, Cairo
Commerz Bank AG	31/05/1994	153 Mohamed Farid St.,(Banque Misr Tower) , 22nd Floor, Cairo
Monte dei Paschi di Siena S.P.A	05/07/1994	Nile Hilton Building (Commercial Center), Tahrir Square, 2nd Floor, Room No.24, Cairo
Union De Banques Arabes et Francaises (UBAF)	15/08/1994	4 Behlar Passage, Kasr El-Nil St., Cairo
Dresdner Bank AG	23/08/1994	21& 23 Giza St., Nil Tower, Floor No.12, Giza
State Bank of India	03/10/1994	15 Kamel El-Shinnawy St., Garden City, Cairo
Deutsche Bank AG	10/11/1994	6 Bolis Hana St., Dokki.
Banca Intesa Banca SPA	13/03/1995	3 Abo Elfeda St. Zamalek, Cairo
Credit Agricole Indosuez	17/07/1995	42 Al Batal Ahmed Abdel Aziz St., Mohandeseen
Arab Islamic Bank	11/12/1995	21& 23 Giza St., Nile Tower, Giza
JP Morgan Chase Bank	05/08/1996	3 Ahmed Nessim St., Giza
Bank of Tokyo Mitsubishi Ltd	04/03/1997	Nile Hilton, Commercial Center (No.247), Cairo
Union Bank of Switzerland (UBS AG)	22/10/1997	1191 Corniche El-Nil St., World Trade Center, 13th Floor, Cairo
Credit Suisse	16/03/1998	7B Ibn Shamar St., Giza
Wachovia Bank National Association	06/05/1998	9 El-Gomhoria El-Motahida Square, Dokki, Giza
ING Bank N.V.	12/07/1999	9 Hode El-Laban St., Garden City, Cairo
Credit Industriel et Commercial, CIC	22/07/1999	28 Sherif St., Cairo
B.H.F Bank AG	02/08/1999	8 El-Sadd El-Aley St., Dokki , 12311, Giza
ABN Amro Bank N.V.	17/11/1999	31 Gezirat El-Arab St., Mohandeseen, Giza
Natexis Banque	22/03/2000	50 Abd El–Khalek Sarwat St., Cairo
Den Norske Bank	27/05/2001	19 El-Gabalaya St., Zamalek, Cairo
Bank of Valleta PLC	10/07/2003	106 Mohei El-Deen Aboul-Ezz St., Dokki, Giza
Sumitomo Mitsui Banking Corporation	19/01/2004	3 Ibn Kassir Corniche El-Nil St., 14 th Floor, Flat 6, Giza
Bank Hofmann AG	22/04/2004	3 & 5 Mosadak St., Nahda Tower, Dokki
American Express Bank	12/09/2005	Star Capital 2, Sheikha Fatma St., Office no. 21-22, Heliopolis

Source : Central Bank of Egypt

(2/2/4) Local Mutual Funds: Authorized and Operating as at 30/6/2007

Fund Name	Fund Mnanager	Inception Date	Par Value (LE)	Size (LE Million)	Net Asset Value (LE) at end & June 2006	Net Asset Value (LE) at end & June 2007	Cash Distribution since Date of Inception	Total Return since Inception (%)
Open End - Balance Funds								
National Bank of Egypt I	El Ahly Fund Management	Sep-94	500	200	1432.35	2079	0.00	315.80
Banque Misr I	Concord International Investments	Feb-95	100	500	92.12	113.65	87.30	100.95
National Bank of Egypt II	El Ahly Fund Management	Oct-95	100	300	75.6	92.65	112.50	105.15
Export Development Bank I (Al-Khabeer)	Cairo Fund Management	Oct-96	100	100	229.68	107.39	33.00	40.39
Suez Canal Bank	HC Securities	Dec-96	500	100	252.81	382.47	20.00	-19.51
National Bank of Egypt III	HC Securities	Aug-05	100	200	96.1	123.32	12.00	35.32
El Watany Bank of Egypt	Hermes Fund Management	Aug-06	100	135	-	108.77	7.00	15.77
National Bank of Egypt V	El Ahly Fund Management	May-07	10	100	-	10.19	0.00	1.90
Open End - Equity Funds								
Credit Agricole Egypt I ***	Hermes Fund Management	Oct-94	100	300	244.76	323.21	170.25	393.46
Bank of Alexandria I	Hermes Fund Management	Nov-94	100	200	321.54	491.89	161.00	552.89
Banque Misr II	Concord International Investment	Sep-95	66.67	300	67.21	89.57	39.65	93.82
Banque de Caire	Hermes Fund Management	Nov-95	100	200	711.44	109.53	0.00	9.53
Credit Agricole Egypt II ***	Hermes Fund Management	Apr-97	100	300	113.13	179.53	47.50	127.03
Egyptian Gulf Bank	Hermes Fund Management	May-97	100	100	273.4	382.36	147.00	429.36
Banque Misr III*	HC Securities	Dec-97	100	138.97	362.89	541.35	50.00	491.35
Shild Fund **	Concord International Investment	Feb-98	50	280	93.73	123.42	31.50	209.84
Misr Iran Development Bank I	HC Securities	Aug-98	100	100	357.05	512.41	90.00	502.41
Commercial International Bank II (Istethmar)	CI Assets Management	Apr-06	100	600	99.89	122.02	0.00	22.02
Open End - Fixed Income Funds								
Al Rabeh Fund ++	Prime Investments Fund Management	Feb-99	100	50	100.05	100.27	72.90	73.17
Credit Agricole Egypt III ***	Egyptian Fund Management Group	Jun-99	1000	150	1041.08	1045.91	782.05	82.80
Commercial International Bank I (Osoul)	CI Assets Management	Apr-05	100	1000	112.69	121.62	0.00	21.62
Misr Iran Development Bank II	HC Securities	Jul-05	1000	500	1000.21	1000	167.86	16.79
Bank of Alexandria II	Egyptian Fund Management Group	May-06	10	200	10.14	11.04	0.00	10.43
National Bank of Egypt IV	El Ahly Fund Management	Jun-06	100	145	101.35	109.92	0.00	9.92
National Societe Generale Bank (Themar)	Egyptian Fund Management Group	Oct-06	100	100	-	106.88	0.00	6.88
Export Development Bank II	ABN-Amro-Delta Fund Management	Nov-06	100	100	-	105.79	0.00	5.79
Open End - Islamic Funds								
Faisal Islamic Bank	Hermes Fund Management	Dec-04	100	50	125.33	154.37	37.00	91.37
Egyptian Saudi Finance Bank	Hermes Fund Management	May-06	100	50	99.64	118.41	18.96	37.37
Faisal Islamic Bank - CIB (Al Amman)	CI Assets Management	Oct-06	100	100	-	111.78	0.00	11.78
Banque Misr IV	HC Securities	Oct-06	100	200	-	119.60	3.00	22.60
Sanabel Fund	Prime Investments Fund Management	Feb-07	100	100	-	102.53	5.00	7.53
Close End Funds								
Orient Trust	Egyptian Investment & Finance Co.	Feb-07	1000	50	1152.79	1256.50	200.00	45.65
Misr Direct Investment Fund	Al Ahly Development & Investment	Jul-99	1000	35	1100.3	1057.30	0.00	5.73
Arab Land Direct	Prime Investments Fund Management	Feb-00	1000	70	1007.01	894.22	113.75	0.80
Asset Allocator Funds								
Arab Misr Insurance Group	Prime Investments Fund Management	Aug-95	500	100	619.36	944.57	212.00	131.31
Societe Arab Int'l Banque I +	Prime Investments Fund Management	Jun-96	100	100	362.03	510.51	78.00	488.51
Societe Arab Int'l Banque II	Prime Investments Fund Management	Oct-97	100	200	226.33	319.46	80.00	299.46

* The Misr Exterior Bank fund has changed to Banque Misr III Fund starting from 16/9/2004 after the merger of Misr Exterior Bank with Banque Misr. The par value has also changed from LE 1000 to LE100 after the amendment of Article (5) of the fund's prospectus, effective 27/8/2006

** The Misr International Bank fund has changed to Shild Fund starting from 2/4/2006 and the certificate has been split by a ratio of 1:2 . The par value has also changed from LE 100 to LE 50

*** The Egyptian American Bank Funds have changed to Credit Agricole Egypt Funds starting from 03/09/2006.

+ The fund's certificate has been split by aratio of 1: 5 and the par value has also changed from LE 500 to LE100, effective 29/03/2007.

++ The fund's name has changed to Rabeh Fund instead of Societe Arab Int'l Banque III.

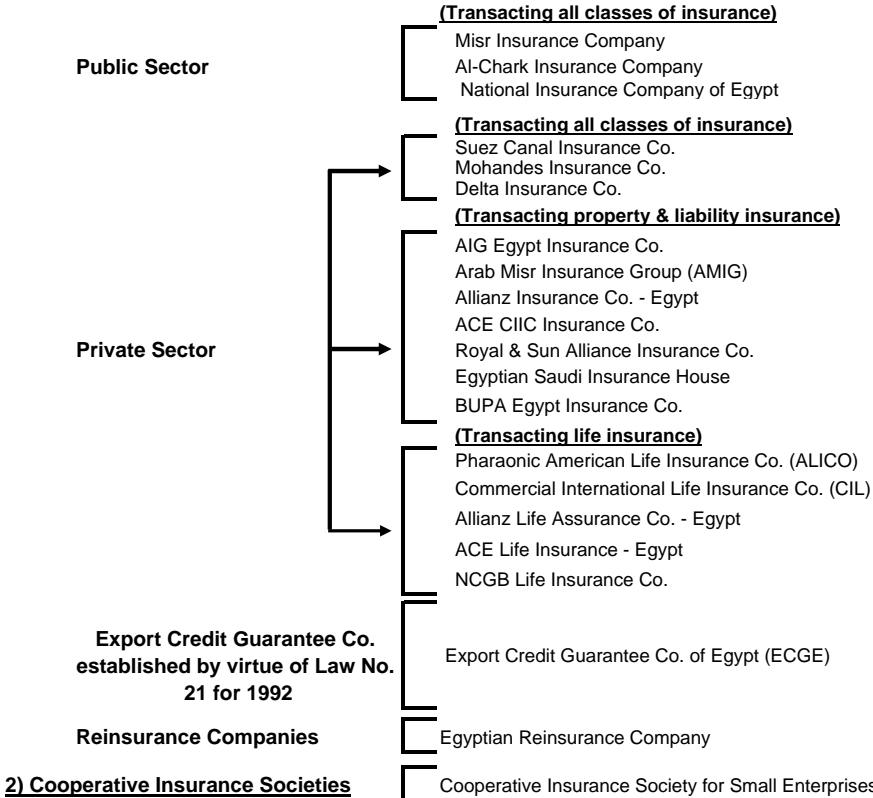
(2/2/5) Structure of the Insurance Sector in Egypt

The Supreme Council of Insurance

Egyptian Insurance Supervisory Authority (EISA)

Insurance and Reinsurance Entities

1) Insurance and Reinsurance Companies



2) Cooperative Insurance Societies

3) Private Insurance Funds (628 in number till June 2006)

4) Government Insurance Funds

- The Government Insurance Fund Carrying on Fidelity Insurance for the stock keepers.
- The Cooperative Insurance Fund for Shipping Boats Related to Cooperative Societies of Water Fortune and its members
- The Government Insurance Fund for Insuring the Risks to Which the Postal Services are exposed

5) Insurance Pools

- The Pool of Insurance Co. for Commodities Transfer by Railways and Internal Transportation of Cotton Varieties
- Egyptian Nuclear Insurance Pool
- Railways and Underground Metro Incidents Pool
- Decennial Liability Pool

Federations and Auxiliary Organs

- The Egyptian Insurance Federation
- Cargo Supervision & Surveying Office of Egypt
- Insurance Studies Institute

(2/3/1) Note Issue Including Cash in CBE Vaults by Denomination

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Currency by Denomination</u>	<u>40809</u>	<u>45427</u>	<u>52219</u>	<u>59703</u>	<u>67527</u>	<u>79017</u>	<u>93240</u>
PT 25	115	128	136	118	120	136	144
PT 50	216	225	235	203	220	241	240
LE 1	405	427	455	515	517	545	565
LE 5	1187	1047	1119	1226	1279	1121	1071
LE 10	5656	5745	5728	5490	5074	4274	3470
LE 20	11589	12005	12110	11010	10329	9226	8796
LE 50	13409	15035	19381	22686	24517	27959	28152
LE 100	8232	10815	13055	18455	25471	35515	47552
LE 200*	-	-	-	-	-	-	3250

- 128 -

Source : Central Bank of Egypt.

* The LE 200 note has been in circulation as of May 2007.

(2/3/2) Currency in Circulation Outside CBE by Denomination

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>40728</u>	<u>45377</u>	<u>51960</u>	<u>59415</u>	<u>67236</u>	<u>78604</u>	<u>92175</u>
Subsidiary Coins & Notes*	199	206	213	219	226	236	259
PT 25	113	126	135	117	118	135	142
PT 50	209	221	232	201	217	239	234
LE 1	400	422	448	510	512	540	550
LE 5	1169	1034	1098	1201	1251	1095	987
LE 10	5622	5718	5690	5424	4999	4215	3323
LE 20	11507	11948	12049	10926	10246	9128	8553
LE 50	13340	14938	19270	22490	24348	27737	27967
LE 100	8169	10764	12825	18327	25319	35279	47136
LE 200**	-	-	-	-	-	-	3024

Source : Central Bank of Egypt.

* Issued by the Ministry of Finance.

** The LE 200 note has been in circulation as of May 2007.

(2/3/3) Central Bank of Egypt : Activity of Clearing Houses

During FY	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
<u>Cairo Branch</u>						
Number of cheques (thousands)	6737	9250	8856	8619		
Value of cheques (LE mn)	232323	215703	215091	231943		
<u>Alexandria Branch</u>						
Number of cheques (thousands)	1037	663	626	592		
Value of cheques (LE mn)	35208	26383	30652	27875		
<u>Port - Said Branch</u>						
Number of cheques (thousands)	144	112	109	111		
Value of cheques (LE mn)	3012	2495	2481	2607		
<u>All Branches*</u>						
Number of cheques (thousands)	7918	10025	9591	9322	9508	10480
Value of cheques (LE mn)	270543	244581	248224	262425	288713	356901

Source : Central Bank of Egypt.

* As of 1/1/2006, the manual Clearing Houses in Alexandria and Port-Said were cancelled, and all their activities were transferred to Cairo Automated Clearing House.

(2/4/1) Banks : Aggregate Financial Position

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Assets</u>							
Cash	3485	4453	5557	5412	6594	6813	7705
Securities & investments in TBs, of which:	71142	87726	111337	137431	170659	193965	176098
CBE notes						21563	17617
Balances with banks in Egypt	67047	83244	110874	116290	124986	121695	217363
Balances with banks abroad	16252	20002	29798	43290	51204	72554	124366
Loan and discount balances	241470	266100	284722	296199	308195	324041	353746
Other assets	28966	33939	35650	34814	41990	42494	58645
Assets = Liabilities	428362	495464	577938	633436	703628	761562	937923
<u>Liabilities</u>							
Capital	12038	12531	18155	20346	22949	27112	33037
Reserves	10156	11238	11805	11454	12419	13418	12552
Provisions	31200	35869	40099	44584	49541	54950	53469
Bonds and long-term loans	11922	14057	14866	15012	14254	17526	26351
Obligations to banks in Egypt	28158	35094	35578	29933	22671	21488	82619
Obligations to banks abroad	11486	11830	16248	10332	12262	8770	10006
Total deposits	291225	340868	403144	461697	519649	568841	649953
Other liabilities	32177	33977	38043	40078	49883	49457	69936

Source : Central Bank of Egypt.

(2/4/2) Banks : Deposits by Maturity

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total Deposits</u>	<u>291225</u>	<u>340868</u>	<u>403144</u>	<u>461697</u>	<u>519649</u>	<u>568841</u>	<u>649953</u>
Demand deposits	26678	30913	37233	46742	51557	62431	78758
Time & saving deposits and saving accounts	244858	286953	342535	389482	445132	479805	542983
Blocked or retained deposits	19689	23002	23376	25473	22960	26605	28212
<u>First: Local Currency Deposits</u>	<u>218238</u>	<u>250106</u>	<u>278179</u>	<u>310870</u>	<u>369067</u>	<u>401143</u>	<u>463320</u>
Demand deposits	18354	21063	22929	27168	31606	41793	50365
Time & saving deposits and saving accounts	186545	213385	242058	269505	324664	345953	396352
Blocked or retained deposits	13339	15658	13192	14197	12797	13397	16603
<u>Second: Foreign Currency Deposits</u>	<u>72987</u>	<u>90762</u>	<u>124965</u>	<u>150827</u>	<u>150582</u>	<u>167698</u>	<u>186633</u>
Demand deposits	8324	9850	14304	19574	19951	20638	28393
Time & saving deposits and saving accounts	58313	73568	100477	119977	120468	133852	146631
Blocked or retained deposits	6350	7344	10184	11276	10163	13208	11609

Source : Central Bank of Egypt.

(2/4/3) Banks : Deposits by Sector

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total Deposits</u>	<u>291225</u>	<u>340868</u>	<u>403144</u>	<u>461697</u>	<u>519649</u>	<u>568841</u>	<u>649953</u>
<u>Local Currency Deposits</u>	<u>218238</u>	<u>250106</u>	<u>278179</u>	<u>310870</u>	<u>369067</u>	<u>401143</u>	<u>463320</u>
Government sector	31064	38578	46071	54120	57649	49422	37233
Public business sector *	12814	13930	13929	15414	16727	20399	23464
Private business sector	29079	31594	30088	35219	39668	41444	77504
Household sector	144986	165648	187594	205375	253865	287973	321793
External sector **	295	356	498	742	1158	1905	3326
<u>Foreign Currency Deposits</u>	<u>72987</u>	<u>90762</u>	<u>124965</u>	<u>150827</u>	<u>150582</u>	<u>167698</u>	<u>186633</u>
Government sector	10943	13328	18977	26187	27252	29290	30329
Public business sector *	2580	2194	2878	3432	4195	5668	6721
Private business sector	17565	19426	25179	29550	31337	39263	49093
Household sector	40782	54775	77111	90899	85813	92174	98331
External sector **	1117	1039	820	759	1985	1303	2159

Source : Central Bank of Egypt.

* Including all public sector companies subject or not to Law No. 203 for 1991.

** Including counterpart deposits of US aid.

(2/4/4) Banks : Deposits by Economic Activity

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total Deposits</u>	<u>291225</u>	<u>340868</u>	<u>403144</u>	<u>461697</u>	<u>519649</u>	<u>568841</u>	<u>649953</u>
<u>Local Currency Deposits</u>	<u>218238</u>	<u>250106</u>	<u>278179</u>	<u>310870</u>	<u>369067</u>	<u>401143</u>	<u>463320</u>
Agriculture	2302	2235	2049	2480	2548	2215	2531
Manufacturing	14545	15984	15054	17325	19239	19903	23819
Trade	9160	10494	9879	10520	11740	12793	18354
Services	19109	20645	22416	28487	31915	38245	40530
Unclassified sectors	173122	200748	228781	252058	303625	327987	378086
<u>Foreign Currency Deposits</u>	<u>72987</u>	<u>90762</u>	<u>124965</u>	<u>150827</u>	<u>150582</u>	<u>167698</u>	<u>186633</u>
Agriculture	325	426	558	467	831	855	467
Manufacturing	9121	9582	12193	14718	15274	18159	21208
Trade	4497	5071	5914	7258	6583	8250	11824
Services	8226	8995	12772	15306	17499	21602	23216
Unclassified sectors	50818	66688	93528	113078	110395	118832	129918

Source : Central Bank of Egypt.

(2/4/5) Banks : Portfolio Investments by Sector⁺

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>71142</u>	<u>87726</u>	<u>111337</u>	<u>137431</u>	<u>170659</u>	<u>172402</u>	<u>158481</u>
<u>In Local Currency</u>	<u>55041</u>	<u>66982</u>	<u>86000</u>	<u>105874</u>	<u>139322</u>	<u>140840</u>	<u>125981</u>
Government sector	40317	51743	69853	88438	118358	115146	96652
Public business sector *	927	811	648	630	666	859	761
Private business sector	13797	14428	15499	16806	20298	24835	28568
Household sector	-	-	-	-	-	-	-
External sector	-	-	-	-	-	-	-
<u>In Foreign Currencies</u>	<u>16101</u>	<u>20744</u>	<u>25337</u>	<u>31557</u>	<u>31337</u>	<u>31562</u>	<u>32500</u>
Government sector	9023	12420	17465	18630	16594	16067	14636
Public business sector *	-	3	-	-	-	-	-
Private business sector	2600	3703	1703	2885	4711	3545	3474
Household sector	-	-	-	-	-	-	-
External sector	4478	4618	6169	10042	10032	11950	14390

Source : Central Bank of Egypt.

+ Excluding CBE notes.

* Including all public sector companies subject or not to Law No. 203 for 1991.

(2/4/6) Banks : Lending and Discount Balances by Sector

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>241470</u>	<u>266100</u>	<u>284722</u>	<u>296199</u>	<u>308195</u>	<u>324041</u>	<u>353746</u>
<u>In Local Currency</u>	<u>193981</u>	<u>213008</u>	<u>218696</u>	<u>228159</u>	<u>233141</u>	<u>238926</u>	<u>248544</u>
Government sector	9521	9901	9049	9963	10938	11285	10788
Public business sector *	24742	25831	26835	27690	30164	26269	18097
Private business sector	128618	144446	149118	154162	152193	150491	163292
Household sector	29777	32225	33285	35955	39354	50158	55453
External sector	1323	605	409	389	492	723	914
<u>In Foreign Currencies</u>	<u>47489</u>	<u>53092</u>	<u>66026</u>	<u>68040</u>	<u>75054</u>	<u>85115</u>	<u>105202</u>
Government sector	3853	4661	4248	6240	11080	9712	15896
Public business sector *	4198	5060	8051	7740	7078	6373	6091
Private business sector	36388	40670	50827	51668	53502	64184	76020
Household sector	988	1070	1350	1059	1913	3017	4485
External sector	2062	1631	1550	1333	1481	1829	2710

Source : Central Bank of Egypt.

* Including all public sector companies subject or not to Law No. 203 for 1991.

(2/4/7) Banks : Credit by Sector

	(LE mn)						
End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>312612</u>	<u>353826</u>	<u>396059</u>	<u>433630</u>	<u>478854</u>	<u>496443</u>	<u>512227</u>
<u>In Local Currency</u>	<u>249022</u>	<u>279990</u>	<u>304696</u>	<u>334033</u>	<u>372463</u>	<u>379766</u>	<u>374525</u>
Government sector	49838	61644	78902	98401	129296	126431	107440
Public business sector *	25669	26642	27483	28320	30830	27128	18858
Private business sector	142415	158874	164617	170968	172491	175326	191860
Household sector	29777	32225	33285	35955	39354	50158	55453
External sector	1323	605	409	389	492	723	914
<u>In Foreign Currencies</u>	<u>63590</u>	<u>73836</u>	<u>91363</u>	<u>99597</u>	<u>106391</u>	<u>116677</u>	<u>137702</u>
Government sector	12876	17081	21713	24870	27674	25779	30532
Public business sector *	4198	5063	8051	7740	7078	6373	6091
Private business sector	38988	44373	52530	54553	58213	67729	79494
Household sector	988	1070	1350	1059	1913	3017	4485
External sector	6540	6249	7719	11375	11513	13779	17100

Source : Central Bank of Egypt.

* Including all public sector companies subject or not to Law No. 203 for 1991.

(2/4/8) Banks : Lending and Discount Balances by Economic Activity

(LE mn)

End of June	2001	2002	2003	2004	2005	2006	2007
<u>Total</u>	<u>241470</u>	<u>266100</u>	<u>284722</u>	<u>296199</u>	<u>308195</u>	<u>324041</u>	<u>353746</u>
<u>In Local Currency</u>	<u>193981</u>	<u>213008</u>	<u>218696</u>	<u>228159</u>	<u>233141</u>	<u>238926</u>	<u>248544</u>
Agriculture	4748	5167	4521	5015	5822	4902	6986
Manufacturing	64950	73179	74269	77722	81844	77734	80497
Trade	42798	47251	47530	48479	45648	43564	37476
Services	50260	54325	58547	60505	59870	61679	67035
Unclassified sectors	31225	33086	33829	36438	39957	51047	56550
<u>In Foreign Currencies</u>	<u>47489</u>	<u>53092</u>	<u>66026</u>	<u>68040</u>	<u>75054</u>	<u>85115</u>	<u>105202</u>
Agriculture	554	549	447	550	619	829	929
Manufacturing	19772	20562	26782	28569	34957	38517	51399
Trade	7982	9175	11557	12552	11893	13930	11837
Services	16124	20098	24341	23941	24188	26983	33842
Unclassified sectors	3057	2708	2899	2428	3397	4856	7195

Source : Central Bank of Egypt.

**(2/5/1) Discount and Interest Rates on Deposits and Loans
in Egyptian Pound**

(% Annually)

End of	Discount Rate	Average Interest Rates at Banks		Interest Rate on Investment Certificates		Interest Rate on Post Office Saving Deposits*
		On Three Month Deposits	On One Year or Less Maturity Loans	Simple Interest	Compound Interest	
Jan-05	10.00	7.63	13.36	10.50	10.00	10.50
February	”	7.62	13.44	”	”	”
March	”	7.60	13.41	”	”	”
April	”	7.60	13.39	”	”	”
May	”	7.60	13.35	”	”	”
June	”	7.61	13.35	”	”	”
July	”	7.46	13.31	”	”	”
August	”	7.42	13.28	”	”	”
September	”	6.60	12.80	”	”	”
October	”	6.60	12.60	”	”	”
November	”	6.50	12.60	”	”	”
December	”	6.50	12.70	”	”	”
Jan-06	9.00	6.40	12.60	”	”	”
February	”	6.10	12.60	”	”	”
March	”	6.20	12.60	9.50	9.00	9.50
April	”	6.20	12.60	”	”	”
May	”	5.90	12.60	”	”	”
June	”	5.90	12.50	”	”	”
July	”	5.90	12.60	”	”	”
August	”	5.90	12.70	”	”	”
September	”	5.90	12.60	”	”	”
October	”	5.90	12.60	”	”	”
November	”	6.00	12.60	”	”	”
December	”	5.90	12.60	”	”	”
Jan-07	”	6.10	12.60	”	”	”
February	”	6.20	12.70	10.00	9.50	”
March	”	6.20	12.70	”	”	”
April	”	6.20	12.70	”	”	”
May	”	6.20	12.70	”	”	”
June	”	6.10	12.60	”	”	”

Source: Central Bank of Egypt and the Egyptian National Post Authority.

* Calculated as additional interest of 0.25% for deposits of one year maturity.

**(2/5/2) Domestic Interest Rates on 3 Month Deposits
in Major Currencies**

End of	U.S. Dollar		Sterling Pound		Euro	
	Min.	Max.	Min.	Max.	Min.	Max.
Jan-05	2.38	2.56	3.75	4.50	1.38	1.63
February	2.56	2.75	3.75	4.50	1.38	1.63
March	2.75	2.94	3.88	4.63	1.38	1.63
April	2.88	3.06	3.81	4.56	1.38	1.63
May	3.00	3.19	3.75	4.50	1.38	1.63
June	3.19	3.38	3.69	4.44	1.38	1.63
July	3.38	3.56	3.50	4.25	1.38	1.63
August	3.50	3.69	3.44	4.19	1.38	1.63
September	3.69	3.88	3.50	4.25	1.38	1.63
October	3.88	4.06	3.50	4.25	1.44	1.69
November	4.00	4.19	3.50	4.25	1.69	1.94
December	4.13	4.31	3.50	4.25	1.75	2.00
Jan-06	4.25	4.44	3.44	4.19	1.75	2.00
February	4.38	4.56	3.44	4.19	1.88	2.13
March	4.44	4.63	3.44	4.19	2.00	2.25
April	4.63	4.81	3.56	4.31	2.06	2.31
May	4.69	4.88	3.56	4.31	2.13	2.38
June	5.00	5.19	3.63	4.38	2.31	2.56
July	5.00	5.19	3.63	4.38	2.38	2.63
August	4.88	5.06	3.88	4.63	2.50	2.75
September	4.88	5.06	3.94	4.69	2.63	2.88
October	4.88	5.06	4.00	4.75	2.75	3.00
November	4.88	5.06	4.13	4.88	2.88	3.13
December	4.88	5.06	4.19	4.94	2.94	3.19
Jan-07	4.88	5.06	4.50	5.25	3.00	3.25
February	4.88	5.06	4.44	5.19	3.06	3.31
March	4.88	5.06	4.44	5.19	3.19	3.44
April	4.88	5.06	4.56	5.31	3.25	3.50
May	4.88	5.06	4.69	5.44	3.38	3.63
June	4.88	5.06	4.81	5.56	3.44	3.69

Source: National Bank of Egypt

**(2/5/3) Interest Rates on Treasury Bills
(Quarterly weighted averages)**

(%)				
Average	91 days	182 days	89 days	364 days
<u>2001/2002</u>				
Q1	8.9	9.0	..	8.9
Q2	8.1	8.3	..	..
Q3	7.2	7.7	..	..
Q4	7.2	7.7	..	8.0
<u>2002/2003</u>				
Q1	7.2	7.6	..	7.9
Q2	6.3	6.8	..	..
Q3	8.2	8.2	..	..
Q4	11.3	11.5	..	8.0
<u>2003/2004</u>				
Q1	9.2	9.2	..	8.0
Q2	..	7.2	7.0	..
Q3	7.1	7.5	..	..
Q4	10.1	10.7	..	9.5
<u>2004/2005</u>				
Q1	11.0	11.4	..	11.6
Q2	10.5	10.8	..	11.5
Q3	..	9.8	..	10.3
Q4	9.7	9.9	..	10.0
<u>2005/2006</u>				
Q1	9.0	9.3	..	9.3
Q2	9.1	9.1	..	9.2
Q3	8.3	8.3	..	8.4
Q4	8.6	8.7	..	8.7
<u>2006/2007</u>				
Q1	9.0	9.1	..	9.2
Q2	9.5	9.8	..	9.9
Q3	8.9	9.1	..	9.4
Q4	7.3	7.6	..	8.2

Source: Central Bank of Egypt.

.. No issuance during the week.

**(2/5/4) Interest Rates on Treasury Bills
(Weekly weighted averages)**

(%)

	91 days	182 days	364 days
<u>April 2007</u>			
First week (5/4)	8.289	8.752	8.936
Second week (12/4)	..	8.643	8.997
Third week (19/4)	8.041	8.247	8.828
Fourth week (26/4)	7.531	7.559	8.261
Monthly Average	7.954	8.300	8.756
<u>May 2007</u>			
First week (3/5)	7.250	7.287	7.905
Second week (10/5)	6.959	7.132	7.652
Third week (17/5)	6.897	7.391	7.736
Fourth week (24/5)	7.116	..	8.386
(31/5)	7.120	7.488	8.372
Monthly Average	7.068	7.325	8.010
<u>June 2007</u>			
First week (7/6)	..	..	8.158
Second week (14/6)	6.738	7.106	7.824
Third week (21/6)	6.726	7.139	7.583
Fourth week (28/6)	6.781	7.187	7.483
Monthly Average	6.748	7.144	7.762

Source: Central Bank of Egypt.

.. No issuance during the week

(3/1) Companies Listed on the Stock Exchange

End of June	2001	2002	2003	2004	2005	2006	2007
<u>First : Companies Listed on the Official Schedules</u>							
- Number of companies (in unit)	144	147	152	129	132	141	147
- Number of shares (mn)	1525	1533	2689	3661	4236	7881	11450
- Nominal value of capital (LE mn)	10843	10724	35906	43597	49274	58432	73403
- Market value of capital (LE mn)	21900	22705	55706	95103	250136	298478	497319
<u>Second : Companies Listed on the Unofficial Schedules</u>							
- Number of companies (in unit)	928	989	971	528	612	503	394
- Number of shares (mn)	3621	3877	3244	2383	2646	2560	3534
- Nominal value of capital (LE mn)	65894	78403	63123	46491	57368	50354	47387
- Market value of capital (LE mn)	88417	95968	94508	68788	84407	78013	104055
<u>Third : Companies Listed on the Temporary Schedule*</u>							
- Number of companies (in unit)				146	26	12	3
- Number of shares (mn)				208	103	16	9
- Nominal value of capital (LE mn)				6439	1567	379	282
- Market value of capital (LE mn)				8974	2516	579	452
<u>Fourth : All Companies</u>							
- Number of companies (in unit)	1072	1136	1123	803	770	656	544
- Number of shares (mn)	5146	5410	5933	6252	6985	10457	14993
- Nominal value of capital (LE mn)	76737	89127	99029	96527	108209	109165	121072
- Market value of capital (LE mn)	110317	118673	150214	172865	337059	377070	601826

Source: Monthly Bulletin of Cairo & Alexandria Stock Exchanges.

* Companies which have not adjusted their statuses according to the new listing rules.

(3/2) Trading in Shares on the Stock Exchange

During FY	2005/2006			2006/2007		
	Number of Transactions (Unit)	Amount (Thousand)	Market Value (mn)	Number of Transactions (Unit)	Amount (Thousand)	Market Value (mn)
<u>In Egyptian Pound</u>	<u>5708728</u>	<u>6587149</u>	<u>227953</u>	<u>7417261</u>	<u>10159593</u>	<u>242992</u>
Floor Transactions	5501188	5517762	218496	7210676	8521503	228365
Over the Counter Trading	207540	1069387	9457	206585	1638090	14627
<u>In US Dollar</u>	<u>194666</u>	<u>424502</u>	<u>2580</u>	<u>279471</u>	<u>1082893</u>	<u>3260</u>
Floor Transactions	194192	303483	1979	270526	915966	2711
Over the Counter Trading	474	121019	601	8945	166927	549
<u>In Other Foreign Currencies</u>	<u>1</u>	<u>10</u>	<u>615</u>	<u>-</u>	<u>-</u>	<u>-</u>
Floor Transactions	-	-	-	-	-	-
Over the Counter Trading	1	10	615	-	-	-

Source : Capital Market Authority (CMA).

(3/3) Trading in Bonds on the Stock Exchange

During FY	2005/2006			2006/2007		
	Number of Transactions	Amount	Market Value	Number of Transactions	Amount	Market Value
	(Unit)		(Thousand)	(Unit)		(Thousand)
<u>In Egyptian Pound</u>	<u>635</u>	<u>12197050</u>	<u>11347982</u>	<u>923</u>	<u>16627995</u>	<u>15266118</u>
Floor Transactions	635	12197050	11347982	923	16627995	15266118
Over the Counter Trading	-	-	-	-	-	-
<u>In US Dollar</u>	<u>42</u>	<u>99504</u>	<u>73506</u>	<u>10</u>	<u>209527</u>	<u>23492</u>
Floor Transactions	3	66700	6870	9	207327	21292
Over the Counter Trading	39	32804	66636	1	2200	2200

Source : Capital Market Authority (CMA).

(3/4) Foreign Transactions on the Stock Exchange

During FY	2005/2006		2006/2007	
	<u>Egyptian Pound</u>	<u>US Dollar</u>	<u>Egyptian Pound</u>	<u>US Dollar</u>
<u>Net Number of Transactions (unit)</u>	<u>25166</u>	<u>-17326</u>	<u>178688</u>	<u>11162</u>
Purchases	638554	16986	76591	42678
Sales	613388	34312	586903	31516
<u>Net Volume of Securities (mn)</u>	<u>139</u>	<u>-24</u>	<u>464</u>	<u>-275</u>
Purchases	1232	67	1710	216
Sales	1093	91	1246	491
<u>Net Value of Securities (mn)</u>	<u>4754.7</u>	<u>-263.7</u>	<u>21206.1</u>	<u>-1264.1</u>
Purchases	73384.7	305.2	72094.9	478.8
Sales	68630.0	568.9	50888.8	1742.9

Source: Monthly Report of the Capital Market Authority (CMA).

(3/5) Global Depository Receipts (GDRs)

GDRs Listed on Global Exchanges						Corporate Stocks Issued on the Egyptian Exchange			
Order and Date of Offering	Depository Bank	Sub Custodian Bank	Conversion Ratio	Volume on Offering Date (000s)	Price (\$) at End of		Price (LE) at End of		
					June 06	June 07	June 06	June 07	
1st	July-96	Bank of New York	CIB	1.00	9999	9.90	10.90	58.99	60.05
2nd	July-96	Bank of New York	CIB	1.00	7310	10.50	10.33	63.14	57.79
			NBE						
3rd	Oct.-97	Bank of New York	CIB	3.00	6297	1.45	2.70	28.66	56.20
4th	Aug.-98	Bank of New York	HSBC	0.50	4324	8.60	15.75	25.31	45.92
5th	June-99	Deutsche Bank	Citibank	0.33	573	39.00	28.00	39.09	54.62
6th*	July-99	Bank of New York	CIB	0.33	35000	0.44	0.44	-	-
7th**	July-00	Bank of New York	CIB	0.20	11713	40.80	64.00	238.67	72.67
8th	Aug.-02	Bank of New York	CIB	0.50	50	62.60	132.00	175.38	372.49
9th	Nov.-04	Bank of New York	CIB	1.00	8796	-	10.15	104.32	63.30
10th	Dec.-05	Bank of New York	CIB	0.20	8522	10.85	15.50	12.59	17.34

Source: Monthly Bulletin of Cairo and Alexandria Stock Exchanges.

* Last closing price was on 3 March 2005 as no trading has occurred after this date.

** The conversion ratio has changed to be 5 shares :1 GDR, effective 12 April 2007.

(3/6) Investments of the Insurance Sector

(LE mn)

End of June	2005				2006			
	Local Insurance & Reinsurance Companies	National Authority for Social Insurance	Private Insurance Funds*	Total	Local Insurance & Reinsurance Companies	National Authority for Social Insurance	Private Insurance Funds*	Total
Grand Total	<u>16813</u>	<u>221006</u>	<u>14597</u>	<u>252416</u>	<u>18695</u>	<u>243438</u>	<u>16629</u>	<u>278762</u>
First : Real Estates	<u>627</u>	<u>0</u>	<u>118</u>	<u>745</u>	<u>497</u>	<u>0</u>	<u>261</u>	<u>758</u>
Second : Securities	<u>9995</u>	<u>2000</u>	<u>10224</u>	<u>22219</u>	<u>11085</u>	<u>2000</u>	<u>11698</u>	<u>24783</u>
Government bonds, notes and bills	4923	2000	9843	16766	5762	2000	11228	18990
Securities available for sale	1696	0	365	2061	1972	0	454	2426
Securities Held-to-maturity	3376	0	16	3392	3351	0	16	3367
Third : Deposits with the National Investment Bank	<u>0</u>	<u>219006</u>	<u>0</u>	<u>219006</u>	<u>0</u>	<u>241438</u>	<u>0</u>	<u>241438</u>
Fourth : Loans	<u>215</u>	<u>0</u>	<u>142</u>	<u>357</u>	<u>232</u>	<u>0</u>	<u>198</u>	<u>430</u>
To the government	0	0	0	0	0	0	0	0
With other guarantees	215	0	142	357	232	0	198	430
Fifth : Banks' Fixed Deposits	<u>5976</u>	<u>0</u>	<u>4041</u>	<u>10017</u>	<u>6881</u>	<u>0</u>	<u>4363</u>	<u>11244</u>
Deposits at banks	3885	0	4041	7926	4157	0	4363	8520
Saving certificates	2091	0	0	2091	2724	0	0	2724
Sixth : Other Investments	<u>0</u>	<u>0</u>	<u>72</u>	<u>72</u>	<u>0</u>	<u>0</u>	<u>109</u>	<u>109</u>

Source: Yearbook of the Egyptian Insurance Supervisory Authority ; CBE's Government Accounts Department; and the Ministry of Finance.

* Including the Government Insurance Fund for Insurance on Cashiers.

(3/7) Outstanding Balance of Treasury Bills (Quarterly)

	(LE mn)				
End of	91 days	182 days	89 days	364 days	Total
<u>1999</u>					
March	6701.0	9352.9	-	11145.4	27199.3
June	6494.9	7918.1	-	11145.4	25558.4
Sept.	6338.6	7909.2	-	11145.4	25393.2
Dec.	5949.6	8274.7	-	11145.4	25369.7
<u>2000</u>					
March	5558.2	8675.8	-	11145.4	25379.4
June	5585.3	8675.9	-	11131.9	25393.1
Sept.	5773.3	8637.9	-	14457.4	28868.6
Dec.	5714.9	8666.5	-	14457.4	28838.8
<u>2001</u>					
March	6195.9	8271.3	-	14457.4	28924.6
June	5762.5	9113.9	-	14457.4	29333.8
Sept.	7687.7	8564.1	-	14457.4	30709.2
Dec.	11451.6	9502.5	-	14457.4	35411.5
<u>2002</u>					
March	10864.0	10240.5	-	14457.4	35561.9
June	11183.2	14366.7	-	14457.4	40007.3
Sept.	14575.7	18411.5	-	14457.4	47444.6
Dec.	15897.1	22908.0	-	14457.4	53262.5
<u>2003</u>					
March	15250.8	24259.7	-	14457.4	53967.9
June	16235.7	24625.2	-	14457.4	55318.3
Sept.	14975.2	26776.5	-	14457.4	56209.1
Dec.	6272.9	28066.3	13001.4	14457.4	61798.0
<u>2004</u>					
March	15294.0	30476.8	4081.4	14457.4	64309.6
June	18462.7	38852.7	-	26458.2	83773.6
Sept.	11000.0	48196.3	-	48958.2	108154.5
Dec.	8600.0	45466.8	-	66558.2	120625.0
<u>2005</u>					
March	0.0	34550.0	-	82358.2	116908.2
June	2750.0	23900.0	-	98257.4	124907.4
Sept.	8900.0	22350.0	-	71725.6	102975.6
Dec.	5500.0	22600.0	-	67815.6	95915.6
<u>2006</u>					
March	6000.0	24100.0	-	69015.6	99115.6
June	7100.0	26500.0	-	69543.6	103143.6
Sept.	9900.0	27500.0	-	69957.4	107357.4
Dec.	8200.0	27000.0	-	71157.4	106357.4
<u>2007</u>					
March	11000.0	26000.0	-	73657.4	110657.4
June	9000.0	27500.0	-	82157.4	118657.4

Source : Central Bank of Egypt.

(3/8) Outstanding Balance of Treasury Bills (Weekly)

		(LE mn)			
		91 days	182 days	364 days	Total
<u>April 2007</u>					
First week	(5/4)	11000.0	26500.0	73157.4	110657.4
Second week	(12/4)	10000.0	26000.0	75157.4	111157.4
Third week	(19/4)	9500.0	25000.0	75157.4	109657.4
Fourth week	(26/4)	9500.0	25000.0	77157.4	111657.4
End of month		9500.0	25000.0	77157.4	111657.4
<u>May 2007</u>					
First week	(3/5)	10000.0	25500.0	78157.4	113657.4
Second week	(10/5)	10500.0	25500.0	78157.4	114157.4
Third week	(17/5)	10000.0	25500.0	79157.4	114657.4
Fourth week	(24/5)	10000.0	24000.0	80157.4	114157.4
End of month		10000.0	23500.0	81157.4	114657.4
<u>June 2007</u>					
First week	(7/6)	10000.0	23500.0	81157.4	114657.4
Second week	(14/6)	10500.0	24500.0	81657.4	116657.4
Third week	(21/6)	9500.0	26000.0	82157.4	117657.4
Fourth week	(28/6)	9000.0	27500.0	82157.4	118657.4
End of month		9000.0	27500.0	82157.4	118657.4

Source: Central Bank of Egypt.

-150 -

(3/9) Outstanding Balance of Treasury Bonds*
End of June 2007

	Date of Issue	Value (LE mn)	Interest Rate	Maturity & Due Date
Seventh Tranche	3/1/1999	2000	9.500%	10 years, 01/03/2009
Eighth Tranche	4/16/1999	2000	10.000%	10 years, 16/04/2009
<u>Bonds under the Primary Dealers System**</u>				
Eleventh Tranche	10/26/2004	5000	11.500%	7 years,26/10/2011
Twelveth Tranche	11/16/2004	5000	11.625%	10 years,16/11/2014
Thirteenth Tranche	12/7/2004	3000	10.938%	4 years,07/12/2008
Fourteenth Tranche	1/18/2005	1000	11.400%	20 years,18/01/2025
Fifteenth Tranche	7/12/2005	2000	9.100%	5 years,12/07/2010
Sixteenth Tranche ⁽¹⁾	8/2/2005	4000	9.250%	4 years,02/08/2009
Seventeenth Tranche	8/16/2005	2000	9.350%	5 years,16/08/2010
Eighteenth Tranche ⁽²⁾	9/20/2005	6000	9.100%	7 years,20/09/2012
Nineteenth Tranche	10/4/2005	2000	9.063%	3 years, 04/10/2008
Twentieth Tranche	10/18/2005	2000	9.100%	5 years,18/10/2010
Twenty First Tranche ⁽³⁾	11/15/2005	5000	9.300%	10 years, 15/11/2015
Twenty Second Tranche	1/3/2006	2000	9.050%	4 years,03/01/2010
Twenty Third Tranche ⁽⁴⁾	1/24/2006	6000	8.850%	7 years 24/01/2013
Twenty Fourth Tranche	2/14/2006	2000	8.500%	2 years,14/02/2008
Twenty Fifth Tranche	2/28/2006	2000	8.600%	5 years,28/02/2011
Twenty Sixth Tranche	5/2/2006	2000	8.950%	4 years,02/05/2010
Twenty Seventh Tranche	5/29/2007	2000	9.450%	7 years,29/05/2014
Total		57000		

- 151 -

Source : Central Bank of Egypt.

* Issued by Law No. 4 /1995.

** This system was put into force as of July 2004, in virtue of the Minister of Finance 's Decree No.480 for 2002 and the provisions governing it, issued by the Minister of Finance's Decree No. 723 for 2002, in accordance with Article (7) of Law No. 92 for 2004.

⁽¹⁾ Increased by LE 2.0 billion, due to their re-opening on 08/11/2005 on the same conditions.

⁽²⁾ Increased by LE 2.0 billion, due to their re-opening on 13/12/2005 on the same conditions, and by LE 2.0 billion due to their re-opening on 27/3/2007 on the same conditions.

⁽³⁾ Increased by LE 2.0 billion, due to their re-opening on 13/03/2006 on the same conditions , and by LE 1.0 billion due to their re-opening on 13/6/2006 on the same conditions.

⁽⁴⁾ Increased by LE 2.0 billion, due to their re-opening on 17/04/2006 on the same conditions, and by LE 2.0 billion due to their re-opening on 27/4/2007 on the same conditions

(4/1) Consolidated Fiscal Operations of the General Government*
(The Budget Sector, NIB and SIFs)
(Total Expenditures)

(LE mn)

During	2003/2004		2004/2005	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Expenditures</u>	<u>145988</u>	<u>153366</u>	<u>161611</u>	<u>170790</u>
<u>Compensation of Employees</u>	<u>37266</u>	<u>37630</u>	<u>41546</u>	<u>42012</u>
Salaries and wages	29584	29898	32673	33080
Social contributions	4141	4191	4560	4619
Other	3541	3541	4313	4313
<u>Purchases of Goods and Services</u>	<u>9340</u>	<u>9409</u>	<u>12613</u>	<u>12714</u>
Goods	4620	4631	7417	7429
Services	4330	4371	4874	4920
Other	390	407	322	365
<u>Interests</u>	<u>30704</u>	<u>27517</u>	<u>32780</u>	<u>29805</u>
Foreign interests	2961	2961	3002	3002
Domestic interests	27743	24556	29778	26803
To NIB	10495	0	10000	0
To others	17248	24556	19778	26803
<u>Subsidies, Grants and Social Benefits</u>	<u>24747</u>	<u>34839</u>	<u>29705</u>	<u>41223</u>
<u>Subsidies</u>	<u>10348</u>	<u>10348</u>	<u>13765</u>	<u>13765</u>
To GASC	8189	8189	11203	11203
To petroleum	0	0	0	0
To others	2159	2159	2562	2562
<u>Grants</u>	<u>1527</u>	<u>1527</u>	<u>1846</u>	<u>1846</u>
<u>Social Benefits</u>	<u>12867</u>	<u>22959</u>	<u>14092</u>	<u>25610</u>
Contribution to SIFs	12002	0	13185	0
Other	865	22959	907	25610
<u>Other</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>2</u>
<u>Other Expenditures</u>	<u>21080</u>	<u>21104</u>	<u>21692</u>	<u>21738</u>
Defense	14400	14400	14592	14592
Other	6680	6704	7100	7146
<u>Purchases of Non-Financial Assets (Investments)</u>	<u>22851</u>	<u>22867</u>	<u>23275</u>	<u>23298</u>
Fixed assets	20368	20384	19930	19953
Others	2483	2483	3345	3345

Source : Central Bank of Egypt.

* A new budget classification was prepared in accordance with the IMF 2001 GFS (Government Finance Statistics) Manual.

(4/1) Consolidated Fiscal Operations of the General Government (contd.)*

(The Budget Sector , NIB and SIFs)

(Total Expenditures)

(LE mn)

During	2005/2006		2006/2007	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
Total Expenditures	<u>207811</u>	<u>223625</u>	<u>222030</u>	<u>244018</u>
Compensation of Employees	<u>46719</u>	<u>47258</u>	<u>52153</u>	<u>52746</u>
Salaries and wages	37676	38150	42399	42935
Social contributions	5094	5157	5518	5570
Other	3949	3951	4236	4241
Purchases of Goods and Services	<u>14428</u>	<u>14493</u>	<u>17028</u>	<u>17121</u>
Goods	5773	5786	6539	6552
Services	6030	6077	6984	7039
Other	2625	2630	3505	3530
Interests	<u>36815</u>	<u>34812</u>	<u>47700</u>	<u>38368</u>
Foreign interests	2823	2823	3033	3033
Domestic interests	33992	31989	44667	35335
To NIB	8752	0	17324	0
To others	25240	31989	27343	35335
Subsidies, Grants and Social Benefits	<u>68897</u>	<u>86056</u>	<u>58442</u>	<u>88684</u>
Subsidies	<u>54245</u>	<u>54245</u>	<u>53959</u>	<u>53959</u>
To GASC	9407	9407	9406	9406
To petroleum	41778	41778	40130	40130
To others	3060	3060	4423	4423
Grants	<u>2174</u>	<u>2174</u>	<u>2599</u>	<u>2599</u>
Social Benefits	<u>12336</u>	<u>29495</u>	<u>1612</u>	<u>31854</u>
Contribution to SIFs	11000	0	0	0
Other	1336	29495	1612	31854
Other	<u>142</u>	<u>142</u>	<u>272</u>	<u>272</u>
Other Expenditures	<u>19740</u>	<u>19762</u>	<u>21209</u>	<u>21571</u>
Defense	15770	15770	17718	17718
Other	3970	3992	3491	3853
Purchases of Non-Financial Assets (Investments)	<u>21212</u>	<u>21244</u>	<u>25498</u>	<u>25528</u>
Fixed assets	17608	17640	20928	20958
Others	3604	3604	4570	4570

Source : The Ministry of Finance .

* A new budget classification was prepared in accordance with the IMF 2001 GFS (Government Finance Statistics) Manual.

(4/2) Consolidated Fiscal Operations of the General Government *

(The Budget Sector , NIB and SIFs)

(Total Revenues)

(LE mn)

During	2003/2004		2004/2005	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Revenues</u>	<u>101881</u>	<u>123964</u>	<u>110864</u>	<u>132926</u>
<u>Tax Revenues</u>	<u>67147</u>	<u>67147</u>	<u>75759</u>	<u>75759</u>
<u>Taxes on Income, Profits</u>	<u>27280</u>	<u>27280</u>	<u>31571</u>	<u>31571</u>
From EGPC	4771	4771	4030	4030
From SCA	6514	6514	7343	7343
From CBE	317	317	212	212
From other units	7518	7518	10671	10671
Payable by individuals	8160	8160	9315	9315
<u>Taxes on Property</u>	<u>785</u>	<u>785</u>	<u>1034</u>	<u>1034</u>
<u>Taxes on Goods and Services</u>	<u>26551</u>	<u>26551</u>	<u>31430</u>	<u>31430</u>
<u>Taxes on International Trade</u>	<u>9234</u>	<u>9234</u>	<u>7744</u>	<u>7744</u>
<u>Other Taxes</u>	<u>3297</u>	<u>3297</u>	<u>3980</u>	<u>3980</u>
<u>Grants</u>	<u>5051</u>	<u>5051</u>	<u>2853</u>	<u>2853</u>
Current	3399	3399	966	966
Capital	1652	1652	1887	1887
<u>Other Revenues</u>	<u>29683</u>	<u>51766</u>	<u>32252</u>	<u>54314</u>
<u>Property Income</u>	<u>14824</u>	<u>20252</u>	<u>17758</u>	<u>23611</u>
From EGPC	-2652	-2652	154	154
From SCA	8288	8288	9651	9651
From CBE	5807	5807	4999	4999
From economic authorities	352	352	402	402
From companies	1112	1212	245	397
Other (from EGPC)	0	0	0	0
Other	1917	7245	2307	8008
<u>Sales of Goods and Services</u>	<u>7755</u>	<u>7755</u>	<u>7197</u>	<u>7197</u>
<u>Financing Investment</u>	<u>2569</u>	<u>2569</u>	<u>3146</u>	<u>3146</u>
<u>Other</u>	<u>4535</u>	<u>21190</u>	<u>4151</u>	<u>20360</u>

Source : The Ministry of Finance .

* A new budget classification was prepared in accordance with the IMF 2001 GFS (Government Finance Statistics) Manual.

(4/2) Consolidated Fiscal Operations of the General Government (contd.)*
(The Budget Sector , NIB and SIFs)
(Total Revenues)

During	2005/2006		2006/2007	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Revenues</u>	<u>151266</u>	<u>175929</u>	<u>180215</u>	<u>205654</u>
<u>Tax Revenues</u>	<u>97779</u>	<u>97779</u>	<u>114326</u>	<u>114326</u>
<u>Taxes on Income, Profits</u>	<u>48268</u>	<u>48268</u>	<u>58535</u>	<u>58535</u>
From EGPC	23620	23620	25380	25380
From SCA	7321	7321	9144	9144
From CBE	0	0	0	0
From other units	7946	7946	14291	14291
Payable by individuals	9381	9381	9720	9720
<u>Taxes on Property</u>	<u>1214</u>	<u>1214</u>	<u>1788</u>	<u>1788</u>
<u>Taxes on Goods and Services</u>	<u>34699</u>	<u>34699</u>	<u>39436</u>	<u>39436</u>
<u>Taxes on International Trade</u>	<u>9654</u>	<u>9654</u>	<u>10369</u>	<u>10369</u>
<u>Other Taxes</u>	<u>3944</u>	<u>3944</u>	<u>4198</u>	<u>4198</u>
<u>Grants</u>	<u>2379</u>	<u>2379</u>	<u>3886</u>	<u>3886</u>
Current	583	583	2085	2085
Capital	1796	1796	1801	1801
<u>Other Revenues</u>	<u>51108</u>	<u>75771</u>	<u>62003</u>	<u>87442</u>
<u>Property Income</u>	<u>36373</u>	<u>43393</u>	<u>45111</u>	<u>50593</u>
From EGPC	12533	12533	11014	11014
From SCA	10487	10487	11931	11931
From CBE	0	0	0	0
From economic authorities	476	476	581	581
From companies	866	866	2222	2378
Other (from EGPC)	6899	6899	16000	16000
Other	5112	12132	3363	8689
<u>Sales of Goods and Services</u>	<u>7891</u>	<u>7891</u>	<u>9776</u>	<u>9776</u>
<u>Financing Investment</u>	<u>3705</u>	<u>3705</u>	<u>4376</u>	<u>4376</u>
<u>Other</u>	<u>3139</u>	<u>20782</u>	<u>2740</u>	<u>22697</u>

Source : The Ministry of Finance .

* A new budget classification was prepared in accordance with the IMF 2001 GFS (Government Finance Statistics) Manual.

(4/3) Summary of Consolidated Fiscal Operations of the General Government *
(The Budget Sector, NIB and SIFs)

(LE mn)

	2003/2004		2004/2005	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
Total Revenues	101881	123964	110864	132926
Total Expenditures	145988	153366	161611	170790
Cash Deficit	44107	29402	50747	37864
Net Acquisition of Financial Assets	1770	10551	896	7404
Overall Fiscal Balance Finance	45877	39953	51643	45268
<u>Financing Sources</u>	<u>45877</u>	<u>39954</u>	<u>51643</u>	<u>45270</u>
<u>Domestic Financing</u>	<u>45334</u>	<u>36738</u>	<u>63569</u>	<u>53998</u>
<u>Banking Financing</u>	<u>21002</u>	<u>23479</u>	<u>31395</u>	<u>29462</u>
Central Bank	23506	28488	24764	24434
Other Banks	-2504	-5009	6631	5028
<u>Non-Banking Financing</u>	<u>24332</u>	<u>13259</u>	<u>32174</u>	<u>24536</u>
NIB	24274	4797	13433	7121
SIFs	-142	0	1985	0
Other	200	200	16756	16756
NIB Borrowing	0	8262	0	659
Special Accounts for Economic Authorities	0	0	0	0
<u>Foreign Borrowing</u>	<u>503</u>	<u>503</u>	<u>-4243</u>	<u>-4243</u>
<u>Arrears</u>	<u>-1075</u>	<u>-1075</u>	<u>-2477</u>	<u>-2477</u>
<u>Others, of which:</u>	<u>486</u>	<u>3159</u>	<u>1876</u>	<u>5074</u>
Special Accounts for Budget Entities	0	0	0	0
<u>Financing Effects for Eliminations</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Exchange Rate Revaluation</u>	<u>1486</u>	<u>1486</u>	<u>-3935</u>	<u>-3935</u>
<u>Net Privatization Proceeds</u>	<u>15</u>	<u>15</u>	<u>1012</u>	<u>1012</u>
<u>Difference between Treasury Bills Face Value & Present Value</u>	<u>-266</u>	<u>-266</u>	<u>-3084</u>	<u>-3084</u>
<u>Discrepancy</u>	<u>-606</u>	<u>-606</u>	<u>-1075</u>	<u>-1075</u>
Cash Deficit (surplus) as a percentage of GDP	9.1%	6.1%	9.4%	7.0%
Overall fiscal balance as a percentage of GDP	9.5%	8.2%	9.6%	8.4%
Revenues as a percentage of GDP	21.0%	25.5%	20.6%	24.7%
Expenditures as a percentage of GDP	30.1%	31.6%	30.0%	31.7%

Source : The Ministry of Finance .

* A new budget classification was prepared in accordance with the IMF 2001 GFS (Government Finance Statistics) Manual

(4/3) Consolidated Fiscal Operations of the General Government (contd.)*
(The Budget Sector, NIB and SIFs)

	2005/2006		2006/2007	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
	(LE mn)			
Total Revenues	151266	175929	180215	205654
Total Expenditures	207811	223625	222029	244018
Cash Deficit	56545	47696	41814	38364
Net Acquisition of Financial Assets	-6159	8942	12883	17849
Overall Fiscal Balance Finance	50386	56638	54697	56213
<u>Financing Sources</u>	<u>50386</u>	<u>56637</u>	<u>54697</u>	<u>56213</u>
<u>Domestic Financing</u>	<u>54381</u>	<u>64949</u>	<u>33283</u>	<u>35401</u>
Banking Financing	14802	27826	-20926	-17662
Central Bank	-11463	-9915	3146	3196
Other Banks	26265	37741	-24072	-20858
Non-Banking Financing	39579	37123	54209	53063
NIB	12599	13764	143	0
SIFs	11000	0	6861	0
Other	15980	15980	28525	28525
NIB Borrowing	0	7379	0	5858
Special Accounts for Economic Authorities	0	0	18680	18680
<u>Foreign Borrowing</u>	<u>3641</u>	<u>3641</u>	<u>3581</u>	<u>3581</u>
<u>Arrears</u>	<u>-1777</u>	<u>-1777</u>	<u>-693</u>	<u>-693</u>
<u>Others, of which:</u>	<u>-489</u>	<u>-4806</u>	<u>19922</u>	<u>19320</u>
Special Accounts for Budget Entities	0	0	12952	12952
<u>Financing Effects for Eliminations</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Exchange Rate Revaluation</u>	<u>-311</u>	<u>-311</u>	<u>-432</u>	<u>-432</u>
<u>Net Privatization Proceeds</u>	<u>126</u>	<u>126</u>	<u>172</u>	<u>172</u>
<u>Difference between Treasury Bills Face Value & Present Value</u>	<u>-709</u>	<u>-709</u>	<u>-1168</u>	<u>-1168</u>
<u>Discrepancy</u>	<u>-4476</u>	<u>-4476</u>	<u>32</u>	<u>32</u>
Cash Deficit (surplus) as a percentage of GDP	9.2%	7.7%	5.7%	5.2%
Overall fiscal balance as a percentage of GDP	8.2%	9.2%	7.5%	7.7%
Revenues as a percentage of GDP	24.5%	28.5%	24.6%	28.1%
Expenditures as a percentage of GDP	33.6%	36.2%	30.4%	33.4%

Source : The Ministry of Finance .

* A new budget classification was prepared in accordance with the IMF 2001 GFS (Government Finance Statistics) Manual.

(4/4) Government Domestic Debt & Economic Authorities Debt

	(LE mn)					
End of June	2002	2003	2004	2005	2006	2007
<u>Total Domestic Debt</u>	<u>329800</u>	<u>370619</u>	<u>434846</u>	<u>510805</u>	<u>593493</u>	<u>637197</u>
<u>Government Domestic Debt</u>	<u>221224</u>	<u>252185</u>	<u>292721</u>	<u>349169</u>	<u>387719</u>	<u>478173</u>
<u>-Balances of Bonds & Bills</u>	<u>165907</u>	<u>208592</u>	<u>272074</u>	<u>340898</u>	<u>349957</u>	<u>562897</u>
- Treasury bonds, of which :	113091	137192	171809	200284	231125	230848
Local currency bonds with public sector banks	-	4000	4000	4000	4000	4000
Euro sovereign bonds (US\$) offered abroad *	-	4612	5647	5122	5109	3868
- Government notes to compensate for the actuarial deficit in social insurance funds	2000	2000	2000	2000	2000	2000
- Housing bonds	136	132	128	124	122	119
- Treasury bills	40007	55318	83774	124907	103144	118657
- Foreign currency bonds with public sector commercial banks	9406	12610	12938	12070	12014	11886
- The equivalent of the retained 5% of corporate profits to purchase government bonds	1267	1340	1425	1513	1552	1588
- Bonds of the Insurance Funds (against the transfer of NIB debt to the Treasury)	0	0	0	0	0	197799
<u>- Net Government Balances with the Banking System</u>	<u>-58469</u>	<u>-80346</u>	<u>-113678</u>	<u>-135480</u>	<u>-104860</u>	<u>-89241</u>
<u>- Amounts paid against Insurance Funds' deposits with the Treasury</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4517</u>
<u>- Government Borrowing from NIB</u>	<u>113786</u>	<u>123939</u>	<u>134325</u>	<u>143751</u>	<u>142622</u>	<u>0</u>
<u>Economic Authorities Debt</u>	<u>41141</u>	<u>39195</u>	<u>40064</u>	<u>47176</u>	<u>47387</u>	<u>44557</u>
- Net balances of economic authorities with the banking system	-5983	-10899	-13707	-11089	-2809	-7177
- Borrowing of economic authorities from NIB	47124	50094	53771	58265	50196	51734

Source: The Ministry of Finance, Central Bank of Egypt & National Investment Bank.

* Holdings of resident financial institutions in Egypt (the banking system and the insurance sector).

**(4/5) National Investment Bank
(Resources & Uses)**

	(LE mn)					
End of June	2002	2003	2004	2005	2006	2007
<u>Resources</u>	<u>231145</u>	<u>262354</u>	<u>294550</u>	<u>321393</u>	<u>354962</u>	<u>169152</u>
. Social Insurance Fund for Gov. Employees	83779	95886	108991	122913	135735	27428
. Social Insurance Fund for Pub. & Priv. Business Sectors Employees	70879	78947	87166	96093	105703	20574
. Proceeds from investment certificates	49008	55218	60178	58485	64038	68485
. Accumulated interest on investment certificates (category A)	7417	6560	6737	6852	7028	7579
. Proceeds from US dollar development bonds	1303	1736	1738	1418	824	483
. Post office savings	17109	22300	27776	33902	39097	43518
. Others *	1650	1707	1964	1730	2537	1085
<u>Uses</u>	<u>231145</u>	<u>262354</u>	<u>294550</u>	<u>321393</u>	<u>354962</u>	<u>169152</u>
. Government	113786	123939	134325	143751	142622	0
. Economic authorities	47124	50094	53771	58265	50196	51734
. Holding companies, entities & concessional loans, and others	67435	79239	102061	114460	158387	114467
. NIB balances with the banking system	2800	9082	4393	4917	3757	2951

Source: The Ministry of Finance, Central Bank of Egypt & National Investment Bank.

* Including deposits of the private insurance funds, saving certificates, and loans and deposits of various entities.

(5/1) Balance of Payments

During FY	(LE mn)				
	2005/2006		2006/2007*		Change (-)
	Value	%	Value	%	
<u>Balance of Current Account</u>	<u>10116.4</u>		<u>15548.4</u>		<u>5432.0</u>
<u>Balance of Current Account (Excluding Transfers)</u>	<u>(21836.2)</u>		<u>(24841.1)</u>		<u>(3004.9)</u>
<u>Receipts</u>	<u>206491.3</u>	<u>100.0</u>	<u>242400.4</u>	<u>100.0</u>	<u>35909.1</u>
Export proceeds**	106160.8	51.4	125792.4	51.9	19631.6
Transportation, of which	28463.2	13.8	36401.7	15.0	7938.5
Suez Canal dues	(20475.0)	(9.9)	(23823.0)	(9.8)	(3348.0)
Travel	41631.1	20.1	45793.6	18.9	4162.5
Investment income	11515.0	5.6	17390.9	7.2	5875.9
Government receipts	2061.4	1.0	1447.6	0.6	(613.8)
Others	16659.8	8.1	15574.2	6.4	(1085.6)
<u>Payments</u>	<u>228327.5</u>	<u>100.0</u>	<u>267241.5</u>	<u>100.0</u>	<u>38914.0</u>
Import payments**	175149.7	76.7	216110.5	80.9	40960.8
Transportation	6989.9	3.1	7270.4	2.7	280.5
Travel	9318.4	4.1	10956.3	4.1	1637.9
Investment income, of which :	8467.6	3.7	10615.7	4.0	2148.1
Interest paid	(3305.2)	(1.4)	(3414.5)	(1.3)	(109.3)
Government expenditures	7567.4	3.3	6782.7	2.5	(784.7)
Others	20834.5	9.1	15505.9	5.8	(5328.6)
<u>Transfers</u>	<u>31952.6</u>	<u>100.0</u>	<u>40389.5</u>	<u>100.0</u>	<u>8436.9</u>
Private (net)	28624.9	89.6	35759.9	88.5	7135.0
Official (net)	3327.7	10.4	4629.6	11.5	1301.9

* Provisional.

** Including exports and imports of free zones.

(5/1) Balance of Payments (contd.)

(LE mn)

During FY	2005/2006 Value	2006/2007* Value
<u>Capital & Financial Account</u>	<u>20250.5</u>	<u>6503.0</u>
<u>Capital Account</u>	<u>-216.3</u>	<u>-223.9</u>
<u>Financial Account</u>	<u>20466.8</u>	<u>6726.9</u>
Direct investment abroad	-835.9	-3056.5
Direct investment in Egypt (net)**	35169.0	63209.5
Portfolio investments abroad (net)	-4186.7	-3183.3
Portfolio investments in Egypt (net), of which :	15938.9	-5328.1
Bonds	15518.8	-3154.5
Other investments (net)	-25618.5	-44914.7
<u>Net Borrowing</u>	<u>8208.3</u>	<u>12299.8</u>
Medium-and Long-term Loans	-5332.3	-566.5
Drawings	4579.0	7376.5
Repayments	-9911.3	-7943.0
Medium-Term Suppliers' Credit	-580.5	-1269.5
Drawings	3597.8	329.1
Repayments	-4178.3	-1598.6
Short-term Suppliers' Credit (Net)	14121.1	14135.8
<u>Other Assets</u>	<u>-29362.2</u>	<u>-61605.7</u>
CBE	17.6	-1230.8
Banks	-24141.0	-56604.1
Others	-5238.8	-3770.8
<u>Other Liabilities</u>	<u>-4464.6</u>	<u>4391.2</u>
CBE	12.7	91.4
Banks	-4477.3	4299.8
<u>Net Errors & Omissions</u>	<u>-11636.6</u>	<u>8125.3</u>
<u>Overall Balance</u>	<u>18730.3</u>	<u>30176.7</u>
<u>Change in Reserve Assets, Increase (-)</u>	<u>-18730.3</u>	<u>-30176.7</u>

Source : CBE.

* Provisional.

** Including foreign direct investment in the petroleum sector, and receipts from selling some local companies to foreign investors.

(5/2) Balance of Payments

During FY	(US\$ mn)				
	2005/2006		2006/2007*		Change (-)
	Value	%	Value	%	
<u>Balance of Current Account</u>	<u>1751.9</u>		<u>2695.6</u>		<u>943.7</u>
<u>Balance of Current Account (Excluding Transfers)</u>	<u>(3795.2)</u>		<u>(4365.7)</u>		<u>(570.5)</u>
<u>Receipts</u>	<u>35893.0</u>	<u>100.0</u>	<u>42425.7</u>	<u>100.0</u>	<u>6532.7</u>
Export proceeds**	18455.1	51.4	22017.5	51.9	3562.4
Transportation, of which	4947.1	13.8	6371.3	15.0	1424.2
Suez Canal dues	(3558.8)	(9.9)	(4169.6)	(9.8)	(610.8)
Travel	7234.6	20.1	8011.7	18.9	777.1
Investment income	2001.8	5.6	3044.7	7.2	1042.9
Government receipts	358.2	1.0	253.5	0.6	(104.7)
Others	2896.2	8.1	2727.0	6.4	(169.2)
<u>Payments</u>	<u>39688.2</u>	<u>100.0</u>	<u>46791.4</u>	<u>100.0</u>	<u>7103.2</u>
Import payments**	30441.0	76.7	37834.2	80.9	7393.2
Transportation	1214.9	3.1	1272.9	2.7	58.0
Travel	1619.6	4.1	1917.6	4.1	298.0
Investment income, of which :	1471.1	3.7	1856.9	4.0	385.8
Interest paid	(586.5)	(1.5)	(597.4)	(1.3)	(10.9)
Government expenditures	1319.9	3.3	1195.9	2.5	(124.0)
Others	3621.7	9.1	2713.9	5.8	(907.8)
<u>Transfers</u>	<u>5547.1</u>	<u>100.0</u>	<u>7061.3</u>	<u>100.0</u>	<u>1514.2</u>
Private (net)	4975.4	89.7	6261.0	88.7	1285.6
Official (net)	571.7	10.3	800.3	11.3	228.6

* Provisional.

** Including exports and imports of free zones.

(5/2) Balance of Payments (contd.)

During FY	(US\$ mn)	
	2005/2006 Value	2006/2007* Value
<u>Capital & Financial Account</u>	<u>3511.3</u>	<u>1133.7</u>
<u>Capital Account</u>	<u>-37.6</u>	<u>-39.0</u>
<u>Financial Account</u>	<u>3548.9</u>	<u>1172.7</u>
Direct investment abroad	-145.3	-535.6
Direct investment in Egypt**	6111.4	11053.2
Portfolio investments abroad (net)	-729.1	-557.5
Portfolio investments in Egypt (net), of which :	2764.0	-936.7
Bonds	2690.2	-550.7
Other investments (net)	-4452.1	-7850.7
<u>Net Borrowing</u>	<u>1425.8</u>	<u>2148.5</u>
Medium-and Long-Term Loans	-927.5	-94.7
Drawings	795.6	1295.0
Repayments	-1723.1	-1389.7
Medium-Term Suppliers' Credit	-101.2	-221.7
Drawings	625.4	57.7
Repayments	-726.6	-279.4
Short-Term Suppliers' Credit (Net)	2454.5	2464.9
<u>Other Assets</u>	<u>-5102.8</u>	<u>-10770.3</u>
CBE	3.3	-215.3
Banks	-4197.7	-9900.5
Others	-908.4	-654.5
<u>Other Liabilities</u>	<u>-775.1</u>	<u>771.1</u>
CBE	2.2	16.0
Banks	-777.3	755.1
<u>Net Errors & Omissions</u>	<u>-2009.8</u>	<u>1453.0</u>
<u>Overall Balance</u>	<u>3253.4</u>	<u>5282.3</u>
<u>Change in Reserve Assets, Increase (-)</u>	<u>-3253.4</u>	<u>-5282.3</u>

Source : CBE.

* Provisional.

** Including foreign direct investment in the petroleum sector, and receipts from selling some local companies to foreign investors.

(5/3) Exports by Degree of Processing *

(US\$ mn)

	Fiscal Year				Change (-)
	2005/2006		2006/2007**		
	Value	%	Value	%	
Total ***	18455.1	100.0	22017.5	100.0	3562.4
Fuels, Mineral Oils & Products	10429.5	56.5	10266.3	46.6	(163.2)
Crude oil	3213.8	17.4	3128.3	14.2	(85.5)
Petroleum products ****	7008.6	38.0	6979.6	31.7	(29.0)
Coal & types thereof	22.3	0.1	43.5	0.2	21.2
Other	184.8	1.0	114.9	0.5	(69.9)
Raw Materials	668.5	3.6	727.3	3.4	58.8
Cotton	146.3	0.8	109.8	0.5	(36.5)
Potatoes	2.3	0.0	17.0	0.1	14.7
Edible fruits & nuts	31.6	0.2	36.1	0.2	4.5
Oil seeds & oleaginous fruits, medicinal plants & plants for manufacturing	32.1	0.2	102.1	0.5	70.0
Iron, ore	45.2	0.2	51.8	0.3	6.6
Citrus fruits	38.3	0.2	32.1	0.1	(6.2)
Raw hides & tanned leather	49.5	0.3	39.5	0.2	(10.0)
Flax, raw	3.2	0.0	7.1	0.0	3.9
Edible vegetables, roots & tubers	128.5	0.7	156.2	0.7	27.7
Other	191.5	1.0	175.6	0.8	(15.9)
Semi-finished Goods	1188.4	6.5	1982.1	8.9	793.7
Carbon	24.5	0.1	26.9	0.1	2.4
Essential oils & resins	5.4	0.0	8.5	0.0	3.1

(5/3) Exports by Degree of Processing * (Contd.)

(US\$ mn)

	Fiscal Year				Change (-)
	2005/2006		2006/2007**		
	Value	%	Value	%	
Cotton yarn	104.7	0.6	128.9	0.6	24.2
Aluminium, unalloyed	196.9	1.1	330.7	1.5	133.8
Animal & vegetable fats, greases & oils & products	11.9	0.1	85.8	0.4	73.9
Molasses	21.1	0.1	12.1	0.1	(9.0)
Organic & inorganic chemicals	280.1	1.5	344.1	1.6	64.0
Cast iron & semi-finished products & rolled iron	364.4	2.0	822.4	3.7	458.0
Leather, tanned	86.9	0.5	55.0	0.2	(31.9)
Tanning or dyeing extracts	21.4	0.1	30.8	0.1	9.4
Plastic & articles thereof	51.5	0.3	115.6	0.5	64.1
Other	19.6	0.1	21.3	0.1	1.7
<u>Finished Goods</u>	<u>5171.8</u>	<u>28.0</u>	<u>7519.1</u>	<u>34.2</u>	<u>2347.3</u>
Milk & condensed cream	8.3	0.0	26.6	0.1	18.3
Dried onion	3.7	0.0	6.5	0.0	2.8
Rice	136.0	0.7	145.8	0.7	9.8
Vegetable & fruit preparations	14.1	0.1	25.5	0.1	11.4
Miscellaneous edible preparations	223.0	1.2	434.1	2.0	211.1
Manufactured tobacco and tobacco substitutes	33.9	0.2	60.4	0.3	26.5
Sugar and products	31.8	0.2	80.0	0.4	48.2
Pharmaceuticals	124.5	0.7	238.0	1.1	113.5
Fertilizers	138.5	0.8	306.0	1.4	167.5
Cement	243.2	1.3	258.7	1.2	15.5

(5/3) Exports by Degree of Processing * (Contd.)

(US\$ mn)

	Fiscal Year				Change (-)
	2005/2006		2006/2007**		
	Value	%	Value	%	
Extracts of essential oils & resins	73.9	0.4	116.9	0.5	43.0
Leather products	4.1	0.0	20.4	0.1	16.3
Rubber & articles	9.6	0.1	25.4	0.1	15.8
Paper, cardboard paper & articles thereof	111.5	0.6	157.8	0.7	46.3
Ceramic products	99.1	0.5	106.6	0.5	7.5
Cars, bicycles & tractors	135.9	0.7	244.9	1.1	109.0
Cotton textiles	226.3	1.2	258.9	1.2	32.6
Carpets & other floor coverings	107.7	0.6	124.5	0.6	16.8
Shoes & accessories	9.2	0.0	1.6	0.0	(7.6)
Ready-made clothes	350.5	1.9	453.6	2.1	103.1
Glass & glassware	258.7	1.4	220.0	1.0	(38.7)
Copper & articles	20.9	0.1	22.7	0.1	1.8
Aluminium and articles	131.7	0.7	119.3	0.5	(12.4)
Iron and steel products	471.3	2.6	642.4	2.9	171.1
Wood & articles and charcoal	9.1	0.0	47.3	0.2	38.2
Marble & granite	51.6	0.3	65.8	0.3	14.2
Articles of base metals	203.7	1.1	433.6	2.0	229.9
Optical appliances	28.8	0.2	47.2	0.2	18.4
Electric machines & appliances, recorders & T.V sets and their accessories	323.9	1.8	627.3	2.8	303.4
Other	1587.3	8.6	2201.3	10.0	614.0
Miscellaneous Goods (Undistributed)	996.9	5.4	1522.7	6.9	525.8

Source : Central Bank of Egypt.

* According to the Harmonized System.

** Provisional.

*** Including exports of free zones.

**** Including natural gas, and bunker & jet fuel.

(5/4) Imports by Degree of Use *

(US\$ mn)

	Fiscal Year				Change (-)
	2005/2006		2006/2007**		
	Value	%	Value	%	
Total ***	<u>30441.0</u>	<u>100.0</u>	<u>37834.2</u>	<u>100.0</u>	<u>7393.2</u>
<u>Fuels, Mineral Oils & Products</u>	<u>2598.5</u>	<u>8.6</u>	<u>2775.8</u>	<u>7.3</u>	<u>177.3</u>
Petroleum products ****	2515.0	8.3	2567.7	6.8	52.7
Coal & types thereof	58.8	0.2	94.3	0.2	35.5
Other	24.7	0.1	113.8	0.3	89.1
<u>Raw Materials</u>	<u>5175.9</u>	<u>17.1</u>	<u>5646.0</u>	<u>15.0</u>	<u>470.1</u>
Crude oil	2844.2	9.4	1560.2	4.1	(1284.0)
Wheat	887.8	2.9	1046.6	2.8	158.8
Maize	362.8	1.2	529.6	1.4	166.8
Tobacco	183.0	0.6	267.8	0.7	84.8
Metal ores	142.0	0.5	459.8	1.2	317.8
Iron, ore	171.4	0.6	267.9	0.7	96.5
Seeds & oleaginous seeds	86.3	0.3	66.5	0.2	(19.8)
Cotton	96.2	0.3	132.6	0.4	36.4
Other	402.2	1.3	1315.0	3.5	912.8
<u>Intermediate Goods</u>	<u>8415.6</u>	<u>27.6</u>	<u>10531.0</u>	<u>28.0</u>	<u>2115.4</u>
Sugar, raw	102.0	0.4	63.9	0.2	(38.1)
Animal and vegetable fats, greases & oils and products	531.7	1.7	853.2	2.3	321.5
Cement	53.6	0.2	43.9	0.1	(9.7)
Organic & inorganic chemicals	745.0	2.4	1314.3	3.5	569.3
Fertilizers	125.4	0.4	74.7	0.2	(50.7)
Tanning & dyeing extracts	122.4	0.4	157.5	0.5	35.1
Essential oils & resins	52.7	0.2	60.3	0.2	7.6
Plastic & articles thereof	651.4	2.1	911.2	2.4	259.8

(5/4) Imports by Degree of Use* (Contd.)

	Fiscal Year				(US\$ mn)
	2005/2006		2006/2007**		Change (-)
	Value	%	Value	%	
Wood & articles thereof	534.0	1.8	647.2	1.7	113.2
Paper, cardboard paper & articles thereof	482.8	1.6	541.5	1.4	58.7
Cotton textiles	130.5	0.4	147.8	0.4	17.3
Synthetic fibers	272.5	0.9	316.1	0.8	43.6
Ceramic products	127.7	0.4	184.6	0.5	56.9
Glass & articles	51.6	0.2	100.5	0.3	48.9
Iron & steel products	1454.4	4.8	1904.1	5.0	449.7
Copper & articles	96.7	0.3	121.9	0.3	25.2
Rubber & articles	213.2	0.7	237.5	0.6	24.3
Aluminium & articles	135.0	0.4	365.3	1.0	230.3
Articles of base metals	124.6	0.4	155.3	0.4	30.7
Other	2408.4	7.9	2330.2	6.2	(78.2)
<u>Investment Goods</u>	<u>7887.6</u>	<u>25.9</u>	<u>9845.2</u>	<u>26.0</u>	<u>1957.6</u>
Pumps, fans & parts thereof	208.0	0.7	248.2	0.7	40.2
Machines and apparatus for ginning and spinning & parts thereof	59.7	0.2	86.3	0.2	26.6
Computers	203.7	0.7	337.8	0.9	134.1
Motors, generators, transformers & parts thereof	166.2	0.5	272.8	0.7	106.6
Parts of railway and tramway locomotives or rolling stock equipment	33.8	0.1	46.6	0.1	12.8
Tractors	23.4	0.1	42.7	0.1	19.3
Vehicles for transport of passengers	34.3	0.1	20.9	0.1	(13.4)
Vehicles for transport of goods	25.2	0.1	30.8	0.1	5.6
Parts & accessories of motor vehicles	827.2	2.7	832.8	2.2	5.6

(5/4) Imports by Degree of Use* (Contd.)

(US\$ mn)

	Fiscal Year				Change (-)
	2005/2006		2006/2007**		
	Value	%	Value	%	
Tools, implements, cutlery & spoons	97.5	0.3	128.2	0.3	30.7
Air conditioners	101.3	0.3	135.1	0.4	33.8
Cranes and bulldozers & parts thereof	108.3	0.4	242.8	0.6	134.5
Agricultural machinery	64.7	0.2	58.9	0.2	(5.8)
Printing machinery & parts	42.7	0.1	55.9	0.1	13.2
Electric appliances for telephones & telegraph	263.0	0.9	431.1	1.1	168.1
Optical appliances	281.1	0.9	288.2	0.8	7.1
Other	5347.5	17.6	6586.1	17.4	1238.6
Consumer Goods	3530.9	11.5	5281.3	13.8	1750.4
A - Durable Goods	983.6	3.2	1326.2	3.5	342.6
Household refrigerators & electric freezers	85.3	0.3	81.6	0.2	(3.7)
Televisions & parts thereof	43.4	0.1	35.5	0.1	(7.9)
Vehicles for transport of persons	388.3	1.3	592.2	1.6	203.9
Household electric-motor appliances	127.2	0.4	182.8	0.5	55.6
Other	339.4	1.1	434.1	1.1	94.7
B - Non-durable Goods	2547.3	8.3	3955.1	10.3	1407.8
Meat and edible offals	235.0	0.8	472.8	1.2	237.8
Fish, crustaceans, molluscs and others	74.9	0.2	125.3	0.3	50.4
Dairy products, eggs, poultry and honey	106.0	0.3	188.5	0.5	82.5
Edible vegetables, roots & tubers	74.4	0.2	168.0	0.4	93.6
Tea	88.1	0.3	96.1	0.3	8.0

(5/4) Imports by Degree of Use* (Contd.)

(US\$ mn)

	Fiscal Year				Change (-)
	2005/2006		2006/2007**		
	Value	%	Value	%	
Miscellaneous edible preparations	247.6	0.8	301.1	0.8	53.5
Pharmaceuticals	627.4	2.1	887.4	2.3	260.0
Insecticides	18.0	0.1	28.7	0.1	10.7
Residues of foodstuff industries & animal fodder	112.6	0.3	123.7	0.3	11.1
Live animals	17.0	0.1	38.8	0.1	21.8
Ready-made clothes	177.3	0.6	310.5	0.8	133.2
Cotton textiles	62.5	0.2	119.9	0.3	57.4
Refined sugar and products	33.0	0.1	52.8	0.1	19.8
Lentils	31.3	0.1	21.2	0.1	(10.1)
Soap, detergents & artificial wax	50.5	0.2	97.6	0.3	47.1
Other	591.7	1.9	922.7	2.4	331.0
<u>Miscellaneous Goods (Undistributed)</u>	<u>2832.5</u>	<u>9.3</u>	<u>3754.9</u>	<u>9.9</u>	<u>922.4</u>

Source: Central Bank of Egypt.

* According to the Harmonized System.

** Provisional.

*** Including imports of free zones, and commodity grants and loans.

**** Including gas, and bunker & jet fuel.

(5/5) Regional Distribution of Exports and Imports

(US\$ mn)

	Fiscal Year					
	Export Proceeds		Import Payments*		Trade Balance	
	2005/2006	2006/2007 **	2005/2006	2006/2007 **	2005/2006	2006/2007 **
Total ***	18455.1	22017.5	30441.0	37834.2	(11985.9)	(15816.7)
E U	6948.0	7440.6	11289.4	13005.5	(4341.4)	(5564.9)
Other European countries	964.5	1048.6	2340.1	3205.6	(1375.6)	(2157.0)
Russian Federation & C.I.S.	68.7	151.9	744.8	685.2	(676.1)	(533.3)
USA	5644.3	6849.8	5737.1	8262.3	(92.8)	(1412.5)
Arab countries	2125.2	2729.6	2735.7	3244.4	(610.5)	(514.8)
Asian countries (excluding Arab countries)	2094.0	2969.0	4444.8	6027.6	(2350.8)	(3058.6)
African countries (excluding Arab countries)	251.3	328.1	176.5	269.2	74.8	58.9
Australia	16.9	64.0	277.1	107.8	(260.2)	(43.8)
Other countries & regions	342.2	435.9	2695.5	3026.6	(2353.3)	(2590.7)

Source : Central Bank of Egypt

* Including commodity grants and loans.

** Provisional.

*** Including exports & imports of free zones.

(5/6) Average LE Exchange Rates against Currencies

(In piasters per foreign currency unit)

End of	June 2006		June 2007	
First : Interbank US\$ Rates				
Minimum	575.76		569.64	
Maximum	575.80		569.68	
Weighted average	575.79		569.67	
Second : Market Rates	Buy	Sell	Buy	Sell
US Dollar	575.23	577.20	568.92	570.73
Euro	720.53	723.06	766.17	768.72
Pound Sterling	1041.97	1045.66	1139.09	1142.78
Swiss Franc	460.33	462.06	463.18	464.77
100 Japanese Yens	493.76	495.67	462.69	464.28
Saudi Riyal	153.37	153.91	151.66	152.19
Kuwaiti Dinar	1988.97	1996.48	1974.32	1981.30
UAE Dirham	156.61	157.16	154.89	155.40

Source : Central Bank of Egypt.

The interbank system started as of 23/12/2004.

(5/7) External Debt

	(US\$ mn)						
End of June	2001	2002	2003	2004	2005	2006	2007 ⁺
Total External Debt*	26560	28661	29396	29872	28949	29593	29898
Rescheduled bilateral debt ^{**}	14779	15337	16192	16385	15734	15229	14847
ODA	7345	7456	7900	8053	7836	7611	7397
Non-ODA	7434	7881	8292	8332	7898	7618	7450
Other bilateral debt	3894	4057	4350	4433	4291	4295	4346
Paris Club countries	3353	3405	3320	3264	3530	3590	3630
Other countries	541	652	1030	1169	761	705	716
International & regional institutions	4311	4698	4904	5081	5058	5205	6815
Suppliers' & buyers' credit	896	924	1133	1333	782	980	792
Egyptian bonds & notes	0	953	735	588	614	1862	1570
Long-term deposits ^{***}	0	0	0	0	500	300	0
Private sector debt (non-guaranteed)	473	542	217	85	115	89	79
Short-term debt	2207	2150	1865	1967	1855	1633	1449
Deposits	1311	1338	1305	1267	819	633	536
Other facilities	896	812	560	700	1036	1000	913

Source: Central Bank of Egypt.

+ Provisional.

* The difference from World Bank data is in short-term debt .

** According to the agreement signed with Paris Club countries on May 25, 1991.

*** As of December 2004, the deposit of the Arab International Bank was transferred from a short-term debt to a long-term deposit.

(5/8) External Debt Indicators

FY	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007*
External Debt / Exports (G & S) %	141.5	171.2	157.6	127.5	100.3	82.4	70.5
Debt Service (Principal & Interest) (US\$ mn)	1642.4	2038.2	2257.8	2525.5	2701.8	3040.7	2318.5
Debt Service / Exports (G & S) %	8.7	12.2	12.1	10.8	9.4	8.5	5.5
Debt Service / Current Receipts (including transfers) %	7.3	9.7	10.1	9.2	7.9	7.3	4.7
Interest / Exports (G & S) %	3.3	3.9	3.5	2.6	2.0	1.6	1.5
External Debt /GDP	28.5	34.0	42.5	38.1	31.1	27.6	23.3
Short-term External Debt / Total External Debt	8.3	7.5	6.3	6.6	6.4	5.5	4.8
Short-term External Debt / Net International Reserves	15.5	15.2	12.6	13.3	9.6	7.1	5.1
External Debt per capita (US\$)	399.5	422.2	424.7	423.4	402.6	401.7	398.5

* Provisional.

(5/9) Distribution of External Debt by Main Currencies

End of	(US\$ mn)				
	June 2006 *		June 2007 *		Change (-)
	Value	%	Value	%	
Total	<u>29592.6</u>	<u>100.0</u>	<u>29898.0</u>	<u>100.0</u>	<u>305.4</u>
US dollar **	12456.6	42.1	12453.0	41.6	(3.6)
Canadian dollar	164.0	0.6	167.0	0.5	3.0
Australian dollar	129.0	0.4	139.0	0.5	10.0
Swiss franc	550.0	1.9	526.0	1.8	(24.0)
Sterling pound	247.0	0.8	260.0	0.9	13.0
Japanese yen	3531.0	11.9	3200.0	10.7	(331.0)
Danish krone	144.0	0.5	146.0	0.5	2.0
Norwegian krone	28.0	0.1	1.0	0.0	(27.0)
Swedish krona	37.0	0.1	37.0	0.1	0.0
Kuwaiti dinar	1450.0	4.9	1601.0	5.4	151.0
Saudi riyal	37.0	0.1	31.0	0.1	(6.0)
UAE dirham	45.0	0.2	41.0	0.1	(4.0)
Euro	9427.0	31.9	9793.0	32.8	366.0
SDRs	1347.0	4.5	1503.0	5.0	156.0

Source: Loans & External Debt Department- CBE.

* Provisional.

** Including other liabilities in US dollar.

Periodical Publications of the Central Bank of Egypt

Name of Publication	Language	Periodicity
1 -Monthly Statistical Bulletin	Arabic and English	Monthly
2 -Economic Review	Arabic and English	Quarterly
3 -Annual Report	Arabic and English	Every fiscal year
4 -External Position of the Egyptian Economy	English	Quarterly

Notes:

- All publications of the Central Bank of Egypt are available on the CBE's website : www.cbe.org.eg
- To obtain a hard copy of any publication by mail, please write to the following address: Research, Development and Publishing Sector, the Central Bank of Egypt, 31 Kasr El Nil Street. Cairo, Egypt.