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## Major Monetary and Financial Indicators

<u>Price Index</u>	<u>July/Sept.</u>	
	<u>2005/2006</u>	<u>2006/2007</u>
- Change in CPI price index (urban) (99/2000=100)	1.0%	3.2%
- Change in WPI price index (99/2000=100)	2.8%	4.6%

<u>Monetary Survey (LE bn)</u>	<u>July/Sept.</u>	
	<u>2005/2006</u>	<u>2006/2007</u>
	<u>End of period</u>	
Domestic liquidity (M2)	514.8	582.2
Growth rate (%)	4.2	3.9
Reserve money	108.1	120.9
Growth rate (%)	6.9	4.2
Money supply (M1)	99.9	117.3
Growth rate (%)	11.4	7.3
Currency in circulation / money supply (%)	66.4	66.9
Banking system foreign assets, of which	192.8	234.9
CBE foreign assets	118.6	135.5
Banking system foreign liabilities, of which	88.9	82.4
CBE foreign liabilities	69.6	66.6
Total deposits with banks (excl. CBE )	534.8	587.7
In local currency	382.9	414.6
In foreign currencies	151.9	173.1
Foreign currency deposits/total deposits (%)	28.4	29.5
Total lending and discount balances extended by banks (excl. CBE ), of which	309.8	329.3
To government and public economic authorities	22.3	22.4
To business sector (public and private)	242.5	249.8
Portfolio (incl. bills) with banks (excl. CBE), of which	183.8	208.3
Government TBs and securities	118.6	128.6
Loans/deposits with banks (%)	57.9	56.0
Investment in securities, TBs and equity participation/ deposits (%)	34.4	35.4

<b>Annual Discount and Interest Rates (%)</b>	<b>July/Sept.</b>	
	<b>2005/2006</b>	<b>2006/2007</b>
	<b>End of Period</b>	
CBE lending and discount rate	10.0	9.0
<b><u>CBE Overnight Deposit and Lending Rates</u></b>		
Deposit	9.0	8.0
Lending	11.5	10.0
Interest rate on 3-month deposits	6.6	5.9
Interest rate on one year or less loans	12.8	12.6
Average interest rate on 91 day TBs	9.1	9.2
<b><u>US Dollar Exchange Rate</u></b> <b><u>Announced by the CBE</u></b>	<b>PT per US Dollar</b>	
-Buy and sell exchange rates (average of period)	576.8	574.2
-End of period (buy rate)	575.2	573.2
<b><u>Consolidated Fiscal Operations of</u></b> <b><u>the General Government</u></b>	<b>2006/2007</b>	
	<b><u>Estimates for</u></b> <b><u>FY</u></b>	<b><u>Actual</u></b> <b><u>July/Sept.</u></b>
	<b>LE bn</b>	
-Total revenues	190.4	45.0
-Total expenditures	237.1	42.1
<b><u>Cash Deficit (Surplus)</u></b>	<b><u>46.7</u></b>	<b><u>-2.9</u></b>
Net acquisition of financial assets	8.7	3.9
<b><u>Overall Deficit (Surplus)</u></b>	<b><u>55.4</u></b>	<b><u>1.0</u></b>
<b><u>Total Finance</u></b>	<b><u>55.4</u></b>	<b><u>1.0</u></b>
- Domestic finance	60.8	4.6
Banking	35.5	-0.5
Non-banking	25.3	3.6
Net debit and credit liabilities	-	1.5
- Foreign borrowing	-5.1	-2.4
Arrears	-	-0.2
-Others	-3.3	0.7
-Revaluation differences	0.0	-0.2
-Net privatization proceeds	3.0	0.0
-Discrepancy	0.0	-1.5
-Cash deficit (surplus)/ GDP (%)	6.6	-0.4
-Overall deficit/GDP (%)	7.9	0.1
- Expenditures/GDP (%)	33.7	6.0
- Revenues/GDP (%)	27.1	6.4

<b>Domestic public debt</b>	<b>End of June 2006</b>	<b>End of Sept. 2006</b>
- Domestic government debt	387.7	446.6
- Public economic authorities debt	47.4	49.4
- NIB debt (net)	158.4	102.5
	<b>US\$ bn</b>	
	<b>July/Sept.</b>	
<b>Balance of Payments</b>	<b>2005/2006</b>	<b>2006/2007</b>
<b>Current Account &amp; Transfers</b>	<b>0.2</b>	<b>1.4</b>
<b>Trade balance</b>	<b>(3.3)</b>	<b>(3.0)</b>
Merchandise exports	4.0	5.4
Oil and its products %	53.0	46.4
Others %	47.0	53.6
Merchandise imports	7.3	8.4
Intermediate goods %	29.6	26.7
Investment goods %	25.2	22.8
Consumer goods %	11.5	13.9
Fuel, raw materials and others %	33.7	36.6
<b>Services Balance</b>	<b>2.2</b>	<b>3.1</b>
Receipts	4.6	5.3
Of which:		
Transportation %	25.2	29.0
Travel %	50.2	46.4
Investment income %	8.4	12.2
Payments	2.5	2.2
Of which:		
Transportation %	11.0	11.9
Travel %	16.1	20.6
Investment income %	21.0	26.9
<b>Transfers</b>	<b>1.4</b>	<b>1.4</b>
Official %	6.7	8.7
Private %	93.3	91.3
<b>Capital and Financial Account</b>	<b>1.9</b>	<b>0.3</b>
<b>Overall Surplus (Deficit)</b>	<b>1.8</b>	<b>1.1</b>
<b>Outstanding External Debt at End of Sept.</b>	<b><u>29.7</u></b>	<b><u>29.0</u></b>

## **Domestic Developments**

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## Overview

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According to the Ministry of State for Economic Development, the performance of the Egyptian economy exhibited a tangible improvement during July/September 2006/2007. Real GDP grew at factor cost to about 7.1% during the reporting period, against 6.2% during the period of comparison. This increase bears witness to the effectiveness of the economic policies adopted for strengthening the economic performance of most economic activities. Growth rates accelerated, particularly in the sectors of construction and building (15.2%); the Suez Canal (14.2%); communications (12.5%); wholesale and retail trade (10.0%); extractions (9.2%, because of strong natural gas production, up by some 17.6%); and financial intermediaries and supporting activities ( 9.0%).

As regards the **monetary policy**, CBE open market operations (OMO) continued during the period, with a view to sterilizing the effect of excess liquidity in the banking system. The OMO balance amounted to about LE 114.9 billion at end of September 2006, compared with some LE 93.7 billion at end of June 2006. The Monetary Policy Committee (MPC) decided during the period to keep the annual overnight deposit and lending rates unchanged at 8.0% and 10.0%, respectively, and subsequently their corridor. It is noteworthy that during the printing of this Review, the MPC raised these key rates for two successive times by 0.50% on November 2, and 0.25% on December 14, 2006, to become 8.75% and 10.75%, in order.

Aiming to activate the interbank LE transactions, the CBE targeted, as of September 1, 2006, the overnight interest rate on interbank transactions to be in the mid of the corridor. This change was accompanied by a rise in the overnight interest rates on interbank transactions. Their weighted average posted about 8.7% during September 2006, against 8.2% during June 2006. The change did not affect the rates of interest on one-year-or-less loans, as they reached 12.6% during September 2006, compared with 12.5% during June 2006.



The pace of growth of domestic liquidity decelerated to 3.9% during the reporting period, against 4.2% in the corresponding period of the preceding FY. The deceleration was mainly ascribed to weak growth in time and saving deposits in foreign currencies, reflecting as such the continued preference for saving in Egyptian pound.

According to CPI (urban), inflation registered 3.2% during July/September 2006/2007, against 1.0% during the comparison period. The rise in inflation is largely attributed to the continued effect of the Avian Flu on the group of foodstuffs and non-alcoholic beverages, especially poultry, red meat and eggs. Another factor was the oil subsidy cuts; leading to price hikes in the group of transportation and communications and the related groups. However, the rise in inflation was somewhat mitigated by the deceleration of domestic liquidity growth and the steady improvement of the Egyptian pound. On the other hand, WPI-based inflation posted 4.6%, against 2.8%.

Concerning **domestic liquidity and counterpart assets**, net foreign assets of the banking system picked up by LE 19.1 billion worth or 14.3%, domestic credit by LE 3.8 billion or 0.8% and the negative balance of net balancing items by LE 1.0 billion or 1.3%. As for domestic credit, the private sector (private business and household) accounted for about 90% of the increase in the credit extended by the banking system to different economic sectors during the period. The share of this sector rose by LE 3.5 billion, bringing its debt to banks up to LE 296.0 billion at end of September 2006. By contrast, net credit to the government fell by LE 0.2 billion.

Reserve money went up by LE 4.8 billion or 4.2% during the period, as an outcome of the increase in net foreign assets by LE 7.6 billion worth, and the decline in net domestic assets by LE 2.8 billion.

As for banking activity, banks' aggregate financial position increased by LE 52.8 billion or 6.9% during the period, to reach LE 814.3 billion at end of September 2006. Bank deposits stepped up by LE 18.9 billion or 3.3%, to reach LE 587.7 billion or 72.2% of the financial position at end of September 2006. Moreover, balances of credit facilities rose by LE 5.3 billion or 1.6%, to LE 329.3 billion at end of September 2006, representing 40.4% of banks' financial position

and 56.0% of banks' deposits at end of September 2006. In addition, banks' investments in securities and bills increased by LE 14.4 billion, reaching LE 208.3 billion.

The forex market was obviously stable, unfolding a US\$ 1.7 billion surplus on its transactions during the period, compared with US\$ 1.9 billion during the period of comparison. The surplus stemmed from larger resources by US\$ 1.9 billion, to reach US\$ 9.8 billion on the one hand, and higher utilizations by about US\$ 2.1 billion, to reach US\$ 8.1 billion on the other.

The forex market surplus along with its stability was reflected on the CBE foreign exchange reserves, as net international reserves (NIR) picked up by US\$ 1.1 billion or 4.9% during the period, to post US\$ 24.1 billion at end of September 2006. NIR remained on the rise, registering US\$ 26.1 billion at end of January 2007 (during the printing of this Review).

The Egyptian pound continued to improve steadily vis-à-vis the US dollar, appreciating by some 0.4% during the period, thereby driving the US\$ average market rate (buy) down to LE 5.7318 at end of September 2006, against LE 5.7523 at end of June 2006. Likewise, the weighted average of the US\$ interbank rate dropped to LE 5.7359 at end of September 2006, compared with LE 5.7579 at end of June 2006.

Regarding the **performance of the stock market**, statistics of the Capital Market Authority (CMA) denotes an upward trend in all trading indicators during the period under review, compared with the corresponding period of the previous FY. The number of traded securities went up by 108.0%, reaching 2.5 billion and their value surged by 39.9%, posting LE 59.4 billion. Shares accounted for 98.0% of the trading value of securities during the period, against 96.0%. Trading in LE and US\$ showed that shares scored LE 58.2 billion in value terms, against LE 40.7 billion, while bonds registered LE 1.2 billion, compared with LE 1.7 billion.

Foreigners' transactions on the Egyptian Stock Exchange were brisk during the period. The value of their purchases and sales picked up, unfolding net purchases of LE 2.7 billion, against net sales of LE 1.2 billion.

As regards the **fiscal policy**, budgetary projections were made, paying heed to the social dimension, especially the low-income brackets of society to better their living standards. Also, attention was paid to the enhancement of public revenues, after launching tax and customs reforms. A follow-up of the execution of the consolidated general fiscal operations during July/September 2006/2007 revealed that total revenues amounted to about LE 45.0 billion, and total expenditures about LE 42.1 billion, giving rise to a cash surplus of some LE 2.9 billion. Adding the net acquisition of financial assets (about LE 3.9 billion), the overall fiscal deficit reaches about LE 1.0 billion.

Concerning the fiscal operations of the budget sector (administrative system, local administration and service authorities), total revenues amounted to some LE 40.3 billion, and total expenditures some LE 37.3 billion. Thus, the consequent cash surplus reached about LE 3.0 billion; almost the equivalent of the net acquisition of financial assets. Accordingly, a slight overall surplus of about LE 2 million resulted from the above-mentioned operations.

Against this backdrop, gross domestic public debt rose by about LE 5.0 billion during July/September 2006/2007, to total LE 598.5 billion at end of September 2006, of which 74.6% represented government debt.

As for **external transactions**, the surplus on the current account rose to US\$ 1.4 billion during the reporting period, against US\$ 207.6 million during the period of comparison. This was an outcome of the increase in both services surplus and net unrequited transfers, and the decline in trade deficit by 8.1%. The decline in the latter was due to higher export proceeds (34.2%) than import payments (15.1%). The pickup in merchandise exports was attributed to a rise of 53.1% in non-oil exports (especially of finished and semi-finished goods by 56.1% and 48.7%, respectively) and of 17.5% in oil exports, driven by a higher volume of crude oil exports and soaring world oil prices. Services surplus augmented by 41.5%, owing to the rise in service receipts by 14.3% because of the increase in all their items, particularly travel and transport, and investment income. By contrast, service payments declined by 9.8%. Net unrequited transfers picked up during the period, as a direct result of the increase in official and private transfers, mainly remittances of Egyptians working abroad. The capital and current account unfolded

a net inflow of US\$ 347.7 million during the period, compared with US\$ 1.9 billion during the corresponding period a year earlier.

These developments unfolded an overall BOP surplus of about US\$ 1.1 billion during the period, against US\$ 1.8 billion.

As for the **international finance**, resource inflows declined by some US\$ 1.4 billion, to stand at US\$ 3.3 billion during July/September 2006/2007, as a result of the drop in net foreign investment in Egypt (direct and portfolio).

The balance of external debt denominated in US\$ (mostly due on the public sector) amounted to US\$ 29.0 billion at end of September 2006, with a decrease of US\$ 0.6 billion, compared with the end of June 2006. The decrease was the outcome of net repayments of loans and facilities of about US\$ 0.7 billion on the one hand, and the increase in the balance of external debt by some US\$ 0.1 billion (due to the appreciation of most currencies of borrowing vis-à-vis the US\$), on the other.

The reduction of external debt service (principal and interest) by about US\$ 55.0 million improved its ratio to current receipts (private and official transfers of BOP current account) from 8.7% in the period of comparison to 6.7% in the period under review. Likewise, the ratio of debt service to total proceeds of the exports of goods and services dropped from 10.0% to 7.6%, owing to higher exports of goods and services and larger transfers by about 21.0%.

Tourism inflows to Egypt during July/September 2006/2007, according to CAPMAS statistics, rose in terms of number of tourist arrivals (2.5%), tourist nights (5.6%) and the average stay per night (3.2%), compared with the same period of 2005/2006. Accordingly, tourism revenues picked up by 5.6%.

**1- Monetary and Banking Developments**  
**1/1: Monetary and Banking Policy and**  
**Monetary Aggregates**

During July/September 2006/2007, the CBE continued to sterilize, through its OMO, the effect of excess liquidity in the banking system. The outstanding balance of OMO amounted to about LE 114.9 billion at end of September 2006 (outright sales of CBE certificates registered LE 57.5 billion, and accepted deposits LE 57.4 billion), compared with some LE 93.7 billion at end of June 2006 (outright sales of LE 37.3 billion, and accepted deposits of LE 56.4 billion).

The MPC decided during the period to keep the key policy rates unchanged. Accordingly, the annual overnight deposit and lending rates remained unchanged at 8.0% and 10.0%, respectively, and their corridor remained at the same previous level.

In order to activate the LE interbank transactions, the CBE targeted as of September 1, 2006 the overnight interest rate on interbank transactions to be in the mid of the corridor. This adjustment was accompanied by a rise in overnight interest rates on interbank transactions, as their weighted average posted about 8.7% during September 2006, against 8.2% during June 2006. This measure, however, had no effect on the interest rates on one-year-or-less loans, as they reached 12.6% during September 2006, against 12.5% during June 2006.

Developments in money supply during the statement period indicate that the pace of growth of domestic liquidity slackened to 3.9%, against 4.2% in the period of comparison. The slowdown was mainly attributed to weak time and saving deposits in foreign currencies during the period, relative to the comparison period, diminishing as such their share in domestic liquidity, as shown by the following table:

### Growth Rate of Domestic Liquidity (M2) by Component

During	July/September (%)	
	2005/2006	2006/2007
Broad money (M2)	4.2	3.9
Time and saving deposits in local currency	1.5	1.6
Time and saving deposits in foreign currencies (denominated in LE)	0.4	0.1
Others	2.3	2.2

CPI-based inflation (urban) rose to 3.2% during July/September 2006/2007, against 1.0% during the corresponding period a year earlier. On the other hand, WPI-based inflation posted 4.6%, against 2.8%.

The value of the Egyptian pound continued its steady improvement vis-à-vis the US dollar in the interbank foreign currency market. The LE weighted average reached 5.7359 per US dollar at end of September 2006, against 5.7579 at end of June 2006. This is ascribed to the increase in foreign flows, which led to a rise in NIR from US\$ 22.9 billion at end of June 2006, to US\$ 24.1 billion at end of September 2006, with a growth rate of about 4.9%; and further to US\$ 26.0 billion at end of December 2006.

## 1/1/1: Reserve Money

Reserve money grew by LE 4.8 billion or 4.2% during the reporting period, against LE 7.0 billion and 6.9% during the period of comparison, to reach LE 120.9 billion at end of September 2006. The increase was attributed to a rise in currency in circulation outside the CBE by LE 4.5 billion, and in banks' local currency deposits with the CBE by LE 0.3 billion.

### Reserve Money and Counterpart Assets

(LE mn)

	<u>Balances at End of Sept. 2006</u>	<u>Change during July/Sept.</u>			
		<u>2005/2006</u>		<u>2006/2007</u>	
		<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<b><u>A- Reserve Money</u></b>	<b><u>120875</u></b>	<b><u>7003</u></b>	<b><u>6.9</u></b>	<b><u>4825</u></b>	<b><u>4.2</u></b>
- Currency in circulation outside the CBE	83101	2892	4.3	4497	5.7
- Banks' deposits in local currency	37774	4111	12.1	328	0.9
<b><u>B- Counterpart Assets</u></b>	<b><u>120875</u></b>	<b><u>7003</u></b>	<b><u>6.9</u></b>	<b><u>4825</u></b>	<b><u>4.2</u></b>
<b><u>- Net Foreign Assets</u></b>	<b><u>68945</u></b>	<b><u>11755</u></b>	<b><u>31.5</u></b>	<b><u>7643</u></b>	<b><u>12.5</u></b>
<b><u>- Foreign Assets</u></b>	<b><u>135543</u></b>	<b><u>9898</u></b>	<b><u>9.1</u></b>	<b><u>6066</u></b>	<b><u>4.7</u></b>
Gold	6429	-	0.0	-	0.0
Foreign securities	48402	(630)	(3.8)	49	0.1
Foreign currencies	80712	10528	12.0	6017	8.1
<b><u>- Foreign Liabilities</u></b>	<b><u>66598</u></b>	<b><u>(1857)</u></b>	<b><u>(2.6)</u></b>	<b><u>(1577)</u></b>	<b><u>(2.3)</u></b>
<b><u>- Net Domestic Assets</u></b>	<b><u>51930</u></b>	<b><u>(4751)</u></b>	<b><u>(7.4)</u></b>	<b><u>(2818)</u></b>	<b><u>(5.1)</u></b>
<b><u>- Claims on the Government (Net)</u></b>	<b><u>116386</u></b>	<b><u>(10104)</u></b>	<b><u>(8.3)</u></b>	<b><u>2331</u></b>	<b><u>2.0</u></b>
Claims, of which:	172790	(38232)	(16.8)	982	0.6
Government securities	164762	(33122)	(15.9)	1	0.0
Deposits	56404	(28128)	(26.8)	(1349)	(2.3)
<b><u>- Claims on Banks (Net)</u></b>	<b><u>13685</u></b>	<b><u>13905</u></b>	<b><u>(63.3)</u></b>	<b><u>12667</u></b>	<b><u>1244.3</u></b>
Claims	31042	5428	46.9	13630	78.3
Foreign currency deposits	17357	(8477)	(25.3)	963	5.9
<b><u>- Net Balancing Items</u></b>	<b><u>-78141</u></b>	<b><u>(8552)</u></b>	<b><u>23.4</u></b>	<b><u>(17816)</u></b>	<b><u>29.5</u></b>
Assets	44506	(1057)	(2.2)	2763	6.6
Liabilities, of which:	122647	7496	8.8	20579	20.2
Equities	2513	-	0.0	-	0.0
Provisions	49	69	22.8	(1)	(2.0)

As for the counterpart assets, net foreign assets had an expansionary effect on reserve money, whereas net domestic assets had a contractional effect. As such, CBE net foreign assets went up by LE 7.6 billion worth or 12.5% during the period, to reach LE 68.9 billion worth at end of September 2006. This was an outcome of the increase in CBE foreign assets by the equivalent of LE 6.0 billion (mainly balances with correspondents abroad), and the decline in its foreign obligations by the equivalent of LE 1.6 billion (as a result of principal repayments under some accounts related to the rescheduling agreements).

Net domestic assets dropped by LE 2.8 billion or 5.1%, reaching LE 51.9 billion at end of September 2006. The drop was partly ascribed to the increase in the negative balance of other items (net) by LE 17.8 billion (mainly due to the rise in the balance of OMO). Other affecting factors were the increase in claims on the government by LE 2.3 billion (because of the decrease in government deposits, following the amortization of part of the Egyptian sovereign dollar bonds); and the rise in net claims on banks by LE 12.7 billion.

### 1/1/2: Banknote Issue

Banknote issue (including subsidiary coins) went up by LE 4.8 billion or 6.1% during July/Sept. 2006/2007, against LE 3.5 billion or 5.1%, reaching LE 84.1 billion at end of Sept. 2006.

#### **Banknote Issue\***

<b>End of</b>	<b>Balance of Banknote Issue</b>	<b><u>Annual Change</u></b>		<b><u>Change during July/Sept.</u></b>	
		<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
June 2004	59922	7490	14.3		
Sept. 2004	61958	7071	12.9	2036	3.4
June 2005	67753	7831	13.1		
Sept. 2005	71220	9262	14.9	3467	5.1
June 2006	79253	11500	17.0		
Sept. 2006	84089	12869	18.1	4836	6.1

\* Including subsidiary coins issued by the Ministry of Finance



The increase in banknote issue led to a rise of LE 4.5 billion or 5.7% in the currency in circulation outside the CBE (including subsidiary coins), which reached therefore LE 83.1 billion at end of September 2006.

According to the structure of the currency in circulation by denomination, the relative importance of LE 100 note increased at the expense of the other denominations, accounting for 47.8% of the total currency in circulation at end of September 2006, against 44.9% at end of June 2006. On the other hand, the relative importance of the LE 50, 20, 10 and 1 retreated, while pt 50 and 25 almost maintained their previous levels of June 2006.

In the light of the aforementioned developments, the average value per denomination edged up by 8.1% during the period, reaching LE 23.79 at end of September 2006, compared with LE 22.0 at end of June 2006.

### Currency in Circulation outside the CBE\*

(LE mn)

Denominations	<u>June 2006</u>		<u>Sept. 2006</u>		<u>Change during</u>	
	<u>Value</u>	<u>Relative Importance</u>	<u>Value</u>	<u>Relative Importance</u>	<u>July/Sept. 2005/2006</u>	<u>2006/2007</u>
<b><u>Total</u></b>	<b><u>78604</u></b>	<b><u>100.0</u></b>	<b><u>83105</u></b>	<b><u>100.0</u></b>	<b><u>4.3</u></b>	<b><u>5.7</u></b>
<b><u>Subsidiary</u></b>						
<b><u>Coins</u></b>	<b><u>236</u></b>	<b><u>0.3</u></b>	<b><u>247</u></b>	<b><u>0.3</u></b>	<b><u>0.9</u></b>	<b><u>4.7</u></b>
<b><u>Banknote</u></b>	<b><u>78368</u></b>	<b><u>99.7</u></b>	<b><u>82858</u></b>	<b><u>99.7</u></b>	<b><u>4.3</u></b>	<b><u>5.7</u></b>
PT 25	135	0.2	131	0.2	(4.2)	(3.0)
PT 50	239	0.3	221	0.3	(3.7)	(7.5)
LE 1	540	0.7	506	0.6	(5.7)	(6.3)
LE 5	1095	1.4	1034	1.2	(8.2)	(5.6)
LE 10	4215	5.3	3987	4.8	(7.1)	(5.4)
LE 20	9128	11.6	8861	10.6	(3.9)	(2.9)
LE 50	27737	35.3	28426	34.2	6.8	2.5
LE 100	35279	44.9	39692	47.8	8.4	12.5

\* Representing the difference between banknote issue and the cash at the CBE's vaults

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### **1/1/3: Payment Systems and Information Technology**

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Mindful of the vital role played by the payment and information technology systems in the management of liquidity and development of the financial sector, the CBE pressed ahead with efforts to modernize these systems. The following were the main achievements realized in the first quarter of FY 2006/2007 by the Payment Systems and Information Technology Sector at the CBE:

- Setting an initial perspective of the legal framework of the payments system in Egypt, with the aim of creating an advanced and robust system.
- Developing the securities system, so that bank bids are to be submitted through the SWIFT system, to ensure transparency and secrecy, and that information on these bids are inaccessible except on the specified date.
- Concluding a study on how to connect the Real Time Gross Settlement system (RTGS) with the Central Accounting System to affect bank accounts held with the CBE. The outlines of the operation of the RTGS and the other systems applicable inside and outside the CBE have been drawn. Another study was conducted on the application of the Y-Topology in place of the T-Topology in the SWIFT system, to ensure effecting final real time settlement of the operations received via the SWIFT.
- Collaborating with the Society for Worldwide International Financial Telecommunications (SWIFT) to launch the project of “SWIFT Net Phase 2”, with the aim of enhancing the secrecy of transactions through the installation of new equipment and application of more advanced technology.
- Using the system of Cairo Automated Clearing House (ACH) for deferred settlements, to settle finance cheques by connecting the system of finance cheques with the ACH, in order to expedite settlement operations.

The following were the achievements made in the area of IT technology at the CBE and the banking sector:

- Developing the Forex Statistics Chamber system, through which foreign exchange selling, buying and transfer activities are monitored; and online reports and statistics are produced to the benefit of decision makers. This system is to connect banks and foreign exchange companies with the Forex Chamber to ensure real time follow up of selling and buying transactions.
- In the field of monetary policies, an electronic project is currently on track, with the aim of providing statistics on local currency deposits at Egyptian banks for policy purposes.
- Cooperating with CBE Supervision Sector to introduce a new electronic system, to ensure access to information adequate for accurate analyses.
- Cooperating with the External Debt Department in implementing a project for facilitating the follow-up of short-term external loans up to maturity dates.
- Following up the final stages of the new CBE building, and making arrangements for the relocation of the Bank departments therein, in a way ensuring a well-functioning of these departments and preventing any disruption in their work during the relocation period.
- Developing and updating the CBE website by designing a new website to be posted after the experimental operation.

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#### **1/1/4: SWIFT Local Service and Clearing Houses Activity**

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Data of local inter-bank transfers (Fin-Copy), conducted through the SWIFT system during the period, show an increase in the number and value of the messages executed in LE. Transactions amounted to 115.1 thousand, at a value of LE 446.6 billion. As for interbank dollar transactions, under the Fin-Copy system, introduced as of Sept. 2004, the number of executed transactions recorded 2748, at a value of US\$ 8.7 billion.

### SWIFT Local Service Activity

During	<u>July/Sept.</u>			<u>Change</u>	
	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>(2) - (1)</u>	<u>(3) - (2)</u>
	(1)	(2)	(3)		
<b><u>A: In Local Currency</u></b>					
Number of messages (in unit)	72951	88713	115078	15762	26365
Value of transfers (LE mn)	293796	352352	446590	58556	94238
<b><u>B: In US Dollar</u></b>					
Number of messages (in unit)	153	3114	2748	2961	(366)
Value of transfers (US\$ mn)	26	8344	8659	8318	315

Statistics of ACH revealed an increase in the number and value of exchanged cheques during the period, raising as such the average value per cheque to LE 32.8 thousand, against LE 30.4 thousand.

### CBE Clearing Houses Activity\*

During	<u>Cheques</u>		<u>Change</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
	(000's)	(LE mn)		
<b>July/Sept. 2005/2006</b>	2290	69626	2.6	9.8
<b>July/Sept. 2006/2007</b>	2599	85236	13.5	22.4

\* 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.

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### 1/1/5: Domestic Liquidity and Affecting Factors

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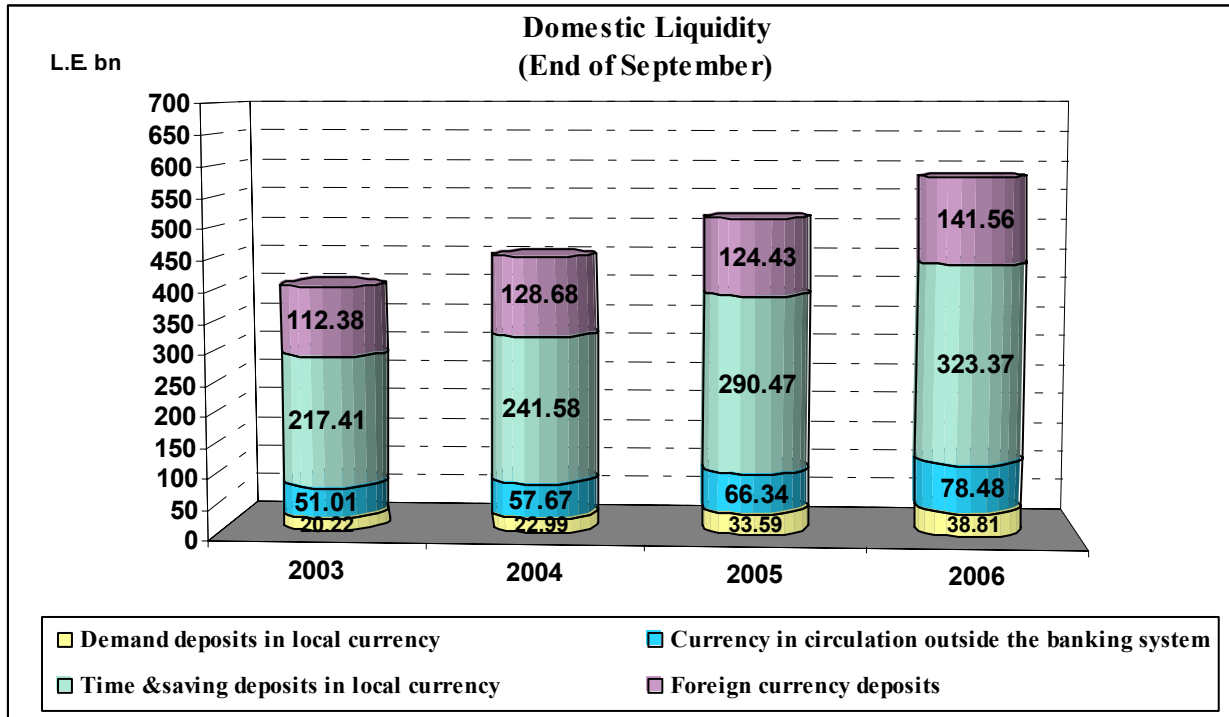
Domestic liquidity (M2) grew by LE 21.9 billion or 3.9% during July/Sept. of FY 2006/2007, against LE 20.9 billion and 4.2% during the corresponding period of the previous FY, to reach LE 582.2 billion at end of September 2006.

#### Domestic Liquidity Structure

(LE mn)

	<u>End of Sept. 2006</u>		<u>Change during July/Sept.</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>
<b><u>Domestic Liquidity (M2)</u></b>	<b><u>582225</u></b>	<b><u>100.0</u></b>	<b><u>20938</u></b>	<b><u>4.2</u></b>	<b><u>21869</u></b>	<b><u>3.9</u></b>
<b><u>Money Supply (M1)</u></b>	<b><u>117291</u></b>	<b><u>20.2</u></b>	<b><u>10243</u></b>	<b><u>11.4</u></b>	<b><u>8017</u></b>	<b><u>7.3</u></b>
- Currency in circulation outside the banking system	78481	13.5	3306	5.2	4242	5.7
- Demand deposits in local currency	38810	6.7	6937	26.0	3775	10.8
<b><u>Quasi-Money</u></b>	<b><u>464934</u></b>	<b><u>79.8</u></b>	<b><u>10695</u></b>	<b><u>2.6</u></b>	<b><u>13851</u></b>	<b><u>3.1</u></b>
<b><u>Time and Saving Deposits in</u></b>						
<b><u>Local Currency</u></b>	<b><u>323374</u></b>	<b><u>55.5</u></b>	<b><u>7447</u></b>	<b><u>2.6</u></b>	<b><u>9186</u></b>	<b><u>2.9</u></b>
<b><u>Foreign Currency Deposits</u></b>	<b><u>141560</u></b>	<b><u>24.3</u></b>	<b><u>3248</u></b>	<b><u>2.7</u></b>	<b><u>4666</u></b>	<b><u>3.4</u></b>
- Demand	22847	3.9	985	5.4	4314	23.3
- Time and saving	118713	20.4	2263	2.2	352	0.3

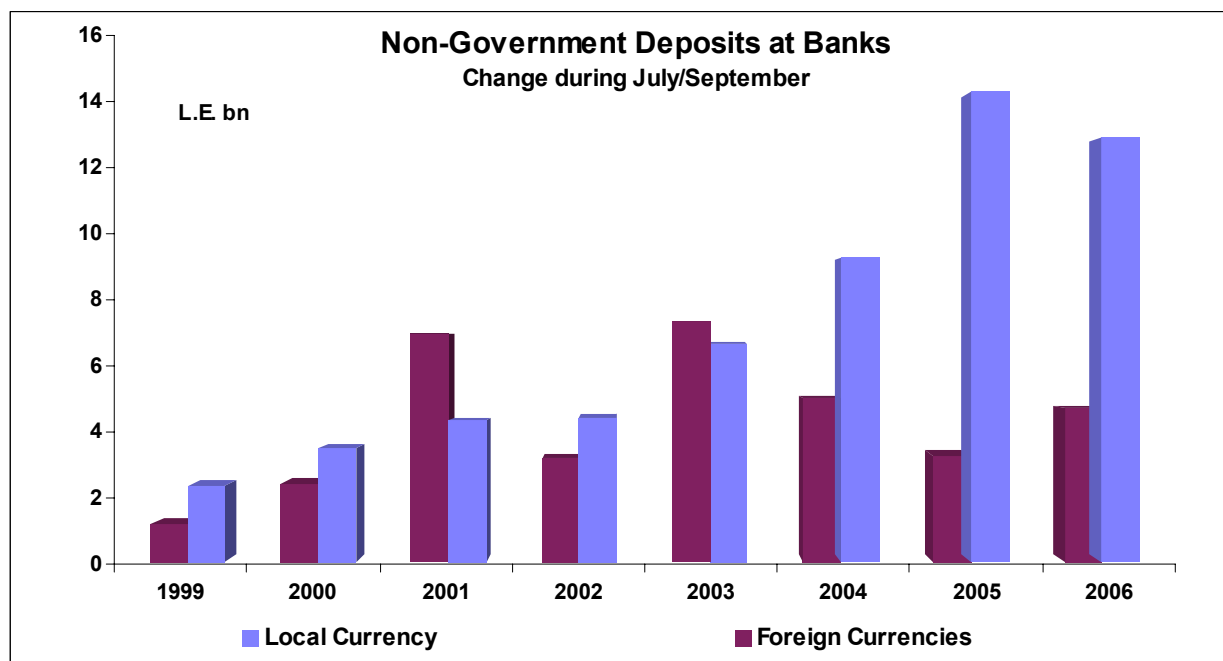
The rise in M2 during the period was due to the increase in money supply and quasi-money. M1 rose by LE 8.0 billion or 7.3%, to stand at LE 117.3 billion and to account for 20.2% of total domestic liquidity at end of September 2006. This came as a consequence of the increase in the currency in circulation outside the banking system by LE 4.2 billion or 5.7%, and in local currency demand deposits by LE 3.8 billion or 10.8%.



Quasi-money increased by LE 13.9 billion or 3.1% (against LE 10.7 billion and 2.6%), reaching LE 464.9 billion or 79.8% of total domestic liquidity at end of September 2006. The increase in quasi-money reflects the growth in local currency deposits (time and saving) and foreign currency deposits. Time and saving deposits in local currency rose by LE 9.2 billion or 2.9%, posting LE 323.4 billion or 55.5% of total domestic liquidity at end of September 2006. The household sector contributed more than half of the increase, as its deposits augmented by LE 5.2 billion.

Likewise, foreign currency deposits (demand and time & saving) went up by LE 4.7 billion worth or 3.4%, standing at the equivalent of LE 141.6 billion at end of September 2006. The rise stemmed mainly from the deposits of the private business sector (up by LE 4.9 billion worth).

A breakdown of deposits by currency indicates that saving in local currency is still much preferred. LE deposits (demand and time & saving) constituted 71.9% of total bank deposits at end of September 2006. Meanwhile, foreign currency deposits represented only 28.1%.



The counterpart assets of domestic liquidity showed an increase, attributable to the expansionary effect of domestic credit and net foreign assets. This was offset by the contractional effect of other items (net).

### Counterpart Assets of Domestic Liquidity

(LE mn)

	<u>End of Sept. 2006</u>		<u>Change during July/Sept.</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>
<b><u>Counterpart Assets of</u></b>						
<b><u>Domestic Liquidity</u></b>	<b><u>582225</u></b>	<b><u>100.0</u></b>	<b><u>20938</u></b>	<b><u>4.2</u></b>	<b><u>21869</u></b>	<b><u>3.9</u></b>
<b><u>Net Foreign Assets</u></b>	<b><u>152467</u></b>	<b><u>26.2</u></b>	<b><u>23000</u></b>	<b><u>28.4</u></b>	<b><u>19082</u></b>	<b><u>14.3</u></b>
-The CBE	68945	11.9	11756	31.5	7644	12.5
- Other banks	83522	14.3	11244	25.8	11438	15.9
<b><u>Domestic Credit</u></b>	<b><u>513367</u></b>	<b><u>88.2</u></b>	<b><u>3246</u></b>	<b><u>0.7</u></b>	<b><u>3835</u></b>	<b><u>0.8</u></b>
Government (net)	183932	31.6	(2794)	(1.7)	(199)	(0.1)
Public business sector	33468	5.7	833	2.2	580	1.8
Private business sector	241483	41.5	3394	1.5	2145	0.9
Household sector	54484	9.4	1813	4.4	1309	2.5
<b><u>Other Items (Net)</u></b>	<b><u>-83609</u></b>	<b><u>-14.4</u></b>	<b><u>(5308)</u></b>	<b><u>9.9</u></b>	<b><u>(1048)</u></b>	<b><u>1.3</u></b>

Domestic credit extended by the banking system rose by LE 3.8 billion or 0.8% during the period (against LE 3.2 billion and 0.7%), reaching LE 513.4 billion at end of Sept. 2006.

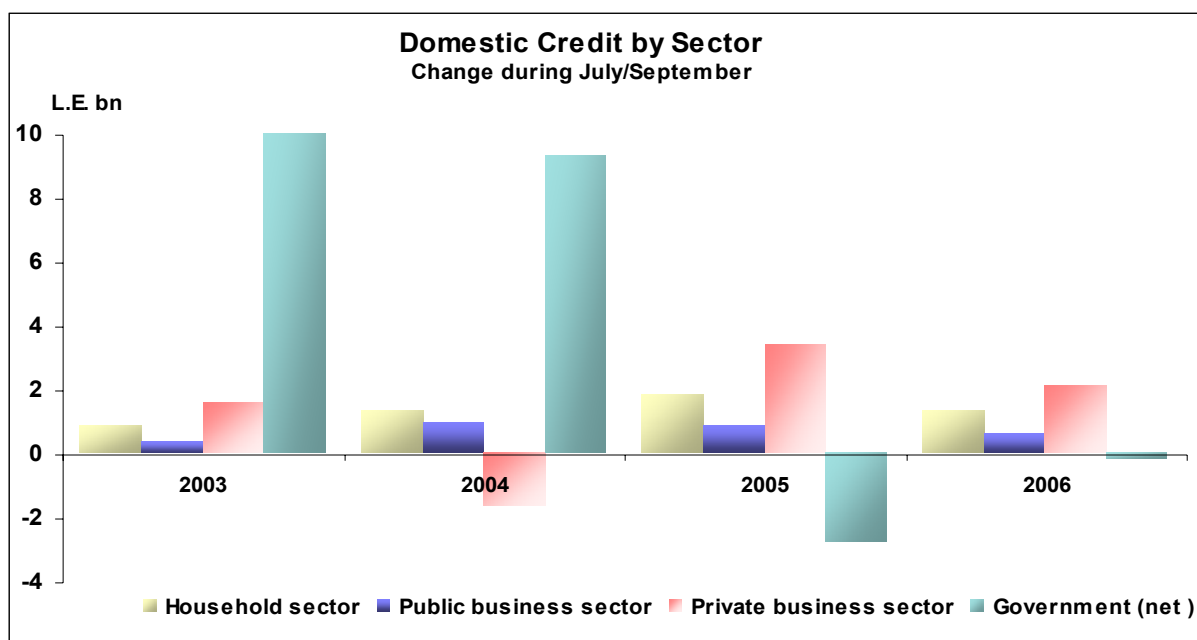
The private sector (private business and household) obtained around 90.0% of the total increase in credit. The debt owed by the private business sector to banks augmented by some LE 2.1 billion or 0.9%, reaching LE 241.5 billion at end of September 2006. The bulk of credit increase went to the services and manufacturing sectors. Debt to the household sector also moved up by LE 1.3 billion or 2.5%, posting LE 54.5 billion. All in all, this shows banks' tendency to expand in retail services, in view of the mounting competition in the banking market, and the concurrent implementation of the CBE bank reform plan. Moreover, retail services are expected to expand further, with the opening of Credit Bureaus, which are projected to reduce the services-related risks.

Credit to the public business sector increased by about LE 0.6 billion or 1.8%, bringing its debt up to LE 33.5 billion at end of September 2006. Bulk of the increase went to manufacturing and services.

Net credit provided to the government sector declined by LE 0.2 billion or 0.1% during the period (against a drop of LE 2.8 billion or 1.7%), bringing its debt to the banking system down to LE 183.9 billion.

Against this backdrop, the private sector (private business and household) accounted for about 57.7% of the credit extended by the banking system at end of September 2006, followed by the government sector (35.5%) and the public business sector (6.5%).





Net foreign assets of the banking system increased by the equivalent of LE 19.1 billion or 14.3% during the period (against LE 23.0 billion and 28.4%), reaching LE 152.5 billion worth at end of September 2006.

### Net Foreign Assets of the Banking System

(LE mn)

	<u>June 2006</u>			<u>Sept. 2006</u>			<u>Change in Net</u>	
	Foreign			Foreign			<u>during July/Sept.</u>	
	Assets	Liabilities	Net	Assets	Liabilities	Net	2005/ 2006	2006/ 2007
<b>Total</b>	<b>218982</b>	<b>85597</b>	<b>133385</b>	<b>234888</b>	<b>82421</b>	<b>152467</b>	<b>23000</b>	<b>19082</b>
- CBE	129477	68176	61301	135543	66598	68945	11756	7644
- Banks	89505	17421	72084	99345	15823	83522	11244	11438

The increase in net foreign assets during the period was partly ascribed to the rise in banks' net foreign assets by the equivalent of LE 11.4 billion (due to the rise in banks' assets by LE 9.8 billion worth and the decline in their liabilities by LE 1.6 billion worth). Another affecting factor was the pickup in net foreign assets at the CBE by the equivalent of LE 7.7 billion (due to the rise in the CBE assets by LE 6.1 billion worth and the decline in its liabilities by LE 1.6 billion worth).

Net balancing items had a contractional effect of LE 1.0 billion on domestic liquidity during the period (against LE 5.3 billion during the corresponding period), with their negative balance reaching LE 83.6 billion at end of September 2006. The contractional effect during the period was an outcome of strengthening capital accounts by LE 3.0 billion on the one hand, and the increase in net unclassified assets and liabilities by LE 2.0 billion, on the other.

## 1/2: Banking Developments

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

Banks' aggregate financial position amounted to LE 814.3 billion at end of September 2006, up by LE 52.8 billion or 6.9% during July/September 2006/2007, against LE 40.2 billion and 5.7% during the corresponding period of the previous FY.

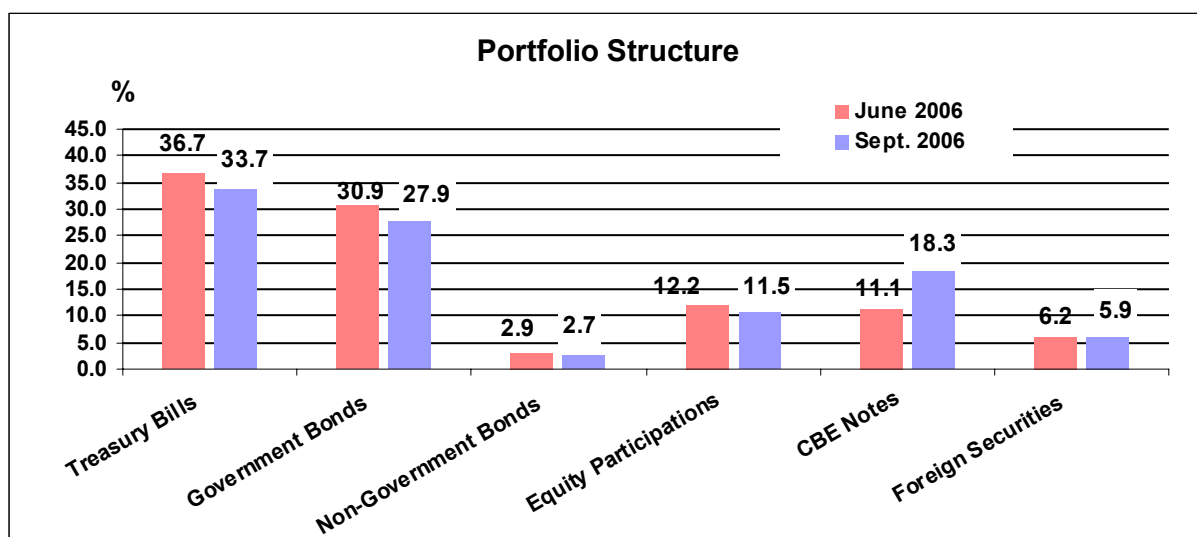
#### Aggregate Financial Position of Banks

End of	<u>June 2006</u>		<u>September 2006</u>		<u>(LE mn)</u> <u>Change during</u> <u>July-Sept.</u>	
	Value	Relative Importance	Value	Relative Importance	<u>2005/</u>	<u>2006/</u>
					<u>2006</u>	<u>2007</u>
				%	%	
Cash	6813	0.9	7113	0.9	(8.6)	4.4
Securities & investments	193965	25.5	208325	25.6	7.7	7.4
Balances at banks abroad	72554	9.5	81797	10.1	16.5	12.7
Balances at CBE	109597	14.4	112636	13.8	(2.0)	2.8
Balances at banks in Egypt	12098	1.6	12442	1.5	17.3	2.8
Loan & discount balances	324041	42.5	329302	40.4	0.5	1.6
Other assets	42494	5.6	62732	7.7	40.7	47.6
<b>(Assets = Liabilities)</b>	<b>761562</b>	<b>100</b>	<b>814347</b>	<b>100</b>	<b>5.7</b>	<b>6.9</b>
Capital	27112	3.6	28822	3.5	6.5	6.3
Reserves	13418	1.8	12641	1.6	(2.2)	(5.8)
Provisions	54950	7.2	59665	7.3	1.6	8.6
Bonds & long-term loans	17526	2.3	19350	2.4	4.7	10.4
Obligations to banks abroad	8770	1.1	7624	0.9	(20.0)	(13.1)
Obligations to CBE	10379	1.4	20505	2.5	95.6	97.6
Obligations to banks in Egypt	11109	1.4	11265	1.4	3.5	1.4
Deposits	568841	74.7	587703	72.2	2.9	3.3
Other liabilities	49457	6.5	66772	8.2	33.3	35.0

The following increases were behind the rise in liabilities: deposits by LE 18.9 billion, other liabilities by LE 17.3 billion and obligations to the CBE by LE 10.1 billion.

The increase in assets was mainly due to the growth of other assets by LE 20.2 billion; securities and investments in TBs by LE 14.4 billion; balances at banks abroad by LE 9.2 billion; loan and discount balances by LE 5.3 billion; and balances at the CBE by LE 3.0 billion.

The pickup in banks' investments in securities and TBs was an outcome of their higher investments in CBE notes (LE 16.6 billion), equity participations (LE 0.5 billion) and foreign securities (LE 0.4 billion worth). Meanwhile, investments in government bonds declined by LE 1.5 billion, TBs by LE 1.1 billion and non-government bonds by LE 0.5 billion. Accordingly, the relative structure of banks' portfolio at end of September 2006 consisted of the following: TBs (33.7%), government bonds (27.9%), CBE notes (18.3%), equity participations (11.5%), foreign securities (5.9%) and non-government bonds (2.7%).



Transactions of banks in Egypt with their correspondents abroad unfolded a rise in their net credit position abroad by LE 10.4 billion worth or 16.3%, to reach LE 74.2 billion worth at end of September 2006. This was attributed to the increase in banks' balances with those correspondents by LE 9.2 billion worth, and the decline in their obligations thereto by LE 1.2 billion worth.

### Transactions with Banks Abroad

(LE mn)

End of	June 2006	Sept. 2006	<u>Change during July/September</u>			
			<u>2005/2006</u>		<u>2006/2007</u>	
			Value	%	Value	%
<b><u>Net Position</u></b>	<b><u>63784</u></b>	<b><u>74173</u></b>	<b><u>10901</u></b>	<b><u>28.0</u></b>	<b><u>10389</u></b>	<b><u>16.3</u></b>
Balances at banks abroad	72554	81797	8453	16.5	9243	12.7
Obligations to banks abroad	8770	7624	(2448)	(20.0)	(1146)	(13.1)

### 1/2/2: Inter-bank Money Market in Egypt

The volume of transactions in the inter-bank money market – in terms of deposits – slightly rose by LE 0.3 billion, as deposits totaled LE 12.4 billion at end of September 2006. This was attributed to the increase in foreign currency deposits by LE 1.3 billion worth on the one hand, and the decline in local currency deposits by LE 1.0 billion, on the other.

### Volume of Inter-bank Money Market in Egypt

(LE mn)

End of	June 2006	Sept. 2006	<u>Change during July/Sept.</u>			
			<u>2005/2006</u>		<u>2006/2007</u>	
			Value	%	Value	%
<b><u>Total</u></b>	<b><u>12098</u></b>	<b><u>12442</u></b>	<b><u>2626</u></b>	<b><u>17.3</u></b>	<b><u>344</u></b>	<b><u>2.8</u></b>
Balances in local currency	5776	4793	2989	41.5	(983)	(17.0)
Balances in foreign currencies	6322	7649	(363)	(4.5)	1327	21.0

### 1/2/3: Deposits

Total deposits at banks (including government deposits) increased by LE 18.9 billion or 3.3% during July/September 2006/2007, against LE 15.2 billion during the corresponding period of the previous FY, to reach LE 587.7 billion or 72.2% of the aggregate financial position of banks at end of September 2006.

A breakdown of deposits by currency reveals that depositors still prefer to put their savings in local currency. Accordingly, LE deposits accounted for the bulk of the increase (71.3%). They rose by LE 13.5 billion or 3.4%, to reach LE 414.6 billion or 70.5% of total deposits. Meanwhile, the increase in foreign currency deposits was as low as LE 5.4 billion worth or 3.2%, standing at LE 173.1 billion worth.

#### **Banks' Deposits by Type and Currency**

(LE mn)

End of	<u>June 2006</u>	<u>Sept. 2006</u>	<u>Change during July/September</u>			
			<u>2005/2006</u> Value	<u>%</u>	<u>2006/2007</u> Value	<u>%</u>
<b><u>Total Deposits</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>	<b><u>15161</u></b>	<b><u>2.9</u></b>	<b><u>18862</u></b>	<b><u>3.3</u></b>
<b><u>In Local Currency</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>	<b><u>13877</u></b>	<b><u>3.8</u></b>	<b><u>13456</u></b>	<b><u>3.4</u></b>
Demand	41793	45668	7428	23.5	3875	9.3
Time and saving	345953	355095	6922	2.1	9142	2.6
Blocked or retained	13397	13836	(473)	(3.7)	439	3.3
<b><u>In Foreign Currencies</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>	<b><u>1284</u></b>	<b><u>0.9</u></b>	<b><u>5406</u></b>	<b><u>3.2</u></b>
Demand	20638	25097	999	5.0	4459	21.6
Time and saving	133852	135406	638	0.5	1554	1.2
Blocked or retained	13208	12601	(353)	(3.5)	(607)	(4.6)

A breakdown of deposits by maturity indicates that time and saving deposits in both local and foreign currencies still represented the bulk of deposits. Local currency time and saving deposits reached LE 355.1 billion or 85.6% of the total, with an increase of LE 9.1 billion during the period. Likewise, those in foreign currencies posted LE 135.4 billion worth or 78.2% of the total, with a rise of about LE 1.6 billion worth.

### Deposits at Banks by Sector

(LE mn)

End of	June 2006	Sept. 2006	<u>Change during July/September</u>			
			2005/2006		2006/2007	
			Value	%	Value	%
<b><u>Total</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>	<b><u>15161</u></b>	<b><u>2.9</u></b>	<b><u>18862</u></b>	<b><u>3.3</u></b>
<b><u>In Local Currency</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>	<b><u>13877</u></b>	<b><u>3.8</u></b>	<b><u>13456</u></b>	<b><u>3.4</u></b>
Government Sector	49422	49985	(956)	(1.7)	563	1.1
Public Business Sector	20399	21461	821	4.9	1062	5.2
Private Business Sector	41444	46117	5937	15.0	4673	11.3
Household Sector	287973	294894	7847	3.1	6921	2.4
External Sector	1905	2142	228	19.7	237	12.4
<b><u>In Foreign Currencies</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>	<b><u>1284</u></b>	<b><u>0.9</u></b>	<b><u>5406</u></b>	<b><u>3.2</u></b>
Government Sector	29290	30099	(966)	(3.5)	809	2.8
Public Business Sector	5668	5768	892	21.3	100	1.8
Private Business Sector	39263	44181	2738	8.7	4918	12.5
Household Sector	92174	91843	(388)	(0.5)	(331)	(0.4)
External Sector	1303	1213	(992)	(50.0)	(90)	(6.9)

Sectoral distribution of the increase in local currency deposits indicates that the household sector was the main contributor (51.4%), as its share grew by 2.4%, or LE 6.9 billion to LE 294.9 billion, representing 71.1% of total local currency deposits at end of September 2006. Likewise, deposits of the private business sector went up by LE 4.7 billion or 11.3%, and those of the public business sector by LE 1.1 billion or 5.2%. On the other hand, rising by LE 4.9 billion worth or 12.5%, deposits of the private business sector shared with 91.0% of the increase in foreign currency deposits.

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#### **1/2/4: Lending Activity**

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During the statement period, banks' credit facilities increased by LE 5.3 billion or 1.6%, reaching LE 329.3 billion or 40.4% of their aggregate financial position and representing 56.0% of total deposits at end of September 2006. Most of the increase (85%) stemmed from the rise in foreign currency credit by LE 4.5 billion worth or 5.2% during the period, to reach LE 89.6 billion worth. On the other hand, local currency credit rose by only LE 0.8 billion or 0.3%, standing at LE 239.7 billion. However, these facilities still accounted for the bulk of total credit facilities (72.8%) at end of September 2006.

The above-mentioned developments are largely ascribed to the fact that risks embodied in foreign currency borrowings were markedly minimized; following the stability of the Egyptian pound vis-à-vis the US dollar, and the high likelihood of its persistence in the short-term. Attesting to this fact is the concentration of about 70% of the increase in foreign currency loans with maturities of less than one year.



### Banks' Credit

End of	(LE mn)					
	June 2006	Sept. 2006	Change during July-Sept.			
			2005/2006		2006/2007	
			Value	%	Value	%
<b><u>Total</u></b>	<b><u>324041</u></b>	<b><u>329302</u></b>	<b><u>1648</u></b>	<b><u>0.5</u></b>	<b><u>5261</u></b>	<b><u>1.6</u></b>
<b><u>Credit in Local Currency</u></b>	<b><u>238926</u></b>	<b><u>239719</u></b>	<b><u>(43)</u></b>	<b><u>0.0</u></b>	<b><u>793</u></b>	<b><u>0.3</u></b>
Government sector	11285	11692	(233)	(2.1)	407	3.6
Public business sector	26269	26374	1334	4.4	105	0.4
Private business sector	150491	149793	(2946)	(1.9)	(698)	(0.5)
Household sector	50158	51124	1738	4.4	966	1.9
External sector	723	736	64	13.0	13	1.8
<b><u>Credit in Foreign</u></b>						
<b><u>Currencies</u></b>	<b><u>85115</u></b>	<b><u>89583</u></b>	<b><u>1691</u></b>	<b><u>2.3</u></b>	<b><u>4468</u></b>	<b><u>5.2</u></b>
Government sector	9712	10675	495	4.5	963	9.9
Public business sector	6373	6850	(503)	(7.1)	477	7.5
Private business sector	64184	66753	1723	3.2	2569	4.0
Household sector	3017	3361	75	3.9	344	11.4
External sector	1829	1944	(99)	(6.7)	115	6.3

The increase in local currency credit facilities was mainly an outcome of the rise in loans to the household sector by LE 966 million, and the government sector by LE 407 million on the one hand, and the drop in loans to the private business sector by LE 698 million, on the other. As for foreign currency facilities, the private business sector accounted for about 57.5% of the total rise therein. Its loans scaled up by LE 2.6 billion worth, reaching LE 66.8 billion worth or 74.5% of the total at end of September 2006. Likewise, loans to the government sector edged up by LE 1.0 billion worth or 9.9%.

### Credit by Economic Activity

(LE mn)

End of	June 2006	Sept. 2006	<u>Change during July/Sept.</u>			
			2005/2006		2006/2007	
			Value	%	Value	%
<b><u>Total</u></b>	<b><u>324041</u></b>	<b><u>329302</u></b>	<b><u>1648</u></b>	<b><u>0.5</u></b>	<b><u>5261</u></b>	<b><u>1.6</u></b>
<b><u>In Local Currency</u></b>	<b><u>238926</u></b>	<b><u>239719</u></b>	<b><u>(43)</u></b>	<b><u>0.0</u></b>	<b><u>793</u></b>	<b><u>0.3</u></b>
Agriculture	4902	4976	(136)	(2.3)	74	1.5
Manufacturing	77734	77412	(661)	(0.8)	(322)	(0.4)
Trade	43564	42876	(1136)	(2.5)	(688)	(1.6)
Services	61679	62403	60	0.2	724	1.2
Unclassified sectors (including the household )	51047	52052	1830	4.6	1005	2.0
<b><u>In Foreign Currencies</u></b>	<b><u>85115</u></b>	<b><u>89583</u></b>	<b><u>1691</u></b>	<b><u>2.3</u></b>	<b><u>4468</u></b>	<b><u>5.2</u></b>
Agriculture	829	905	255	41.2	76	9.2
Manufacturing	38517	41215	625	1.8	2698	7.0
Trade	13930	12756	200	1.7	(1174)	(8.4)
Services	26983	29401	636	2.6	2418	9.0
Unclassified sectors (including the household)	4856	5306	(25)	(0.7)	450	9.3

A breakdown of credit facilities by economic activity during the period shows an increase of LE 1.0 billion in the credit received by the unclassified sectors (including the household). The services sector came next, followed by the agriculture sector. Meanwhile, a fall was noticed in local currency credit to the trade and manufacturing sectors. Concerning the rise in the facilities extended in foreign currencies, the manufacturing sector accounted for the major part, with its loans rising by LE 2.7 billion worth, followed by the services sector by LE 2.4 billion worth. On the other hand, credit to the trade sector dropped by LE 1.2 billion worth.

**Loans and Advances  
by Maturity and Currency\***

(LE mn)

End of	June 2006	Sept. 2006	<u>Change during July-Sept.</u>			
			2005/2006		2006/2007	
			Value	%	Value	%
<b><u>Total</u></b>	<b><u>323026</u></b>	<b><u>328230</u></b>	<b><u>1956</u></b>	<b><u>0.6</u></b>	<b><u>5204</u></b>	<b><u>1.6</u></b>
<b><u>One Year or Less</u></b>	<b><u>190925</u></b>	<b><u>192740</u></b>	<b><u>(1189)</u></b>	<b><u>(0.6)</u></b>	<b><u>1815</u></b>	<b><u>1.0</u></b>
In local Currency	147298	145966	(1120)	(0.8)	(1332)	(0.9)
In foreign currencies	43627	46774	(69)	(0.2)	3147	7.2
<b><u>More than One Year</u></b>	<b><u>132101</u></b>	<b><u>135490</u></b>	<b><u>3145</u></b>	<b><u>2.6</u></b>	<b><u>3389</u></b>	<b><u>2.6</u></b>
In local currency	90971	93071	1288	1.5	2100	2.3
In foreign currencies	41130	42419	1857	5.3	1289	3.1

\* Excluding discounted commercial papers

Loans and advances (excluding discounts) by maturity augmented by LE 5.2 billion or 1.6%, to LE 328.2 billion at end of September 2006. A breakdown by maturity shows that loans with maturities of more than one year increased by LE 3.4 billion or 2.6%. Of this increase, loans extended in local currency constituted about 62%, in the light of low domestic interest rates at end of September 2006. Moreover, loans with maturities of one year or less mounted by LE 1.8 billion or 1.0% during the period.

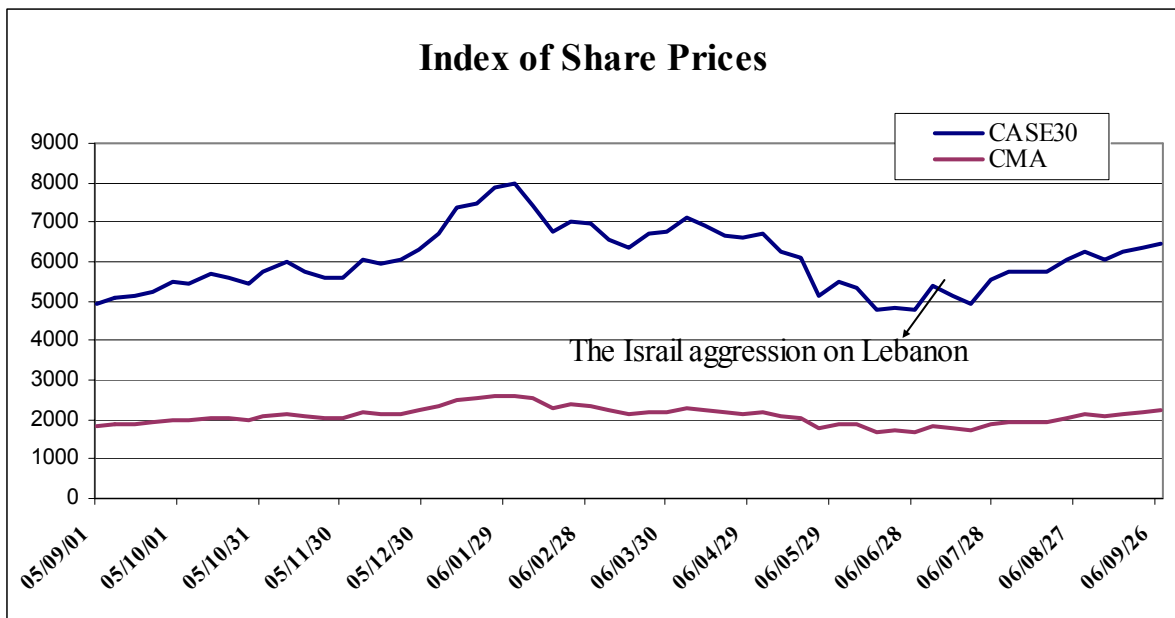
## **2- Stock Exchange**

During the first quarter of FY 2006/2007, the Government pursued its efforts to improve the regulatory and legislative structure of the Stock Exchange, in line with the international standards, to respond to investors' demands and strengthen confidence in the stock market. On the legislative side, the Minister of Investment issued Decree No. 243 for 2006, for applying the new 35 Egyptian Accounting Standards instead of the existing ones, bringing as such the Egyptian accounting system in line with the international standards. Moreover, Decree No. 314 for 2006 was issued by the same Minister, amending Article 125 of the Executive Regulations of the Capital Market Law no. 95 of 1992, regarding raising the solvency of brokerage companies and strengthening their resilience to risks, through increasing the minimum requirements for their issued and paid-up capital.

In the same context, the CMA Chairman issued Decree No. 50 for 2006, organizing online trading on CASE. The Decree stipulated that the license for practising online trading be granted upon fulfillment of the conditions and requirements for protecting and securing data from intrusion through the internet. Expectantly, this will attract a new bracket of Egyptian, Arab and foreign investors. In compliance with this Decree, Misr for Clearing, Settlement and Central Depository (MCSD) signed a memorandum with the French company Atos Euronext, a major company in the field of capital market applications, to establish an application service provider (ASP) in Egypt for Internet-based applications and systems. The stakes of the newly formed company are owned by MCSD, with a majority stake of 51%, Atos Euronext (29%), National Bank of Egypt (10%) and other Qatari and UAE financial institutions (10%).

Under the umbrella of cooperation with financial institutions and authorities in the Arab world, the CMA and Dubai Financial Services Authority (DFSA) signed a memorandum of understanding for exchanging technical information and legislations; cooperating in the areas of surveillance over financial institutions; training and exchanging of expertise; and eliminating obstacles to investment in securities between Egypt and the UAE.

The Stock Exchange performance picked up during the reporting period, as price indices rebounded, compared with the corresponding period. Since early July 2006, all Exchange indices moved up, due to the award of the third mobile license. However, the Lebanon war exercised a short-lived effect on trade and price indices on the Exchange during the second half of July. Thereafter, indices manifested a gradual recovery, as Case 30 recorded 6444.9 points at end of September 2006, against 4772.8 points at end of June 2006, up by 35.0%. Moreover, CMA general index reached 2239.7 points, against 1696.9 points, up by 32.0%.

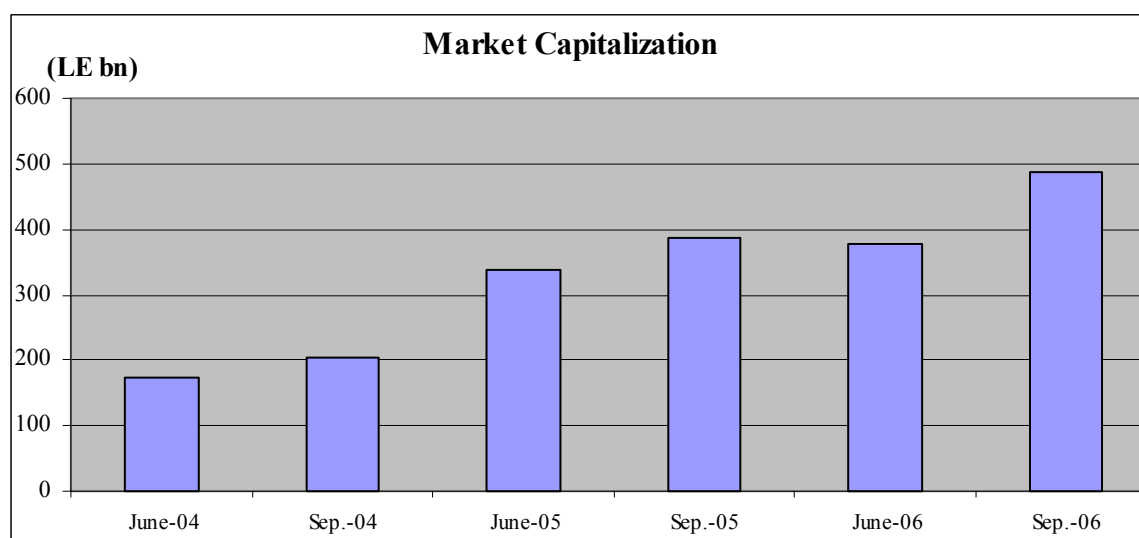


Indicators of the overall dealing on shares and bonds on the Exchange all rose during July-Sept., 2006/2007 as compared with the corresponding period of the previous FY. The volume of traded securities scaled up by 108.0%, reaching 2.5 billion papers, and so did their trading value by 39.9%, registering LE 59.4 billion (of which shares represented 98.0% against 96.0%). Likewise, market capitalization rose by 25.4%, reaching LE 486.6 billion at end of September 2006.

### Indicators of Overall Trading on the Exchange

During the period	July/September		
	2005/2006	2006/2007	Change (%)
Trading volume (mn)	1222	2542	108.0
Trading value (LE mn)	42458	59384	39.9
Market capitalization (LE bn)*	388.1	486.6	25.4
Market capitalization as a % of GDP*	62.8	73.2	

\* At end of the period



A sectoral distribution of market capitalization shows that the sectors of manufacturing; and finance, insurance and real estates attracted most investments, with shares of 36.1% and 27.7% of total market capitalization, respectively. The services sector followed, accounting for 19.6% and utilities (transportation, communications, electricity, gas and health) 15.0%, at end of September 2006.

### Market Capitalization by Sector

At End of	(LE mn)			
	June 2006	%	Sept. 2006	%
<b>Total</b>	<b><u>377070</u></b>	<b><u>100.0</u></b>	<b><u>486601</u></b>	<b><u>100.0</u></b>
Agriculture, forests and fishing	1291	0.3	1366	0.3
Extractions	1090	0.3	1090	0.2
Construction	2987	0.8	3088	0.6
Manufacturing	136575	36.2	175871	36.1
Transportation, communications, electricity, gas and health	60304	16.0	72896	15.0
Wholesale and retail trade	2178	0.6	2127	0.5
Finance, insurance and real estates	100565	26.7	134848	27.7
Services	72080	19.1	95315	19.6

Source: CMA

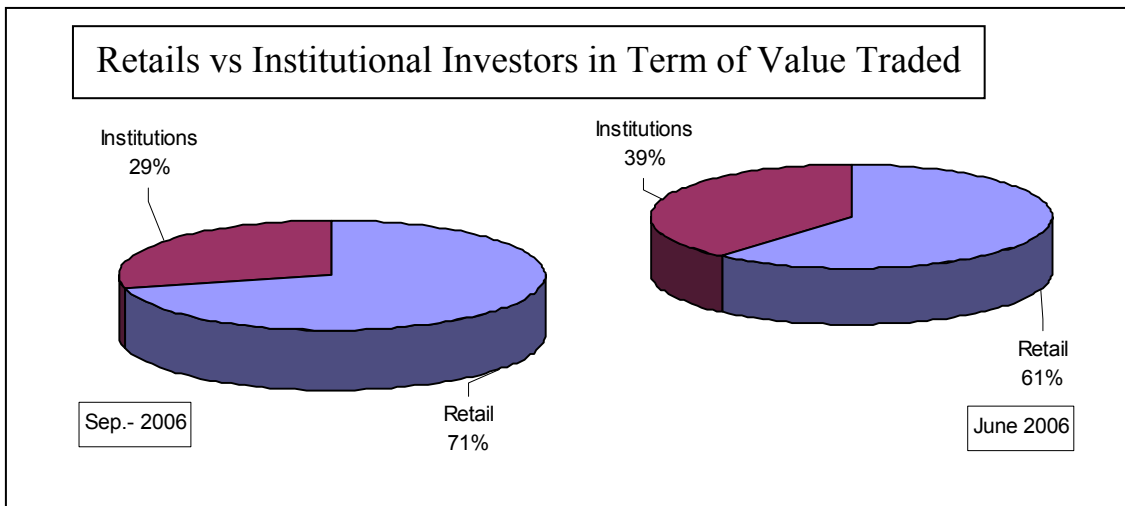
Foreigners' dealings on the Egyptian Stock Exchange notably boosted during the first quarter of FY 2006/2007. The value of their purchases increased to about LE 15.2 billion and their sales to LE 12.5 billion (against LE 10.2 billion and LE 11.4 billion during the corresponding period). This resulted in net purchases of LE 2.7 billion during the period, against net sales of LE 1.2 billion during the period of comparison.

### Foreigners' Dealings on the Stock Exchange

During	<u>July/September</u>					
	<u>2005/2006</u>			<u>2006/2007</u>		
	Purchases	Sales	Net	Purchases	Sales	Net
Trading volume (000s)	165970	166934	-964	401610	334927	66683
Trading value (LE mn)	10194	11375	-1181	15160	12464	2696

\* Source: CMA

Trades of individuals still represent the bulk of Stock trades, accounting for 71% of total dealings at end of September 2006, against 61% at end of June 2006.





## 2/1: Shares Market

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### 2/1/1: Primary (Issue) Market

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#### a) New Issues

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During July-Sept., 2006/2007, the new issues approved by the CMA reached 683 in number. Of these issues, 444 went to new incorporations, with a number of 611 million shares at a value of LE 7.1 billion or 38.7% of the total value. Issues to increase the capital of existing companies reached 239, with 832 million shares at a value of LE 11.2 billion or 61.3% of the total during the period.

### New Share Issues on the Exchange

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During the Period	July/September	
	2005/2006	2006/2007
<b><u>Total Number of Issues (Unit)</u></b>	<b><u>548</u></b>	<b><u>683</u></b>
New incorporations	301	444
Capital increase of existing companies	247	239
<b><u>Total Number of Shares (mn)</u></b>	<b><u>751</u></b>	<b><u>1443</u></b>
New incorporations	37	611
Capital increase of existing companies	714	832
<b><u>Total Value of Shares (LE mn)</u></b>	<b><u>11044</u></b>	<b><u>18240</u></b>
New incorporations	1021	7054
Capital increase of existing companies	10023	11186

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Source: CMA (Information Center)

## **b) Companies Listed on the Exchange**

The number of listed companies on the Stock Exchange reached 632 at end of Sept. 2006, against 656 companies at end of June 2006. Moreover, the nominal value of their capital went up to LE 115.8 billion, and their market capitalization to LE 486.6 billion.

### **Companies Listed on the Exchange**

End of	<u>June 2006</u>			<u>Sept. 2006</u>		
	No. of Companies (Unit)	Nominal Value	Market Value	No. of Companies (Unit)	Nominal Value	Market Value
<b>Total</b>	<b>656</b>	<b>109165</b>	<b>377070</b>	<b>632</b>	<b>115753</b>	<b>486601</b>
Listed on official schedules	141	58432	298478	142	65649	405779
Listed on unofficial schedules	503	50354	78013	485	49788	80336
Listed on the temporary schedule	12	379	579	5	316	486

Source: CASE

### **2/1/2: Secondary (Trading) Market**

Share trading was bullish during the period. The total volume of trades in LE and US dollar shares (on the floor and over the counter) moved up to LE 58.2 billion (against LE 40.7 billion during the corresponding period).

Traded shares on the floor represented 95.3% of total dealings on shares, mainly LE shares, which recorded a value of LE 53.8 billion (against LE 33.3 billion). On the other hand, traded OTC shares increased in value terms, due to the rise of those tradable in US dollar, and the slight drop in LE shares.

### Trading in Shares on the Exchange

During	<u>2005/2006</u>			<u>July/September</u>			<u>2006/2007</u>		
	<u>Transactions</u>			<u>Market</u>			<u>Transactions</u>		
	<u>Number</u>	<u>Volume</u>	<u>Value</u>	<u>Number</u>	<u>Volume</u>	<u>Value</u>	<u>Number</u>	<u>Volume</u>	<u>Market</u>
	<u>(Unit)</u>	<u>(000s)</u>	<u>(mn)</u>	<u>(Unit)</u>	<u>(000s)</u>	<u>(mn)</u>		<u>(000s)</u>	<u>Value</u>
									<u>(mn)</u>
<b><u>Total Trading on the Floor in LE</u></b>	<b><u>999442</u></b>	<b><u>925188</u></b>	<b><u>38126</u></b>	<b><u>1830100</u></b>	<b><u>2266915</u></b>	<b><u>55476</u></b>			
Shares in LE	992495	904122	33253	1753089	2149331	53764			
Shares in US dollar	6947	21066	840	77011	117584	298			
<b><u>Total Trading over the Counter in LE</u></b>	<b><u>41857</u></b>	<b><u>295168</u></b>	<b><u>2621</u></b>	<b><u>49640</u></b>	<b><u>273360</u></b>	<b><u>2707</u></b>			
Shares in LE	41810	209060	1935	47606	233764	1903			
Shares in US dollar	47	86108	118	2034	39596	140			

Source: CMA

## 2/2: Bonds Market

### 2/2/1: Primary (Issue) Market

The period witnessed the listing of securitization bonds of two companies on the Exchange schedules. Securitization bonds are nominal bonds, non-convertible to shares and guaranteed by a securitization portfolio. The interest on and nominal value of these bonds are paid from the receipts of the said portfolio.

The nominal value of issued bonds (listed) reached LE 65.7 billion, with a slight increase of LE 3.5 million, as a result of listing securitization bonds of LE 595.9 million, and the amortization of dollar development bonds in the amount of LE 319.8 million, bank bonds of LE 238.5 million and corporate bonds of LE 34.1 million.

As a result, minor changes came over the relative structure of bonds as government bonds represented 89.2% of total bonds, corporate bonds 8.4%, and bank bonds 1.5%. Meanwhile, securitization bonds represented merely 0.9%.

### Bonds Listed on the Exchange

At End of	June 2006		September 2006	
	Listed	%	Listed	%
<b>Total</b>	<b><u>65724.7</u></b>	<b><u>100.0</u></b>	<b><u>65728.2</u></b>	<b><u>100.0</u></b>
<b><u>Government Bonds</u></b>	<b><u>58951.1</u></b>	<b><u>89.7</u></b>	<b><u>58631.3</u></b>	<b><u>89.2</u></b>
- Treasury bonds	11000.0	16.7	11000.0	16.7
- Treasury bonds (primary dealers system)	47000.0	71.5	47000.0	71.5
- Housing bonds	121.7	0.2	121.7	0.2
- Dollar development bonds	829.4	1.3	509.6	0.8
<b><u>Corporate Bonds</u></b>	<b><u>5572.5</u></b>	<b><u>8.5</u></b>	<b><u>5538.4</u></b>	<b><u>8.4</u></b>
<b><u>Bank Bonds</u></b>	<b><u>1201.1</u></b>	<b><u>1.8</u></b>	<b><u>962.6</u></b>	<b><u>1.5</u></b>
<b><u>Securitization Bonds</u></b>	<b><u>=</u></b>	<b><u>=</u></b>	<b><u>595.9</u></b>	<b><u>0.9</u></b>

Source: CASE

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## **2/2/2: Secondary (Trading) Market**

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Trading in bonds (on the floor and over the counter) showed a decline during the reporting period. Thus, traded bonds (in LE and US dollar) reached LE 1.2 billion, against LE 1.7 billion during the corresponding period of the previous FY.

Trading on the floor was concentrated in LE bonds, as 1.7 million papers were dealt in, with a value of LE 1.2 billion (of which, treasury bonds under the primary dealers system represented LE 1.1 billion), through 100 transactions.

As to trading in US dollar bonds, two transactions (on the floor and over the counter) were executed on the bonds of two companies during the period, with a value of US\$ 2.3 million.

### **Trading in Listed Bonds on the Floor**

<b>During</b>	<b><u>July /September</u></b>					
	<b><u>2005/2006</u></b>			<b><u>2006/2007</u></b>		
	<b><u>Transactions</u></b>			<b><u>Transactions</u></b>		
	<b>Number</b>	<b>Quantity</b>	<b>Value</b>	<b>Number</b>	<b>Quantity</b>	<b>Value</b>
	<b>(Unit)</b>	<b>(Unit)</b>	<b>(000s)</b>	<b>(Unit)</b>	<b>(Unit)</b>	<b>(000s)</b>
<b><u>Total Bonds (LE)</u></b>	<b><u>142</u></b>	<b><u>1516641</u></b>	<b><u>1687280.3</u></b>	<b><u>100</u></b>	<b><u>1689354</u></b>	<b><u>1187574.6</u></b>
Treasury bonds	8	45763	48637.8	3	21001	20704.5
T. Bonds (primary dealers system)	108	1456258	1637191.4	67	1015994	1098315.7
Housing bonds	21	2554	179.4	4	95	0.1
Corporate bonds	5	12066	1271.7	23	652252	68553.2
Bank bonds	-	-	-	3	12	1.1
<b><u>Total Bonds (US\$)</u></b>	<b><u>1</u></b>	<b><u>800</u></b>	<b><u>81.0</u></b>	<b><u>1</u></b>	<b><u>1000</u></b>	<b><u>101.1</u></b>
Development bonds	-	-	-	-	-	-
Corporate bonds	1	800	81.0	1	1000	101.1

Source: CMA

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**2/3: Mutual Funds**

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The Capital Market Authority approved the inception of a new mutual fund during the period, thus raising their total number to 31 at end of September 2006, compared with 30 funds at end of June 2006. Consequently, the par and market values of mutual fund documents increased to LE 6.8 billion and LE 11.6 billion, respectively at end of September 2006 (against LE 6.6 billion and LE 10.5 billion at end of June 2006).

### **3- Public Finance and Domestic Public Debt**

#### **3/1: Consolidated Fiscal Operations of the General Government**

Estimates for FY 2006/2007, being the fiscal program of the final year of the Economic Development Plan (2001/2002-2006/2007), were prepared in light of a fiscal policy governed by the following considerations: On the expenditure side, rationalization of government expenditure continued, while the social dimension and cushioning of low-income brackets were given due attention. This policy aimed also at encouraging small enterprises through the Social Fund for Development (SFD), establishing new investment-attractive areas, and improving services. On the side of revenues, estimates were set in light of the results of tax and customs reforms designed to alleviate tax burdens; taking into account the taxable capacity of citizens; besides streamlining the procedures of tax collection, broadening the taxpayer base, and settling tax disputes. Moreover, stringent measures were adopted to lessen tax evasion and ensure collection of tax dues and overdues.

The first quarter of FY 2006/2007 witnessed the issue of a number of fiscal legislations and measures, the most important of which were the amendments related to the stamp tax. Other measures included subsidy cuts for some oil products and restructuring of notarization category fees.

Hereunder are the estimates of the consolidated fiscal operations of the general government for FY 2006/2007 and a follow up of their execution over the first quarter thereof, compared with their counterparts during the corresponding period of the previous FY.

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#### **3/1/1: Estimates of the Consolidated Fiscal Operations of the General Government**

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##### **Budget Sector**

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Budgeted revenues for FY 2006/2007 amounted to LE 163.9 billion (23.3% of GDP), of which tax revenues constituted LE 105.6 billion or 64.5% of total revenues. Taxes on income profits from the EGPC, SCA, CBE and some other

units are estimated at LE 53.6 billion, representing 50.8% of total tax revenues; taxes on goods and services at LE 36.9 billion or 34.9%; and taxes on international trade (customs) at LE 9.6 billion or 9.1%. The remainder of revenues is expected to come from taxes on property and some other miscellaneous taxes.

Property income from the EGPC, SCA, CBE and some economic authorities, companies and other units is estimated at around LE 43.0 billion, or 26.2% of total revenues for the whole FY. Sales of goods and services are projected at LE 8.5 billion or 5.2% of the total. The rest of the estimated revenues represents financing investment and other miscellaneous revenues.

Budgeted expenditures totaled LE 217.3 billion (30.9% of GDP). Subsidies to petroleum products and to GASC are estimated at LE 53.8 billion or 24.8% of total expenditures estimated for the whole FY. Compensations of employees are projected at LE 51.4 billion or 23.7% of the total. Domestic and external interest payments are estimated at LE 50.7 billion or 23.4%, defense outlays and other expenditures at LE 20.9 billion or 9.6%, investments at LE 20.2 billion or 9.3% and purchases of goods and services at LE 15.5 billion or 7.1%. The rest is expected to come from grants, social benefits and other miscellaneous expenditures.

Against this background, a cash deficit of LE 53.4 billion (7.6% of GDP) is expected during FY 2006/2007. Adding this deficit to the projected net acquisition of financial assets (LE 8.8 billion), the overall budgetary deficit for the whole FY is estimated at LE 62.2 billion (8.8% of GDP). The bulk of this deficit (59.1%) is projected to be financed by domestic banking sources, while the rest is to be covered by other domestic non-banking sources and privatization proceeds. Meanwhile, repayments to abroad throughout the year are estimated at LE 5.1 billion.



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### **Budget Sector and National Investment Bank (NIB)**

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When adding the fiscal operations of the NIB to the budget sector, the estimated revenues are to increase by LE 7.5 billion, while the estimated expenditures decrease by LE 10.1 billion. Compensations of employees and some other miscellaneous expenditures are anticipated to augment by LE 0.7 billion, while interest payments on domestic debt are expected to decline by LE 10.8 billion. Thus, the cash deficit of the budget sector is estimated to fall by LE 17.6 billion to LE 35.7 billion, representing 5.1% of GDP. The deficit, along with net acquisition of the financial assets (LE 8.6 billion) will bring the estimated overall budgetary deficit to about LE 44.3 billion (6.3% of GDP).

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### **Budget Sector, NIB and SIFs**

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With the addition of the fiscal operations of the SIFs to those of the budget sector and NIB, estimated revenues will scale up by LE 19.0 billion as some miscellaneous revenues and property income from companies and other units are expected to rise. Moreover, expenditures are anticipated to rise by LE 30.0 billion because of larger spending on social benefits, compensations of employees, purchases of goods and services, and other expenditures. Accordingly, the cash deficit of the general government is expected to increase to some LE 46.7 billion or 6.6% of GDP during FY 2006/2007. The cash deficit plus the net acquisition of financial assets (estimated at LE 8.7) will result in an overall deficit of about LE 55.4 billion or 7.9% of GDP.

It is projected that the major part of this deficit (64.2%) is to be financed by banking sources, about 5.4% by net privatization proceeds and the remainder is to be covered by other miscellaneous non-banking sources.

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**3/1/2: Follow-up of the Execution of the Consolidated  
Fiscal Operations of the General Government  
during July-September, 2006/2007**

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**Budget Sector**

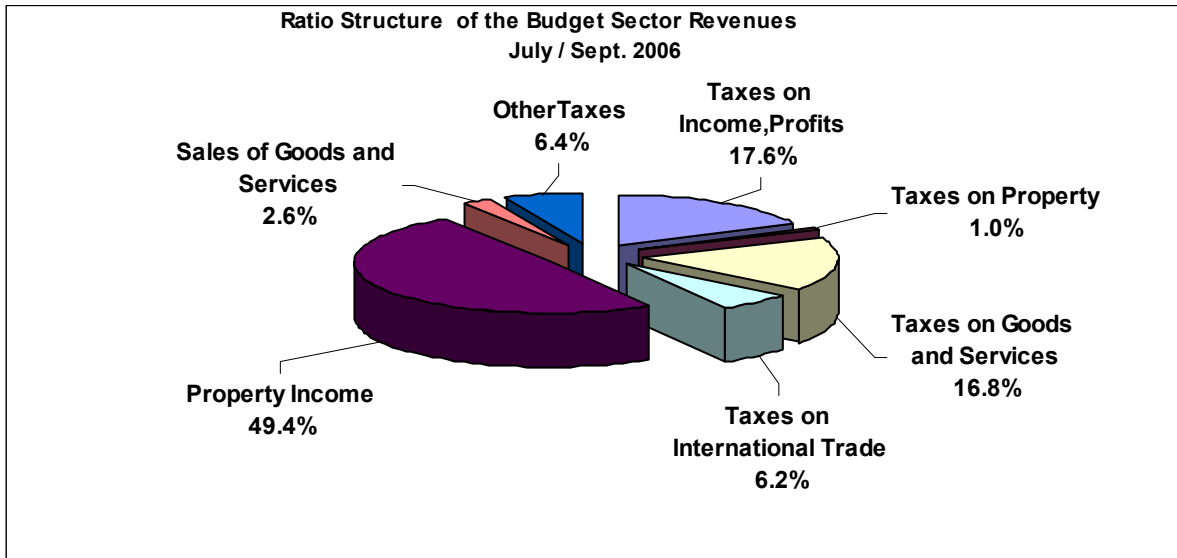
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According to the Ministry of Finance, execution of the consolidated fiscal operations during July-Sept., 2006/2007 reveals that total collected revenues of the budget sector reached some LE 40.3 billion or 24.6% of the total projected for the whole FY. They showed a rise of LE 15.7 billion or 63.6% compared with the amounts collected in the corresponding period of the previous FY. The increase in total revenues was mostly in tax revenues (23.6%), which mounted by LE 3.7 billion or 27.3%, reaching about LE 17.1 billion, or 16.2% of the total estimated for the whole FY. The bulk of the increase in tax revenues (70.3%) is attributed to the pickup in the collected taxes on incomes and business profits that reached LE 7.1 billion. This pickup attests to the success of the tax reforms conducted in the previous FY. Collected taxes on international trade (customs) amounted to some LE 2.5 billion, up by 28.4% compared with the comparison period, owing to the effectiveness of the reform policies in the area of customs. The remainder of revenues came from taxes on property and some other miscellaneous taxes.

Revenues from property income almost doubled, contributing some LE 19.9 billion or 49.4% of total collected revenues, as the one-time revenues originating from the third mobile license reached around LE 15.8 billion or 79.4% of total property income collected during that period. SCA contributed 15.2% of total collected property income. The rest was generated by some other units.

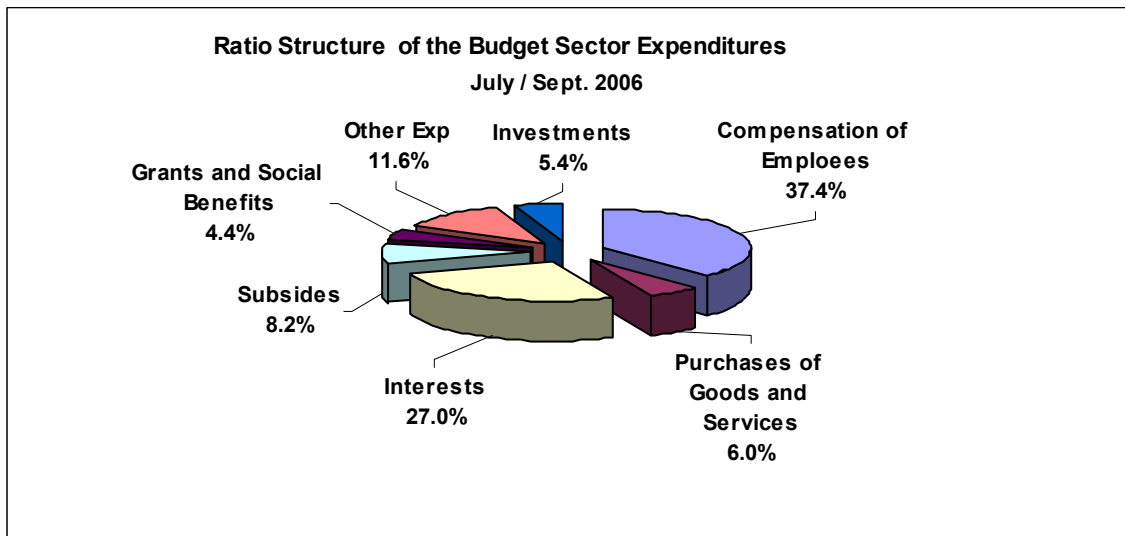
The rest of collected revenues, during the reporting period, came from the sales of goods and services, financing investments and others.



On the other hand, expenditures during the first quarter of FY 2006/2007 totaled about LE 37.3 billion, or 5.3% of GDP and 17.2% of the total figure estimated for the whole FY. Compensations of employees registered about LE 13.9 billion or 37.4% of total expenditures during the period. This item covered all periodical and incentive allowances, the costs of adding the special allowance granted in 2001/2002, and all insurance and in-kind benefits. Salaries represented 31.3% of total expenditures. Interest payments (external and domestic) reached about LE 10.1 billion or 27.0% of total expenditures, up by 71.3% compared with the corresponding period a year earlier, due mainly to the increase in domestic public debt and interest rates. Subsidies went up by 22.4% during the reporting period, relative to the comparison period, standing at LE 3.1 billion or 8.2% of total expenditures. Most of these subsidies (more than 90%) went to GASC.

Purchases of goods and services, and the costs of regular maintenance for running government operations reached about LE 2.2 billion, with a rise of 15.0%, compared with the corresponding period of the previous FY. This rise aimed at ensuring the well functioning of the government system, the continuity of production, and the timely fulfillment of obligations. It is to be noted that defense outlays reached some LE 3.8 billion.

Investment expenditures slightly edged up by 4.5%, to register about LE 1.9 billion. They were mostly on essential investments pledged by the government, according to the priorities of the Economic and Social Development Plan. The rest went to other current expenditures.



It is worth mentioning that the realized revenues of the budget sector during July/September, 2006/2007 exceeded expenditures by 8%. This brought about a cash surplus of LE 3.0 billion during the period under review. After the addition of the net acquisition of financial assets (LE 3.0 billion), the overall budgetary surplus shrank merely to LE 2 million, in contrast to an overall deficit of LE 8.1 billion or 1.4% of GDP during the period of comparison. This, in turn, signifies the improvement in the performance of the budget sector.

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### **Budget Sector and NIB**

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With the addition of the fiscal operations of the NIB to the budget sector, revenues increased by LE 0.2 billion and expenditures by LE 1.3 billion. Consequently, a cash surplus of LE 1.9 billion was realized during the period. The surplus was however offset by the net acquisition of financial assets (LE 4.0 billion), which brought the overall deficit to some LE 2.1 billion during that period.

## Budget Sector, NIB and SIFs

With the addition of the fiscal operations of SIFs to those of the budget sector and NIB, collected revenues rose by LE 4.5 billion, totaling LE 45.0 billion or 6.4% of GDP during the statement period.

### Execution of Consolidated Fiscal Operations of General Government (Budget Sector, NIB and SIFs) (Total Revenues)

(LE bn)

	July/September 2006/2007								
	Budget Sector	Relative Structure	Actual Execution Ratio of the Total Estimated for the Year	Budget Sector and NIB	Relative Structure	Actual Execution Ratio of the Total Estimated for the Year	Budget Sector, NIB and SIFs	Relative Structure	Actual Execution Ratio of the Total Estimated for the Year
<b>Total Revenues</b>	<b>40.3</b>	<b>100.0</b>	<b>24.6</b>	<b>40.5</b>	<b>100.0</b>	<b>23.6</b>	<b>45.0</b>	<b>100.0</b>	<b>23.7</b>
<b>Tax Revenues</b>	<b>17.1</b>	<b>42.5</b>	<b>16.2</b>	<b>17.1</b>	<b>42.3</b>	<b>16.2</b>	<b>17.1</b>	<b>38.0</b>	<b>16.2</b>
Taxes on income & profits, from									
EGPC	7.1	17.6	13.2	7.1	17.5	13.2	7.1	15.7	13.2
SCA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CBE	1.7	4.3	19.7	1.7	4.3	19.7	1.7	3.9	19.7
Other units Payable by individuals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on property	3.9	9.7	54.7	3.9	9.6	54.7	3.9	8.6	54.7
Taxes on goods and services	1.5	3.6	13.4	1.5	3.6	13.4	1.5	3.2	13.4
Customs	0.4	1.0	34.8	0.4	1.0	34.8	0.4	0.9	34.8
Other taxes	6.8	16.8	18.3	6.8	16.7	18.3	6.8	15.0	18.3
<b>Grants</b>	<b>2.5</b>	<b>6.2</b>	<b>26.0</b>	<b>2.5</b>	<b>6.2</b>	<b>26.0</b>	<b>2.5</b>	<b>5.6</b>	<b>26.0</b>
<b>Other Revenues</b>	<b>0.3</b>	<b>0.9</b>	<b>8.8</b>	<b>0.3</b>	<b>0.9</b>	<b>8.8</b>	<b>0.3</b>	<b>0.8</b>	<b>8.8</b>
<b>Other Revenues</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>
Property income	<b>23.2</b>	<b>57.5</b>	<b>42.3</b>	<b>23.4</b>	<b>57.7</b>	<b>37.5</b>	<b>27.9</b>	<b>62.0</b>	<b>34.3</b>
Sales of goods and services	19.9	49.4	46.3	20.1	49.6	40.6	20.2	44.9	40.6
Financing investments	1.0	2.6	12.0	1.0	2.6	12.0	1.0	2.3	12.0
Others	0.1	0.2	6.6	0.1	0.2	6.6	0.1	0.2	6.6
	2.2	5.3	115.2	2.2	5.3	74.4	6.6	14.6	30.5

Source: Ministry of Finance

Percentages are calculated in terms of LE million.

00 Less than LE 0.1 billion

Expenditures increased by LE 3.5 billion during the period, totaling LE 42.1 billion, or 6.0% of GDP.

**Execution of Consolidated Fiscal Operations of General Government  
(Budget Sector, NIB and SIFs)  
(Total Expenditures)**

(LE bn)

	<b>July / September 2006/2007</b>								
	Budget Sector	Relative Structure	Actual Execution Ratio of the Total Estimated for the Year	Budget Sector and NIB	Relative Structure	Actual Execution ratio of the Total Estimated for the Year			
<b><u>Total Expenditures</u></b>	<b><u>37.3</u></b>	<b><u>100.0</u></b>	<b><u>17.2</u></b>	<b><u>38.6</u></b>	<b><u>100.0</u></b>	<b><u>18.6</u></b>	<b><u>42.1</u></b>	<b><u>100.0</u></b>	<b><u>17.7</u></b>
<b><u>Compensation of Employees</u></b>	<b><u>13.9</u></b>	<b><u>37.4</u></b>	<b><u>27.1</u></b>	<b><u>13.9</u></b>	<b><u>36.1</u></b>	<b><u>27.1</u></b>	<b><u>14.1</u></b>	<b><u>33.4</u></b>	<b><u>27.0</u></b>
<b><u>-Purchases of Goods and Services</u></b>	<b><u>2.2</u></b>	<b><u>6.0</u></b>	<b><u>14.4</u></b>	<b><u>2.2</u></b>	<b><u>5.8</u></b>	<b><u>14.4</u></b>	<b><u>2.2</u></b>	<b><u>5.3</u></b>	<b><u>14.4</u></b>
<b><u>-Interest</u></b>	<b><u>10.1</u></b>	<b><u>27.0</u></b>	<b><u>19.9</u></b>	<b><u>11.4</u></b>	<b><u>29.4</u></b>	<b><u>28.5</u></b>	<b><u>7.6</u></b>	<b><u>18.0</u></b>	<b><u>19.0</u></b>
<b><u>-Subsidies, Grants and Social Benefits</u></b>	<b><u>4.8</u></b>	<b><u>12.7</u></b>	<b><u>8.1</u></b>	<b><u>4.8</u></b>	<b><u>12.3</u></b>	<b><u>8.1</u></b>	<b><u>11.9</u></b>	<b><u>28.3</u></b>	<b><u>13.6</u></b>
Subsidies	3.1	8.2	5.7	3.1	8.0	5.7	3.1	7.3	5.7
Grants	1.6	4.2	68.3	1.6	4.1	68.3	1.6	3.8	68.3
Social benefits	0.1	0.2	4.0	0.1	0.1	4.0	7.2	17.1	23.6
Others	0.0	0.1	4.7	0.0	0.1	4.7	0.0	0.1	4.7
<b><u>-Other Expenditures</u></b>	<b><u>4.3</u></b>	<b><u>11.5</u></b>	<b><u>20.4</u></b>	<b><u>4.3</u></b>	<b><u>11.1</u></b>	<b><u>19.9</u></b>	<b><u>4.3</u></b>	<b><u>10.2</u></b>	<b><u>19.5</u></b>
<b><u>-Purchases of Non-financial Assets (Investments)</u></b>	<b><u>2.0</u></b>	<b><u>5.4</u></b>	<b><u>10.0</u></b>	<b><u>2.0</u></b>	<b><u>5.3</u></b>	<b><u>10.0</u></b>	<b><u>2.0</u></b>	<b><u>4.8</u></b>	<b><u>10.0</u></b>

Source: The Ministry of Finance

Percentages are calculated in terms of LE million.

00 Less than LE 0.1 billion

The aforementioned developments resulted in a cash surplus of LE 2.9 billion in the consolidated fiscal operations of the general government during July/Sept., 2006/2007. Taking into consideration the net acquisition of financial assets (LE 3.9 billion), the overall deficit stood at about LE 1.0 billion or 0.1% of GDP.

**Execution of Consolidated Fiscal Operations of General Government  
(Budget Sector, NIB and SIFs)  
(Cash and Overall Deficit/Surplus and Financing Sources)**

(LE bn)

	<b>July/September 2006/2007</b>					
	Budget Sector	Actual Execution Ratio of the Total Estimated for the Year	Budget Sector and NIB	Actual Execution Ratio of the Total Estimated for the Year	Budget Sector, NIB and SIFs	Actual Execution Ratio of the Total Estimated for the Year
<b><u>Total Revenues</u></b>	<b><u>40.3</u></b>	<b><u>24.6</u></b>	<b><u>40.5</u></b>	<b><u>23.6</u></b>	<b><u>45.0</u></b>	<b><u>23.7</u></b>
<b><u>Total Expenditures</u></b>	<b><u>37.3</u></b>	<b><u>17.2</u></b>	<b><u>38.6</u></b>	<b><u>18.6</u></b>	<b><u>42.1</u></b>	<b><u>17.7</u></b>
Cash deficit	-3.0	-5.6	-1.9	-5.3	-2.9	-6.4
Net acquisition of financial assets	3.0	33.6	4.0	45.8	3.9	45.6
<b><u>Overall Deficit</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>2.1</u></b>	<b><u>4.7</u></b>	<b><u>1.0</u></b>	<b><u>1.7</u></b>
<b><u>Financing Sources</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>2.1</u></b>	<b><u>4.7</u></b>	<b><u>1.0</u></b>	<b><u>1.7</u></b>
<b><u>Domestic financing</u></b>	<b><u>5.3</u></b>	<b><u>8.2</u></b>	<b><u>6.5</u></b>	<b><u>10.5</u></b>	<b><u>4.6</u></b>	<b><u>0.0</u></b>
Banking financing	-1.7	-4.7	-0.9	-2.5	-0.5	-1.6
Non-banking financing	5.5	19.4	5.9	23.3	3.6	14.3
Net credit and debit liabilities	1.5	47.5	1.5	-	1.5	-
Foreign borrowing	-2.4	101.3	-2.4	47.5	-2.4	47.5
Arrears	-0.2	-	-0.2	-	-0.2	-
Others	-1.0	0.5	-0.1	1.4	0.7	-21.8
Exchange rate revaluation	-0.2	-	-0.2	-	-0.2	0.0
Net privatization proceeds	0.0	-	0.0	0.5	0.0	0.5
Differences between treasury bills face value and present value	-0.2	-	-0.2	-	-0.2	-
Discrepancy	-1.3	-	-1.3	-	-1.3	-

Source: The Ministry of Finance  
Percentages are calculated in terms of LE million.  
00 Less than LE 0.1 billion.

The bulk of the deficit (61.5%) – along with some other repayments – was financed by domestic non-banking sources.

### 3/2: Domestic Public Debt

#### Domestic Public Debt

It includes the debt due on the government, public economic authorities and NIB. Overall, gross domestic public debt reached some LE 598.5 billion (90% of GDP) at end of September 2006, up by LE 5.0 billion or 0.8% during July/September, 2006/2007. Government debt accounted for 74.6% of the total, debt of public economic authorities 8.3% and net debt of NIB 17.1%.

#### Gross Domestic Public Debt

At End of	June 2006		Sept. 2006		(LE bn)
	Value	%	Value	%	Change + (-)
<b><u>Gross Domestic Public Debt</u></b>					
<b><u>(1+2+3)</u></b>	<b><u>593.5</u></b>	<b><u>100.0</u></b>	<b><u>598.5</u></b>	<b><u>100.0</u></b>	<b><u>5.0</u></b>
1. Government	387.7	65.3	446.6	74.6	58.9
2. Public economic authorities	47.4	8.0	49.4	8.3	2.0
3. NIB (net)	158.4	26.7	102.5	17.1	(55.9)

#### 3/2/1: Domestic Government Debt

It is worth mentioning that the balance of government debt to the NIB was totally cleared to zero as of the 1<sup>st</sup> of July 2006. Moreover, the NIB's obligations towards insurance and pension funds were transferred to the government within the limits of the government debt due to the Bank up till the 30<sup>th</sup> of June 2006. A new item was introduced, entitled bonds of the Social Insurance Funds for civil servants and Public and Private Business Sector Employees (SIFs bonds), in the amount of LE 197.7 billion at end of September 2006.



Domestic government debt totaled LE 446.6 billion or 74.6% of gross domestic public debt at end of September 2006, increasing by LE 58.9 billion or 15.2% during July-Sept. 2006/2007. The increase was mainly an outcome of the rise of LE 200.6 billion in the balances of treasury bills and bonds and the retreat of about LE 0.9 billion in the government net credit position with the banking system (due partly to the LE 1.1 billion increase in government loans, i.e. by more than its deposits (LE 0.2 billion), and partly to the LE 142.6 billion drop in the NIB debt to the two Funds as mentioned above).

The rise in the balance of treasury bills and bonds by about LE 200.6 billion is attributed to the following developments:

- Offering of two treasury bond issues on the 1<sup>st</sup> of July 2006 for the benefit of the two Social Insurance Funds for Civil Servants and Public and Private Business Sector Employees, at a value of about LE 197.7 billion.
- The increase in the outstanding balance of treasury bills by LE 4.2 billion, reaching LE 107.4 billion at end of September 2006.
- The decline of LE 1.3 billion worth in dollar-denominated sovereign bonds held with resident financial institutions, due to the redemption of the first tranche of these bonds in July 2006 (the tranche includes another portion held by non-residents).

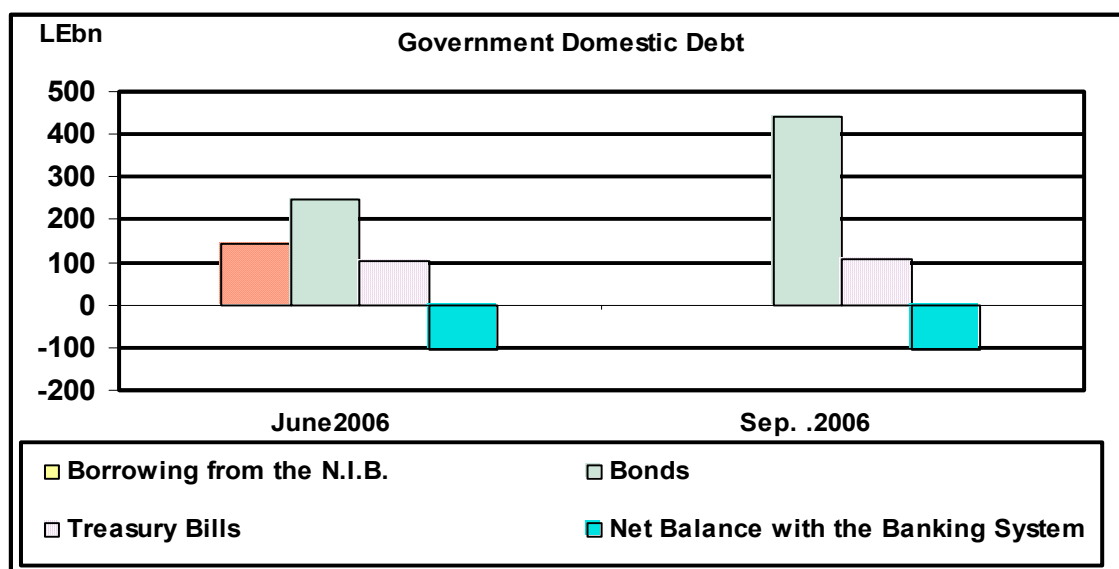
### Domestic Government Debt

Balances at End of	<u>June 2006</u>		<u>Sept. 2006</u>		(LE bn) Change
	Value	%	Value	%	+ (-)
<b>Domestic Government Debt</b>	<b>387.7</b>	<b>100.0</b>	<b>446.6</b>	<b>100.0</b>	<b>58.9</b>
<b>-Balances of Bonds and Bills</b>	<b>350.0</b>	<b>90.3</b>	<b>550.6</b>	<b>123.3</b>	<b>200.6</b>
• Notes and Bonds*	246.8	63.7	443.2	99.3	196.4
Of which: tradable on exchanges	63.2	16.3	62.0	14.0	(1.2)
• Treasury bills	103.2	26.6	107.4	24.0	4.2
<b>- Net Balances at the Banking System</b>	<b>-104.9</b>	<b>-27.1</b>	<b>-104.0</b>	<b>-23.3</b>	<b>0.9</b>
• Facilities	5.1	1.3	6.2	1.4	1.1
• Deposits	-110.0	-28.4	-110.2	-24.7	(0.2)
<b>- Borrowing from NIB</b>	<b>142.6</b>	<b>36.8</b>	<b>0.0</b>	<b>0.0</b>	<b>(142.6)</b>
<b>Domestic Government Debt/GDP (%)</b>	<b>62.8</b>		<b>67.2</b>		

Source: Ministry of Finance, CBE and NIB

Ratios are calculated in terms of LE million.

\* Including treasury bonds; housing bonds; bonds denominated in foreign currencies with public sector commercial banks; the 5% 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



### **3/2/2: Debt of Public Economic Authorities**

Debt of these authorities rose by LE 2.0 billion during the statement period, reaching LE 49.4 billion or 8.3% of gross domestic public debt at end of September 2006.

The rise was an outcome of a pickup of LE 1.3 billion in their borrowing from the NIB, coupled with a retreat of LE 0.7 billion in their net credit position at the banking system (due to a rise in loans by some LE 1.2 billion and in deposits by only LE 0.5 billion).

#### **Debts of Public Economic Authorities**

(LE bn)

<b>Balances at End of</b>	<b><u>June 2006</u></b>		<b><u>Sept. 2006</u></b>		<b><u>Change</u></b>
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>	<b>+(-)</b>
<b><u>Total Debt</u></b>	<b><u>47.4</u></b>	<b><u>100.0</u></b>	<b><u>49.4</u></b>	<b><u>100.0</u></b>	<b><u>2.0</u></b>
- Net balances at the banking system	-2.8	-5.9	-2.1	-4.2	0.7
• Facilities	23.4	49.4	24.6	49.8	1.2
• Deposits	-26.2	-55.3	-26.7	-54.0	(0.5)
- Borrowings from NIB	50.2	105.9	51.5	104.2	1.3
<b><u>Total Debt/GDP (%)</u></b>		<b><u>7.7</u></b>		<b><u>7.4</u></b>	

Source: Ibid

### **3/2/3: Resources and Uses of the NIB**

NIB resources shrank by LE 198.1 billion during July/Sept. 2006/2007, standing at LE 156.9 billion at end of September 2006. This drop came from the transfer of the stock of debt owed by the government to NIB, to a debt owed to the two Social Insurance Funds for Civil Servants and Public and Private Business Sector Employees, as mentioned above, and the resultant retreat of the surpluses of these two Funds at the NIB by LE 197.7 billion. Moreover, post office saving accounts transferred to the NIB declined by LE 1.0 billion, dollar-development

bonds by LE 0.2 billion and other resources by LE 0.4 billion. On the other hand, investment certificate proceeds and accumulated interest thereon augmented by LE 1.2 billion.

### Resources and Uses of the NIB

Balances at End of	June 2006		September 2006		(LE bn)
	Value	%	Value	%	Change + (-)
<b>Resources</b>	<b>355.0</b>	<b>100.0</b>	<b>156.9</b>	<b>100.0</b>	<b>(198.1)</b>
• Social Insurance Fund for Civil Servants	135.7	38.2	25.0	15.9	(110.7)
• Social Insurance Fund for Public and Private Business Sector Employees	105.7	29.8	18.7	11.9	(87.0)
• Investment certificate proceeds	64.1	18.1	65.2	41.6	1.1
• Accumulated interest on investment certificates (group A)	7.0	2.0	7.1	4.6	0.1
• US dollar development bonds	0.8	0.2	0.6	0.4	(0.2)
• Post office saving accounts	39.1	11.0	38.1	24.3	(1.0)
• Others	2.6	0.7	2.2	1.3	(0.4)
<b>Uses</b>	<b>355.0</b>	<b>100.0</b>	<b>156.9</b>	<b>100.0</b>	<b>(198.1)</b>
• Government	142.6	40.2	0	0	(142.6)
• Economic authorities	50.2	14.1	51.5	32.8	1.3
• Others	158.4	44.6	102.5	65.3	(55.9)
• NIB balances at the banking system (net)	3.8	1.1	2.9	1.9	(0.9)
<b>Debt of NIB/ GDP (%)</b>	<b>25.6</b>		<b>15.4</b>		

Source: Ibid

The NIB used LE 51.5 billion or 32.8% of its total resources to finance the investments of public economic authorities. It allocated around LE 102.5 billion or 65.3% to its various activities (concessional lending, capital participations and lending to holding companies and their affiliates). The remainder (LE 2.9 billion or 1.9%) represented the NIB's net credit position at the banking system.

**4- External Transactions**  
**4/1: Foreign Exchange Market**

Thanks to its stability, the forex market achieved a further surplus of US\$ 1.7 billion during July/Sept. of FY 2006/2007, against US\$ 1.9 billion during the corresponding period a year earlier. The surplus was a net result of the increase in market resources by US\$ 1.9 billion (the banking system contributed 64%) to US\$ 9.8 billion, and the rise in uses by US\$ 2.1 billion (the banking system contributed 63%) to US\$ 8.1 billion.

**Resources and Uses of the  
Foreign Exchange Market**

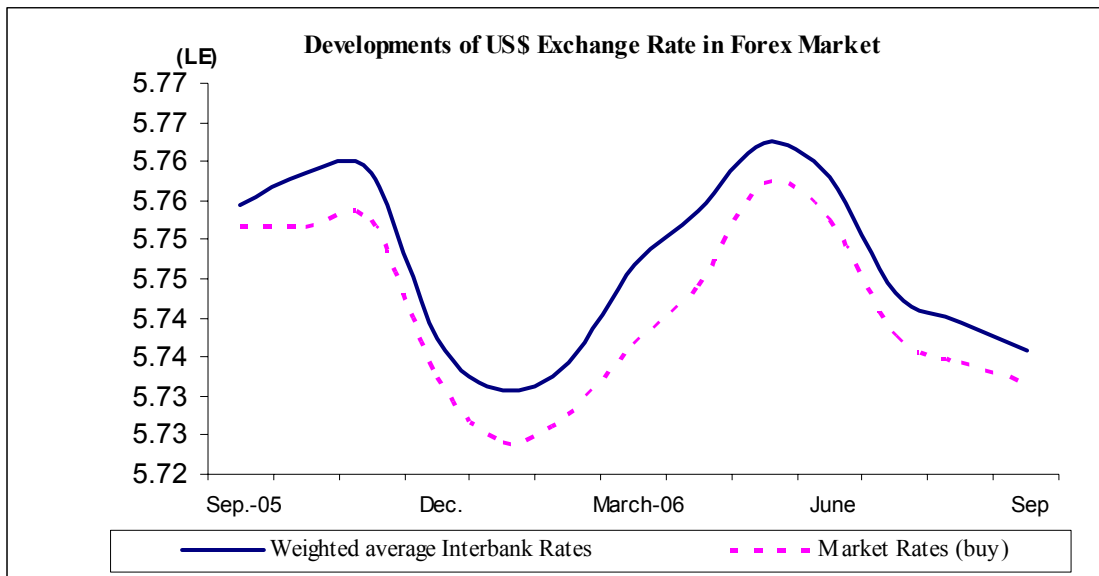
(US\$ mn)

<b>During the period</b>	<b>July-September</b>	
	<b>2005/2006</b>	<b>2006/2007</b>
<b><u>Surplus/Deficit (-)</u></b>	<b><u>1915</u></b>	<b><u>1747</u></b>
The banking system	1821	1727
Exchange dealer companies	94	20
<b><u>Resources</u></b>	<b><u>7927</u></b>	<b><u>9804</u></b>
The banking system	7322	8517
Exchange dealer companies	605	1287
<b><u>Uses</u></b>	<b><u>6012</u></b>	<b><u>8057</u></b>
The banking system	5501	6790
Exchange dealer companies	511	1267

Banks' foreign assets (net) augmented by US\$ 0.2 billion during the period, to reach US\$ 4.4 billion at end of September 2006. However, the ratio of banks' assets to their liabilities in foreign currencies fell to 112.4% at end of September 2006 (from 112.9% at end of June 2006) due to a larger growth in their liabilities than assets.

Given the market stability and surplus, NIR at the CBE increased by US\$ 1.1 billion or 4.9% during the period, to reach US\$ 24.1 billion at end of September 2006.

Concerning exchange rate developments, the average US\$ exchange rate (buy) declined to LE 5.7318 at end of September 2006, against LE 5.7523 at end of June 2006. Accordingly, the LE appreciated in value against the US dollar by 0.4% during the period. Moreover, the weighted average of the US\$ exchange rate in the inter-bank market decreased to LE 5.7359 at end of September 2006, from LE 5.7579 at end of June 2006.



## **4/2: Balance of Payments\***

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### **4/2/1: Summary**

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During July/Sept., 2006/2007, the BOP achieved an overall surplus of US\$ 1.1 billion, against US\$ 1.8 billion during the corresponding period of the previous FY, leading to an equivalent rise in the foreign currency reserve assets with the CBE. The overall surplus was a result of the following developments in both the current and the capital and financial accounts. On the current account side, a surplus of US\$ 1.4 billion was realized during the reporting period (against US\$ 207.6 million in the period of comparison) as an outcome of the rise in services surplus and net unrequited transfers and the decline in the trade deficit. On the side of the capital and financial account, a net inflow of US\$ 347.7 million was recorded during the reporting period (against US\$ 1.9 billion).

Details of the current account show that current receipts increased by US\$ 2.1 billion to about US\$ 12.1 billion, because of the following rises: 34.2% in merchandise exports, 14.3% in service receipts, 36.7% in official transfers and 2.3% in private transfers. On the other hand, current payments augmented by US\$ 0.9 billion to US\$ 10.7 billion, as a result of a rise in import payments by 15.1% and a decline in service payments by 9.8%.

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\* A statistical statement recording economic transactions between a given economy (resident) and the rest of the world (non-resident) during a specific period, compiled in accordance with the Fifth Edition of the IMF's Balance of Payments Manual, September 1993



### Summary of Current Receipts and Payments

(US\$ mn)

	<u>July/September</u>		2006/2007	%	Change (-)
	2005/2006	%			
<b><u>Current Receipts</u></b>	<b><u>10008.7</u></b>	<b><u>100.0</u></b>	<b><u>12110.9</u></b>	<b><u>100.0</u></b>	<b><u>2102.2</u></b>
Export proceeds <sup>+</sup>	4031.0	40.3	5410.8	44.7	1379.8
Service receipts	4622.7	46.2	5282.9	43.6	660.2
Private transfers (net)	1264.7	12.6	1293.8	10.7	29.1
Official transfers (net)	90.3	0.9	123.4	1.0	33.1
<b><u>Current Payments</u></b>	<b><u>9801.1</u></b>	<b><u>100.0</u></b>	<b><u>10673.8</u></b>	<b><u>100.0</u></b>	<b><u>872.7</u></b>
Import payments <sup>++</sup>	7348.3	75.0	8460.7	79.3	1112.4
Service payments	2452.8	25.0	2213.1	20.7	(239.7)

+ 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

++ 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

All in all, indicators of external balance improved as shown in the following table:

#### Current Receipts/Payments Ratio (%)

	<u>July/September</u>	
	2005/2006	2006/2007
Merchandise Exports/Merchandise Imports	54.9	64.0
Service Receipts/Service Payments	188.5	238.7
Current Receipts (excluding official transfers)/Current Payments	101.2	112.3
Current Receipts/Current Payments	102.1	113.5

The net inflow achieved by the capital and financial account during the period was mainly due to the increase in foreign investment activities (both direct and portfolio) that unfolded a net inflow of US\$ 3.3 billion, against US\$ 4.5 billion. FDI posted a net inflow of US\$ 3.2 billion or 2.8% of GDP (including net investments of US\$ 530.8 million in the oil sector and privatization proceeds of US\$ 87.7 million) as compared with a net inflow of US\$ 1.9 billion or 1.8% of GDP (including net investments in the oil sector of US\$ 419.9 million and privatization proceeds of US\$ 418.7 million). Portfolio investment achieved a net inflow of US\$ 37.9 million (against US\$ 2.6 billion during July/Sept. of the previous FY that included foreigners' subscription for Egyptian bonds and notes).

## Balance of Payments

(US\$ mn)

	July/September	
	2005/2006	2006/2007*
<b><u>Current Account</u></b>	<b><u>207.6</u></b>	<b><u>1437.1</u></b>
<b><u>Current Account (Excluding Transfers)</u></b>	<b><u>-1147.4</u></b>	<b><u>19.9</u></b>
<b><u>Trade Balance</u></b>	<b><u>-3317.3</u></b>	<b><u>-3049.9</u></b>
Exports**	4031.0	5410.8
Oil and products	2137.8	2512.5
Others	1893.2	2898.3
Imports**	-7348.3	-8460.7
Oil	-1152.8	-1396.4
Others	-6195.5	-7064.3
<b><u>Services Balance</u></b>	<b><u>2169.9</u></b>	<b><u>3069.8</u></b>
<b>Receipts, of which:</b>	<b>4622.7</b>	<b>5282.9</b>
Transportation, of which:	1164.6	1529.3
Suez Canal dues	(871.4)	(993.4)
Travel	2321.9	2452.6
Investment income	387.2	646.2
<b>Payments, of which:</b>	<b>-2452.8</b>	<b>-2213.1</b>
Transportation	-269.2	-262.3
Investment income	-515.1	-595.3
<b><u>Transfers</u></b>	<b><u>1355.0</u></b>	<b><u>1417.2</u></b>
Private (net)	1264.7	1293.8
Official (net)	90.3	123.4
<b><u>Capital and Financial Account</u></b>	<b><u>1882.9</u></b>	<b><u>347.7</u></b>
Capital Account	0.0	-38.8
Financial Account	1882.9	386.5
Direct investment in Egypt (net)***	1947.0	3237.1
Direct investment abroad	-18.6	-58.2
Portfolio investment in Egypt (net)	2579.2+	37.9
Portfolio investment abroad	78.5	-96.0
Other investments (net)	-2703.2	-2734.3
<b><u>Errors and Omissions (Net)</u></b>	<b><u>-278.6</u></b>	<b><u>-723.7</u></b>
<b><u>Overall Balance</u></b>	<b><u>1811.9</u></b>	<b><u>1061.1</u></b>
<b><u>Change in Reserve Assets, Increase (-)++</u></b>	<b><u>-1811.9</u></b>	<b><u>-1061.1</u></b>

\* Provisional figures

\*\* Including imports and exports of free zones

\*\*\* Including FDI in the oil sector and the proceeds of selling stakes in local institutions to foreigner investors equal to 10% or more of the capital

+ Including foreigners' subscriptions for Egyptian bonds and notes

++ The increase in balances takes a negative sign as it represents an outflow on the debit side, and vice versa.

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## **4/2/2: Trade Balance**

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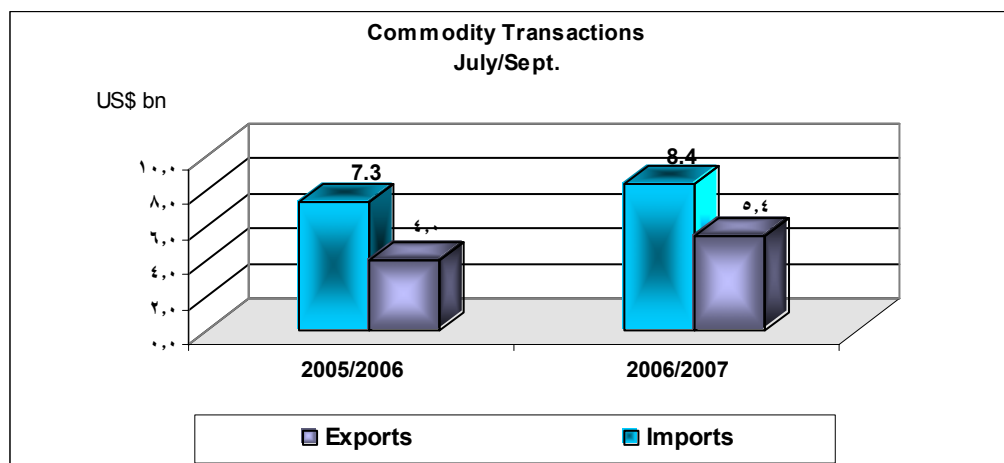
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During July/Sept., 2006/2007, Egypt's volume of foreign trade noticeably rose by 21.9%, as compared with the corresponding period of the previous FY. The index of economic openness - external trade as a percentage of GDP- showed a relative increase to 12.0% against 10.6% in the corresponding period. This was an outcome of the remarkable growth of 34.2% in Egyptian export proceeds, to reach US\$ 5.4 billion and the 15.1% rise in import payments, to reach US\$ 8.4 billion.

The increase in export proceeds was an outcome of vigorous non-oil exports (up by 53.1%, to reach about US\$ 2.9 billion or 53.6% of total export proceeds during the period under review) and higher earnings of oil exports by 17.5%, to reach some US\$ 2.5 billion. Accordingly, the ratio of exports to GDP scaled up to 4.7% (from 3.8% during the period of comparison).

Import payments went up by US\$ 1.1 billion as a result of the increase in the payments for all merchandise groups, especially fuel, mineral oils and products; consumer goods; and raw materials. The rise in these three groups accounted for 83.7% of the total increase in import payments. As a percentage of GDP, import payments registered 7.3%, against 6.9% in the corresponding period. The higher value of import payments can be largely attributed to the cut in customs duties on some imports as of September 2005. The noticeable improvement in economic growth and the pickup in net flows of FDI to Egypt helped increase the imports of both intermediate and investment goods.

Against this backdrop, trade deficit narrowed by 8.1%, to reach only US\$ 3.0 billion or 2.6% of GDP. Moreover, the ratio of merchandise export proceeds to merchandise import payments moved up from 54.9% to 64.0%.




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## 4/2/2/1: Commodity Distribution of Exports and Imports

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### A. Exports by Degree of Processing

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Compared with the corresponding period of the previous fiscal year, the structure of merchandise exports during July/Sept., 2006/2007 indicates that the bulk of the increase in proceeds was in finished goods; and fuel, mineral oils & products as shown by the following table.

### Commodity Distribution of Exports by Degree of Processing

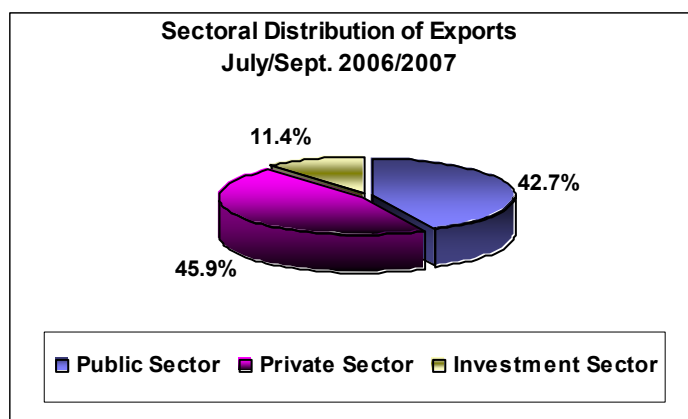
(US\$ mn)

	<u>2005/2006</u>		<u>July/September 2006/2007</u>		<u>Change(-)</u>
	<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>	
<b><u>Total</u></b>	<b><u>4031.0</u></b>	<b><u>100.0</u></b>	<b><u>5410.8</u></b>	<b><u>100.0</u></b>	<b><u>1379.8</u></b>
1-Fuel, mineral oils and products	2163.7	53.7	2549.2	47.1	385.5
2-Raw materials	130.2	3.2	158.7	2.9	28.5
3-Semi-finished goods	283.7	7.0	421.8	7.8	138.1
4-Finished goods	1190.9	29.6	1858.8	34.4	667.9
6-Miscellaneous items, unclassified	262.5	6.5	422.3	7.8	159.8

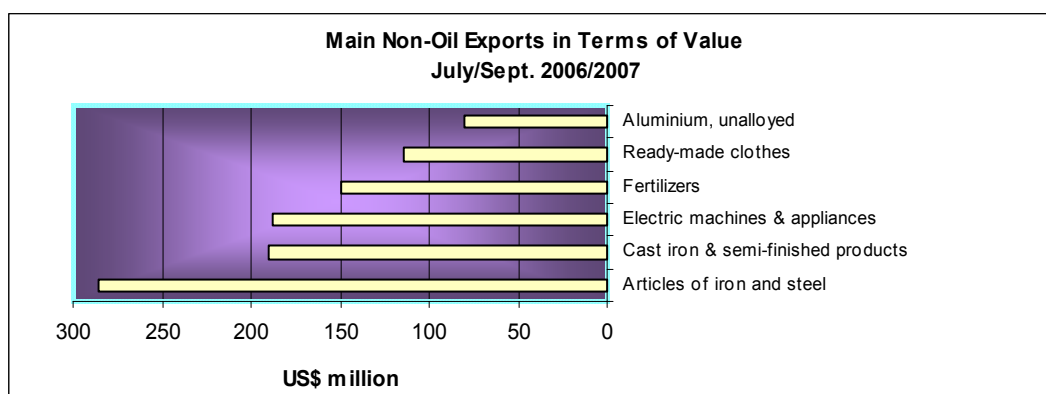
Oil export proceeds stepped up by 17.5%, to reach US\$ 2.5 billion due to the sharp increase in the exports of natural gas (especially the liquefied) by 49.1%, reaching US\$ 576.6 million or 50.7% of the total increase in oil exports. Liquefied natural gas was exported to the USA, Spain, France, the UK, South Korea, Taiwan, Japan and India (in order) during the period under review. Export proceeds of crude oil also went up by 18.7% to US\$ 901.8 million because of larger volume (by 8.5%) and export price hikes (from US\$ 44.6/barrel to US\$ 48.8/barrel on average). Moreover, export proceeds of oil products mounted by 4.8% to US\$ 803.1 million, due to the increase in the average export prices from 481.4 dollars/ton to 537.9 dollars/ton, despite the decline in the volume of exports by 6.2%. In addition, proceeds from bunker and jet fuel climbed by 2.7%, reaching US\$ 231.0 million.

Non-oil export proceeds considerably increased by 53.1%, to register some US\$ 2.9 billion, thanks to the buoyant exports of finished goods by 56.1%. The most important goods that realized an increase in export proceeds were iron and steel products; cast iron and products thereof; electric machines & appliances and fertilizers; ready-made clothes; and aluminum (unalloyed). On the other hand, a decline was noticed in the exports of organic and inorganic chemicals, glass and articles thereof, cotton yarn, copper and articles thereof and cotton.

Distribution of export proceeds by sector reveals that the private sector came on top with 45.9% of total export proceeds (of which, finished goods represented 67.2%), followed by the public sector with 42.7% (of which, oil exports constituted 92.4%). The investment sector came last, contributing 11.4%, with oil exports representing 61.1% of its total exports.



As shown by the general trend of these indicators, the private sector still plays the more effective role in stimulating non-oil exports. Moreover, imports of investment and intermediate goods in previous years have noticeably helped enhance exports of finished goods (growing by 56.1%, relative to corresponding period).



## B. Imports by Degree of Use

Merchandise import payments posted an increase of US\$ 1.1 billion. Around 83.7% of the increase was in fuel, mineral oils and products; consumer goods; and raw materials.

### **Commodity Distribution of Imports by Degree of Use**

(US\$ mn)

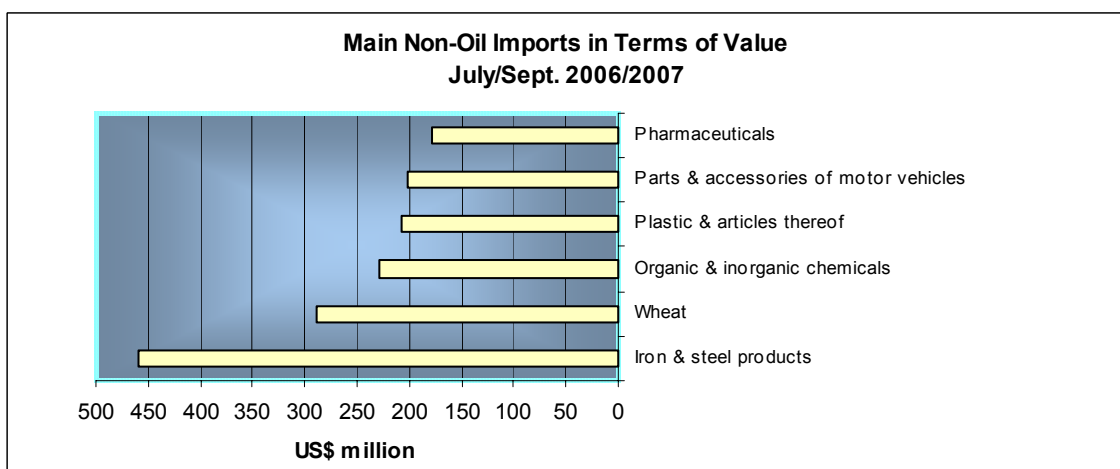
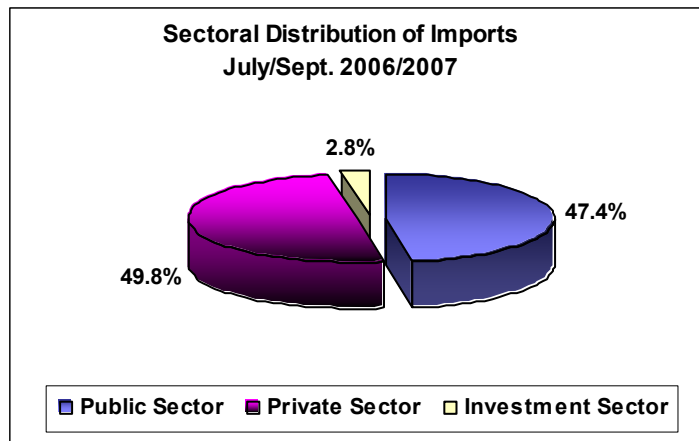
	<u>2005/2006</u>		<u>July/September 2006/2007</u>		<u>Change (-)</u>
	<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>	
<b>Total</b>	<b>7348.3</b>	<b>100.0</b>	<b>8460.7</b>	<b>100.0</b>	<b>1112.4</b>
1-Fuel, mineral oils and products	354.3	4.8	850.2	10.0	495.9
2- Raw materials	1329.2	18.1	1439.4	17.0	110.2
3-Intermediate goods	2175.5	29.6	2259.2	26.7	83.7
4-Investment goods	1850.0	25.2	1931.1	22.8	81.1
5-Consumer goods	847.3	11.5	1172.4	13.9	325.1
A. Durables	217.5	2.9	304.8	3.6	87.3
B. Non-durables	629.8	8.6	867.6	10.3	237.8
6-Miscellaneous items, unclassified	792.0	10.8	808.4	9.6	16.4

Non-oil imports amounted to US\$ 7.1 billion or 83.5% of total imports, particularly of wheat; aluminum and its products; meat; car accessories and spare parts; iron ores; and wood and its products.

Imports of fertilizers; maize; pumps, fans and parts thereof; and electric appliances for telephone and telegraph evidenced a decrease.

Oil imports went up by 21.1%, to reach US\$ 1.4 billion and to represent 16.5% of total import payments. This was attributed to the sharp increase in the imports of oil products, fueled by world price hikes and strong domestic consumption. By contrast, crude oil imports dropped by 29.7%.

Import payments by sector indicates that the private sector was the principal importer, chiefly of iron and steel products; organic and inorganic chemicals; and plastics and articles thereof. The public sector came next (its main imports were crude oil and products; wheat; greases, fats, animal and vegetable oils and products). The investment sector came last, mainly importing greases, fats, animal and vegetable oils and products; pharmaceuticals; and pumps and fans and parts thereof.



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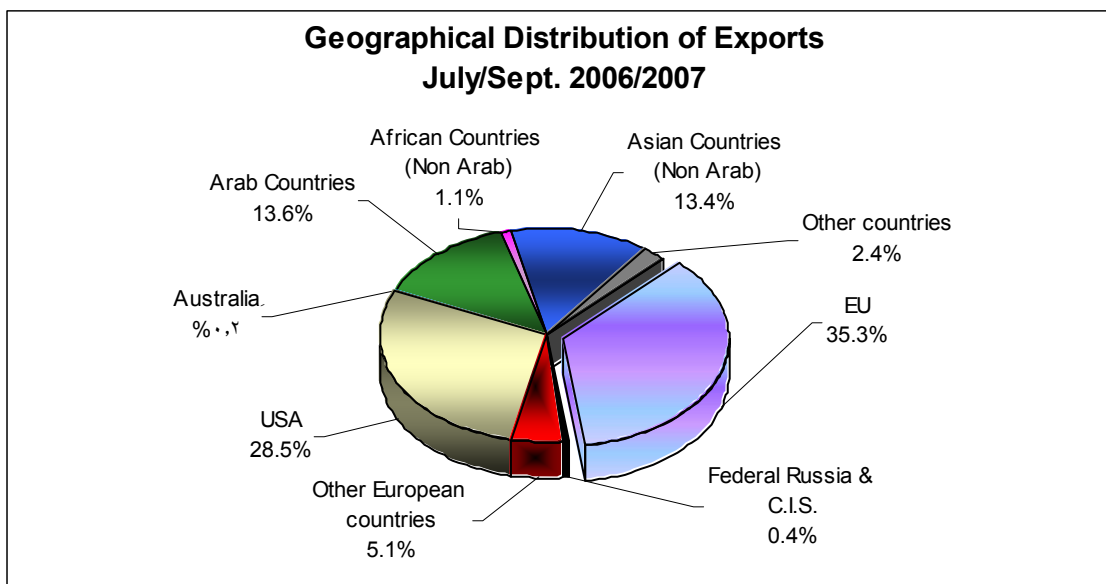
### 4/2/2/2: Geographical Distribution of Export Proceeds and Import Payments

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During July/September 2006/2007, the EU group remained the first market for the Egyptian exports, contributing US\$ 1.9 billion or 35.3% of Egypt's total export proceeds. On top of this group came Italy, followed by the UK, France, Spain, and Germany, with a share of 86.1% of total exports to the EU.

The USA came second, receiving exports of US\$ 1.5 billion and contributing 28.5% of total export earnings. The Arab countries followed, with US\$ 735.1 million (13.6% of the total). In the forefront of the group came Saudi Arabia, followed by the UAE, Jordan and Lebanon. Exports to these countries represented 71.3% of total exports to the Arab world.

Exports to the non-Arab Asian countries amounted to US\$ 726.0 million or 13.4%. On top of this group came India followed by Indonesia, Hong Kong, South Korea and Japan (these countries represented 88.8%). The shares of other European and non-Arab African countries were only 5.1% and 1.1%, respectively.

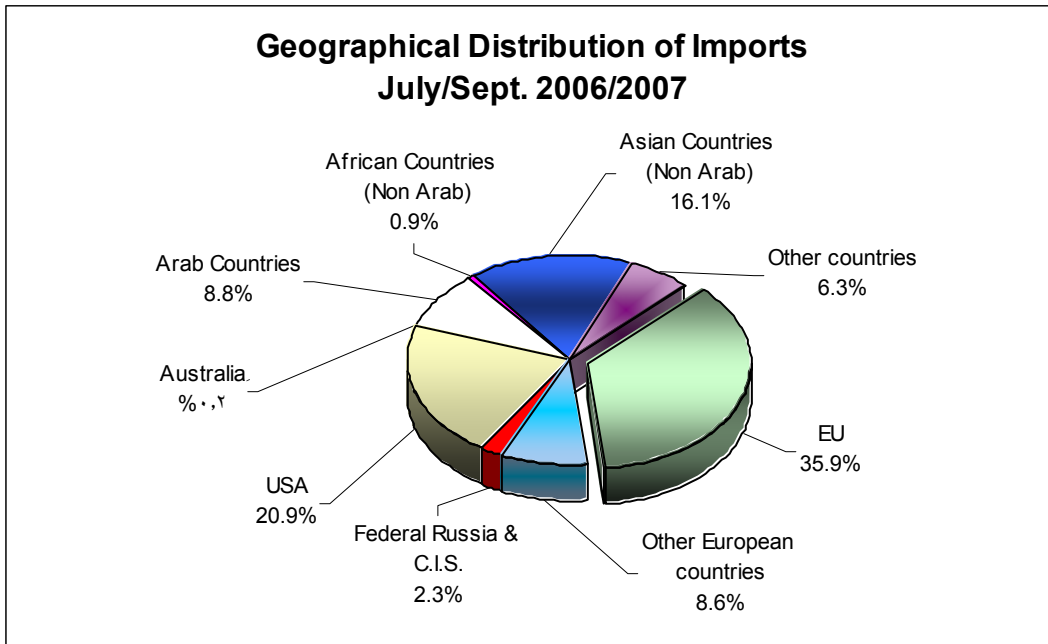




As for imports, the EU countries remained the major exporter to Egypt. Imports from this group registered US\$ 3.0 billion or 35.9% of total import payments. The UK topped this group; followed by Germany, France, Italy and the Netherlands (these countries accounted for 77.4% of the total).

The USA occupied second position, accounting for US\$ 1.8 billion or 20.9% of total import payments. The Asian countries (non-Arab) came third, with US\$ 1.4 billion or 16.1% of the total. China headed the group; followed by Japan, South Korea, India and Hong Kong (representing 79.1% of the total).

Imports from Arab countries reached US\$ 740.9 million or 8.8% of the total, with Saudi Arabia coming first, followed by the UAE, Bahrain, Syria and Lebanon (these countries contributed 81.5%). The share of other European countries was US\$ 725.6 million or 8.6% of the total. (Switzerland and Turkey contributed 86.4%).



**Geographical Distribution of Merchandise Transactions**

(US\$ mn)

	<u>Export Proceeds</u>		<u>July/September Import Payments</u>		<u>Trade Balance</u>	
	<u>2005/2006</u>	<u>2006/2007</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2005/2006</u>	<u>2006/2007</u>
<b><u>Grand Total</u></b>	<b><u>4031.0</u></b>	<b><u>5410.8</u></b>	<b><u>7348.3</u></b>	<b><u>8460.7</u></b>	<b><u>(3317.3)</u></b>	<b><u>(3049.9)</u></b>
%	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		
EU	1445.5	1912.0	2708.5	3033.6	(1263.0)	(1121.6)
%	35.9	35.3	36.9	35.9		
Other European Countries	279.6	273.1	591.5	725.6	(311.9)	(452.5)
%	6.9	5.1	8.1	8.6		
Russian Federation & CIS	12.1	21.3	281.8	194.2	(269.7)	(172.9)
%	0.3	0.4	3.8	2.3		
USA	1236.8	1544.3	1457.7	1772.5	(220.9)	(228.2)
%	30.7	28.5	19.8	20.9		
Arab Countries	448.6	735.1	579.1	740.9	(130.5)	(5.8)
%	11.1	13.6	7.9	8.8		
Asian Countries (non-Arab)	441.6	726.0	1036.1	1366.4	(594.5)	(640.4)
%	11.0	13.4	14.1	16.1		
African Countries (non- Arab)	64.0	59.9	37.4	72.8	26.6	(12.9)
%	1.6	1.1	0.5	0.9		
Australia	1.0	9.9	58.7	21.0	(57.7)	(11.1)
%	0.0	0.2	0.8	0.2		
Other Countries & Regions	101.8	129.2	597.5	533.7	(495.7)	(404.5)
%	2.5	2.4	8.1	6.3		

### **4/2/3: Balance of Services and Transfers**

Services balance ran a surplus of US\$ 3.1 billion or 2.7% of GDP during July/Sept. of FY 2006/2007, against US\$ 2.2 billion and 2.0% of GDP during the compared period, denoting a rise of US\$ 0.9 billion or 41.5%. This was a net outcome of the fact that service receipts rose by 14.3%, to US\$ 5.3 billion and service payments declined by 9.8% to only US\$ 2.2 billion.

#### **Balance of Services**

			(US\$ mn)
	<b>July/September</b>		<b>Change</b>
	<b>2005/2006</b>	<b>2006/2007</b>	<b>(-)</b>
<b>Balance of Services</b>	<b><u>2169.9</u></b>	<b><u>3069.8</u></b>	<b><u>899.9</u></b>
<b><u>Receipts</u></b>	<b><u>4622.7</u></b>	<b><u>5282.9</u></b>	<b><u>660.2</u></b>
Transportation	1164.6	1529.3	364.7
Travel (tourism revenues)	2321.9	2452.6	130.7
Investment income	387.2	646.2	259.0
Government receipts	44.5	30.4	(14.1)
Other receipts	704.5	624.4	(80.1)
<b><u>Payments</u></b>	<b><u>2452.8</u></b>	<b><u>2213.1</u></b>	<b><u>(239.7)</u></b>
Transportation	269.2	262.3	(6.9)
Travel	394.3	456.0	61.7
Investment income	515.1	595.3	80.2
Government payments	340.3	254.6	(85.7)
Other payments	933.9	644.9	(289.0)

Most of the components of service payments increased. Travel\* receipts (tourism revenues) rose by 5.6% to US\$ 2.5 billion, representing 2.1% of GDP or the equivalent of 46.4% of total service receipts. The increase in tourism revenues stemmed from the extension of tourist nights from 27.3 million nights during

\* Calculated on the basis of the number of tourist nights, multiplied by the average spending per tourist a night

July/Sept. 2005/2006 to 28.9 million during the reporting period. Moreover, transportation receipts stepped up by 31.3% to US\$ 1.5 billion (1.3% of GDP or the equivalent of 28.9% of total service receipts) mainly due to the rise in Suez Canal earnings by 14.0% to stand at US\$ 1.0 billion. The higher earnings of the Suez Canal reflects the increase in the number of transiting ships and net tonnage, in addition to the 3% raise in Canal tolls, effective as of March 2006. Investment income also went up by 66.9%, reaching US\$ 646.2 million, mainly because of the increase in foreign assets with correspondents abroad (coupled with a rise in world interest rates), and the step-up in direct investment income. Conversely, government receipts declined by 31.7%, to merely US\$ 30.4 million. Other receipts\* also rolled back by 11.4%, following the decline in the transfers to Egyptian companies and in the receipts from construction and contracting services.

Service payments decreased by 9.8% to US\$ 2.2 billion. Specifically, other payments\*\* went down by 30.9%, owing to weak securities' brokerage commissions, and low transfers abroad by Egyptian oil companies and communications services. Moreover, government payments dropped by 25.2%, as a result of the decline in the expenses of Egyptian embassies and of government medical treatment abroad. Transportation payments retreated by 2.6%, due to the fall in the amounts transferred abroad for repairing and hiring of planes at foreign airports and those transferred abroad by foreign and Egyptian navigation companies. By contrast, investment income payments went up by 15.6%, mainly because of the significant rise in the profit transfers of foreign investment companies operating in Egypt to abroad. Travel payments also augmented by 15.6% as a chief outcome of the rise in the payments of tourist companies and hotels to abroad, and the larger expenses of training and educational missions abroad.

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\*The main components are: receipts from communication services and from foreign companies, legal charges and consultation fees, and agencies' commissions and expenses, as well as invisible receipts of the oil sector.

\*\* The main components are the amounts transferred abroad by Egyptian and foreign companies, payments for construction, contracting, and communication services and invisible payments of the oil sector.

It is noteworthy that the ratio of the services surplus to trade deficit improved to reach 100.7% during the period under review, against 65.4% during the corresponding period.

Net unrequited transfers scaled up by US\$ 4.6%, reaching US\$ 1.4 billion (representing 11.7% of current receipts or 1.2% of GDP). This was attributed to a rise in private transfers by 2.3% (mainly in remittances of Egyptians working abroad that mounted by 2.4%). Moreover, official transfers rose by 36.7%, to reach US\$ 123.4 million.

### Unrequited Transfers

	<b>July-September</b>		(US\$ mn)
	<b>2005/2006</b>	<b>2006/2007</b>	<b>Change (-)</b>
<b><u>Total</u></b>	<b><u>1355.0</u></b>	<b><u>1417.2</u></b>	<b><u>62.2</u></b>
<b><u>1- Official Transfers (Net)</u></b>	<b><u>90.3</u></b>	<b><u>123.4</u></b>	<b><u>33.1</u></b>
- Inward cash grants	16.4	1.3	(15.1)
- Other inward grants	82.4	125.7	43.3
- Outward grants	-8.5	-3.6	4.9
<b><u>2- Private Transfers (Net)</u></b>	<b><u>1264.7</u></b>	<b><u>1293.8</u></b>	<b><u>29.1</u></b>
- Workers' remittances	1279.4	1309.5	30.1
- Other transfers	8.4	17.5	9.1
- Foreigners' transfers abroad	-23.1	-33.2	(10.1)

#### 4/2/4: Capital and Financial Account

During July/Sept., 2006/2007, capital and financial account revealed a net inflow of US\$ 347.7 million (against US\$ 1.9 billion during the corresponding period of the previous FY). This was mainly attributed to the following factors:

- Foreign investment in Egypt (direct\* and portfolio\*\*) achieved a total inflow of US\$ 6.3 billion and a total outflow of US\$ 3.0 billion during the period under review (against US\$ 7.1 billion and US\$ 2.6 billion, respectively during the period of comparison). This led to an increase in both types of foreign investment in Egypt (net) to achieve a net inflow of US\$ 3.3 billion. Of this amount, net FDI in Egypt represented US\$ 3.2 billion or 2.8% of GDP, including investments in the oil sector of US\$ 530.8 million and privatization proceeds of US\$ 87.7 million (against US\$ 4.5 billion; of which net FDI represented US\$ 1.9 billion or 1.8% of GDP).

It is noteworthy that net portfolio investment in Egypt includes net purchases of banks and insurance companies in Egypt of dollar denominated sovereign bonds in the amount of US\$ 283.1 million during the period (against US\$ 17.5 million during the period of comparison). It also includes foreigners' transactions on the Egyptian Stock Exchange that unfolded net purchases of US\$ 381.9 million (against net sales of US\$ 206.9 million). It is to be noted that the period of July/Sept., 2005/2006 marked foreigners' subscriptions of US\$ 2.8 billion for other Egyptian bonds and notes.

- Net outflows of other assets and liabilities (the change in banks' foreign assets and liabilities, the CBE's non-reserve foreign assets and the counterpart of some items in the current account), rose to US\$ 2.8 billion during the period under review, against US\$ 2.7 billion during the period of comparison.
- Medium- and long-term borrowing revealed net repayments of US\$ 562.4 million during July/Sept., FY 2006/2007 (against US\$ 373.0 million). This was an outcome of the decrease in total repayments to US\$ 589.8 million (against US\$ 670.4 million) and the drop in total disbursements to US\$ 27.4 million (against US\$ 297.4 million).

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\* Representing total flows of FDI in Egypt, less capital repatriation and foreign investors' equity participation in local enterprises that is equal to 10% or more of the capital of any enterprise.

\*\* Representing foreigners' net portfolio (according to the CMA statement), excluding their equity participation in local enterprises, which is equal to 10% or more of the capital of any enterprise. Their portfolio comprises the data of dealing in Egyptian bonds and notes.

## Capital and Financial Account

(US\$ mn)

	<u>July/September</u>	
	2005/2006	2006/2007*
<b><u>Capital and Financial Account</u></b>	<b><u>1882.9</u></b>	<b><u>347.7</u></b>
<b><u>Capital Account</u></b>	<b><u>0.0</u></b>	<b><u>-38.8</u></b>
<b><u>Financial Account</u></b>	<b><u>1882.9</u></b>	<b><u>386.5</u></b>
<b><u>Direct Investment Abroad</u></b>	<b><u>-18.6</u></b>	<b><u>-58.2</u></b>
<b><u>Direct Investment in Egypt (Net)</u></b>	<b><u>1947.0</u></b>	<b><u>3237.1</u></b>
<b><u>Portfolio Investment Abroad</u></b>	<b><u>78.5</u></b>	<b><u>-96.0</u></b>
<b><u>Portfolio Investment in Egypt (Net), of which:</u></b>	<b><u>2579.2</u></b>	<b><u>37.9</u></b>
Bonds**	2786.1	-344.0
<b><u>Other Investments (Net)</u></b>	<b><u>-2703.2</u></b>	<b><u>-2734.3</u></b>
<b><u>- Disbursements</u></b>	<b><u>704.5</u></b>	<b><u>669.8</u></b>
• Medium- and long-term loans	239.3	19.6
• International and regional organizations	184.0	0.0
• Bilateral loans	55.3	19.6
• Suppliers' and buyers' credit, medium- and long-term	58.1	7.8
• Suppliers' and buyers' credit, short-term (net)	407.1	642.4
<b><u>- Repayments</u></b>	<b><u>-670.4</u></b>	<b><u>-589.8</u></b>
• Medium- and long-term loans	-517.4	-459.6
• International organizations	-165.3	-75.8
• Bilateral loans	-352.1	-383.8
• Suppliers' and buyers' credit, medium- and long-term	-153.0	-130.2
<b><u>- Other Assets</u></b>	<b><u>-2293.8</u></b>	<b><u>-2551.1</u></b>
CBE	5.6	-28.4
Banks	-1550.1	-1789.8
Others	-749.3	-732.9
<b><u>- Other Liabilities</u></b>	<b><u>-443.5</u></b>	<b><u>-263.2</u></b>
CBE	1.7	3.5
Banks	-445.2	-266.7

\* Provisional figures

\*\* Representing dealing in US dollar-denominated bonds of the Egyptian government, issued pursuant to Law No. 147 for 2001, guaranteed by the Public Treasury and floated on international and local markets on 1/7/2001. These bonds have a nominal value of US\$ 1 billion, a maturity of 10 years and an interest rate of 8.75%. This is besides foreigners' subscription for other Egyptian bonds and notes in an amount of US\$ 2.8 billion during July/Sept., 2005/2006.

### 4/3: International Finance

Net resource flows, as shown by international finance data, declined by some US\$ 1.4 billion to only US\$ 3.3 billion during July/Sept., 2006/2007 against US\$ 4.7 billion during the corresponding period of the previous FY. The decline was attributed to a retreat in net foreign investment in Egypt (direct, and portfolio) to US\$ 3.3 billion during the period under review, against US\$ 4.5 billion during the period of comparison. Net portfolio investment in Egypt posted only US\$ 37.9 million, against US\$ 2.6 billion in the period of comparison (during which guaranteed bonds of US\$ 1.3 billion were issued). Net FDI (inflow) rose to US\$ 3.2 billion, against US\$ 1.9 billion.

Concerning medium- and long- term loans and facilities, net repayments reached US\$ 0.6 billion, against US\$ 0.4 billion.

#### Net Resource Flows

	July/Sept.		(US\$ mn)
	2005/2006	2006/2007 <sup>+</sup>	Change
<b>Total Net Flows</b>	<b>4710.5</b>	<b>3324.2</b>	<b>(1386.3)</b>
<b>- External Debt</b>	<b>34.1</b>	<b>80.0</b>	<b>45.9</b>
• <b>Bilateral Loans</b>	<b>-296.8</b>	<b>-364.2</b>	<b>(67.4)</b>
Disbursements	55.3	19.6	(35.7)
Principal repayments	-352.1	-383.8	(31.7)
• <b>International Organizations' Loans</b>	<b>18.7</b>	<b>-75.8</b>	<b>(94.5)</b>
Disbursements	184.0	0.0	(184.0)
Principal repayments	-165.3	-75.8	89.5
• <b>Medium- and Long-Term Suppliers' &amp; Buyers' Credit</b>	<b>-94.9</b>	<b>-122.4</b>	<b>(27.5)</b>
Disbursements	58.1	7.8	(50.3)
Principal repayments	-153.0	-130.2	22.8
• <b>Short- Term Suppliers' &amp; Buyers' Credit (Net)</b>	<b>407.1</b>	<b>642.4</b>	<b>235.3</b>
<b>- Official Grants (Net)</b>	<b>90.3</b>	<b>123.4</b>	<b>33.1</b>
<b>- Direct Investment in Egypt (Net)</b>	<b>1947.0</b>	<b>3237.1<sup>++</sup></b>	<b>1290.1</b>
<b>- Direct Investment Abroad</b>	<b>-18.6</b>	<b>-58.2</b>	<b>(39.6)</b>
<b>- Portfolio Investment in Egypt (Net), of Which:</b>	<b>2579.2</b>	<b>37.9</b>	<b>(2541.3)</b>
• Bonds	2786.1	-344.0	(3130.1)
<b>- Portfolio Investment Abroad</b>	<b>78.5</b>	<b>-96.0</b>	<b>(174.5)</b>

+ Provisional

++ Including net FDI of US\$ 0.5 billion in the oil sector, and the privatization proceeds of US\$ 0.1 billion



Net resource transfers (net inflows less interest payments and profit transfers) achieved an inflow of US\$ 2.7 billion during July/Sept. 2006/2007 (against US\$ 4.2 billion). This was ascribed to a decline in resource inflows to only US\$ 3.3 billion as aforementioned, and a pick up in total outflows to reach US\$ 0.6 billion (mainly in FDI profits).

### Net Resource Transfers from Abroad

(US\$ mn)

	<u>July/Sept.</u>	
	<u>2005/2006</u>	<u>2006/2007</u>
<b><u>Net Resources from Abroad</u></b>	<b><u>4195.4</u></b>	<b><u>2728.9</u></b>
<b><u>- Net Inflows</u></b>	<b><u>4710.5</u></b>	<b><u>3324.2</u></b>
<b><u>- Outflows (Interest Payments and Profit Transfers)</u></b>	<b><u>-515.1</u></b>	<b><u>-595.3</u></b>
1- <b><u>External Loans and Facilities:</u></b>	<b><u>-174.5</u></b>	<b><u>-172.4</u></b>
• Bilateral loans	-135.6	-130.8
• International organizations' loans	-29.3	-36.7
• Suppliers' and buyers' credit	-9.6	-4.9
2- <b><u>Interest on Deposits at Egyptian Banks</u></b>	<b><u>-10.2</u></b>	<b><u>-15.4</u></b>
3- <b><u>Profit Transfers of Foreign Direct Investment</u></b>	<b><u>-265.4</u></b>	<b><u>-342.6</u></b>
4- <b><u>Profit Transfers of Portfolio Investment</u></b>	<b><u>-65.0</u></b>	<b><u>-64.9</u></b>

### 4/3/1: FDI in Egypt

As the government pressed forward to meet the prerequisites of a favourable climate for investment, streamline its procedures, and achieve stability in the LE exchange rate, net FDI in Egypt continued to significantly increase during July/Sept. 2006/2007, reaching US\$ 3.2 billion (against US\$ 1.9 billion). The rise was an outcome of larger investment inflows by 47.5% to US\$ 3.8 billion (against US\$ 2.6 billion), and lower capital repatriation (only US\$ 0.5 billion, against US\$ 0.6 billion).

Flows from the Arab countries, chiefly the UAE, stepped up by US\$ 2.0 billion to US\$ 2.1 billion. Flows from the rest of the world amounted to US\$ 0.2 billion. Conversely, those from the USA retreated by US\$ 0.6 billion to US\$ 0.8 billion, and the EU countries by US\$ 0.4 billion to US\$ 0.7 billion.

## FDI in Egypt

	(US\$ mn)		
	<u>July/Sept.</u>		
	2005/2006	2006/2007	Change (-)
<b><u>Net Flows of FDI</u></b>	<b><u>1947.0</u></b>	<b><u>3237.1</u></b>	<b><u>1290.1</u></b>
<b><u>Inflows</u></b>	<b><u>2554.7</u></b>	<b><u>3767.6</u></b>	<b><u>1212.9</u></b>
<b>The USA</b>	<b>1388.0</b>	<b>801.2</b>	<b>(586.8)</b>
<b>The EU</b>	<b>1060.0</b>	<b>659.8</b>	<b>(400.2)</b>
Germany	38.9	14.7	(24.2)
France	262.4	15.4	(247.0)
The UK	359.5	616.4	256.9
Italy	2.3	2.8	0.5
Greece	83.4	2.1	(81.3)
Spain	310.1	0.5	(309.6)
The Netherlands	0.5	5.4	4.9
Belgium	0.0	0.3	0.3
Luxemburg	0.0	1.0	1.0
Norway	2.3	0.0	(2.3)
Denmark	0.6	1.2	0.6
<b>Arab Countries</b>	<b>39.8</b>	<b>2058.5</b>	<b>2018.7</b>
Saudi Arabia	1.2	35.1	33.9
The UAE	2.6	2013.8	2011.2
Kuwait	23.9	3.2	(20.7)
Libya	3.8	1.3	(2.5)
Lebanon	0.0	0.6	0.6
Jordan	0.0	1.1	1.1
Bahrain	7.0	0.9	(6.1)
Qatar	1.1	0.4	(0.7)
Others	0.2	2.1	1.9
<b>Other Countries</b>	<b>66.9</b>	<b>248.1</b>	<b>181.2</b>
Switzerland	4.2	3.0	(1.2)
Japan	3.7	0.0	(3.7)
China	0.0	8.1	8.1
India	0.0	0.2	0.2
Canada	0.0	0.2	0.2
Australia	0.0	0.1	0.1
Cyprus	0.0	0.6	0.6
Turkey	0.0	0.3	0.3
<b>Others</b>	<b>59.0</b>	<b>235.6</b>	<b>176.6</b>
<b><u>Capital Repatriation</u></b>	<b><u>-607.7</u></b>	<b><u>-530.5</u></b>	<b><u>77.2</u></b>

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### **4/3/2: External Official Grants**

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Net transfers of official grants (cash and in-kind) reached US\$ 0.1 billion during the reporting period, up by US\$ 33.1 million or 36.7%.

#### **Transfers of Official Grants**

(US\$ mn)

	<b>July/Sept.</b>		
	<b>2005/2006</b>	<b>2006/2007</b>	<b>Change</b>
<b><u>Official Grant Transfers (Net)</u></b>	<b><u>90.3</u></b>	<b><u>123.4</u></b>	<b><u>33.1</u></b>
- Inward cash grants	16.4	1.3	(15.1)
- Other inward grants	82.4	125.7	43.3
- Outward grants	-8.5	-3.6	4.9

According to the Ministry of International Cooperation, total grant commitments during the statement period augmented by US\$ 305.8 million to US\$ 436.0 million. The rise was mainly ascribed to the marked increase in the value of commitments with the USA, in addition to the new commitment made with Germany during the period.

A breakdown of actual flows of official grants indicates a rise in inflows (mainly from the USA), and a decline in outflows to post as low as US\$ 3.6 million.

### New Commitments and Net Actual Flows of Official Grants

(US\$ mn)				
July/Sept.	<u>New Commitments</u>		<u>Actual Flows</u>	
	2005/2006	2006/2007	2005/2006	2006/2007
<b><u>Net Inflows</u></b>			<b><u>90.3</u></b>	<b><u>123.4</u></b>
<b><u>Inflows</u></b>	<b><u>130.2</u></b>	<b><u>436.0</u></b>	<b><u>98.8</u></b>	<b><u>127.0</u></b>
USA	124.1	414.4	77.4	114.2
Japan	0.5			2.5
Germany		21.6	8.4	8.7
The UK			0.1	
Italy			0.1	0.6
Belgium			12.0	
Austria			0.1	
Canada			0.6	0.7
Saudi Arabia				0.3
Other countries			0.1	
Arab Fund for Economic and Social Development	5.0			
World Bank	0.6			
<b><u>Outflows</u></b>			<b><u>-8.5</u></b>	<b><u>-3.6</u></b>

A sectoral breakdown of grant commitments shows that services accounted for the bulk of the increase (US\$ 251.2 million). This was a result of the new commitments made for wholesale and retail trade; the rise in the commitments made for health, education, and the general government; and the decline in those of transportation and communications. In addition, commitments for productive sectors rose by US\$ 54.6 million to US\$ 65.6 million (mainly for construction and building).

**Breakdown of Official Grant Commitments  
(by Beneficiary)**

(US\$ mn)

	July/Sept.				Change
	2005/2006	%	2006/2007	%	
<b><u>Total</u></b>	<b><u>130.2</u></b>	<b><u>100.0</u></b>	<b><u>436.0</u></b>	<b><u>100.0</u></b>	<b><u>305.8</u></b>
<b><u>Productive Sectors</u></b>	<b><u>11.0</u></b>	<b><u>8.4</u></b>	<b><u>65.6</u></b>	<b><u>15.1</u></b>	<b><u>54.6</u></b>
Agriculture and irrigation	8.4	6.4			(8.4)
Manufacturing	2.6	2.0			(2.6)
Potable water and sanitary sewage			5.1	1.2	5.1
Construction and building			60.5	13.9	60.5
<b><u>Services Sectors</u></b>	<b><u>119.2</u></b>	<b><u>91.6</u></b>	<b><u>370.4</u></b>	<b><u>84.9</u></b>	<b><u>251.2</u></b>
Transportation, communications, and information	5.6	4.3	4.4	1.0	(1.2)
Wholesale and retail trade			197.3	45.3	197.3
General government	41.3	31.8	48.6	11.1	7.3
Education and health	62.3	47.8	116.6	26.7	54.3
Others	10.0	7.7	3.5	0.8	(6.5)

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**4/3/3: External Debt**

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At end of Sept. 2006, the balance of external debt (public and private) with all maturities (denominated in US dollar) registered US\$ 29.0 billion (25.0% of GDP), down by US\$ 0.6 billion as compared with the end of June 2006. The decline was attributed to a net repayment of US\$ 0.7 billion (as an outcome of repayments of US\$ 1.1 billion and disbursements of only US\$ 0.4 billion), and a rise in most currencies of borrowing versus the US dollar by US\$ 0.1 billion during the period.

Medium- and long- term debt reached about US\$ 27.3 billion or 94.3% of total debt at end of Sept. 2006. Of this amount, 67.1% (or US\$ 19.4 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% of the total. Moreover, debts due to international and regional organizations reached US\$ 5.2 billion or 18.0% of the total (of which, 92.7% was owed by the public sector). The balance of Egyptian bonds and notes (holdings of non-residents) reached US\$ 1.6 billion or 5.5% 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, long-term deposits amounted to US\$ 0.3 billion or 1.0%, while debt of the private sector (non-guaranteed) posted US\$ 0.1 billion or 0.3%.

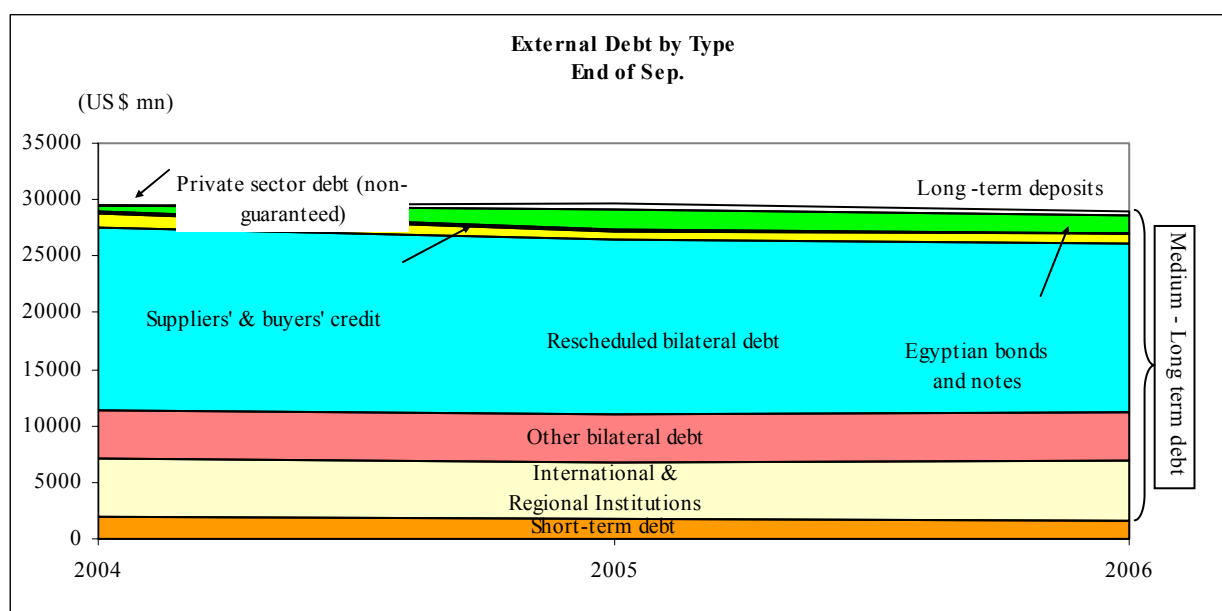
### Structure of External Debt by Maturity

Balances at End of	June 2006		Sept. 2006		Change (-)
	Value	Relative Importance	Value	Relative Importance	
<b>Total External Debt</b>	<b>29592.6</b>	<b>100.0</b>	<b>28950.9</b>	<b>100.0</b>	<b>(641.7)</b>
1- Medium- and long –term debts	27959.6	94.5	27314.2	94.3	(645.4)
- Rescheduled bilateral loans	15229.0	51.5	14965.3	51.7	(263.7)
• Concessional	7610.6	25.7	7524.4	26.0	(86.2)
• Non-concessional	7618.4	25.8	7440.9	25.7	(177.5)
- Other bilateral loans	4295.5	14.5	4298.8	14.8	3.3
• Paris Club countries	3590.4	12.1	3601.4	12.4	11.0
• Other countries	705.1	2.4	697.4	2.4	(7.7)
- International and regional organizations	5205.0	17.6	5218.9	18.0	13.9
- Suppliers' and buyers' credit	979.5	3.3	868.6	3.0	(110.9)
- Egyptian bonds and notes	1861.9	6.3	1578.8*	5.5	(283.1)
- Long-term deposits	300.0	1.0	300.0	1.0	0.0
- Debt of the private sector (non-guaranteed)	88.7	0.3	83.8	0.3	(4.9)
2- Short-term loans	1633.0	5.5	1636.7	5.7	3.7
• Deposits	633.1	2.1	611.3	2.1	(21.8)
• Facilities	999.9	3.4	1025.4	3.6	25.5

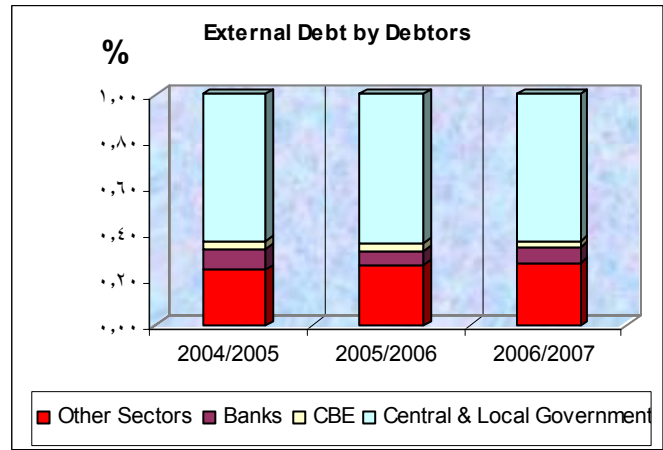
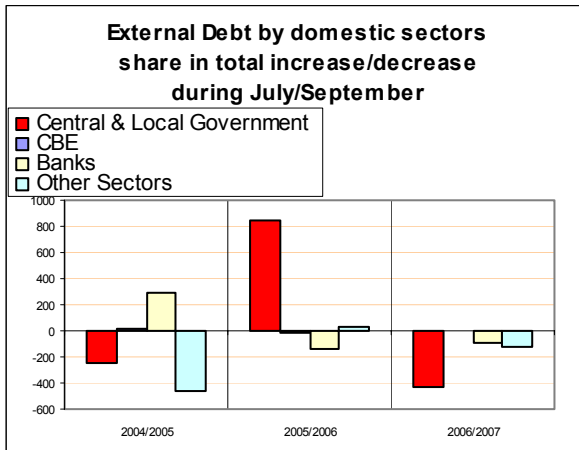
\* The nominal value of the dollar-denominated sovereign bonds, issued in July 2001, reached one billion dollar, after repaying the first tranche (US\$ 500.0 million) in July 2006. Following resident financial institutions' purchase of US\$ 671.2 million of these bonds on the secondary market, external debt - arising from bond issue-reached US\$ 328.8 million. This is in addition to US\$ 1250 million of guaranteed bonds issued by the Egyptian government in September 2005.

The balance of short-term debt remained almost unchanged at US\$ 1.6 billion or 5.7% (of which, 58.4% was owed by the private sector).

At end of June 2006, the debt owed by the public sector (official debts) accounted for the bulk (95.0%) of the total external debt. It posted US\$ 27.5 billion, whereas that of the private sector (only US\$ 1.5 billion) remained more or less unchanged at 5.0%.



A distribution of external debt by debtor indicates a decline in the debt owed by the central government by US\$ 0.4 billion, to stand at US\$ 18.4 billion, banks by US\$ 0.1 billion to US\$ 2.0 billion, and other sectors by US\$ 0.1 billion to US\$ 7.8 billion. By contrast, the debt owed by the monetary authority went up by US\$ 1.7 million to US\$ 0.7 billion. Nevertheless, such developments did not affect the external debt structure by debtor. In other words, the central government remained the principal debtor (63.7%) at end of Sept. 2006, followed by other sectors (27.1%), then banks (6.9%) and finally the monetary authority (2.3%).



Breakdown of the external debt by creditor indicates that 54.1% of the total was due to the Paris Club four main members, namely France (15.7%), the USA (14.5%), Japan (12.2%) and Germany (11.7%). The Arab countries combined accounted for 3.8%, chiefly Kuwait (1.8%), Saudi Arabia (0.6%) and the UAE (0.4%). The debt due to international and regional organizations represented 18.0%, mainly the European Investment Bank (5.6%).

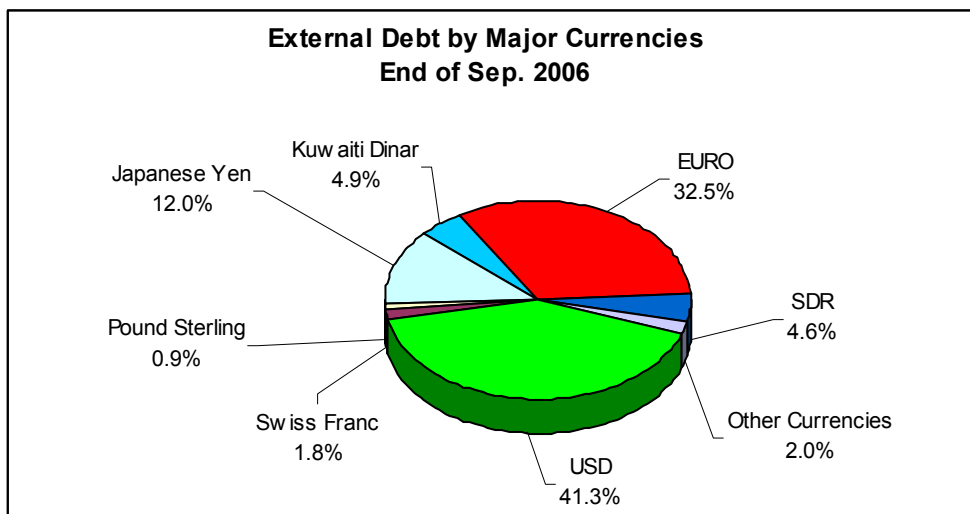


### External Debt by Main Creditor

(US\$ mn)

At End of	June 2006		Sept. 2006	
	Value	Relative Importance	Value	Relative Importance
<b>Total External Debt</b>	<b>29592.6</b>	<b>100.0</b>	<b>28950.9</b>	<b>100.0</b>
<b>USA</b>	<b>4318.6</b>	<b>14.6</b>	<b>4201.7</b>	<b>14.5</b>
<b>Japan</b>	<b>3587.9</b>	<b>12.1</b>	<b>3529.1</b>	<b>12.2</b>
<b>EU Countries, of which:</b>	<b>12017.6</b>	<b>40.6</b>	<b>11825.3</b>	<b>40.9</b>
France	4635.3	15.7	4544.6	15.7
Germany	3323.5	11.2	3377.2	11.7
Spain	831.8	2.8	820.7	2.9
Italy	761.0	2.6	756.2	2.6
UK	1417.6	4.8	1246.9	4.3
Austria	538.5	1.8	530.6	1.8
Others	509.9	1.7	549.1	1.9
<b>Arab Countries</b>	<b>1097.5</b>	<b>3.7</b>	<b>1099.5</b>	<b>3.8</b>
Kuwait	535.5	1.8	520.8	1.8
Saudi Arabia	187.0	0.7	177.3	0.6
UAE	96.0	0.3	103.4	0.4
Bahrain	8.6	0.0	13.5	0.0
Others	207.4	0.9	284.5	1.0
<b>Other Countries</b>	<b>1504.1</b>	<b>5.1</b>	<b>1497.6</b>	<b>5.1</b>
Switzerland	468.9	1.6	445.2	1.5
Australia	188.0	0.6	187.2	0.6
Canada	260.1	0.9	267.1	0.9
China	121.6	0.4	137.8	0.5
Others	465.5	1.6	460.3	1.6
<b>International and Regional Organizations</b>	<b>5205.0</b>	<b>17.6</b>	<b>5218.9</b>	<b>18.0</b>
IDA	1340.0	4.5	1333.2	4.6
European Investment Bank	1591.0	5.4	1616.0	5.6
Arab Fund for Economic and Social Development	961.8	3.2	937.0	3.2
African Development Fund and Bank	434.5	1.5	427.7	1.5
World Bank	353.9	1.2	385.6	1.3
Arab Monetary Fund	364.4	1.2	366.0	1.3
Islamic Development Bank (Jeddah)	53.0	0.2	51.1	0.2
Other institutions	106.4	0.4	102.3	0.3
<b>Egyptian Bonds and Notes</b>	<b>1861.9</b>	<b>6.3</b>	<b>1578.8</b>	<b>5.5</b>

External debt by main currency indicates that the US dollar accounted for the bulk (41.3%) 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 32.5%, then the Japanese yen with 12.0% and the Kuwaiti dinar with 4.9 % (see the following chart)



During July/Sept., 2006/2007, new loan and facility commitments amounted to US\$ 94.1 million. Bilateral loans from Finland accounted for a major part of these commitments (US\$ 50.9 million or 54.1% of the total). Moreover, US\$ 24.0 million or 25.5% of the total were from international and regional organizations (exclusively from the Saudi Fund for Development (SFD)). Meanwhile, commitments on medium- and long- term suppliers' and buyers' credit registered US\$ 19.2 million or 20.4% of the total.

External debt service (principal repayments and interest payments) declined by US\$ 55.0 million, to reach US\$ 0.8 billion during July/Sept., 2006/2007. The decrease was an outcome of the fall in principal repayments (medium and long-term) by US\$ 80.6 million to US\$ 0.6 billion and the rise in interest payments by US\$ 25.6 million to US\$ 0.2 billion.

Given the drop of 6.3% in debt service payments and the rise of 21.0% in the exports of goods & services, and transfers, the ratio of debt service to current receipts (including transfers) improved to 6.7% during the statement period (against 8.7%). Likewise, the ratio of debt service/export proceeds of goods and services improved to 7.6% (against 10.0%).

At end of Sept. 2006, external debt as a percentage of GDP improved to 25.0% against 27.6%. The ratio of short-term debt to total debt recorded 5.7% against 5.9%, and to NIR 6.8% against 8.2%.

### Main Indicators of External Debt

	(%)		
	<b>July/Sept.</b>		
	<b>2004/2005</b>	<b>2005/2006</b>	<b>2006/2007</b>
Debt balance/GDP	34.1	27.6	25.0
Debt balance/ exports of goods and services	404.2	342.9	270.7
Debt service/ exports of goods and services	9.9	10.0	7.6
Debt service/ current receipts (including transfers)	8.6	8.7	6.7
Interest*/ exports of goods and services	2.7	2.3	2.1
Interest*/current receipts (including transfers)	2.4	2.0	1.9
Short-term debt/total debt	6.9	5.9	5.7
Short-term debt/NIR	13.8	8.2	6.8
Debt per capita (US\$)	409.9	402.8	385.9

\*Including interest payments on bonds and notes with non-residents

## 5- Cotton

### 5/1: Domestic Developments

During the 2006/2007 season, the government made headway with its policy of encouraging more cultivation of cotton. Its policy tools included breeding of new varieties with better yield, higher quality and stronger pest resistance; and the adjustment of the cotton variety map to suit weather conditions. This is in addition to helping farmers to prepare the soil for cultivation, by deep plowing, and laser leveling, and providing seeds at half their cost. This policy ensures that farmers receive, through a competitive marketing system, international prices when selling their cotton crops. Moreover, the government continued also to bear partly the cost of cotton pest controls (within the limits of LE 100 per feddan).

Hereunder are the main developments on both sides of cotton supply and demand:

#### 5/1/1: Production

According to the estimates of the Cotton Arbitration and Testing General Organization (CATGO), the cotton area reached some 551 thousand feddans during the 2006/2007 season, 15.2% below the final estimates of the cultivated area in the previous season, and 6.3% below the target area of 588 thousand feddans for the current season. Of this area, 73.5% was cultivated in long staples, while, 26.5% with extra-long staple.

#### Area and Production by Cotton Variety

	<u>Area</u>				Change (-) + %	<u>Production</u>				Change (-) + %
	<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>Estimated*</u>			<u>Final</u>	<u>Estimated*</u>				
<b>Total</b>	<b>650</b>	<b>100.0</b>	<b>551</b>	<b>100.0</b>	<b>-15.2</b>	<b>4006</b>	<b>100.0</b>	<b>4285</b>	<b>100.0</b>	<b>7.0</b>
Extra-Long Staples	154	23.7	146	26.5	-5.2	866	21.6	1044	24.4	20.6
Long Staples	496	76.3	405	73.5	-18.3	3140	78.4	3241	75.6	3.2

Source: CBE (Alexandria Branch), Securities and Cotton Department

\* According to CATGO

According to CATGO estimates, total production during 2006/2007 season reached some 4.3 million metric cantars, up by 7.0% as compared with the previous season. Such a rise was ascribed to the increase in the average productivity per feddan during the current season to some 7.8 cantars/feddan against some 6.2 cantars/feddan during the preceding season.

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### **5/1/2: Stock, Total Supply and Domestic Consumption**

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During the 2006/2007 season, total supply of cotton posted some 5.0 million metric cantars, with a 22.0% rise over the previous season. The increase was attributed to the pickup in the opening stock of the 2006/2007 season, in addition to the increase in production estimates as aforementioned. As for domestic consumption, since the beginning of the 2006/2007 season till the end of Sept. 2006, local mills received around 18.0 thousand metric cantars against 46.0 thousand in the previous season.

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### **5/1/3: Export Commitments**

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During the new exporting season of 2006/2007, the Alexandria Cotton Exporters' Association (ALCOTEXA) announced the selling guidelines, effective as of 1<sup>st</sup> Oct. 2006. These guidelines include a periodical announcement of the average export selling prices; and state that export prices are to be set by agreement between the buyer and seller according to the shipment date. Moreover, all contracts registered with ALCOTEXA are final; and payment is to be effected exclusively in the US dollar. Furthermore, contracting on bids submitted to export firms members to ALCOTEXA is subject to the Association's approval, according to its bylaws. In addition, ALCOTEXA is the arbitration body in case any dispute arises between the buyer and seller.

Total commitments since the beginning of the season on 1<sup>st</sup> Sept. till its end reached some 6.0 thousand metric cantars. Extra long-staples accounted for some 2.7 thousand metric cantars or 45% of the total, while long-staple varieties represented 3.3 thousand metric cantars or 55%.

A breakdown of export commitments by importer during the period under review shows that the Asian countries ranked first, headed by India, with a share of 58.4% of total commitments, followed by the EU countries (18.3%), with Germany at the top, and other European countries (18.3%), represented only by Turkey. The group of other countries, only Morocco for the reporting season, accounted for 5.0% of total commitments.

### Export Commitments by Importer

	<b>2005/2006 Season</b>	<b>2006/2007 Season</b>
	<b>Till End of June 2006</b>	<b>Till End of Sept. 2006</b>
<b><u>Total (Thousand Metric Cantars)</u></b>	<b><u>1871.0</u></b>	<b><u>6.0</u></b>
<b><u>Asian Countries, of Which</u></b>	<b><u>66.5%</u></b>	<b><u>58.4%</u></b>
India	21.8%	30.5%
Pakistan	22.8%	15.0%
<b><u>EU Countries, of Which</u></b>	<b><u>13.4%</u></b>	<b><u>18.3%</u></b>
Italy	9.2%	5.0%
Germany	2.0%	8.3%
<b><u>Other European Countries</u></b>	<b><u>8.8%</u></b>	<b><u>18.3%</u></b>
Switzerland	4.6%	0.0%
Turkey	4.2%	18.3%
<b><u>USA</u></b>	<b><u>5.7%</u></b>	<b><u>0.0%</u></b>
<b><u>Other Countries</u></b>	<b><u>5.6%</u></b>	<b><u>5.0%</u></b>

### 5/2: International Developments

According to the estimates of the International Cotton Advisory Committee (ICAC) for the 2006/2007 season, as compared with the preceding season, the opening stock of cotton is anticipated to shrink by 1.3%, reaching 53.9 million bales. World output is expected to augment by 1.6%, in light of the estimates of vigorous production of China, India, and Brazil, spurred by the expansion in both the cultivated area and average yield per feddan. Accordingly, total world supply is projected to go up by 0.7%, to register 169.0 million bales.

### Position of World Cotton

	2005/2006 Season	2006/2007 Season	(Million Bales*) Change (-)+%
Opening stock	54.6	53.9	-1.3
World output	113.3	115.1	1.6
<b><u>Total Supply</u></b>	<b><u>167.9</u></b>	<b><u>169.0</u></b>	<b><u>0.7</u></b>
World consumption	114.0	118.9	4.3
Carryover	53.9	50.1	-7.1
International trade**	44.5	41.3	-7.2

Source: International Cotton Advisory Commission (ICAC)

\* World bale = 4.6 metric tons

\*\* Measured by average value of exports and imports

World consumption is expected to increase by 4.3% to 118.9 million bales, due to strong consumption by China, India and Pakistan. Moreover, the estimates indicate a decline in the volume of world trade of cotton by 7.2% to 41.3 million bales.

## 6- Tourism

According to the CAPMAS statistics, indicators of tourism flows to Egypt during July/Sept., 2006/2007 revealed a number of positive results, as compared with the corresponding period of the previous FY. The number of arrivals and tourist nights rose by 2.5% and 5.6%, respectively. Tourism revenues took the same trend, climbing by 5.6%, to US\$ 2.5 billion, due to the rise in the average tourist stay by 3.2% to register 13 nights. Meanwhile, the average tourist spending per night remained at the same previous level of US\$ 85.

### Tourism Indicators

	<u>2004/2005</u>		<u>2005/2006</u>		<u>2006/2007</u>	
	July/ Sept.	Change + (-) %	July/ Sept.	Change + (-) %	July/ Sept.	Change + (-) %
Number of arrivals (000s)*	2390	23.3	2214	(7.4)	2269	2.5
Number of departures (000s)	2268	26.1	2167	(4.5)	2213	2.1
Number of tourist nights of departures (000s)	28146	29.3	27316	(2.9)	28854	5.6
Average spending per tourist a night (US\$)	75.0	0.0	85.0	13.3	85.0	0.0
Tourism revenues (US\$ mn)	2111.0	29.3	2321.9	10.0	2452.6	5.6
Average tourist stay (night)	12.4	2.5	12.6	1.6	13.0	3.2

Source: CAPMAS and CBE

\* Excluding non-resident Egyptians coming for temporary purposes



### 6/1: Tourists

During the statement period, total arrivals from all tourist groups amounted to some 2.3 million, up by 55 thousand or 2.5% as compared with the corresponding period of the previous FY. This pickup was a combined effect of the following developments. First, in July 2006, there was a decline in the number of arrivals by some 46 thousand or 5.5%, affected by the Lebanon war. Second, the number of arrivals during August and September 2006 picked up by 71 thousand (9.6%) and 30 thousand (4.8%) respectively as tourism activity restored its normal level.

- The European markets continued to account for the largest share of the number of tourist arrivals (59.1%). Tourists from this group rose by some 76 thousand or 6.0%. Most of the increase was from Eastern European markets, with a higher number of 53 thousand or 17.9%, mainly from the Russian Federation (43.3 thousand). The number of arrivals from Western Europe went up by 23 thousand or 2.4%, chiefly from Italy (27 thousand), and the UK (19 thousand). By contrast, arrivals from France fell in number (14 thousand), and so did those from Scandinavian countries (8 thousand), and Germany (5 thousand).

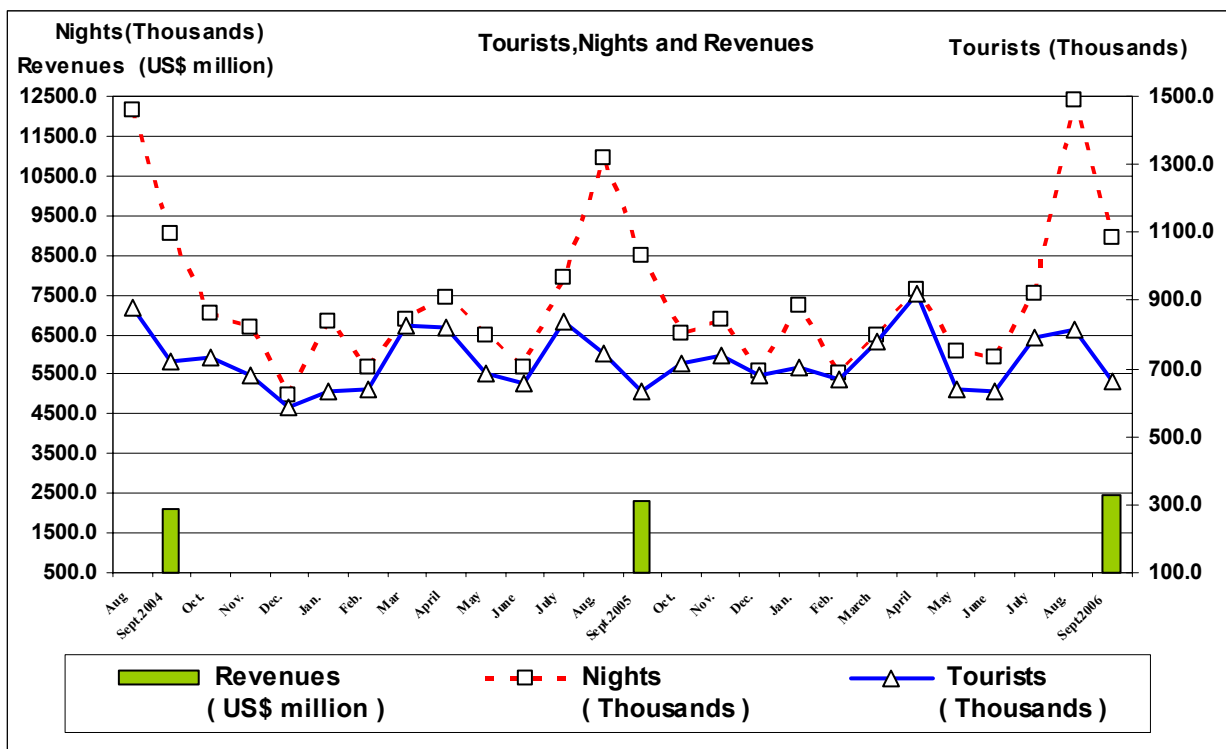
#### Number of Tourist Arrivals

(000s)

	<u>2004/2005</u>			<u>July/Sept. 2005/2006</u>			<u>2006/2007</u>		
	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %
<b>Total</b>	<b>2390</b>	<b>100.0</b>	<b>23.3</b>	<b>2214</b>	<b>100.0</b>	<b>(7.4)</b>	<b>2269</b>	<b>100.0</b>	<b>2.5</b>
	<b>By Period</b>								
July	793	33.2	27.3	840	37.9	5.9	794	35.0	(5.5)
August	877	36.7	18.0	743	33.6	(15.3)	814	35.9	9.6
Sept.	720	30.1	25.7	631	28.5	(12.4)	661	29.1	4.8
	<b>By Group</b>								
Europe	1437	60.1	33.4	1266	57.2	(11.9)	1342	59.1	6.0
Middle East	730	30.6	7.2	704	31.8	(3.6)	666	29.4	(5.4)
Africa	72	3.0	24.1	77	3.5	6.9	83	3.7	7.8
The Americas	65	2.7	30.0	72	3.3	10.8	74	3.3	2.8
Asia and the Pacific	84	3.5	16.7	94	4.2	11.9	103	4.5	9.6
Others	2	0.1	100.0	1	0.0	(50.0)	1	0.0	0.0

Source: CAPMAS

- Although maintaining second position (29.4%), arrivals from the Middle East markets declined by 38 thousand or 5.4% under the influence of the Lebanon war. This downtrend was mainly pronounced in arrivals from Israel (49 thousand), Palestine (38 thousand), and Saudi Arabia (5 thousand). Nevertheless, this retreat was to some extent offset by larger tourists from Libya (20 thousand), Kuwait (10 thousand), Iraq (9 thousand), and Jordan (8 thousand).
- As to the promising markets of East Asia, the efforts made to intensify promotion campaigns thereto bore fruit, since the number of arrivals from the Asian and Pacific markets increased by some 9 thousand or 9.6%, thereby ranking third, with a share of 4.5% of the total relative weight of the number of tourists. The increase was concentrated in tourist flows from Japan (3 thousand), China (4 thousand), and Australia (one thousand).
- The number of arrivals from the Americas group picked up by 2 thousand (2.8%), half of them came from the USA.
- Arrivals from the African markets went up by around 6 thousand or 7.8%, coming mostly from the Sudan by about 4 thousand or 12.5%, and Algeria by some 2 thousand or 33.3%.



## 6/2: Tourist Nights

During July/Sept. of FY 2006/2007, total tourist nights by departures reached some 28.9 million, with an increase of 1.5 million or 5.6% as compared with the corresponding period of the previous FY. The upward trend in the number of tourists was paralleled with a similar trend in the number of the nights spent by departures during the reporting period. Accordingly, the number of tourist nights surged by 13.5% and 5.1 % during August and Sept. 2006, respectively, in contrast to a decline of 4.7% during July 2006.

### Number of Tourist Nights by Departures

(000s)

	<u>2004/2005</u>			<u>July/Sept.</u> <u>2005/2006</u>			<u>2006/2007</u>		
	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %
<b>Total</b>	<b>28146</b>	<b>100.0</b>	<b>29.3</b>	<b>27316</b>	<b>100.0</b>	<b>(2.9)</b>	<b>28854</b>	<b>100.0</b>	<b>5.6</b>
	<b>By Period</b>								
July	6960	24.7	43.3	7909	29.0	13.6	7535	26.1	(4.7)
August	12129	43.1	29.7	10921	40.0	(10.0)	12396	43.0	13.5
Sept.	9057	32.2	19.8	8486	31.0	(6.3)	8923	30.9	5.1
	<b>By Group</b>								
Europe	14540	51.7	35.2	13479	49.3	(7.3)	13661	47.3	1.4
Middle East	10494	37.3	21.7	10499	38.4	0.0	11282	39.1	7.5
Africa	1028	3.6	30.8	1096	4.0	6.6	1309	4.5	19.4
The Americas	1187	4.2	23.5	1268	4.7	6.8	1461	5.1	15.2
Asia and the Pacific	877	3.1	39.0	955	3.5	8.9	1122	3.9	17.5
Others	20	0.1	42.9	19	0.1	(5.0)	19	0.1	0.0

Source: Ibid

The higher number of arrivals from the European markets was associated with a rise in the number of tourist nights by departures from this group by some 182 thousand or 1.4%, compared with the corresponding period of 2005/2006. This was an outcome of the increase in tourist nights from Eastern Europe by some 356 thousand or 12.3% (mostly from the Russian Federation by some 355.2 thousand or 27.8%, and Poland by some 152.2 thousand or 28.4%), on the one hand, and the decline in the nights by departures from Western Europe by some 174 thousand or 1.6% on the other hand, mainly from Germany (329.1 thousand or 12.3%), and France (174.6 thousand or 17.5%). Conversely, the nights by departures from the UK scaled up by 280 thousand or 12.3%.

Despite the fall in the number of arrivals from the Middle East markets, the number of nights by departures therefrom rose by 783 thousand or 7.5%. More than half of the increase came from Saudi Arabia (173 thousand), Kuwait (128 thousand), and Libya (125 thousand).

The Asia and Pacific markets recorded a rise in the number of tourist nights by some 167 thousand or 17.5%, mostly contributed by China (28 thousand), Japan (21 thousand), South Korea (18 thousand), and India (14 thousand).

Tourist nights by departures from the Americas markets surged by some 193 thousand or 15.2%, mainly from the USA (155 thousand), and Canada (31 thousand). Moreover, nights by departures from the African countries went up by some 213 thousand or 19.4%, chiefly from the Sudan (some 138 thousand).

## **International Developments**

## **7- International Economic and Monetary Developments**

### **7/1: Economic Developments**

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#### **7/1/1: Economic Growth, Employment and Prices**

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During July/September 2006, world economic growth decelerated to 2.8% (against 4.1% during the same period of 2005), as a result of slackened economic performance in both advanced and Asian emerging economies. The former hardly grew by 1.9% against 3.3%, mainly due to the noticeably sluggish economic growth of the USA and Japan, as well as the euro area. Economic growth declined in the Asian emerging countries (mainly Korea, Malaysia, the Philippines, Thailand and Singapore) from 9.5% to 9.0%. However, the global economic slump was somewhat offset by the continued robust growth of the Chinese economy that remained, despite its decrease, over 10.0% and the pickup of the Indian economy from 7.5% to 9.6%. Add to this the higher growth rates of the Latin American economies supported by the improved economic growth of Brazil, Argentina, Colombia and Peru.

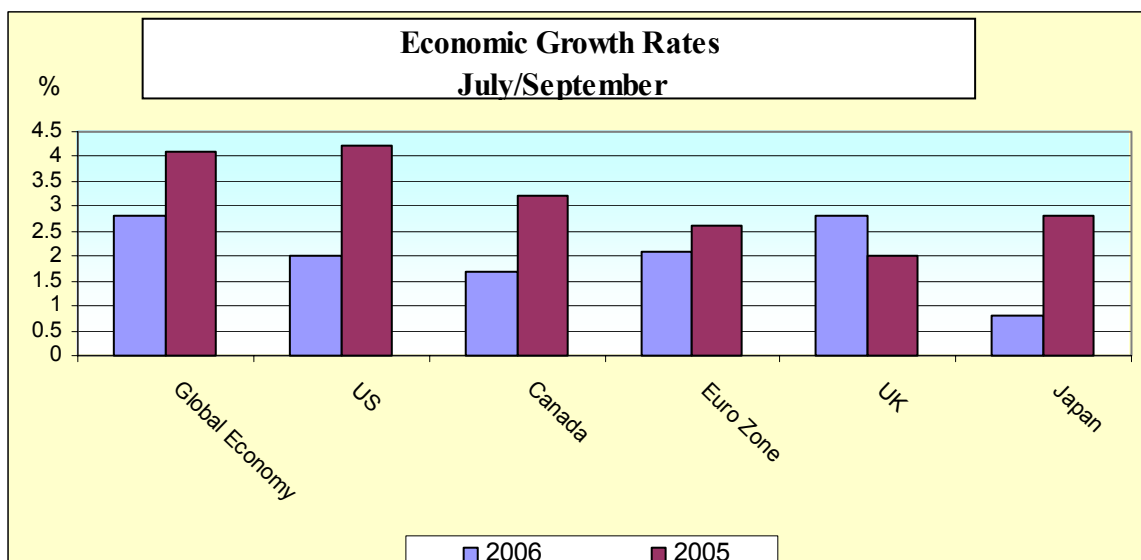
As a reflection of the global economic slowdown during July-September 2006 (compared with the previous corresponding period), the S & P Global 1200 growth rate fell from 6.6% to 4.4%.

Overall, economic performance slackened in major industrial countries, with the exception of the UK. Behind the said slowdown was the weak fixed investment spending, particularly in light of tightening monetary policies, as central banks continued to raise their interest rates, and hence, bank credit costs. In the USA, the economic growth rate declined, for the second successive quarter, to 2.0% during the period under review, (against 4.2% during the period of comparison). This was mainly ascribed to the drop in private consumption (representing about two-thirds of GDP) from 3.9% to 2.8%; in fixed investment from 6.3% to 1.1%; and in government spending from 3.4% to 1.7%. The decline in the US economic growth could have been sharper but for the drop in the deficit on the balance of goods and services, during the period under review.

In Canada, economic growth shrank to 1.7% during the period under review (against 3.2%). This was a result of the steep fall in fixed investment, to reach only 2.8% (against 10.4 %), coupled with a decrease in industrial output. The slump in the Canadian economy was much mitigated by the rise in private consumption by 4.2% against 2.6%.

In the euro area, economic growth decreased to 2.1% (against 2.6%), affected by a decline in the growth rates of France and Italy (the second and third largest economies of the area), to -0.1% and 1.1%, respectively. The German economy was an exception, growing from 2.1% to 2.6%. The modest performance of the euro area was mainly attributed to soft fixed investment of only 3.3% during the period (against 5.7%), the slowdown in private consumption from 2.7% to 2.6%, and the contraction in the industrial output from 3.7% to 3.5%.

In Japan, economic growth significantly slackened to reach only 0.8% during the period (against 2.8%). This was a principal result of the fall in private consumption, (constituting more than 50% of GDP), by 3.7% (against a growth rate of 2.3%). Other contributing factors were the noticeably weak growth of fixed investment, reaching only 0.2% (against 6.4%) and the drop in government spending.



Source : Global Economic & Policy Research, World Financial Markets, JP Morgan Dec., 2006

In the UK, economic growth mounted to 2.8% during the period under review (against 2.0%), supported by the rise in private consumption (by 1.6% against 1.1%) and the marked strengthening of industrial output. However, the pickup in the British economic performance was somewhat limited by the dramatic decline in fixed investments, to post only 7.6% against 13.1%.

At end of September 2006, unemployment decelerated in all major industrial countries, with the exception of the UK, compared with Sept. 2005. In the USA, unemployment decelerated from 5.1% to 4.7% and in the euro area from 8.5% to 7.8%, influenced by lower rates in Germany and France. It also fell in Canada from 6.7% to 6.4% and in Japan from 4.3% to 4.2%. By contrast, unemployment went up in the UK from 4.7% to 5.6%.

### Unemployment and Inflation

	<u>Unemployment at end of</u>		<u>Inflation in the Year</u>	
	<u>September</u>		<u>Ending September</u>	
	2005	2006	2005	2006
USA	5.1	4.7	4.7	2.1
Canada	6.7	6.4	3.4	0.7
Japan	4.3	4.2	(0.3)	0.6
Germany	11.7	10.6	2.5	1.0
France	9.8	8.8	2.2	1.2
Italy	Unavailable	Unavailable	2.0	2.4
UK	4.7	5.6	2.5	2.4
Euro Area	8.5	7.8	2.6	1.7

Source: The Economist, various issues

Inflation subdued in most of the major industrial countries, in the wake of the decline in primary commodity prices, particularly oil, and the adoption of tightening monetary policies. In the USA, inflation moderated from 4.7%, during the year ending September 2005, to 2.1% during the year ending September 2006. Likewise, inflation in the euro area abated from 2.6% to 1.7%, as a chief outcome of its decrease in Germany and France. It also fell in Canada from 3.4% to 0.7%, and in the UK from 2.5% to 2.4%. In Japan, it switched from a negative 0.3% to 0.6%.



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### **7/1/2: Primary Commodity Prices**

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During July-September 2006, the general price index of primary commodities (2000=100) moved down by 5.4%, affected by the decline in the price index of energy (8.8%) and foodstuffs (4.4%). However, that of metals scaled up by 8.2%, beverages by 3.1% and agricultural raw materials by 1.0%.

The fall in energy prices was mainly attributed to decreases in the prices of gasoline, natural gas and oil, which were in turn ascribed to a rise in the US strategic stock of oil products, to reach its highest level since 1999. Another affecting factor was the ease of political tensions between Iran and the international community during the reporting period, as Iran expressed its readiness to discuss the issue of suspending its nuclear activities.

The bulk of the decrease in foodstuff prices was in fish (29.4%). Conversely, a rise was seen in the prices of maize by 9.7%, meat by 5.2% and rice by 2.4%

Metal prices soared as a result of an increase in the prices of tin by 14.2%, copper by 5.5%, zinc by 6.1% and gold by 0.4%. The increase in metal prices was attributed to vigorous world demand, particularly on part of China and India (under strong industrial output of these two countries).

Beverage prices went up, mainly because of the increase in coffee prices by 6.6%. However, the prices of tea and cocoa moved down by 8.1% and 2.4%, respectively.

The rise in the prices of agricultural raw materials was spurred by an increase in the prices of palm oil by 8.0%, cotton by 4.2%, wood for building by 3.3% and wool by 1.2%.

## 7/2: Monetary Developments

### 7/2/1: Discount Rates

During July-September 2006, discount rates in the USA and Canada remained stable, owing to a tangible decrease in their inflation rates, associated with a drop in their economic growth. In the USA, the Federal Reserve kept the discount rate at 6.25%, after it has been raised by 0.25% on 29 June 2006 (for the seventeenth time since June 2004). Moreover, Canada's discount rate was maintained at 4.5%. As for the euro area, the European Central Bank (ECB) raised the repo rate by 0.25% %, to reach 3.0%, its highest level in three years and a half. The action was taken in light of the high levels of inflation, particularly during July 2006, posting 2.4% (annual basis). In the UK, the repo rate was raised by 0.25% to 4.75%, under expectations of a higher inflation, especially with the improvement in the UK economic growth. Likewise, Japan's discount rate was raised for the first time in six years to reach 0.4%, in an attempt to contain the expected inflationary pressures, help realize price stability and achieve a sustainable growth in both short and long terms.

### Discount Rates

(% annually)

	<b>June</b>	<b>2006</b> <b>September</b>
USA	6.25	6.25
Canada	4.50	4.50
Japan	0.10	0.40
UK*	4.50	4.75
Euro area*	2.75	3.00

Source: IFS, various issues

\* Repo rate for both the euro area and the UK

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### **7/2/2: Exchange Rates**

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Developments in exchange rates during July-September 2006 revealed that the US dollar appreciated against the euro and the Japanese yen, depreciated against the pound sterling and remained unchanged against the Canadian dollar. Specifically, the US dollar appreciated vis-à-vis the euro by 0.4% to 0.7899 euro per dollar at end of September 2006 and the Japanese yen by 2.5% to 117.8 yens per dollar. However, it depreciated against the pound sterling by 1.9% to 0.5347 pound a dollar. The dollar's appreciation against the euro and the Japanese yen was mainly ascribed to the fact that some Federal Reserve officials indicated the possibility of raising the short-term interest rate in the remainder of 2006, to hedge against the potential build up of US inflationary pressures. The depreciation of the US dollar against the pound sterling was a response to a statement made by a Bundesbank official on Germany's intent to increase its pound sterling reserves, urging the euro-area countries to follow suit.

#### **Exchange Rates of Main Currencies against the US Dollar (Units of Currency per US Dollar)**

<b>At End of</b>	<b>2006</b>		<b>Change (%)</b>
	<b>June</b>	<b>September</b>	<b>July-September</b>
Canadian dollar	1.1150	1.1153	0.0
Pound sterling	0.5451	0.5347	(1.9)
Japanese yen	114.9500	117.8000	2.5
Euro	0.7866	0.7899	0.4
SDRs	0.6760	0.6773	0.2

Source: IFS, various issues

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### **7/2/3: International Reserves**

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Total international reserves (excluding gold) reached SDR 3250.6 billion at end of September 2006, rising by SDR 122.6 billion or 3.9% during July-September 2006. The rise was concentrated in the reserves of developing countries

that mounted by SDR 102.8 billion (representing 83.8% of the total increase during the period), to reach SDR 2311.6 billion or 71.1% of total international reserves at end of September 2006. Around SDR 1449.1 billion of that figure was contributed by Asian countries (excluding Japan), whose reserves augmented by SDR 46.6 billion or 3.3%, mainly due to higher reserves of China, India, Indonesia, Korea and Singapore. Likewise, international reserves of Eastern and Central Europe, Latin America, Africa and the Middle East increased.

Reserves of major industrial countries scaled up by SDR 19.8 billion (representing 16.2% of the increase during the period), to reach SDR 939.1 billion at end of September 2006. This was a chief outcome of the rise in the reserves of the UK by 7.5%, the euro area by 3.8%, Japan by 2.2% and Canada by 0.5%.

It is noteworthy that at international level, China occupied top position in terms of the volume of international reserves. Its reserves surged by SDR 33.1 billion during the period under review, reaching SDR 670.9 billion, or 20.6% of total world reserves at end of September 2006. Ranking second, Japan registered reserves of SDR 586.9 billion or 18.1% of the total.

## **8- International Economic Cooperation**

### **8/1: International and Regional Meetings**

During July-September 2006, a number of international and regional meetings were held, the most important of which were the following:

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#### **Association of African Central Banks (AACB) Meeting**

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The 30<sup>th</sup> ordinary meeting of the AACB was held on August 18, 2006 in Windhoek, Namibia. The Governor of the Bank of Ghana presided over the meeting, which was attended by representatives of 26 central banks and the African Union. The meeting was preceded by a symposium on “Domestic Capital Markets and Mobilization of Resources for Growth and Poverty Reduction” held on August 17, 2006.

Governors noted, with satisfaction, the progress made by all the sub-regions in the implementation of the African Monetary Cooperation Programme (AMCP). They also agreed that the theme for the 2007 symposium would be "Microfinance, savings and Credit Unions in Poverty Alleviation". According to the rules of rotation governing the AACB meetings (by sub-region), it was decided to hold the next meeting of the Association in the Northern Africa sub-region. The Central Bank of Libya was selected as the host of the next Assembly of Governors meeting to be held in August 2007.

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#### **Annual Meetings of the IMF and the World Bank**

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The annual meetings of the Board of Governors of the IMF and the World Bank were held on 17 and 18 September 2006 in Singapore. Hereunder is a summary review of the communiqués issued by these meetings:

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#### **G-24 Communiqué**

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- Ministers stressed the importance of reaching an early agreement on a package of reforms regarding the representation of countries in the Bretton

Woods Institutions (BWIs). The package should include a new formula for calculating the quota of member countries and a substantial increase in basic votes that accurately reflects the economic size of developing countries in the world economy and enhances the voice and participation of developing (low-income) countries, emerging economies and transition countries in the decision-making of the BWI's.

- Ministers welcomed the initial discussion in the IMF on a new instrument that would provide high-access financial support to developing (emerging) countries with market access that have strong macroeconomic policies but nonetheless remain vulnerable to shocks. Ministers stressed that such an instrument or facility must allow automatic drawings for eligible countries and that there should be no conditionality associated with the new facility beyond maintaining macroeconomic stability and reducing vulnerabilities.

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**International Monetary and Financial  
Committee (IMFC) Communiqué**

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- The Committee welcomed the ongoing strong performance of the global economy. However, it noted that there are risks of a build-up of inflationary pressures, the decline in domestic demand in a number of countries, continued high energy prices and the spread of protectionism. The Committee agreed that the IMF should support its members in implementing policies for reducing imbalances, enhancing development, addressing the impact of high oil prices and ensuring global financial stability in the medium term. Moreover, the Committee called upon the advanced economies to adopt monetary policies that stem higher inflation and achieve a balance between growth and the risks of price increases, through structural reforms. The Committee urged the emerging economies - especially those vulnerable to exogenous shocks - to strengthen their public sector balance sheets and to improve the functioning of their financial sectors. As for low-income countries, the Committee emphasized the importance of a strong partnership between poor countries and donors, to accelerate growth and help achieve the Millennium Development Goals (MDGs).

- The Committee welcomed the actions already taken to face the rise in oil prices and remove the capacity constraints in oil production. It also called for continued measures to improve the supply-demand balance in oil markets.
- The Committee emphasized the importance of resuming the world trade negotiations under the Doha Round to reach a specific outcome by the end of 2006 concerning agricultural and industrial products and services trading.
- The Committee welcomed the ongoing review of the IMF's 1977 Decision on Surveillance over Exchange Rate Policies to reach a consensus on the responsibilities under Article IV and the foundations and objectives of surveillance covering monetary, fiscal, financial and exchange rate policies.

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### **Development Committee Communiqué**

- The Committee reviewed the progress made in implementing the development agenda for achieving the Millennium Development Goals (MDGs), the World Bank's proposed governance and anticorruption strategy, and the priorities for its engagement with middle-income countries. It also celebrated the 50th anniversary of the International Finance Corporation (IFC), which has effectively contributed to the private sector development in developing countries.
- The Committee looked forward to a successful IDA 15 replenishment in 2007 and urged donors to ensure that their commitments to the multilateral debt relief initiative (MDRI) and the Heavily Indebted Poor Countries (HIPC) Initiative be met.
- The Committee called upon the World Bank to improve aid effectiveness and to coordinate work among countries on the Bank's Africa Action Plan to align with country priorities, the Bank's Gender Equality Action Plan, and the Education for All-Fast Track Initiative (EFA-FTI). The Committee also welcomed the progress made under the Clean Energy Investment Framework.

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**OPEC Meeting**

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The OPEC Ministers held their meeting in Vienna, on 11 September 2006. At this meeting, ministers decided to keep the production ceiling at 28 million b/d, (the highest in 25 years), in spite of the decline of 16% in world oil prices since their peak in mid-July 2006. They also noted the possibility of a further output cut before the end of 2006. It is worthy mentioning that the output ceiling was decreased twice while preparing this Review. The first was on 1<sup>st</sup> November 2006 by 1.2 million b/d, and the second was on 1<sup>st</sup> February 2007, by 0.5 million b/d.



## **8/2: IMF Activity**

During FY 2005-2006, significant progress has been achieved in implementing the IMF's medium-term strategy with the aim of implementing the institutional and internal reform program. This is in addition to enhancing the Fund's surveillance through a new tool: multilateral consultations, in which the issues of global economic significance are taken up collectively and comprehensively. The issue of addressing the global imbalances was the focus of the IMF's multilateral consultations. Moreover, the IMF approved the implementation of the Multilateral Debt Relief Initiative (MDRI) and launched the Exogenous Shocks Facility (ESF) to help the low-income countries face exogenous shocks. Hereunder are the main arrangements and facilities approved by the IMF during FY 2005-2006:

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### **Stand-by Arrangements and Extended Fund Facility (EFF)**

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The bulk of IMF lending is provided under Stand-By Arrangements, which address members' short-term balance of payments difficulties, and the Extended Fund Facility (EFF), which focuses on external payments difficulties caused by longer-term structural problems. During FY 2005/2006, the Fund approved five new stand-by arrangements, and one augmentation of an existing stand-by arrangement previously granted to Croatia. This brought the total IMF's commitments to SDR 8.4 billion (including SDR 6.7 billion or 80% of the total for Turkey), compared with SDR 1.3 billion during the previous FY. Accordingly, the Fund's outstanding commitments under the stand-by arrangements reached SDR 20.3 billion at end of April 2006, of which SDR 7.5 billion were undrawn balances.

As for the Extended Fund Facility (EFF), the Fund approved during FY 2005/2006 one Extended Arrangement for Albania in the amount of SDR 8.5 million. At the end of April 2006, outstanding commitments under these arrangements reached SDR 803 million, including SDR 7 million as undrawn balances.

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### **Poverty Reduction and Growth Facility (PRGF)**

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During FY 2005/2006, the Executive Board approved seven new PRGF arrangements (for Albania, Armenia, Benin, Cameroon, Grenada, Malawi, and Sao Tomé and Príncipe), with commitments totaling SDR 107.9 million. In addition, the Board approved the augmentation of an existing arrangement for Niger in the amount of SDR 19.7 million. Total PRGF disbursements of credit outstanding amounted to SDR 0.4 billion. Financing for the PRGF is provided through the PRGF-ESF and PRGF-HIPC Trusts. At the end of FY 2005/2006, total loan resources available for PRGF-ESF operations amounted to SDR 15.8 billion, of which SDR 12.9 billion had already been committed to borrowing members and SDR 12.1 billion of the committed resources had been disbursed.

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### **Multilateral Debt Relief Initiative (MDRI) and Heavily Indebted Poor Countries Initiative (HIPC)**

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The HIPC Initiative was originally launched by the IMF and the World Bank in 1996 (and considerably strengthened in 1999). The number of countries eligible to benefit from the Initiative (both original and enhanced) reached 30. The total grants committed by the IMF under the Initiative reached SDR 1.9 billion, of which SDR 1.6 billion were disbursed. The MDRI took effect as of January 2006, where 17 HIPCs and 2 non-HIPCs benefited therefrom.

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### **Purchase and Repurchase Operations**

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Total purchases (disbursements) by 37 countries, under the regular and concessional lending, reached SDR 2.6 billion (Turkey, alone, accounted for SDR 1.7 billion) against SDR 2.4 billion during the previous FY, with a rise of 8.3%. On the other hand, total repurchases (repayments) amounted to SDR 36 billion, against SDR 14.8 billion. Brazil, Argentina and Turkey made repurchases of SDR 29.3 billion or 81.4% of the total.

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**IMF Membership**

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The number of IMF's member countries reached 184 up till 30 April 2006. Yet, after the preparation of the IMF's Annual Report 2006, the Board of Governors approved on 15/12/2006 the Republic of Montenegro's membership in the Fund, with a quota of SDR 27.5 million. The Republic of Montenegro is currently taking the necessary measures in this respect.

## **Annex**

## Statistical Section

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### 1- Monetary and Banking Developments

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#### Monetary Aggregates

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

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#### Financial Sector

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- Structure of the Egyptian Banking System as at 30 September 2006
- Mutual Funds Licensed and Operating up to 30 September 2006

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#### Activity of the Banking System

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#### Central Bank of Egypt

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- (1/2/1) Note Issued Including Cash in CBE Vaults by Denomination
- (1/2/2) Currency in Circulation outside CBE by Denomination
- (1/2/3) Clearing House Activities

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**Banks**

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

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**Interest Rates**

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- (1/4) Discount and Interest Rates on Deposits and Loans in Egyptian Pound
- (1/5) Domestic Interest Rates on 3- Month Deposits in Major Currencies
- (1/6) Interest Rates on Treasury Bills (Weekly Weighted Averages)

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**Index Numbers**

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- (1/7) Wholesale Price Index
- (1/8) Consumer Price Index (Urban Population)
- (1/9) Consumer Price Index (Rural Population)
- (1/10) Consumer Price Index (Total Population)

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## **2- Stock Exchange**

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- (2/1) Companies Listed on the Stock Exchange
- (2/2) Trading in Shares on the Stock Exchange
- (2/3) Trading in Bonds & Mutual Fund Documents on the Stock Exchange
- (2/4) Global Depository Receipts (GDRs)
- (2/5) Outstanding Balance of Treasury Bills (Quarterly)
- (2/6) Outstanding Balance of Treasury Bills (Weekly)
- (2/7) Outstanding Balance of Treasury Bonds

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## **3- Public Finance & Domestic Public Debt**

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

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## **4- External Transactions**

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- (4/1) Balance of Payments (LE)
- (4/2) Balance of Payments (US\$)
- (4/3) Exports by Degree of Processing (US\$ mn)
- (4/4) Imports by Degree of Use (US\$ mn)
- (4/5) Regional Distribution of Exports and Imports
- (4/6) LE Average Exchange Rates
- (4/7) Structure of External Debt
- (4/8) Distribution of External Debt by Main Currencies

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**5- Cotton**

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(5/1) Position of Egyptian Cotton

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**6- Tourism**

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(6/1) Number of Arrivals and Tourist Nights of Departures (by Group)

(6/2) Number of Tourists (Departures) & Average Stay



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

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Reserve Money</u></b>	<b><u>85476</u></b>	<b><u>94288</u></b>	<b><u>98933</u></b>	<b><u>101080</u></b>	<b><u>108083</u></b>	<b><u>116050</u></b>	<b><u>120875</u></b>	
Currency in circulation outside CBE	54339	59415	61208	67241	70133	78604	83101	
Bank deposits in local currency	31137	34873	37725	33839	37950	37446	37774	
<b><u>Counterpart Assets</u></b>	<b><u>85476</u></b>	<b><u>94288</u></b>	<b><u>98933</u></b>	<b><u>101080</u></b>	<b><u>108083</u></b>	<b><u>116050</u></b>	<b><u>120875</u></b>	
<b><u>Net Foreign Assets</u></b>	<b><u>11270</u></b>	<b><u>9858</u></b>	<b><u>10139</u></b>	<b><u>37295</u></b>	<b><u>49050</u></b>	<b><u>61302</u></b>	<b><u>68945</u></b>	
<b><u>Foreign Assets</u></b>	<b><u>86757</u></b>	<b><u>88313</u></b>	<b><u>88198</u></b>	<b><u>108738</u></b>	<b><u>118636</u></b>	<b><u>129477</u></b>	<b><u>135543</u></b>	
Gold	3808	4438	4437	4500	4500	6429	6429	
Foreign securities	16387	17103	18176	16665	16035	48353	48402	
Foreign currencies	66562	66772	65585	87573	98101	74695	80712	
<b><u>Foreign Liabilities</u></b>	<b><u>75487</u></b>	<b><u>78455</u></b>	<b><u>78059</u></b>	<b><u>71443</u></b>	<b><u>69586</u></b>	<b><u>68175</u></b>	<b><u>66598</u></b>	
<b><u>Net Domestic Assets</u></b>	<b><u>74206</u></b>	<b><u>84430</u></b>	<b><u>88794</u></b>	<b><u>63785</u></b>	<b><u>59033</u></b>	<b><u>54748</u></b>	<b><u>51930</u></b>	
<b><u>Net Claims on Government</u></b>	<b><u>85599</u></b>	<b><u>99472</u></b>	<b><u>107114</u></b>	<b><u>122264</u></b>	<b><u>112160</u></b>	<b><u>114055</u></b>	<b><u>116386</u></b>	
Claims; of which	149782	181313	210472	227367	189135	171808	172790	
Government securities	116577	164441	194441	208021	174898	164761	164761	
Deposits	64183	81841	103358	105103	76975	57753	56404	
<b><u>Net Claims on Banks</u></b>	<b><u>-35688</u></b>	<b><u>-35544</u></b>	<b><u>-36339</u></b>	<b><u>-21983</u></b>	<b><u>-8078</u></b>	<b><u>1018</u></b>	<b><u>13685</u></b>	
Claims	8758	9530	9227	11572	17000	17412	31042	
Banks deposits in foreign currencies	44446	45074	45566	33555	25078	16394	17357	
<b><u>Other Items (net)</u></b>	<b><u>24295</u></b>	<b><u>20502</u></b>	<b><u>18019</u></b>	<b><u>-36496</u></b>	<b><u>-45049</u></b>	<b><u>-60325</u></b>	<b><u>-78141</u></b>	
Assets	51188	54355	58844	49071	48014	41743	44506	
Liabilities; of which	26893	33853	40825	85567	93063	102068	122647	
Equities	1790	2325	2325	2513	2513	2513	2513	
Provisions	303	307	375	302	371	50	49	

Source : Central Bank of Egypt

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

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>1-Domestic Liquidity</u></b>	<b><u>401009</u></b>	<b><u>434911</u></b>	<b><u>450914</u></b>	<b><u>493884</u></b>	<b><u>514822</u></b>	<b><u>560356</u></b>	<b><u>582225</u></b>	
<b><u>a-Money Supply</u></b>	<b><u>71222</u></b>	<b><u>77606</u></b>	<b><u>80660</u></b>	<b><u>89685</u></b>	<b><u>99928</u></b>	<b><u>109274</u></b>	<b><u>117291</u></b>	
Currency in circulation outside the banking system	51005	55933	57666	63029	66335	74239	78481	
Demand deposits in local currency	20217	21673	22994	26656	33593	35035	38810	
<b><u>b-Quasi-Money</u></b>	<b><u>329787</u></b>	<b><u>357305</u></b>	<b><u>370254</u></b>	<b><u>404199</u></b>	<b><u>414894</u></b>	<b><u>451082</u></b>	<b><u>464934</u></b>	
Time & saving deposits in local currency	217410	233610	241579	283020	290467	314188	323374	
Demand and time & saving deposits in foreign currencies	112377	123695	128675	121179	124427	136894	141560	
<b><u>2-Counterpart Assets</u></b>								
Net foreign assets	31946	45241	53021	80913	103913	133385	152467	
Domestic credit	400227	422040	432009	466771	470017	509532	513367	
Other items (net)	-31164	-32370	-34116	-53800	-59108	-82561	-83609	

Source : Central Bank of Egypt

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

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total Deposits in Local Currency</u></b>	<b><u>237627</u></b>	<b><u>255283</u></b>	<b><u>264573</u></b>	<b><u>309676</u></b>	<b><u>324060</u></b>	<b><u>349223</u></b>	<b><u>362184</u></b>	
<b><u>1-Demand Deposits</u></b>	<b><u>20217</u></b>	<b><u>21673</u></b>	<b><u>22994</u></b>	<b><u>26656</u></b>	<b><u>33593</u></b>	<b><u>35035</u></b>	<b><u>38810</u></b>	
Public business sector *	2269	2857	2137	3027	3162	4934	4903	
Private business sector	8671	9235	9806	12228	18022	15863	17643	
Household sector	9754	10306	11538	11985	13214	14831	16551	
Minus: Purchased cheques & drafts	477	725	487	584	805	593	287	
<b><u>2-Time and Saving Deposits</u></b>	<b><u>217410</u></b>	<b><u>233610</u></b>	<b><u>241579</u></b>	<b><u>283020</u></b>	<b><u>290467</u></b>	<b><u>314188</u></b>	<b><u>323374</u></b>	
Public business sector *	11529	12557	12995	13700	14386	15465	16557	
Private business sector	24325	25984	26944	27439	27583	25580	28474	
Household sector	181556	195069	201640	241881	248498	273143	278343	

Source : Central Bank of Egypt

\*Including all public business sector companies subject or not to law No 203 for 1991 .

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

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total Deposits in Foreign Currencies</u></b>	<b><u>112377</u></b>	<b><u>123695</u></b>	<b><u>128675</u></b>	<b><u>121179</u></b>	<b><u>124427</u></b>	<b><u>136894</u></b>	<b><u>141560</u></b>
<b><u>1-Demand Deposits</u></b>	<b><u>14041</u></b>	<b><u>16280</u></b>	<b><u>17303</u></b>	<b><u>18140</u></b>	<b><u>19125</u></b>	<b><u>18533</u></b>	<b><u>22847</u></b>
Public business sector *	942	878	860	1249	885	935	967
Private business sector	7299	8891	9603	10234	11742	10417	14922
Household sector	5993	6697	6989	6823	6658	7392	7190
Minus: Purchased cheques & drafts	193	186	149	166	160	211	232
<b><u>2-Time and Saving Deposits</u></b>	<b><u>98336</u></b>	<b><u>107415</u></b>	<b><u>111372</u></b>	<b><u>103039</u></b>	<b><u>105302</u></b>	<b><u>118361</u></b>	<b><u>118713</u></b>
Public business sector *	2343	2554	2636	2946	4202	4734	4801
Private business sector	19412	20659	22489	21103	22333	28845	29259
Household sector	76581	84202	86247	78990	78767	84782	84653

Source : Central Bank of Egypt

\* Including all public business sector companies subject or not to law No 203 for 1991 .

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

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Net Foreign Assets</u></b>	<b><u>31946</u></b>	<b><u>45241</u></b>	<b><u>53021</u></b>	<b><u>80913</u></b>	<b><u>103913</u></b>	<b><u>133385</u></b>	<b><u>152467</u></b>
<b><u>Foreign Assets</u></b>	<b><u>131539</u></b>	<b><u>145297</u></b>	<b><u>151064</u></b>	<b><u>174328</u></b>	<b><u>192803</u></b>	<b><u>218982</u></b>	<b><u>234888</u></b>
Central Bank of Egypt	86757	88313	88198	108737	118636	129477	135543
Banks	44782	56984	62866	65591	74167	89505	99345
<b><u>Foreign Liabilities</u></b>	<b><u>99593</u></b>	<b><u>100056</u></b>	<b><u>98043</u></b>	<b><u>93415</u></b>	<b><u>88890</u></b>	<b><u>85597</u></b>	<b><u>82421</u></b>
Central Bank of Egypt	75487	78455	78059	71443	69586	68176	66598
Banks	24106	21601	19984	21972	19304	17421	15823

Source : Central Bank of Egypt

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

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Domestic Credit</u></b>	<b><u>400227</u></b>	<b><u>422039</u></b>	<b><u>432009</u></b>	<b><u>466771</u></b>	<b><u>470017</u></b>	<b><u>509532</u></b>	<b><u>513367</u></b>	
Net claims on the government (A+B-C)	113492	126342	135693	159889	157095	184131	183932	
A-Securities	204929	258178	293876	311375	283492	295974	293343	
B-Credit facilities	46653	33075	32101	41364	36515	28044	30397	
C-Government deposits	138090	164911	190284	192850	162912	139887	139808	
Claims on public business sector *	35369	35588	36540	37420	38253	32888	33468	
Claims on private business sector	215912	223096	221434	228195	231589	239338	241483	
Claims on household sector	35454	37013	38342	41267	43080	53175	54484	
<b><u>Other Items (Net)</u></b>	<b><u>-31164</u></b>	<b><u>-32370</u></b>	<b><u>-34116</u></b>	<b><u>-53800</u></b>	<b><u>-59108</u></b>	<b><u>-82561</u></b>	<b><u>-83609</u></b>	
Capital accounts, of which :	-80964	-83821	-88591	-94179	-99152	-102139	-105205	
Capital and reserves	-32004	-34125	-34082	-37881	-39098	-43043	-44006	
Provisions	-42509	-44892	-47223	-49843	-50697	-55000	-59715	
Net unclassified assets and liabilities	49800	51451	54475	40379	40044	19578	21596	

Source : Central Bank of Egypt

\* Including all public business sector companies subject or not to law No 203 for 1991 .

(1/1/7) Total Saving vessels

	( LE mn )						
	2003	2004		2005		2006	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total Saving Vessels</u></b>	<b><u>409106</u></b>	<b><u>445887</u></b>	<b><u>459430</u></b>	<b><u>498190</u></b>	<b><u>509068</u></b>	<b><u>560229</u></b>	<b><u>576527</u></b>
<b><u>Savings at the Banking System</u></b>	<b><u>329787</u></b>	<b><u>357305</u></b>	<b><u>370254</u></b>	<b><u>404199</u></b>	<b><u>414894</u></b>	<b><u>451082</u></b>	<b><u>464934</u></b>
Time & saving deposits in local currency	217410	233610	241579	283020	290467	314188	323374
Demand and time & saving deposits in foreign currencies	112377	123695	128675	121179	124427	136894	141560
<b><u>Net Sales of Investment Certificates</u></b>	<b><u>56014</u></b>	<b><u>60178</u></b>	<b><u>60300</u></b>	<b><u>58485</u></b>	<b><u>58493</u></b>	<b><u>63697</u></b>	<b><u>65216</u></b>
<b><u>Post Office Saving Deposits</u></b>	<b><u>23305</u></b>	<b><u>28404</u></b>	<b><u>28876</u></b>	<b><u>35506</u></b>	<b><u>35681</u></b>	<b><u>45450</u></b>	<b><u>46377</u></b>

Source : Central Bank of Egypt

**(1/1/8) Bank Lending and Discount Balances to Business Sector  
Public Business sector\***

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>35231</u></b>	<b><u>35430</u></b>	<b><u>36357</u></b>	<b><u>37242</u></b>	<b><u>38073</u></b>	<b><u>32636</u></b>	<b><u>33224</u></b>	
<b><u>In Local Currency</u></b>	<b><u>26814</u></b>	<b><u>27690</u></b>	<b><u>28591</u></b>	<b><u>30165</u></b>	<b><u>31498</u></b>	<b><u>26269</u></b>	<b><u>26373</u></b>	
Agriculture	49	44	35	16	7	59	65	
Manufacturing	16859	17263	17864	18318	18754	16215	16315	
Trade	4967	5272	5420	5936	6036	4318	4548	
Services	4939	5111	5272	5895	6701	5677	5445	
<b><u>In Foreign Currencies</u></b>	<b><u>8417</u></b>	<b><u>7740</u></b>	<b><u>7766</u></b>	<b><u>7077</u></b>	<b><u>6575</u></b>	<b><u>6367</u></b>	<b><u>6851</u></b>	
Agriculture	-	-	-	-	-	-	-	
Manufacturing	5834	5603	5788	5260	4983	3752	3807	
Trade	460	532	530	511	514	1555	578	
Services	2123	1605	1448	1306	1078	1060	2466	

Source : Central Bank of Egypt

\* Including all public business sector companies subject or not to law No 203 for 1991 .



**(1/1/8) Bank Lending and Discount Balances to Business Sector  
Private Business Sector (contd.)**

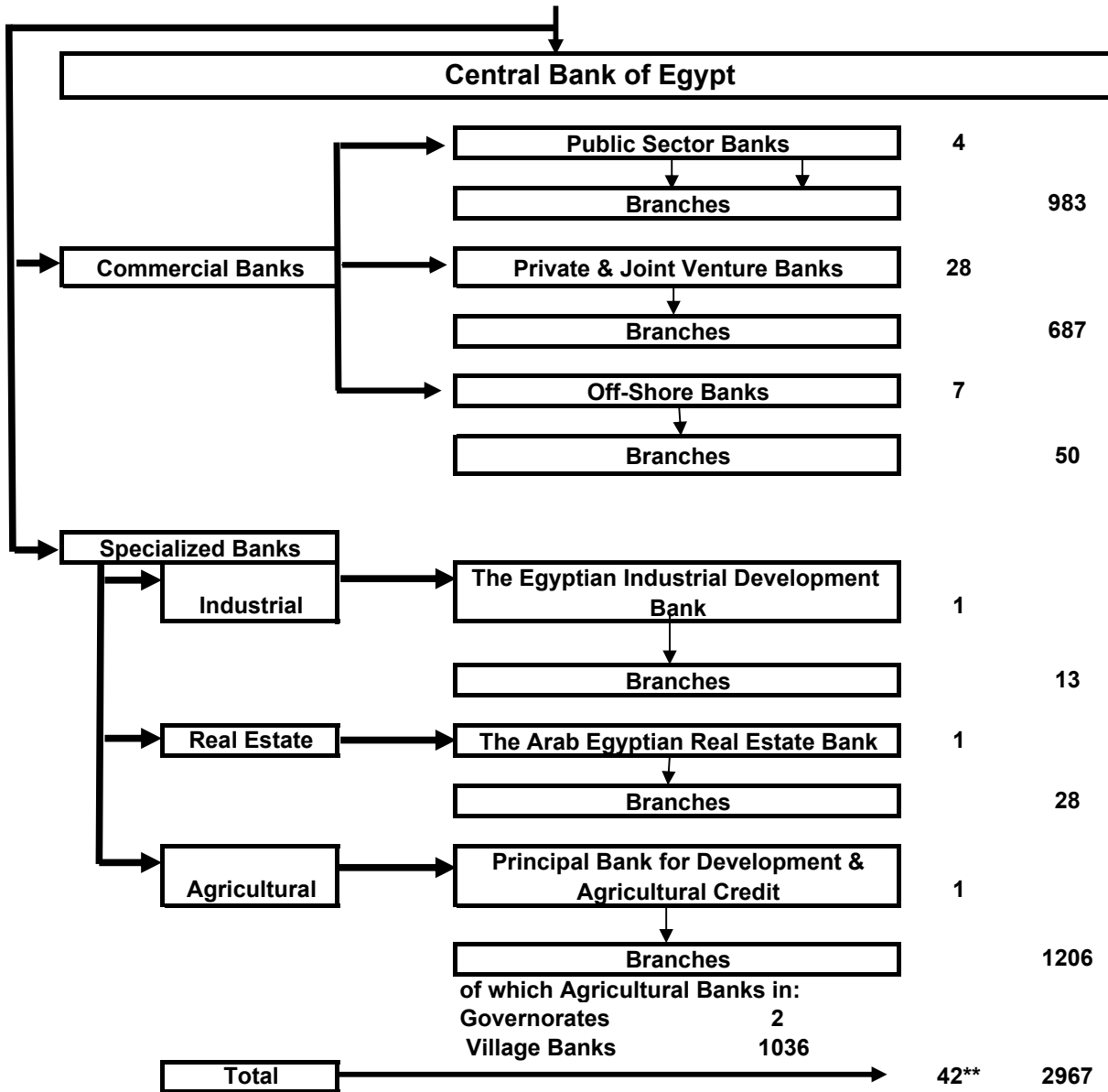
( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>201197</u></b>	<b><u>205816</u></b>	<b><u>204601</u></b>	<b><u>205693</u></b>	<b><u>204465</u></b>	<b><u>214665</u></b>	<b><u>216539</u></b>	
<b><u>In Local Currency</u></b>	<b><u>149360</u></b>	<b><u>154147</u></b>	<b><u>152699</u></b>	<b><u>152191</u></b>	<b><u>149240</u></b>	<b><u>150485</u></b>	<b><u>149786</u></b>	
Agriculture	4529	4972	4580	5756	5627	4794	4853	
Manufacturing	54653	58434	60268	59099	57776	55827	54887	
Trade	42625	42267	40144	39712	38476	39110	38328	
Services	47553	48474	47707	47624	47361	50754	51718	
<b><u>In Foreign Currencies</u></b>	<b><u>51837</u></b>	<b><u>51669</u></b>	<b><u>51902</u></b>	<b><u>53502</u></b>	<b><u>55225</u></b>	<b><u>64180</u></b>	<b><u>66753</u></b>	
Agriculture	471	550	546	619	874	829	905	
Manufacturing	19674	19850	19758	20388	20720	26072	27650	
Trade	11648	12020	12638	11369	11564	12337	12165	
Services	20044	19249	18960	21126	22067	24942	26033	

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Source : Central Bank of Egypt

**Structure of The Egyptian Banking System  
As at 30 September 2006\***



\* Egyptian banks abroad are excluded, while two banks are established under private laws and are not registered with CBE : the Arab International Bank ,and Nasser Social Bank.

\*\* Compared with 57 banks at end of September 2005. This decline is ascribed to banks merger and acquisition operations in accordance with the reform plan implemented by the CBE .

**Mutual Funds Licensed and Operating  
Up to 30 September 2006**

Funds	Fund Name	Type of fund	Inception Date	Fund capital in LE	Price of Document in LE		Cash Distributions up to 30 Sept. 2006 in LE
					at issue	at 30/9/2006	
<u>Open-Funds</u>							
Hermes F. Management	I- Banque Du Caire	Growth	Nov. 1995	200	100	835.85	-
	II- Credit Agricole Egypt/second*	Income / Growth	Apr. 1997	300	100	135.67	37.50
	III- Egyptian Gulf Bank	Income / Growth	May. 1997	100	100	324.59	92.00
	IV- Credit Agricole Egypt/First**	Growth	Oct. 1994	300	100	290.03	121.75
	V- Bank of Alexandria	Growth	Nov. 1994	200	100	389.84	131.50
	VI- Faisal Islamic Bank	Income	Dec. 2004	50	100	149.63	16.00
	VII- Egptian Saudi Finance Bank	Income	Jun. 2006	50	100	108.19	0.00
	VIII- EL Watany Bank of Egypt***	Income / Growth	Aug. 2006	135	100	98.89	0.00
Cairo F. Management	Export Development Bank	Income	Oct. 1996	100	100	273.84	33.00
Prime Investment F. Management	I- Arab Misr Insurance Group	Growth	Aug. 1995	100	500	724.46	212.00
	II- Societe Arab Int'l Bank/First	Growth	June 1996	100	500	2133.93	340.00
	III- Societe Arab Int'l Bank/Second	Income / Growth	Oct. 1997	200	100	267.78	74.00
	IV- Societe Arab Int'l Bank/third	Income	Feb. 1999	50	100	100.06	67.30
Concord F. Management	I- Banque Misr/First	Income	Feb. 1995	500	100	100.17	87.30
	II- Banque Misr/Second	Growth	Sept. 1995	300	66.67	76.40	39.65
	III- Shild Fund****	Growth	Feb. 1998	280	100	103.21	43.00
HC Securities	I- Banque Misr/Third*****	Income / Growth	Dec. 1997	138.97	1000	437.56	350.00
	II- Misr Iran Development Bank/First	Income / Growth	Aug. 1998	100	100	422.58	65.00
	III- Misr Iran Development Bank/Second	Income	Jul. 2005	500	1000	1021.45	84.05
	IV- National Bank of Egypt/Third	Income / Growth	Aug. 2005	200	100	107.00	4.50
	V- Suez Canal Bank*****	Income / Growth	Dec. 1996	100	500	308.05	20.00
Egyptian Fund Management Group	I- Credit Agricole Egypt/Third*****	Income	Jun. 1999	150	1000	1062.86	698.25
	II- Bank of Alexandria	Income	Apr. 2006	200	10	10.35	0.00
El-Ahly F. Management	I- National Bank of Egypt/First	Growth	Sep. 1994	200	500	1711.00	0.00
	II- National Bank of Egypt/ Second	Income	Oct. 1995	300	100	83.60	105.00
	III- National Bank of Egypt/ Fourth	Income	Apr. 2006	145	100	103.41	0.00
C I Assets Management	I- Commercial International Bank/First	Income	Apr. 2005	1000	100	114.780	0.00
	II- Commercial International Bank/Second	Income	Apr. 2006	600	100	107.420	0.00
<u>Closed-Funds</u>							
Egyptian Investment & Finance Co	Orient Trust	Growth	Feb. 1997	50	1000	1211.29	100.00
Prime Investment F. Management	Arab Land Direct	Income	Feb. 2000	70	1000	950.71	113.75
Al Ahly Development & Investment	Misr Direct Investment Fund	Growth	Jul. 1999	35	1000	1069.40	0.00

source : Cairo & Alexandria Stock Exchanges

\* The Egyptian American bank II fund has changed to Credit Agricole Egypt II fund starting from 3/9/2006.

\*\* The Egyptian American bank I fund has changed to Credit Agricole Egypt I fund starting from 3/9/2006

\*\*\* The fund's activity started effective 10/8/2006

\*\*\*\* The Misr International Bank fund has changed to Shild Fund starting from 2/4/2006 and the certificate has been split by ratio of 1:2

\*\*\*\*\* The Misr Exterior Bank has changed to Banque Misr III Fund starting from 16/9/2004 after the merger of Misr Exterior Bank with Banque Misr

\*\*\*\*\* The Fund Manager has changed to HC Securities instead of Egyptian Anglo Fund Management starting from 20/11/2005

\*\*\*\*\* The Egyptian American bank III fund has changed to Credit Agricole Egypt III fund starting from 3/9/2006

**(1/2/1) Note Issued Including Cash in CBE Vaults by Denomination**

End of	( LE mn )						
	2003 Sept.	2004 June	2004 Sept.	2005 June	2005 Sept.	2006 June	2006 Sept.
<b><u>Currency By Denomination</u></b>	<b><u>54673</u></b>	<b><u>59703</u></b>	<b><u>61737</u></b>	<b><u>67527</u></b>	<b><u>70992</u></b>	<b><u>79017</u></b>	<b><u>83842</u></b>
PT 25	122	118	105	120	119	136	136
PT 50	206	203	192	220	219	241	225
LE 1	424	515	486	517	502	545	520
LE 5	1166	1226	1294	1279	1280	1121	1092
LE 10	5607	5490	5391	5074	4889	4274	4111
LE 20	11934	11010	11459	10329	10087	9226	9102
LE 50	19885	22686	22521	24517	26218	27959	28666
LE 100	15329	18455	20289	25471	27678	35515	39990

Source : Central Bank of Egypt

(1/2/2) Currency in Circulation outside CBE by Denomination

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b>Total</b>	<b>54339</b>	<b>59415</b>	<b>61209</b>	<b>67236</b>	<b>70132</b>	<b>78604</b>	<b>83105</b>	
Auxiliary Coins & Notes*	214	219	221	226	228	236	247	
PT 25	121	117	103	118	113	135	131	
PT 50	203	201	184	217	209	239	221	
LE 1	418	510	473	512	483	540	506	
LE 5	1141	1201	1250	1251	1149	1095	1034	
LE 10	5558	5424	5344	4999	4646	4215	3987	
LE 20	11825	10926	11275	10246	9843	9128	8861	
LE 50	19658	22490	22338	24348	26003	27737	28426	
LE 100	15201	18327	20021	25319	27458	35279	39692	

Source : Central Bank of Egypt

\*Issued by the Ministry of Finance

### (1/2/3) Clearing House Activities

During	<u>July/Sept.</u>						
	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2005/2006	2006/2007
<b><u>Cairo Branch</u></b>							
Number of cheques (thousands)	6737	9250	8856	8618			
Value of cheques (LEmn)	232323	215703	215091	231943			
<b><u>Alexandria Branch</u></b>							
Number of cheques (thousands)	1037	663	626	593			
Value of cheques (LEmn)	35208	26383	30652	27874			
<b><u>Port - Said Branch</u></b>							
Number of cheques (thousands)	144	112	109	110			
Value of cheques (LEmn)	3012	2495	2481	2606			
<b><u>All Branches*</u></b>							
Number of cheques (thousands)	7918	10025	9591	9321	9508	2290	2599
Value of cheques (LEmn)	270543	244581	248224	262423	288715	69626	85236

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

(1/3/1) Banks : Aggregate Financial Position

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b>Assets</b>								
Cash	5081	5412	5653	6594	6026	6813	7113	
Securities & investments in TBs, of which:	113644	137431	155564	170659	183800	193965	208325	
CBE notes	-	-	-	-	24837	21563	38160	
Balances with banks in Egypt	122749	116290	107863	124986	125389	121695	125078	
Balances with banks abroad	33880	43290	49344	51204	59657	72554	81797	
Loans and discounts	287354	296199	297112	308195	309843	324041	329302	
Other assets	43055	34814	47215	41990	59090	42494	62732	
<b>Assets =Liabilities</b>	<b>605763</b>	<b>633436</b>	<b>662751</b>	<b>703628</b>	<b>743805</b>	<b>761562</b>	<b>814347</b>	
<b>Liabilities</b>								
Capital	18724	20346	20895	22949	24444	27112	28822	
Reserves	11490	11454	10861	12419	12141	13418	12641	
Provisions	42206	44584	46848	49541	50326	54950	59665	
Long term loans & Bonds	15424	15012	14231	14254	14928	17526	19350	
Obligations to banks in Egypt	32749	29933	27978	22671	30838	21488	31770	
Obligations to banks abroad	13351	10332	9394	12262	9814	8770	7624	
Total deposits	422786	461697	479487	519649	534810	568841	587703	
Other liabilities	49033	40078	53057	49883	66504	49457	66772	

Source : Central Bank of Egypt

(1/3/2) Banks : Deposits by Maturity

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total Deposits</u></b>	<b><u>422786</u></b>	<b><u>461697</u></b>	<b><u>479487</u></b>	<b><u>519649</u></b>	<b><u>534810</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>
Demand deposits	40392	46742	46939	51557	59984	62431	70765
Time & Saving deposits	357257	389482	406272	445132	452692	479805	490501
Blocked or retained deposits	25137	25473	26276	22960	22134	26605	26437
<b><u>Local Currency Deposits</u></b>	<b><u>288932</u></b>	<b><u>310870</u></b>	<b><u>323342</u></b>	<b><u>369067</u></b>	<b><u>382944</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>
Demand deposits	23987	27168	27664	31606	39034	41793	45668
Time & Saving deposits	250810	269505	281508	324664	331586	345953	355095
Blocked or retained deposits	14135	14197	14170	12797	12324	13397	13836
<b><u>Foreign Currency Deposits</u></b>	<b><u>133854</u></b>	<b><u>150827</u></b>	<b><u>156145</u></b>	<b><u>150582</u></b>	<b><u>151866</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>
Demand deposits	16405	19574	19275	19951	20950	20638	25097
Time & Saving deposits	106447	119977	124764	120468	121106	133852	135406
Blocked or retained deposits	11002	11276	12106	10163	9810	13208	12601

Source : Central Bank of Egypt



(1/3/3) Banks : Deposits by Sector

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total Deposits</u></b>	<b><u>422786</u></b>	<b><u>461697</u></b>	<b><u>479487</u></b>	<b><u>519649</u></b>	<b><u>534810</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>
<b><u>Local Currency Deposits</u></b>	<b><u>288932</u></b>	<b><u>310870</u></b>	<b><u>323342</u></b>	<b><u>369067</u></b>	<b><u>382944</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>
Government sector	50509	54120	57667	57649	56693	49422	49985
Public business sector *	13798	15414	15133	16727	17548	20399	21461
Private business sector	32996	35219	36750	39668	45605	41444	46117
Household sector	191310	205375	213178	253865	261712	287973	294894
Foreign sector **	319	742	614	1158	1386	1905	2142
<b><u>Foreign Currency Deposits</u></b>	<b><u>133854</u></b>	<b><u>150827</u></b>	<b><u>156145</u></b>	<b><u>150582</u></b>	<b><u>151866</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>
Government sector	20462	26187	26548	27252	26286	29290	30099
Public business sector *	3285	3432	3496	4195	5087	5668	5768
Private business sector	26711	29550	32092	31337	34075	39263	44181
Household sector	82574	90899	93236	85813	85425	92174	91843
Foreign sector**	822	759	773	1985	993	1303	1213

Source : Central Bank of Egypt

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

\*\*Including counterpart deposits of USAID .

(1/3/4) Banks : Deposits by Economic Activity

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total Deposits</u></b>	<b><u>422786</u></b>	<b><u>461697</u></b>	<b><u>479487</u></b>	<b><u>519649</u></b>	<b><u>534810</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>
<b><u>Local Currency Deposits</u></b>	<b><u>288932</u></b>	<b><u>310870</u></b>	<b><u>323342</u></b>	<b><u>369067</u></b>	<b><u>382944</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>
Agriculture	2456	2480	2789	2548	2427	2215	2964
Manufacturing	15557	17325	18061	19239	20590	19903	20294
Trade	11598	10520	11019	11740	12746	12793	14972
Services	23886	28487	29318	31915	37751	38245	42336
Unclassified sectors	235435	252058	262155	303625	309430	327987	334033
<b><u>Foreign Currency Deposits</u></b>	<b><u>133854</u></b>	<b><u>150827</u></b>	<b><u>156145</u></b>	<b><u>150582</u></b>	<b><u>151866</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>
Agriculture	514	467	455	831	847	855	579
Manufacturing	13673	14718	15771	15274	17167	18159	22700
Trade	6304	7258	7830	6583	6668	8250	8221
Services	13273	15306	16194	17499	18110	21602	22735
Unclassified sectors	100090	113078	115895	110395	109074	118832	118869

Source : Central Bank of Egypt

**(1/3/5) Banks : Portfolio Investment by Sector<sup>+</sup>**

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>113644</u></b>	<b><u>137431</u></b>	<b><u>155564</u></b>	<b><u>170659</u></b>	<b><u>158963</u></b>	<b><u>172402</u></b>	<b><u>170165</u></b>	
<b><u>In Local Currency</u></b>	<b><u>86889</u></b>	<b><u>105874</u></b>	<b><u>124761</u></b>	<b><u>139322</u></b>	<b><u>127562</u></b>	<b><u>140840</u></b>	<b><u>139493</u></b>	
Government sector	70538	88438	107792	118358	102099	115146	113802	
Public business sector *	651	630	642	666	668	859	657	
Private business sector	15700	16806	16327	20298	24795	24835	25034	
Household sector	-	-	-	-	-	-	-	
Foreign sector	-	-	-	-	-	-	-	
<b><u>In Foreign Currencies</u></b>	<b><u>26755</u></b>	<b><u>31557</u></b>	<b><u>30803</u></b>	<b><u>31337</u></b>	<b><u>31401</u></b>	<b><u>31562</u></b>	<b><u>30672</u></b>	
Government sector	17814	18630	18306	16594	16487	16067	14780	
Public business sector *	-	-	-	-	-	-	-	
Private business sector	1758	2885	2804	4711	4571	3545	3519	
Household sector	-	-	-	-	-	-	-	
Foreign sector	7183	10042	9693	10032	10343	11950	12373	

Source : Central Bank of Egypt

+ Excluding CBE notes.

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

(1/3/6) Banks : Lending and Discount Balances by Sector

( LE mn )

End of	2003		2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>287354</u></b>	<b><u>296199</u></b>	<b><u>297112</u></b>	<b><u>308195</u></b>	<b><u>309843</u></b>	<b><u>324041</u></b>	<b><u>329302</u></b>	
<b><u>In Local Currency</u></b>	<b><u>219937</u></b>	<b><u>228159</u></b>	<b><u>228659</u></b>	<b><u>233141</u></b>	<b><u>233098</u></b>	<b><u>238926</u></b>	<b><u>239719</u></b>	
Government sector	9011	9963	9646	10938	10705	11285	11692	
Public business sector *	26817	27690	28590	30164	31498	26269	26374	
Private business sector	149411	154162	152707	152193	149247	150491	149793	
Household sector	34351	35955	37303	39354	41092	50158	51124	
Foreign sector	347	389	413	492	556	723	736	
<b><u>In Foreign Currencies</u></b>	<b><u>67417</u></b>	<b><u>68040</u></b>	<b><u>68453</u></b>	<b><u>75054</u></b>	<b><u>76745</u></b>	<b><u>85115</u></b>	<b><u>89583</u></b>	
Government sector	4437	6240	6425	11080	11575	9712	10675	
Public business sector *	8416	7740	7780	7078	6575	6373	6850	
Private business sector	51836	51668	51902	53502	55225	64184	66753	
Household sector	1103	1059	1039	1913	1988	3017	3361	
Foreign sector	1625	1333	1307	1481	1382	1829	1944	

Source : Central Bank of Egypt

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

(1/3/7) Banks : Credit by Sector

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total</u></b>	<b><u>400998</u></b>	<b><u>433630</u></b>	<b><u>452676</u></b>	<b><u>478854</u></b>	<b><u>468806</u></b>	<b><u>496443</u></b>	<b><u>499467</u></b>
<b><u>In Local Currency</u></b>	<b><u>306826</u></b>	<b><u>334033</u></b>	<b><u>353420</u></b>	<b><u>372463</u></b>	<b><u>360660</u></b>	<b><u>379766</u></b>	<b><u>379212</u></b>
Government sector	79549	98401	117438	129296	112804	126431	125494
Public business sector *	27468	28320	29232	30830	32166	27128	27031
Private business sector	165111	170968	169034	172491	174042	175326	174827
Household sector	34351	35955	37303	39354	41092	50158	51124
Foreign sector	347	389	413	492	556	723	736
<b><u>In Foreign Currencies</u></b>	<b><u>94172</u></b>	<b><u>99597</u></b>	<b><u>99256</u></b>	<b><u>106391</u></b>	<b><u>108146</u></b>	<b><u>116677</u></b>	<b><u>120255</u></b>
Government sector	22251	24870	24731	27674	28062	25779	25455
Public business sector *	8416	7740	7780	7078	6575	6373	6850
Private business sector	53594	54553	54706	58213	59796	67729	70272
Household sector	1103	1059	1039	1913	1988	3017	3361
Foreign sector	8808	11375	11000	11513	11725	13779	14317

Source : Central Bank of Egypt

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

**(1/3/8) Banks : Lending and Discount Balances by Economic Activity**

( LE mn )

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total</u></b>	<b><u>287354</u></b>	<b><u>296199</u></b>	<b><u>297112</u></b>	<b><u>308195</u></b>	<b><u>309843</u></b>	<b><u>324041</u></b>	<b><u>329302</u></b>
<b><u>In Local Currency</u></b>	<b><u>219937</u></b>	<b><u>228159</u></b>	<b><u>228659</u></b>	<b><u>233141</u></b>	<b><u>233098</u></b>	<b><u>238926</u></b>	<b><u>239719</u></b>
Agriculture	4601	5015	4662	5822	5686	4902	4976
Manufacturing	73151	77722	80636	81844	81183	77734	77412
Trade	47592	48479	45564	45648	44512	43564	42876
Services	59776	60505	59987	59870	59930	61679	62403
Unclassified sectors	34817	36438	37810	39957	41787	51047	52052
<b><u>In Foreign Currencies</u></b>	<b><u>67417</u></b>	<b><u>68040</u></b>	<b><u>68453</u></b>	<b><u>75054</u></b>	<b><u>76745</u></b>	<b><u>85115</u></b>	<b><u>89583</u></b>
Agriculture	471	550	546	619	874	829	905
Manufacturing	27091	28569	28563	34957	35582	38517	41215
Trade	12108	12552	13169	11893	12093	13930	12756
Services	25010	23941	23759	24188	24824	26983	29401
Unclassified sectors	2737	2428	2416	3397	3372	4856	5306

Source : Central Bank of Egypt

( 1/4 ) Discount and Interest Rates on Deposits and Loans  
in Egyptian Pound

(% Annually)

End of	Discount rate	Average Interest Rates in 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 Return	of increasing certificate value	
<b>January 2004</b>	10.00	7.88	13.37	10.50	10.00	10.50
February	”	7.80	13.42	”	”	”
March	”	7.68	13.25	”	”	”
April	”	7.67	13.31	”	”	”
May	”	7.68	13.31	”	”	”
June	”	7.68	13.27	”	”	”
July	”	7.71	13.41	”	”	”
August	”	7.71	13.47	”	”	”
September	”	7.70	13.45	”	”	”
October	”	7.70	13.42	”	”	”
November	”	7.70	13.33	”	”	”
December	”	7.68	13.34	”	”	”
<b>January 2005</b>	”	7.63	13.36	”	”	”
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	”	”	”
<b>January 2006</b>	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	”	”	”

Source: Central Bank of Egypt and Egypt Post

\* An additional interest of 0.25% is computed for deposits of one year maturity

**(1/5) Domestic Interest Rates on 3-Month Deposits  
in Major Currencies  
( % Annually )**

End of	U.S. Dollar		Sterling Pound		Euro	
	Min	Max	Min	Max	Min	Max
<b>January 2004</b>	0.81	1.00	3.00	3.75	1.31	1.56
February	0.81	1.00	3.06	3.81	1.31	1.56
March	0.81	1.00	3.19	3.94	1.25	1.50
April	0.81	1.00	3.25	4.00	1.31	1.56
May	1.00	1.19	3.50	4.25	1.31	1.56
June	1.25	1.44	3.69	4.44	1.38	1.63
July	1.38	1.56	3.81	4.56	1.38	1.63
August	1.44	1.63	3.81	4.56	1.38	1.63
September	1.63	1.88	3.81	4.56	1.38	1.63
October	1.81	2.00	3.75	4.50	1.38	1.63
November	2.06	2.25	3.75	4.50	1.44	1.69
December	2.15	2.44	3.75	4.50	1.44	1.69
<b>January 2005</b>	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
<b>January 2006</b>	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

Source: National Bank of Egypt



(1/6) Interest Rates on Treasury Bills ( Weekly Weighted Averages)

(%)

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		91 days	182 days	364 days
<b><u>July 2006</u></b>				
<b>The:</b>				
First week	(6/7)	8.855	8.934	0.000
Second	(13/7)	8.858	8.947	8.982
Third	(20/7)	8.876	8.951	9.040
Fourth	(27/7)	8.861	8.972	8.972
<b>The month average</b>		<b>8.863</b>	<b>8.951</b>	<b>8.998</b>
<b><u>August 2006</u></b>				
<b>The:</b>				
First week	(3/8)	8.845	8.990	9.099
Second	(10/8)	8.831	9.059	9.147
Third	(17/8)	8.822	9.084	9.193
Fourth	(24/8)	0.000	9.043	9.216
	(31/8)	8.846	9.030	9.242
<b>The month average</b>		<b>8.836</b>	<b>9.041</b>	<b>9.179</b>
<b><u>September 2006</u></b>				
<b>The:</b>				
First week	(7/9)	0.000	0.000	9.309
Second	(14/9)	9.056	9.171	9.396
Third	(21/9)	9.210	9.388	9.565
Fourth	(28/9)	9.327	9.546	9.693
<b>The month average</b>		<b>9.198</b>	<b>9.368</b>	<b>9.491</b>

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Source: Central Bank of Egypt.

**(1/7) Wholesale Price Index (1999/2000=100)\***

Groups	Relative Weights	2005		2006		Change Rate %	
		June	Sept.	June	Sept.	July/Sept. 2005/2006	July/Sept. 2006/2007
<b>All Items</b>	<b>100.0</b>	<b>167.5</b>	<b>172.2</b>	<b>177.1</b>	<b>185.3</b>	<b>2.8</b>	<b>4.6</b>
Farm Products	34.4	..	205.7	207.2	216.0	..	4.2
Foodstuffs	18.2	..	166.1	172.5	175.8	..	1.9
Beverages & Tobacco	2.7	..	169.0	169.0	169.1	..	0.1
Yarn & Textiles	3.9	..	170.3	173.2	173.5	..	0.2
Wearing Apparel	1.4	..	124.4	124.5	124.5	..	0.0
Leather & Footwear	0.2	..	167.0	174.9	175.7	..	0.5
Wood & its Products	1.5	..	166.1	167.1	190.2	..	13.8
Paper & Printing	1.7	..	156.1	154.3	156.3	..	1.3
Chemicals & its products	7.4	..	119.7	126.4	126.7	..	0.2
Fuel & Related Products	10.5	..	124.7	125.1	141.3	..	12.9
Rubber & Plastic Products	0.6	..	140.7	142.7	142.7	..	0.0
Non-metallic Mineral Products	3.5	..	130.8	132.3	147.8	..	11.7
Metals	5.2	..	231.9	248.2	277.7	..	11.9
Metallic Prods., Machinery & Equipment	5.4	..	146.2	164.2	169.7	..	3.3
Transportation Equipment	2.8	..	156.0	175.4	176.6	..	0.7
Other Manufacturing Products	0.6	..	187.0	205.7	217.2	..	5.6

Source : Central Agency for Public Mobilization and Statistics (Monthly Bulletin of Wholesale Price Index released every two months).

\* 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 agricultural 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.

**(1/8) Consumer Price Index (Urban Population ) (1999/2000=100)**

End of	Relative Weights	<u>2005</u>		<u>2006</u>		<u>Change Rate %</u>	
		June	Sept.	June	Sept.	July/Sept. 2005/2006	July/Sept. 2006/2007
<b><u>General Index</u></b>	<b><u>100.0</u></b>	<b><u>135.0</u></b>	<b><u>136.4</u></b>	<b><u>144.8</u></b>	<b><u>149.4</u></b>	<b><u>1.0</u></b>	<b><u>3.2</u></b>
Food & non- alcoholic beverages	38.9	150.7	153.8	168.2	171.8	2.1	2.1
Tobacco	2.8	136.1	136.1	146.2	146.2	0.0	0.0
Clothing & Footwear	10.4	130.8	130.9	131.9	131.9	0.1	0.0
Housing , water,elect.,gas& fuel	11.7	112.4	112.4	114.9	119.1	0.0	3.7
Furniture household equipment & maintenance	4.9	132.5	132.8	138.0	138.2	0.2	0.1
Health	4.6	120.3	122.4	125.0	126.2	1.7	1.0
Transport	5.6	125.5	126.4	127.0	139.5	0.7	9.8
Communication	2.0	180.7	178.7	216.6	219.1	-1.1	1.2
Recreation & Culture	5.9	119.5	120.2	128.2	153.2	0.6	19.5
Education	5.7	119.5	119.5	125.0	125.0	0.0	0.0
Hotels& Restaurants	2.5	130.1	130.1	130.1	141.1	0.0	8.5
Miscellaneous	5.0	121.1	121.1	124.3	127.6	0.0	2.7

Source: Central Agency for Public Mobilization and Statistics (Monthly Bulletin for Consumer Price Index).

**(1/9) Consumer Price Index (Rural Population ) (1999/2000=100)**

<b>End of</b>	<b>Relative Weights</b>	<b><u>2005</u></b>		<b><u>2006</u></b>		<b><u>Change Rate %</u></b>	
		<b>July</b>	<b>Sept.</b>	<b>July</b>	<b>Sept.</b>	<b>Aug./Sept. 2005/2006</b>	<b>Aug./Sept. 2006/2007</b>
<b><u>General Index</u></b>	<b><u>100.0</u></b>	<b><u>136.2</u></b>	<b><u>137.2</u></b>	<b><u>146.5</u></b>	<b><u>150.0</u></b>	<b><u>0.7</u></b>	<b><u>2.4</u></b>
Food& Non- alcoholic beverages	50.8	149.0	150.8	162.9	166.7	1.2	2.3
Tobacco	3.6	132.3	132.3	141.4	141.4	0.0	0.0
Clothing & Footwear	9.5	131.5	131.5	132.7	132.7	0.0	0.0
Housing , water,elect.,gas& fuel	14.0	114.9	114.9	116.8	126.1	0.0	8.0
Furniture household equipment & maintenance	3.9	123.3	123.3	129.3	129.3	0.0	0.0
Health	3.7	122.7	122.7	126.4	126.4	0.0	0.0
Transport	2.6	128.5	128.5	129.1	138.5	0.0	7.3
Communication	0.4	191.7	191.7	242.9	242.9	0.0	0.0
Recreation & Culture	3.3	124.3	124.3	163.2	163.2	0.0	0.0
Education	3.4	113.0	113.0	118.2	118.2	0.0	0.0
Hotels & Restaurants	1.5	128.3	128.3	139.6	139.6	0.0	0.0
Miscellaneous	3.3	117.0	117.0	124.9	124.4	0.0	-0.4

Source: Central Agency for Public Mobilization and Statistics (Monthly Bulletin for Consumer Price Index).

**(1/10) Consumer Price Index (All Egypt) (1999/2000=100)**

End of	Relative Weights	2005		2006		Change Rate %	
		July	Sept.	July	Sept.	Aug./Sept. 2005/2006	Aug./Sept. 2006/2007
<b><u>General Index</u></b>	<b><u>100.0</u></b>	<b><u>135.9</u></b>	<b><u>136.8</u></b>	<b><u>146.7</u></b>	<b><u>149.7</u></b>	<b><u>0.7</u></b>	<b><u>2.1</u></b>
Food& Non- alcoholic beverages	44.1	150.1	152.1	165.1	168.9	1.3	2.3
Tobacco	3.2	133.9	133.9	143.5	143.5	0.0	0.0
Clothing & Footwear	10.0	131.3	131.3	132.4	132.4	0.0	0.0
Housing , water,elect.,gas& fuel	12.7	113.8	113.8	116	123.1	0.0	6.1
Furniture household equipment & maintenance	4.5	127.4	127.4	133.1	133.1	0.0	0.0
Health	4.2	122.6	122.6	126.3	126.3	0.0	0.0
Transport	4.3	127.6	127.6	128.7	138.9	0.0	7.9
Communication	1.3	186.1	186.1	232.7	232.7	0.0	0.0
Recreation & Culture	4.8	122.6	122.6	159	159	0.0	0.0
Education	4.7	115.8	115.8	121.1	121.1	0.0	0.0
Hotels & Restaurants	2.0	129.1	129.1	140.2	140.2	0.0	0.0
Miscellaneous	4.2	118.8	118.8	126.3	125.7	0.0	-0.5

Source: Central Agency for Public Mobilization and Statistics ( Monthly Bulletin for Consumer Price Index ).

**(2/1) Companies Listed on the Stock Exchange**

End of	2003	2004		2005		2006	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>First :Companies Listed in the Official Schedules</u></b>							
- Number of companies (in unit)	90	129	129	132	138	141	142
- Number of shares (mn)	2631	3661	3715	4236	4630	7881	8873
- Nominal value of capital (LE mn)	36407	43597	45304	49274	52100	58432	65649
- Market value of capital (LE mn)	61312	95103	120251	250136	304977	298478	405779
<b><u>Second: Companies Listed in the Unofficial Schedules</u></b>							
- Number of companies (in unit)	273	528	564	612	602	503	485
- Number of shares (mn)	1339	2383	2513	2646	2566	2560	2538
- Nominal value of capital (LE mn)	30047	46491	49890	57368	53077	50354	49788
- Market value of capital (LE mn)	54126	68789	76153	84407	81623	78013	80336
<b><u>Third: Companies Listed in the Temporary Schedule</u></b>							
- Number of companies (in unit)	716	146	97	26	25	12	5
- Number of shares (mn)	2066	208	169	103	73	16	11
- Nominal value of capital (LE mn)	30526	6439	5229	1567	1269	379	316
- Market value of capital (LE mn)	42898	8974	7581	2516	1450	579	486
<b><u>Fourth : All Companies</u></b>							
- Number of companies (in unit)	1079	803	790	770	765	656	632
- Number of shares (mn)	6036	6252	6397	6985	7269	10457	11422
- Nominal value of capital (LE mn)	96980	96527	100423	108209	106446	109165	115753
- Market value of capital (LE mn)	158336	172866	203985	337059	388050	377070	486601

Source: Monthly Bulletin of Cairo & Alexandria Stock Exchanges

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

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

During	<u>July/Sept.</u>					
		<u>2005/2006</u>			<u>2006/2007</u>	
	Number of Transactions in unit	Amount in Thousand	Market Value in mn	Number of Transactions in unit	Amount in Thousand	Market Value in mn
<b><u>In Egyptian Pound</u></b>	<b><u>1034305</u></b>	<b><u>1113182</u></b>	<b><u>35188</u></b>	<b><u>1800695</u></b>	<b><u>2383095</u></b>	<b><u>55667</u></b>
Floor Transactions	992495	904122	33253	1753089	2149331	53764
Over the Counter Trading	41810	209060	1935	47606	233764	1903
<b><u>In US Dollar</u></b>	<b><u>6994</u></b>	<b><u>107174</u></b>	<b><u>958</u></b>	<b><u>79045</u></b>	<b><u>157180</u></b>	<b><u>438</u></b>
Floor Transactions	6947	21066	840	77011	117584	298
Over the Counter Trading	47	86108	118	2034	39596	140

Source: Capital Market Authority.

**(2/3) Trading in Bonds on the Stock Exchange**

During	July/Sept.					
	<u>2005/2006</u>		<u>2006/2007</u>			
	Number of Transactions in unit	Amount in unit	Market Value in Thousand	Number of Transactions in unit	Amount in unit	Market Value in Thousand
<b><u>In Egyptian Pound</u></b>	<b><u>142</u></b>	<b><u>1516641</u></b>	<b><u>1687280</u></b>	<b><u>100</u></b>	<b><u>1689354</u></b>	<b><u>1187575</u></b>
Floor Transactions	142	1516641	1687280	100	1689354	1187575
Over the Counter Trading	0	0	0	0	0	0
<b><u>In US Dollar</u></b>	<b><u>11</u></b>	<b><u>7499</u></b>	<b><u>4095</u></b>	<b><u>2</u></b>	<b><u>3200</u></b>	<b><u>2301</u></b>
Floor Transactions	1	800	81	1	1000	101
Over the Counter Trading	10	6699	4014	1	2200	2200

Source: Capital Market Authority.



## (2/4) Global Depository Receipts (GDRs)

GDRs Listed on Global Exchanges						Corporate Stocks Issued on 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 2006	Sept. 2006	June 2006	Sept. 2006	
First	Jul. 1996	Bank of New York	CIB	1	9999	9.90	7.85	58.99	46.07
Second	Jul. 1996	Bank of New York	CIB	1	7310	10.50	11.40	63.14	71.12
			NBE						
Third	Oct. 1997	Deutsche Bank	Citibank	3	6297	1.45	2.50	28.66	37.19
Fourth	Apr. 1998	Bank of New York	CIB	2	6496	3.00	2.55	22.02	23.32
Fifth	Aug. 1998	Bank of New York	HSBC	0.5	4324	8.60	14.30	25.31	41.97
Sixth	Jun. 1999	Deutsche Bank	Citibank	0.33	573	39.00	39.00	39.09	66.41
Seventh *	Jul. 1999	Bank of New York	CIB	0.33	35000	0.44	0.44	-	-
Eighth**	Jul. 2000	Bank of New York	CIB	1	11713	40.80	55.80	238.67	327.96
Ninth	Aug. 2002	Bank of New York	CIB	0.5	50	62.60	88.40	175.38	250.15
Tenth	Nov. 2004	Bank of New York	CIB	1	8796	-	10.50	104.32	104.32
Eleventh**	Dec. 2005	Bank of New York	CIB	0.2	8522	10.85	12.83	12.59	15.05

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

\*\* Conversion ratio has changed to 1 : 1, effective 23 January 2006

\*\*\* Trading on GDRs started on 14 December 2005

**(2/5) Outstanding Balance of Treasury Bills (Quarterly)**

	(LE mn)				
End of	91 days	182 days	364 days	89 days	Total
<b><u>1999</u></b>					
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
<b><u>2000</u></b>					
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
<b><u>2001</u></b>					
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
<b><u>2002</u></b>					
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
<b><u>2003</u></b>					
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
<b><u>2004</u></b>					
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
<b><u>2005</u></b>					
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
<b><u>2006</u></b>					
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

Source: Central Bank of Egypt.

## (2/6) Outstanding Balance of Treasury Bills (Weekly)

(LE mn)

		91 days	182 days	364 days	Total
<b><u>July 2006</u></b>					
The:					
First week	(6/7)	7500.0	27000.0	68543.6	103043.6
Second week	(13/7)	7000.0	28500.0	69543.6	105043.6
Third week	(20/7)	8000.0	28000.0	69543.6	105543.6
Fourth week	(27/7)	9000.0	28000.0	69743.6	106743.6
<b>End of month</b>		<b>9000.0</b>	<b>28000.0</b>	<b>69743.6</b>	<b>106743.6</b>
<b><u>August 2006</u></b>					
The:					
First week	(3/8)	9500.0	28000.0	71243.6	108743.6
Second week	(10/8)	9500.0	28000.0	71043.6	108543.6
Third week	(17/8)	9500.0	29000.0	72543.6	111043.6
Fourth week	(24/8)	9500.0	29000.0	73043.6	111543.6
<b>End of month</b>		<b>10500.0</b>	<b>28500.0</b>	<b>73457.4</b>	<b>112457.4</b>
<b><u>September 2006</u></b>					
The:					
First week	(7/9)	9000.0	27000.0	72957.4	108957.4
Second week	(14/9)	10000.0	27500.0	71457.4	108957.4
Third week	(21/9)	9500.0	28000.0	71457.4	108957.4
Fourth week	(28/9)	9900.0	27500.0	69957.4	107357.4
<b>End of month</b>		<b>9900.0</b>	<b>27500.0</b>	<b>69957.4</b>	<b>107357.4</b>

Source: Central Bank of Egypt.

**(2/7) Outstanding Balance of Treasury Bonds\***  
**End of September 2006**

	<b>Date of Issue</b>	<b>Value (LEmn)</b>	<b>Interest Rate</b>	<b>Maturity</b>	<b>Due Date</b>
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
NinthTranche	5/3/2000	3000	11.000%	7 years	03/05/2007
TenthTranche	1/1/2004	4000	8.000%	3 years	01/01/2007
<b><u>Bonds under the Primary Dealers System**</u></b>					
Eleventh Tranche	10/26/2004	5000	11.500%	7 years	10/26/2011
Twelveth Tranche	11/16/2004	5000	11.625%	10 years	11/16/2014
Thirteenth Tranche	07/12/2004	3000	10.938%	4 years	12/7/2008
Fourteenth Tranche	1/18/2005	1000	11.400%	20 years	1/18/2025
Fifteenth Tranche	7/12/2005	2000	9.100%	5 years	7/12/2010
Sixteenth Tranche ( <sup>1</sup> )	8/2/2005	4000	9.250%	4 years	8/2/2009
Seventeenth Tranche	8/16/2005	2000	9.350%	5 years	8/16/2010
Eighteenth Tranche ( <sup>2</sup> )	9/20/2005	4000	9.100%	7 years	9/20/2012
Nineteenth Tranche	10/4/2005	2000	9.063%	3 years	04/10/2008
Twentieth Tranche	10/18/2005	2000	9.100%	5 years	10/18/2010
Twenty First Tranche ( <sup>3</sup> )	11/15/2005	5000	9.300%	10 years	15/11/2015
Twenty Second Tranche	1/3/2006	2000	9.050%	4 years	1/3/2010
Twenty Third Tranche ( <sup>4</sup> )	1/24/2006	4000	8.850%	7 years	24/01/2013
Twenty Fourth Tranche	2/14/2006	2000	8.500%	2 years	2/14/2008
Twenty Fifth Tranche	2/28/2006	2000	8.600%	5 years	2/28/2011
Twenty sixth Tranche	5/2/2006	2000	8.950%	4 years	5/2/2010
<b>Total</b>		<b>58000</b>			

Source: Central Bank of Egypt.

\* Issued by law No. 4 /1995.

\*\* This system was applicable 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 Decree No. 723 for 2002, in accordance with Article (7) of law No. 92 for 2004.

( <sup>1</sup> ) Increased by LE 2.0 billion , due to their re-opening on 8/11/2005 on the same conditions.

( <sup>2</sup> ) Increased by LE 2.0 billion , due to their re-opening on 13/12/2005 on the same conditions.

( <sup>3</sup> ) 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 for the reopening on 13/6/2006 on the same conditions.

( <sup>4</sup> ) Increased by LE 2.0 billion , due to their re-opening on17/04/2006 on the same conditions.

**(3/1) Consolidated Fiscal Operations of General Government**  
**( The Budget Sector , NIB and SIFs )**  
**( Expenditure )**

( LE mn )

	<b>2006/2007</b>					
	<b><u>Pre. Estimates</u></b>			<b><u>3 Months (Actual)</u></b>		
	The Budget Sector	The Budget Sector, NIB	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB	The Budget Sector, NIB & SIFs
<b><u>Total Expenditures</u></b>	<b><u>217276</u></b>	<b><u>207128</u></b>	<b><u>237083</u></b>	<b><u>37304</u></b>	<b><u>38594</u></b>	<b><u>42053</u></b>
<b><u>Compensation of employees</u></b>	<b><u>51432</u></b>	<b><u>51517</u></b>	<b><u>52036</u></b>	<b><u>13939</u></b>	<b><u>13949</u></b>	<b><u>14063</u></b>
Salaries and wages	38154	38236	38685	11682	11689	11791
Social contributions	5898	5901	5964	1660	1661	1673
Other	7380	7380	7387	597	599	599
<b><u>Purchases of goods and services</u></b>	<b><u>15476</u></b>	<b><u>15476</u></b>	<b><u>15554</u></b>	<b><u>2230</u></b>	<b><u>2231</u></b>	<b><u>2240</u></b>
Goods	6232	6232	6244	962	963	964
Services	6046	6046	6097	1115	1115	1123
Other	3198	3198	3213	153	153	153
<b><u>Interest</u></b>	<b><u>50748</u></b>	<b><u>39912</u></b>	<b><u>39912</u></b>	<b><u>10083</u></b>	<b><u>11362</u></b>	<b><u>7574</u></b>
Foreign interest	3465	3465	3465	1222	1222	1222
Domestic interest	47283	36447	36447	8861	10140	6352
To NIB & SIFs	17638	0	0	3862	3788	0
To others	29645	36447	36447	4999	6352	6352
<b><u>Subsidies, Grants, Social benefits</u></b>	<b><u>58445</u></b>	<b><u>58445</u></b>	<b><u>87395</u></b>	<b><u>4754</u></b>	<b><u>4754</u></b>	<b><u>11878</u></b>
<b><u>Subsidies</u></b>	<b><u>53777</u></b>	<b><u>53777</u></b>	<b><u>53777</u></b>	<b><u>3073</u></b>	<b><u>3073</u></b>	<b><u>3073</u></b>
To G.A.S.C	8642	8642	8642	2770	2770	2770
To petroleum	40000	40000	40000	0	0	0
To others	5135	5135	5135	303	303	303
<b><u>Grants</u></b>	<b><u>2315</u></b>	<b><u>2315</u></b>	<b><u>2315</u></b>	<b><u>1581</u></b>	<b><u>1581</u></b>	<b><u>1581</u></b>
<b><u>Social benefits</u></b>	<b><u>1498</u></b>	<b><u>1498</u></b>	<b><u>30448</u></b>	<b><u>60</u></b>	<b><u>60</u></b>	<b><u>7184</u></b>
Contribution to social funds	0	0	28950	0	0	0
Other	1498	1498	1498	60	60	7184
<b><u>Other</u></b>	<b><u>855</u></b>	<b><u>855</u></b>	<b><u>855</u></b>	<b><u>40</u></b>	<b><u>40</u></b>	<b><u>40</u></b>
<b><u>Other expenditures</u></b>	<b><u>20936</u></b>	<b><u>21539</u></b>	<b><u>21916</u></b>	<b><u>4278</u></b>	<b><u>4278</u></b>	<b><u>4278</u></b>
Defense	17200	17200	17200	3805	3805	3805
Other	3736	4339	4716	473	473	473
<b><u>Purchases of non financial assets</u></b>	<b><u>20239</u></b>	<b><u>20239</u></b>	<b><u>20270</u></b>	<b><u>2020</u></b>	<b><u>2020</u></b>	<b><u>2020</u></b>
Fixed assets	17032	17032	17063	1885	1885	1885
Others	3207	3207	3207	135	135	135

Source : The Ministry of Finance .

**(3/2) Consolidated Fiscal Operations of General Government**  
**( The Budget Sector , NIB and SIFs )**  
**( Revenues )**

( LE mn )

	<b>2006/2007</b>					
	<b><u>Pre. Estimates</u></b>			<b><u>3 Months (Actual)</u></b>		
	The Budget Sector	The Budget Sector, NIB	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB	The Budget Sector, NIB & SIFs
<b><u>Total Revenues</u></b>	<b><u>163909</u></b>	<b><u>171399</u></b>	<b><u>190408</u></b>	<b><u>40282</u></b>	<b><u>40488</u></b>	<b><u>45046</u></b>
<b><u>Tax Revenues</u></b>	<b><u>105646</u></b>	<b><u>105646</u></b>	<b><u>105646</u></b>	<b><u>17124</u></b>	<b><u>17124</u></b>	<b><u>17124</u></b>
<b><u>Tax on income, profits</u></b>	<b><u>53642</u></b>	<b><u>53642</u></b>	<b><u>53642</u></b>	<b><u>7072</u></b>	<b><u>7072</u></b>	<b><u>7072</u></b>
From EGPC	26813	26813	26813	0	0	0
From SCA	8825	8825	8825	1740	1740	1740
From CBE	135	135	135	0	0	0
From Other Units	7101	7101	7101	3885	3885	3885
Payable by individuals	10768	10768	10768	1447	1447	1447
Taxes on Property	<u>1204</u>	<u>1204</u>	<u>1204</u>	<u>419</u>	<u>419</u>	<u>419</u>
<b><u>Taxes on goods and Services</u></b>	<b><u>36914</u></b>	<b><u>36914</u></b>	<b><u>36914</u></b>	<b><u>6766</u></b>	<b><u>6766</u></b>	<b><u>6766</u></b>
<b><u>Taxes on International trade</u></b>	<b><u>9601</u></b>	<b><u>9601</u></b>	<b><u>9601</u></b>	<b><u>2492</u></b>	<b><u>2492</u></b>	<b><u>2492</u></b>
<b><u>Other Taxes</u></b>	<b><u>4285</u></b>	<b><u>4285</u></b>	<b><u>4285</u></b>	<b><u>375</u></b>	<b><u>375</u></b>	<b><u>375</u></b>
<b><u>Grants</u></b>	<b><u>3482</u></b>	<b><u>3482</u></b>	<b><u>3482</u></b>	<b><u>13</u></b>	<b><u>13</u></b>	<b><u>13</u></b>
Current	1725	1725	1725	9	9	9
Capital	1757	1757	1757	4	4	4
<b><u>Other Revenues</u></b>	<b><u>54781</u></b>	<b><u>62271</u></b>	<b><u>81280</u></b>	<b><u>23145</u></b>	<b><u>23351</u></b>	<b><u>27909</u></b>
Property income	<u>42970</u>	<u>49435</u>	<u>49728</u>	<u>19875</u>	<u>20081</u>	<u>20206</u>
From EGPC	18977	18977	18977	0	0	0
From SCA	11766	11766	11766	3020	3020	3020
From CBE	1000	1000	1000	0	0	0
From Economic Authority	1182	1182	1182	116	116	116
From Companies	2611	2611	2766	770	770	799
Other (from TML)	4700	4700	4700	15780	15780	15780
Other	2734	9199	9337	189	395	491
<b><u>Sales of goods and Services</u></b>	<b><u>8525</u></b>	<b><u>8525</u></b>	<b><u>8525</u></b>	<b><u>1025</u></b>	<b><u>1025</u></b>	<b><u>1025</u></b>
<b><u>Financing investment</u></b>	<b><u>1419</u></b>	<b><u>1419</u></b>	<b><u>1419</u></b>	<b><u>94</u></b>	<b><u>94</u></b>	<b><u>94</u></b>
<b><u>Other</u></b>	<b><u>1867</u></b>	<b><u>2892</u></b>	<b><u>21608</u></b>	<b><u>2151</u></b>	<b><u>2151</u></b>	<b><u>6584</u></b>

Source : The Ministry of Finance .

## (3/3) Summary of the Consolidated Fiscal Operations of General Government

( The Budget Sector , NIB and SIFs )

( LE mn )

	2006/2007					
	Prel. Estimates			3 Months (Actual)		
	The Budget Sector	The Budget Sector, NIB	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB	The Budget Sector, NIB & SIFs
Total Revenues	163909	171399	190408	40282	40488	45046
Total Expenditures	217276	207128	237083	37304	38594	42053
Cash Deficit	53367	35729	46675	-2978	-1894	-2993
Net Acquisition of Financial Assets	8870	8647	8674	2976	3959	3955
Overall fiscal balance finance	62237	44376	55349	-2	2065	962
<b>Financing Sources</b>	<b>62238</b>	<b>44377</b>	<b>55348</b>	<b>-2</b>	<b>2065</b>	<b>962</b>
<b>Domestic Financing</b>	<b>65360</b>	<b>62077</b>	<b>60810</b>	<b>5331</b>	<b>6491</b>	<b>4575</b>
<b>Banking Financing</b>	<b>36806</b>	<b>36806</b>	<b>35539</b>	<b>-1726</b>	<b>-911</b>	<b>-556</b>
Central Bank	-18355	-18355	-18355	2837	3146	3146
Other Banks	55161	55161	53894	-4563	-4057	-3702
<b>Non Banking Financing</b>	<b>28554</b>	<b>25271</b>	<b>25271</b>	<b>5535</b>	<b>5880</b>	<b>3609</b>
N.I.B	3554	3554	3554	-104	0	0
SIF	8400	0	0	2271	2271	0
Other	16600	16600	16600	3368	3368	3368
N.I.B Borrowing	0	5117	5117	0	241	241
<b>Net Credit and Debt Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1522</b>	<b>1522</b>	<b>1522</b>
Blocked account	1500	1500	1500	-1438	-1438	-1438
Revaluation of Foreign Liabilities	1500	1500	1500	84	84	84
<b>Foreign Borrowing</b>	<b>-5138</b>	<b>-5138</b>	<b>-5138</b>	<b>-2442</b>	<b>-2442</b>	<b>-2442</b>
<b>Arrears</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-229</b>	<b>-229</b>	<b>-229</b>
<b>Other</b>	<b>-984</b>	<b>-6324</b>	<b>-3324</b>	<b>-997</b>	<b>-90</b>	<b>723</b>
<b>Financing Effects for Eliminations</b>	<b>0</b>	<b>-9238</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Exchange Rate Revaluation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-231</b>	<b>-231</b>	<b>-231</b>
<b>Net Privatization Proceeds</b>	<b>3000</b>	<b>3000</b>	<b>3000</b>	<b>14</b>	<b>14</b>	<b>14</b>
Privatization Proceeds	10000	10000	10000	14	14	14
Treasury Contribution to the Fund	7000	7000	7000	0	0	0
<b>The differences bet. nominal &amp; real values of treasury bills</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-193</b>	<b>-193</b>	<b>-193</b>
<b>Discrepancy</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1255</b>	<b>-1255</b>	<b>-1255</b>
Cash Deficit (Surplus ) as a percentage of G.D.P	7.6%	5.1%	6.6%	-0.4%	-0.3%	-0.4%
Overall fiscal balance as a percentage of G.D.P	8.8%	6.3%	7.9%	0.0%	0.3%	0.1%
Revenues as a percentage of G.D.P	23.3%	24.4%	27.1%	5.7%	5.8%	6.4%
Expenditure as a percentage of G.D.P	30.9%	29.4%	33.7%	5.3%	5.5%	6.0%

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Source : The Ministry of Finance .

### (3/4) Domestic Debt of Government & Public Economic Authorities

(LE mn)

End of	<u>June 2006</u>		<u>Sept. 2006</u>		<u>Change +(-)</u>
	<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>	<u>2006/2007</u>
<b><u>Government Domestic Debt</u></b>	<b><u>387719</u></b>	<b><u>100.0</u></b>	<b><u>446634</u></b>	<b><u>100.0</u></b>	<b><u>58915</u></b>
<b><u>- Bonds &amp; Bills</u></b>	<b><u>349957</u></b>	<b><u>90.3</u></b>	<b><u>550599</u></b>	<b><u>123.3</u></b>	<b><u>200642</u></b>
- Treasury bonds , of which :	231125	59.6	229874	51.5	(1251)
In local currency with public sector banks	4000	1.0	4000	0.9	-
Euro sovereign bonds (US\$) offered abroad *	5109	1.3	3857	0.9	(1252)
- Government notes to compensate the actuarial deficit in social insurance funds	2000	0.6	2000	0.4	-
- Housing bonds	122	0.0	123	0.0	1
- Treasury bills	103144	26.6	107357	24.0	4213
- Foreign currency bonds with public sector commercial banks	12014	3.1	11968	2.7	(46)
- The equivalent of the retained 5% of corporate profits to purchase government bonds	1552	0.4	1552	0.4	0
- Bonds for the Insurance Funds ( against the transfer of NIB debt to the treasury )	0	0.0	197725	44.3	197725
<b><u>- Net Government Balances with the Banking System</u></b>	<b><u>-104860</u></b>	<b><u>-27.1</u></b>	<b><u>-103965</u></b>	<b><u>-23.3</u></b>	<b><u>895</u></b>
<b><u>- Government Borrowing from NIB</u></b>	<b><u>142622</u></b>	<b><u>36.8</u></b>	<b><u>0</u></b>	<b><u>0.0</u></b>	<b><u>(142622)</u></b>
<b><u>Economic Authorities Debt</u></b>	<b><u>47387</u></b>	<b><u>100.0</u></b>	<b><u>49412</u></b>	<b><u>100.0</u></b>	<b><u>2025</u></b>
- Net Balance of Economic Authorities with the Banking System	-2809	-5.9	-2098	-4.2	711
- Borrowing of Economic Authorities from NIB	50196	105.9	51510	104.2	1314

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

\* Holdings of financial institutions resident in Egypt (The Banking System and the Insurance Sector).



**(3/5) National Investment Bank**  
**(Resources & Uses)**

	(LE mn)				
End of	<u>June 2006</u>		<u>Sept. 2006</u>		<u>Change +(-)</u>
	Value	%	Value	%	2006/2007
<b><u>Resources:</u></b>	<b><u>354962</u></b>	<b><u>100.0</u></b>	<b><u>156889</u></b>	<b><u>100.0</u></b>	<b><u>(198073)</u></b>
. Social Insurance Fund for Gov. Employees	135735	38.2	25009	15.9	(110726)
. Social Insurance Fund for Pub. & Priv. Sectors Employees	105703	29.8	18704	11.9	(86999)
. Proceeds from the Investment Certificates	64038	18.0	65180	41.6	1142
. Accumulated Returns of the Investment Certificates (Category A)	7028	2.0	7126	4.6	98
. Proceeds from US Dollar Development Bonds	824	0.2	658	0.4	(166)
. Post Office Savings	39097	11.0	38097	24.3	(1000)
. Other *	2537	0.7	2115	1.3	(422)
<b><u>Uses:</u></b>	<b><u>354962</u></b>	<b><u>100.0</u></b>	<b><u>156889</u></b>	<b><u>100.0</u></b>	<b><u>(198073)</u></b>
. Government	142622	40.2	0	0.0	(142622)
. Economic Authorities	50196	14.1	51510	32.8	1314
. Other	158387	44.6	102437	65.3	(55950)
. NIB Balances held at the Banking System ( Net )	3757	1.1	2942	1.9	(815)

\* Including deposits of the private insurance funds, saving certificates, loans & deposits of various authorities.

(4/1) Balance of Payments

(L.E.mn)

	July / Sept.				Change (-)
	2005/2006		2006/2007*		
	Value	%	Value	%	
<b>Balance of Current Account</b>	<b>1211.8</b>		<b>8282.3</b>		<b>7070.5</b>
<b>Balance of Current Account (Excluding Transfers)</b>	<b>(6614.6)</b>		<b>129.9</b>		<b>6744.5</b>
<b>Receipts</b>	<b>49923.6</b>	<b>100.0</b>	<b>61411.9</b>	<b>100.0</b>	<b>11488.3</b>
Export proceeds**	23251.2	46.6	31070.2	50.6	7819.0
Transportation, of which	6716.9	13.5	8781.9	14.3	2065.0
Suez Canal dues	(5026.1)	(10.1)	(5704.9)	(9.3)	(678.8)
Travel	13392.7	26.8	14082.8	22.9	690.1
Investment income	2233.7	4.5	3710.8	6.1	1477.1
Government receipts	256.5	0.5	174.7	0.3	(81.8)
Other receipts	4072.6	8.1	3591.5	5.8	(481.1)
<b>Payments</b>	<b>56538.2</b>	<b>100.0</b>	<b>61282.0</b>	<b>100.0</b>	<b>4743.8</b>
Import payments**	42385.8	75.0	48584.5	79.3	6198.7
Transportation	1559.7	2.7	1506.5	2.4	(53.2)
Travel	2277.2	4.0	2619.2	4.3	342.0
Investment income, of which	2971.3	5.3	3418.2	5.6	446.9
Interest paid	(1065.3)	(1.9)	(1078.3)	(1.8)	(13.0)
Government expenditures	1959.4	3.5	1450.4	2.4	(509.0)
Other payments	5384.8	9.5	3703.2	6.0	(1681.6)
<b>Transfers</b>	<b>7826.4</b>	<b>100.0</b>	<b>8152.4</b>	<b>100.0</b>	<b>326.0</b>
Private (net)	7295.2	93.2	7431.3	91.2	136.1
Official (net)	531.2	6.8	721.1	8.8	189.9

\* Preliminary figures

\*\* Including the exports & imports of free zones

(4/1) Balance of Payments (Contd.)

(LE mn)

	July / Sept.	
	2005/2006	2006/2007*
	Value	Value
<b><u>Capital &amp; Financial Account</u></b>	<b><u>10860.5</u></b>	<b><u>2051.0</u></b>
<b><u>Capital Account</u></b>	<b><u>0.0</u></b>	<b><u>-222.8</u></b>
<b><u>Financial Account</u></b>	<b><u>10860.5</u></b>	<b><u>2273.8</u></b>
<b><u>Direct Investment Abroad</u></b>	<b><u>-107.3</u></b>	<b><u>-334.4</u></b>
<b><u>Direct Investment in Egypt (Net)</u></b> **	<b><u>11230.3</u></b>	<b><u>18587.4</u></b>
<b><u>Portfolio Investments Abroad</u></b>	<b><u>452.8</u></b>	<b><u>-551.0</u></b>
<b><u>Portfolio Investments in Egypt ( Net), of which :</u></b>	<b><u>14876.8</u></b>	<b><u>217.6</u></b>
Bonds	16070.2	-1975.2
<b><u>Other Investments</u></b>	<b><u>-15592.1</u></b>	<b><u>-15645.8</u></b>
<b><u>Net Borrowing</u></b>	<b><u>196.7</u></b>	<b><u>513.9</u></b>
<b><u>Medium - and Long -Term Loans</u></b>	<b><u>-1604.1</u></b>	<b><u>-2526.5</u></b>
Drawings	1380.3	112.5
Repayments	-2984.4	-2639.0
<b><u>Medium -Term Suppliers' and Buyers' Credit</u></b>	<b><u>-547.4</u></b>	<b><u>-702.8</u></b>
Drawings	335.1	44.8
Repayments	-882.5	-747.6
<b><u>Short -Term Suppliers' and Buyers' Credit (Net)</u></b>	<b><u>2348.2</u></b>	<b><u>3743.2</u></b>
<b><u>Other Assets</u></b>	<b><u>-13230.7</u></b>	<b><u>-14648.4</u></b>
CBE	32.3	-163.1
Banks	-8941.0	-10277.0
Other	-4322.0	-4208.3
<b><u>Other Liabilities</u></b>	<b><u>-2558.1</u></b>	<b><u>-1511.3</u></b>
CBE	9.8	20.1
Banks	-2567.9	-1531.4
<b><u>Net Errors &amp; Omissions</u></b>	<b><u>-1621.3</u></b>	<b><u>-4240.5</u></b>
<b><u>Overall Balance</u></b>	<b><u>10451.0</u></b>	<b><u>6092.8</u></b>
<b><u>Change in Reserve Assets, Increase (-)</u></b>	<b><u>-10451.0</u></b>	<b><u>-6092.8</u></b>

Source: CBE

\* Preliminary figures

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

(4/2) Balance of Payments

(US\$mn)

	July / Sept.				Change (-)
	2005/2006		2006/2007*		
	Value	%	Value	%	
<b><u>Balance of Current Account</u></b>	<b><u>207.6</u></b>		<b><u>1437.1</u></b>		<b><u>1229.5</u></b>
<b><u>Balance of Current Account (Excluding Transfers)</u></b>	<b><u>(1147.4)</u></b>		<b><u>19.9</u></b>		<b><u>1167.3</u></b>
<b><u>Receipts</u></b>	<b><u>8653.7</u></b>	<b><u>100.0</u></b>	<b><u>10693.7</u></b>	<b><u>100.0</u></b>	<b><u>2040.0</u></b>
Export proceeds**	4031.0	46.6	5410.8	50.6	1379.8
Transportation, of which	1164.6	13.5	1529.3	14.3	364.7
Suez Canal dues	(871.4)	(10.1)	(993.4)	(9.3)	(122.0)
Travel	2321.9	26.8	2452.6	22.9	130.7
Investment income	387.2	4.5	646.2	6.1	259.0
Government receipts	44.5	0.5	30.4	0.3	(14.1)
Other receipts	704.5	8.1	624.4	5.8	(80.1)
<b><u>Payments</u></b>	<b><u>9801.1</u></b>	<b><u>100.0</u></b>	<b><u>10673.8</u></b>	<b><u>100.0</u></b>	<b><u>872.7</u></b>
Import payments**	7348.3	75.0	8460.7	79.3	1112.4
Transportation	269.2	2.7	262.3	2.4	(6.9)
Travel	394.3	4.0	456.0	4.3	61.7
Investment income, of which	515.1	5.3	595.3	5.6	80.2
Interest paid	(184.7)	(1.9)	(187.8)	(1.8)	3.1
Government expenditures	340.3	3.5	254.6	2.4	(85.7)
Other payments	933.9	9.5	644.9	6.0	(289.0)
<b><u>Transfers</u></b>	<b><u>1355.0</u></b>	<b><u>100.0</u></b>	<b><u>1417.2</u></b>	<b><u>100.0</u></b>	<b><u>62.2</u></b>
Private (net)	1264.7	93.3	1293.8	91.3	29.1
Official (net)	90.3	6.7	123.4	8.7	33.1

\* Preliminary figures

\*\*Including the exports & imports of free zones

(4/2) Balance of Payments (Contd.)

(US\$mn)

	July / Sept.	
	2005/2006	2006/2007*
	Value	Value
<b><u>Capital &amp; Financial Account</u></b>	<b><u>1882.9</u></b>	<b><u>347.7</u></b>
<b><u>Capital Account</u></b>	<b><u>0.0</u></b>	<b><u>-38.8</u></b>
<b><u>Financial Account</u></b>	<b><u>1882.9</u></b>	<b><u>386.5</u></b>
<b><u>Direct Investment Abroad</u></b>	<b><u>-18.6</u></b>	<b><u>-58.2</u></b>
<b><u>Direct Investment in Egypt (Net)</u></b> **	<b><u>1947.0</u></b>	<b><u>3237.1</u></b>
<b><u>Portfolio Investments Abroad</u></b>	<b><u>78.5</u></b>	<b><u>-96.0</u></b>
<b><u>Portfolio Investments in Egypt (Net), of which :</u></b>	<b><u>2579.2</u></b>	<b><u>37.9</u></b>
Bonds	2786.1	-344.0
<b><u>Other Investments</u></b>	<b><u>-2703.2</u></b>	<b><u>-2734.3</u></b>
<b><u>Net Borrowing</u></b>	<b><u>34.1</u></b>	<b><u>80.0</u></b>
<b><u>Medium - and Long -Term Loans</u></b>	<b><u>-278.1</u></b>	<b><u>-440.0</u></b>
Drawings	239.3	19.6
Repayments	-517.4	-459.6
<b><u>Medium -Term Suppliers' and Buyers' Credit</u></b>	<b><u>-94.9</u></b>	<b><u>-122.4</u></b>
Drawings	58.1	7.8
Repayments	-153.0	-130.2
<b><u>Short -Term Suppliers' and Buyers' Credit (Net)</u></b>	<b><u>407.1</u></b>	<b><u>642.4</u></b>
<b><u>Other Assets</u></b>	<b><u>-2293.8</u></b>	<b><u>-2551.1</u></b>
CBE	5.6	-28.4
Banks	-1550.1	-1789.8
Other	-749.3	-732.9
<b><u>Other Liabilities</u></b>	<b><u>-443.5</u></b>	<b><u>-263.2</u></b>
CBE	1.7	3.5
Banks	-445.2	-266.7
<b><u>Net Errors &amp; Omissions</u></b>	<b><u>-278.6</u></b>	<b><u>-723.7</u></b>
<b><u>Overall Balance</u></b>	<b><u>1811.9</u></b>	<b><u>1061.1</u></b>
<b><u>Change in Reserve Assets, Increase (-)</u></b>	<b><u>-1811.9</u></b>	<b><u>-1061.1</u></b>

Source: CBE

\* Preliminary figures

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

(4/3) Exports by Degree of Processing \*

(US\$ mn)

	July / September				Change (-)
	2005/2006		2006/2007 **		
	Value	%	Value	%	
<b>Total ***</b>	<b>4031.0</b>	<b>100.0</b>	<b>5410.8</b>	<b>100.0</b>	<b>1379.8</b>
<b>Fuels , Mineral Oils &amp; Products</b>	<b>2163.7</b>	<b>53.7</b>	<b>2549.2</b>	<b>47.1</b>	<b>385.5</b>
Crude petroleum	759.7	18.9	901.8	16.7	142.1
Petroleum products ****	1378.1	34.2	1610.7	29.8	232.6
Coal & types thereof	8.5	0.2	8.2	0.1	(0.3)
Other	17.4	0.4	28.5	0.5	11.1
<b>Raw Materials</b>	<b>130.2</b>	<b>3.2</b>	<b>158.7</b>	<b>2.9</b>	<b>28.5</b>
Cotton	32.8	0.8	22.9	0.4	(9.9)
Potatoes	0.5	0.0	1.3	0.0	0.8
Iron, ore	4.9	0.1	23.2	0.4	18.3
Citrus fruits	4.5	0.1	3.9	0.1	(0.6)
Spices & vanilla	0.1	0.0	0.0	0.0	(0.1)
Groundnuts	0.5	0.0	0.1	0.0	(0.4)
Medicinal plants	0.9	0.0	0.8	0.0	(0.1)
Raw hides & tanned leather	1.6	0.1	0.6	0.0	(1.0)
Flax, raw	0.9	0.0	0.9	0.0	0.0
Edible vegetables, roots & tubers	22.2	0.6	35.1	0.7	12.9
Other	61.3	1.5	69.9	1.3	8.6
<b>Semi-finished Goods</b>	<b>283.7</b>	<b>7.0</b>	<b>421.8</b>	<b>7.8</b>	<b>138.1</b>
Carbon	4.7	0.1	3.7	0.1	(1.0)

(4/3) Exports by Degree of Processing \* (Contd.)

(US\$ mn)

	July / September				Change (-)
	2005/2006		2006/2007 **		
	Value	%	Value	%	
Essential oils & resins	1.1	0.0	2.4	0.0	1.3
Cotton yarn	33.4	0.8	21.5	0.4	(11.9)
Aluminium, unalloyed	38.1	1.0	79.7	1.5	41.6
Animal & vegetable fats, greases & oils & products	3.7	0.1	15.0	0.3	11.3
Molasses	1.7	0.0	4.6	0.1	2.9
Organic & inorganic chemicals	89.2	2.2	51.6	0.9	(37.6)
Cast iron & semi-finished products & rolled iron	77.9	1.9	189.9	3.5	112.0
Leather, tanned	12.2	0.3	16.0	0.3	3.8
Plastic & articles thereof	13.8	0.4	26.7	0.5	12.9
Other	7.9	0.2	10.7	0.2	2.8
<b>Finished Goods</b>	<b>1190.9</b>	<b>29.6</b>	<b>1858.8</b>	<b>34.4</b>	<b>667.9</b>
Milk & condensed cream	0.7	0.0	7.8	0.2	7.1
Preserved & dried vegetables	0.3	0.0	2.0	0.0	1.7
Dried onion	1.1	0.0	1.1	0.0	0.0
Rice	21.3	0.5	21.1	0.4	(0.2)
Vegetable & fruit preparations	3.0	0.1	6.5	0.1	3.5
Sugar and its products	10.8	0.3	5.8	0.1	(5.0)
Pharmaceuticals	24.7	0.6	48.7	0.9	24.0
Fertilizers	39.6	1.0	149.7	2.8	110.1
Cement	32.4	0.8	41.2	0.8	8.8
Extracts of essential oils & resins	4.0	0.1	16.5	0.3	12.5

### (4/3) Exports by Degree of Processing \* (Contd.)

(US\$ mn)

	July / September				Change (-)
	2005/2006		2006/2007 **		
	Value	%	Value	%	
Leather products	0.4	0.0	4.8	0.1	4.4
Rubber & articles	3.8	0.1	2.4	0.1	(1.4)
Paper, cardboard paper & articles thereof	26.1	0.7	21.4	0.4	(4.7)
Ceramic products	24.4	0.6	26.1	0.5	1.7
Cars, bicycles & tractors	25.6	0.6	25.2	0.5	(0.4)
Cotton textiles	48.2	1.2	55.2	1.0	7.0
Carpets & other floor coverings	36.9	0.9	33.6	0.6	(3.3)
Shoes & accessories	1.7	0.0	1.5	0.0	(0.2)
Ready-made clothes	68.5	1.7	113.9	2.1	45.4
Glass & glassware	79.0	2.0	43.9	0.8	(35.1)
Copper & articles	11.9	0.3	1.4	0.0	(10.5)
Aluminium articles	28.5	0.7	19.7	0.4	(8.8)
Articles of iron and steel	112.7	2.8	285.4	5.3	172.7
Wooden furniture	1.6	0.0	2.4	0.0	0.8
Marble & granite	15.5	0.4	11.9	0.2	(3.6)
Electric machines & appliances, recorders & T.V sets and their accessories	54.2	1.4	188.4	3.5	134.2
Other	514.0	12.8	721.2	13.3	207.2
<b>Miscellaneous Goods (Undistributed)</b>	<b>262.5</b>	<b>6.5</b>	<b>422.3</b>	<b>7.8</b>	<b>159.8</b>

Source: Central Bank of Egypt.

\* Commodities are classified according to the Harmonized System.

\*\* Provisional.

\*\*\* Include exports of free zones.

\*\*\*\* Include natural gas, and bunker & jet fuel.



(4/4) Imports by Degree of Use \*

(US\$ mn)

	July / September				Change (-)
	2005/2006		2006/2007 **		
	Value	%	Value	%	
<b>Total ***</b>	<b><u>7348.3</u></b>	<b><u>100.0</u></b>	<b><u>8460.7</u></b>	<b><u>100.0</u></b>	<b><u>1112.4</u></b>
<b><u>Fuels, Mineral Oils &amp; Products</u></b>	<b><u>354.3</u></b>	<b><u>4.8</u></b>	<b><u>850.2</u></b>	<b><u>10.0</u></b>	<b><u>495.9</u></b>
Petroleum products ****	336.7	4.6	822.5	9.7	485.8
Coal & types thereof	16.8	0.2	23.2	0.3	6.4
Other	0.8	0.0	4.5	0.0	3.7
<b><u>Raw Materials</u></b>	<b><u>1329.2</u></b>	<b><u>18.1</u></b>	<b><u>1439.4</u></b>	<b><u>17.0</u></b>	<b><u>110.2</u></b>
Crude petroleum	816.1	11.1	573.9	6.8	(242.2)
Wheat	156.3	2.1	288.5	3.4	132.2
Maize	139.8	1.9	104.1	1.2	(35.7)
Tobacco	36.6	0.5	52.1	0.6	15.5
Iron, ore	13.7	0.2	64.8	0.8	51.1
Seeds & oleaginous seeds	21.7	0.3	11.6	0.1	(10.1)
Cotton	18.1	0.3	35.2	0.4	17.1
Other	126.9	1.7	309.2	3.7	182.3
<b><u>Intermediate Goods</u></b>	<b><u>2175.5</u></b>	<b><u>29.6</u></b>	<b><u>2259.2</u></b>	<b><u>26.7</u></b>	<b><u>83.7</u></b>
Sugar, raw	41.8	0.6	34.9	0.4	(6.9)
Animal and vegetable fats, greases & oils and products	149.8	2.0	167.8	2.0	18.0
Cement	3.9	0.1	2.3	0.0	(1.6)
Organic & inorganic chemicals	184.9	2.5	228.2	2.7	43.3
Fertilizers	64.3	0.9	13.2	0.2	(51.1)
Tanning & dyeing extracts	26.8	0.4	26.8	0.3	0.0
Plastic & articles thereof	170.1	2.3	206.7	2.4	36.6
Wood & articles thereof	126.3	1.7	175.7	2.1	49.4
Paper, cardboard paper & articles thereof	112.0	1.5	124.0	1.5	12.0

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

(US\$ mn)

	July / September				Change (-)
	2005/2006		2006/2007 **		
	Value	%	Value	%	
Cotton textiles	25.6	0.3	44.3	0.5	18.7
Synthetic fibers	64.1	0.9	69.2	0.8	5.1
Ceramic products	32.9	0.4	29.8	0.3	(3.1)
Glass & articles	11.1	0.1	13.2	0.2	2.1
Iron & steel products	428.4	5.8	459.8	5.4	31.4
Copper & articles	29.2	0.4	25.5	0.3	(3.7)
Rubber & articles	48.8	0.7	59.0	0.7	10.2
Aluminium & articles	18.7	0.3	90.6	1.1	71.9
Other	636.8	8.7	488.2	5.8	(148.6)
<b><u>Investment Goods</u></b>	<b><u>1850.0</u></b>	<b><u>25.2</u></b>	<b><u>1931.1</u></b>	<b><u>22.8</u></b>	<b><u>81.1</u></b>
Pumps, fans & parts thereof	73.2	1.0	44.9	0.5	(28.3)
Machines and apparatus for ginning and spinning & parts thereof	13.3	0.2	18.2	0.2	4.9
Computers	47.9	0.6	53.9	0.6	6.0
Motors, generators, transformers & parts thereof	36.4	0.5	60.5	0.7	24.1
Parts of railway and tramway locomotives or rolling stock equipment	13.8	0.2	6.5	0.1	(7.3)
Tractors	6.0	0.1	8.9	0.1	2.9
Vehicles for transport of passengers	6.2	0.1	6.1	0.1	(0.1)
Vehicles for transport of goods	4.5	0.1	5.8	0.1	1.3
Parts & accessories of motor vehicles	138.7	1.9	201.0	2.4	62.3
Air conditioners	24.7	0.3	26.1	0.3	1.4
Cranes and bulldozers & parts thereof	23.1	0.3	34.7	0.4	11.6
Agricultural machinery	17.0	0.2	16.3	0.2	(0.7)

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

	July / September				(US\$ mn)
	2005/2006		2006/2007 **		Change (-)
	Value	%	Value	%	
Printing machinery & parts	4.8	0.1	6.6	0.1	1.8
Electric appliances for telephones & telegraph	81.4	1.1	56.2	0.7	(25.2)
Optical appliances	58.4	0.8	69.0	0.8	10.6
Other	1300.6	17.7	1316.4	15.5	15.8
<b><u>Consumer Goods</u></b>	<b><u>847.3</u></b>	<b><u>11.5</u></b>	<b><u>1172.4</u></b>	<b><u>13.9</u></b>	<b><u>325.1</u></b>
<b><u>A - Durable Goods</u></b>	<b><u>217.5</u></b>	<b><u>2.9</u></b>	<b><u>304.8</u></b>	<b><u>3.6</u></b>	<b><u>87.3</u></b>
Household refrigerators & electric freezers	19.1	0.2	23.2	0.3	4.1
Televisions & parts thereof	15.0	0.2	12.0	0.1	(3.0)
Vehicles for transport of persons	75.7	1.0	111.3	1.3	35.6
Household electric-motor appliances	28.9	0.4	49.0	0.6	20.1
Other	78.8	1.1	109.3	1.3	30.5
<b><u>B - Non-durable Goods</u></b>	<b><u>629.8</u></b>	<b><u>8.6</u></b>	<b><u>867.6</u></b>	<b><u>10.3</u></b>	<b><u>237.8</u></b>
Meat and edible offals	57.4	0.8	126.7	1.5	69.3
Fish, crustaceans, molluses and others	21.3	0.3	21.9	0.3	0.6
Dairy products, eggs, poultry and honey	19.5	0.3	25.7	0.3	6.2
Tea	18.9	0.2	19.3	0.2	0.4
Pharmaceuticals	147.2	2.0	178.4	2.1	31.2
Insecticides	4.3	0.0	5.7	0.1	1.4
Residues of foodstuff industries & animal fodder	46.2	0.6	34.7	0.4	(11.5)
Live animals	4.5	0.1	5.3	0.1	0.8
Ready-made clothes	50.0	0.7	74.3	0.9	24.3

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

(US\$ mn)

	July / September				Change (-)
	2005/2006		2006/2007 **		
	Value	%	Value	%	
Cotton textiles	7.6	0.1	25.4	0.3	17.8
Sugar, refined and products	12.7	0.2	34.4	0.4	21.7
Lentils	5.1	0.1	3.7	0.0	(1.4)
Soap, detergents & artificial wax	13.0	0.2	20.6	0.2	7.6
Other	222.1	3.0	291.5	3.5	69.4
<b><u>Miscellaneous Goods (Undistributed)</u></b>	<b><u>792.0</u></b>	<b><u>10.8</u></b>	<b><u>808.4</u></b>	<b><u>9.6</u></b>	<b><u>16.4</u></b>

Source: Central Bank of Egypt.

\* Commodities are classified according to the Harmonized System.

\*\* Provisional.

\*\*\* Including imports of free zones, and in-kind grants & loans.

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

### (4/5) Regional Distribution of Exports and Imports

(US\$ mn)

	July / September					
	Proceeds of Exports		Payments for Imports*		Trade Balance	
	2005/2006	2006/2007 **	2005/2006	2006/2007 **	2005/2006	2006/2007 **
<b>Total ***</b>	<b>4031.0</b>	<b>5410.8</b>	<b>7348.3</b>	<b>8460.7</b>	<b>(3317.3)</b>	<b>(3049.9)</b>
European Union	1445.5	1912.0	2708.5	3033.6	(1263.0)	(1121.6)
Other European countries	279.6	273.1	591.5	725.6	(311.9)	(452.5)
Russian Federation & C.I.S	12.1	21.3	281.8	194.2	(269.7)	(172.9)
United States of America	1236.8	1544.3	1457.7	1772.5	(220.9)	(228.2)
Arab countries	448.6	735.1	579.1	740.9	(130.5)	(5.8)
Asian countries (Non Arab)	441.6	726.0	1036.1	1366.4	(594.5)	(640.4)
African countries (Non Arab)	64.0	59.9	37.4	72.8	26.6	(12.9)
Australia	1.0	9.9	58.7	21.0	(57.7)	(11.1)
Other countries & regions	101.8	129.2	597.5	533.7	(495.7)	(404.5)

Source: Central Bank of Egypt

\* Including in-kind grants and loans.

\*\* Provisional.

\*\*\* Including exports & imports of free zones.

**(4/6) Average Foreign Exchange Rates**

(In piasters per foreign currency unit)

<b>End</b>	<b>June 2006</b>		<b>Sept. 2006</b>	
<b>First : Interbank US\$ Rates</b>				
Minimum	575.76		573.56	
Maximum	575.80		573.60	
Weighted average	575.79		573.59	
<b>Second: Market Rates</b>				
	<b>Buy</b>	<b>Sell</b>	<b>Buy</b>	<b>Sell</b>
US Dollar	575.23	577.20	573.18	575.04
Euro	720.53	723.06	728.74	731.27
Pound Sterling	1041.97	1045.66	1076.65	1080.32
Swiss Franc	460.33	462.06	460.05	461.69
100 Japanese Yens	493.76	495.67	487.52	489.23
Saudi Riyal	153.37	153.91	152.83	153.33
Kuwaiti Dinar	1988.97	1996.48	1981.80	1988.58
UAE Dirham	156.61	157.16	156.05	156.57

Source : CBE

The interbank system started as of 23/12/2004

## (4 / 7) Structure of External Debt

End of	(US\$ mn)					
	June 2006 *		Sept. 2006 *		Change (-)	
	Value	%	Value	%	Value	%
<b><u>Total</u></b> **	<b><u>29592.6</u></b>	<b><u>100.0</u></b>	<b><u>28950.9</u></b>	<b><u>100.0</u></b>	<b><u>(641.7)</u></b>	<b><u>(2.2)</u></b>
1- Medium -long term debt :	27959.6	94.5	27314.2	94.3	(645.4)	(33.4)
Rescheduled bilateral debt +	15229.0	51.5	14965.3	51.7	(263.7)	(1.7)
ODA	7610.6	25.7	7524.4	26.0	(86.2)	(1.1)
Non-ODA	7618.4	25.8	7440.9	25.7	(177.5)	(2.3)
Other bilateral debt	4295.5	14.5	4298.8	14.8	3.3	0.1
Paris Club countries	3590.4	12.1	3601.4	12.4	11.0	0.3
Other countries	705.1	2.4	697.4	2.4	(7.7)	(1.1)
Suppliers & buyers credits	979.5	3.3	868.6	3.0	(110.9)	(11.3)
International & regional organizations	5205.0	17.6	5218.9	18.0	13.9	0.3
Egyptian bonds and notes	1861.9	6.3	1578.8	5.5	(283.1)	(15.2)
Long-term deposits	300.0	1.0	300.0	1.0	0.0	0.0
Private sector (non-guaranteed)	88.7	0.3	83.8	0.3	(4.9)	(5.5)
2- Short term debt :	1633.0	5.5	1636.7	5.7	3.7	0.2
Deposits	633.1	2.1	611.3	2.1	(21.8)	(3.4)
Other Facilities	999.9	3.4	1025.4	3.6	25.5	2.6

Source: Loans & External Debt Department- CBE

\* Provisional.

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

+ According to the agreement signed with Paris Club countries on 25/5/1991

#### (4 / 8) Distribution of External Debt by Main Currencies

(US\$ mn)

End of	June 2006 *		Sept. 2006 *		Change (-)
	Value	%	Value	%	
<b>Total</b>	<u>29592.6</u>	<u>100.0</u>	<u>28950.9</u>	<u>100.0</u>	<u>(641.7)</u>
US dollar **	12456.6	42.1	11949.9	41.3	(506.7)
Canadian dollar	164.0	0.6	163.0	0.6	(1.0)
Australian dollar	129.0	0.4	128.0	0.4	(1.0)
Swiss franc	550.0	1.9	537.0	1.9	(13.0)
Sterling pound	247.0	0.8	250.0	0.9	3.0
Japanese yen	3531.0	11.9	3474.0	12.0	(57.0)
Danish krone	144.0	0.5	143.0	0.5	(1.0)
Norwegian krone	28.0	0.1	26.0	0.1	(2.0)
Swedish krona	37.0	0.1	36.0	0.1	(1.0)
Kuwaiti dinar	1450.0	4.9	1413.0	4.9	(37.0)
Saudi riyal	37.0	0.1	37.0	0.1	0.0
UAE dirham	45.0	0.2	45.0	0.2	0.0
Euro	9427.0	31.9	9404.0	32.5	(23.0)
SDRs	1347.0	4.5	1345.0	4.6	(2.0)

Source: Loans & External Debt Department- CBE

\* Provisional.

\*\* Including other liabilities.



## (5/1) Position of Egyptian Cotton

(Thousand Metric Cantars)

	Seasons					
	<u>2004/2005</u>	Change	<u>2005/2006</u>	Change	<u>2006/2007</u>	Change
	Final	%	Final	%	Estimates*	%
Cultivated area (Thousand Feddans)	731.0	10.9	650.0	-11.1	551.0	-15.2
Productivity (Metric Cantar/Feddan)	8.0	14.3	6.2	-22.5	7.8	25.4
Crop (without scarto)	5833.0	27.0	4006.0	-31.3	4285.0	7.0
Extra-long staple	1551.0	198.8	866.0	-44.2	1044.0	20.6
Long & medium-long staple	4282.0	5.1	3140.0	-26.7	3241.0	3.2
Opening stock	345.0	-72.8	91.0	-73.6	2281.0	2406.6
<u>Total Supply</u>	<u>6178</u>	<u>5.4</u>	<u>4097</u>	<u>-33.7</u>	<u>6566</u>	<u>60.3</u>
<u>Total Distribution</u>	<u>6087</u>	<u>25.1</u>	<u>1816</u>	<u>-50.0</u>	<u>24+</u>	<u>-99.3</u>
For local mills	3247	12.5	1816	-44.1	18.0	-99.0
Export commitments	2840*	149.8	1557*	-45.7	6.0	-99.6
Carry over stock	91	-90.9	2281	2406.6	4985.0	118.5
Average farm-gate price** (LE/Cantar)	612.0	43.0	660.0	7.8	785.0	18.9

Source: the Cotton Arbitration & Testing General Organisation (CATGO)

\* Actually shipped.

\*\* The average purchase price of Giza 70 & 86 varieties.

+ Until End of September 2006.

**(6/1) Number of Arrivals and Tourist Nights of Departures (by Group)**

(In Thousand)

	July/Sept.											
	<u>2004/2005</u>				<u>2005/2006</u>				<u>2006/2007</u>			
	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%
<b><u>Total</u></b>	<b><u>2390</u></b>		<b><u>28146</u></b>		<b><u>2214</u></b>		<b><u>27316</u></b>		<b><u>2269</u></b>		<b><u>28854</u></b>	
<b><u>European Countries</u></b>	<b><u>1437</u></b>	<b><u>100.0</u></b>	<b><u>14540</u></b>	<b><u>100.0</u></b>	<b><u>1266</u></b>	<b><u>100.0</u></b>	<b><u>13479</u></b>	<b><u>100.0</u></b>	<b><u>1342</u></b>	<b><u>100.0</u></b>	<b><u>13661</u></b>	<b><u>100.0</u></b>
<b><u>East Europe</u></b>	<b><u>322</u></b>	<b><u>22.4</u></b>	<b><u>3090</u></b>	<b><u>21.3</u></b>	<b><u>296</u></b>	<b><u>23.4</u></b>	<b><u>2904</u></b>	<b><u>21.5</u></b>	<b><u>349</u></b>	<b><u>26.0</u></b>	<b><u>3260</u></b>	<b><u>23.9</u></b>
<b><u>West Europe</u></b>	<b><u>1115</u></b>	<b><u>77.6</u></b>	<b><u>11450</u></b>	<b><u>78.7</u></b>	<b><u>970</u></b>	<b><u>76.6</u></b>	<b><u>10575</u></b>	<b><u>78.5</u></b>	<b><u>993</u></b>	<b><u>74.0</u></b>	<b><u>10401</u></b>	<b><u>76.1</u></b>
France	88	6.1	1026	7.1	84	6.6	995	7.4	70	5.2	820	6.0
Germany	265	18.5	3059	21.0	235	18.6	2673	19.8	229	17.1	2344	17.1
Italy	324	22.6	3024	20.8	185	14.6	1854	13.8	212	15.8	1869	13.7
Spain	58	4.0	488	3.3	42	3.3	400	3.0	42	3.1	422	3.1
Switzerland	28	1.9	274	1.9	22	1.7	214	1.6	23	1.7	74	0.5
United Kingdom	153	10.6	1460	10.0	217	17.2	2285	16.9	236	17.6	2566	18.8
Other	199	13.8	2119	14.6	185	14.6	2154	16.0	181	13.5	2306	16.9
<b><u>Middle East Countries</u></b>	<b><u>730</u></b>	<b><u>100.0</u></b>	<b><u>10494</u></b>	<b><u>100.0</u></b>	<b><u>704</u></b>	<b><u>100.0</u></b>	<b><u>10499</u></b>	<b><u>100.0</u></b>	<b><u>666</u></b>	<b><u>100.0</u></b>	<b><u>11282</u></b>	<b><u>100.0</u></b>
Jordan	41	5.6	454	4.3	39	5.6	436	4.2	47	7.1	514	4.6
Libya	127	17.4	1962	18.7	143	20.3	2017	19.2	163	24.5	2141	19.0
Kuwait	39	5.3	822	7.8	41	5.8	847	8.1	51	7.7	976	8.7
Palestine	55	7.5	949	9.1	74	10.5	964	9.2	37	5.5	952	8.4
Saudi Arabia	154	21.1	3527	33.6	181	25.7	3645	34.7	176	26.4	3818	33.8
Syria	23	3.2	236	2.3	26	3.7	247	2.3	26	3.9	281	2.5
Other	291	39.9	2544	24.2	200	28.4	2343	22.3	166	24.9	2600	23.0

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Source : Central Agency for Public Mobilization and Statistics.

**(6/1) Number of Arrivals and Tourist Nights of Departures (by Group)(Contd.)**

(In Thousand)

	<u>July/Sept.</u>											
	<u>2004/2005</u>				<u>2005/2006</u>				<u>2006/2007</u>			
	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%
<b><u>African Countries</u></b>	<b><u>72</u></b>	<b><u>100.0</u></b>	<b><u>1028</u></b>	<b><u>100.0</u></b>	<b><u>77</u></b>	<b><u>100.0</u></b>	<b><u>1096</u></b>	<b><u>100.0</u></b>	<b><u>83</u></b>	<b><u>100.0</u></b>	<b><u>1309</u></b>	<b><u>100</u></b>
Algeria	7	9.7	82	8.0	2	2.6	73	6.6	8	9.6	91	6.9
South Africa	6	8.3	34	3.3	5	6.5	35	3.2	6	7.2	51	3.9
Morocco	8	11.1	107	10.4	9	11.7	100	9.1	9	10.9	116	8.9
Sudan	29	40.3	610	59.3	32	41.5	666	60.8	36	43.4	804	61.4
Tunisia	8	11.1	81	7.9	8	10.4	82	7.5	8	9.6	85	6.5
Other	14	19.5	114	11.1	21	27.3	140	12.8	16	19.3	162	12.4
<b><u>Americas</u></b>	<b><u>65</u></b>	<b><u>100.0</u></b>	<b><u>1187</u></b>	<b><u>100.0</u></b>	<b><u>72</u></b>	<b><u>100.0</u></b>	<b><u>1268</u></b>	<b><u>100.0</u></b>	<b><u>74</u></b>	<b><u>100.0</u></b>	<b><u>1461</u></b>	<b><u>100</u></b>
Canada	12	18.5	208	17.5	13	18.1	247	19.5	13	17.6	278	19.0
United States	43	66.2	887	74.7	47	65.3	914	72.1	48	64.9	1069	73.2
Latin America	10	15.3	92	7.8	12	16.7	107	8.4	13	17.5	114	7.8
<b><u>Asia &amp; Pacific</u></b>	<b><u>84</u></b>	<b><u>100.0</u></b>	<b><u>877</u></b>	<b><u>100.0</u></b>	<b><u>94</u></b>	<b><u>100.0</u></b>	<b><u>955</u></b>	<b><u>100.0</u></b>	<b><u>103</u></b>	<b><u>100.0</u></b>	<b><u>1122</u></b>	<b><u>100</u></b>
Australia	11	13.1	121	13.8	13	13.9	143	15.0	12	11.7	137	12.2
Japan	14	16.7	90	10.3	16	17.0	108	11.3	19	18.4	129	11.5
South Korea	8	9.5	45	5.1	11	11.7	50	5.2	11	10.7	68	6.1
China	8	9.5	54	6.2	8	8.5	56	5.9	11	10.7	84	7.5
India	9	10.7	82	9.3	13	13.8	102	10.7	12	11.6	117	10.4
Other	34	40.5	485	55.3	33	35.1	496	51.9	38	36.9	587	52.3
<b><u>Other Countries</u></b>	<b><u>2</u></b>	<b><u>-</u></b>	<b><u>20</u></b>	<b><u>-</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>19</u></b>	<b><u>-</u></b>	<b><u>1</u></b>	<b><u>-</u></b>	<b><u>19</u></b>	<b><u>=</u></b>

Source : Central Agency for Public Mobilization and Statistics.

## (6/2) Number of Tourists (Departures) & Average Stay

( In Thousand)

	July /September					
	2004/2005		2005/2006		2006/2007	
	Number	Average Stay	Number	Average Stay	Number	Average Stay
<b><u>Total</u></b>	<b><u>2268</u></b>	<b><u>12.4</u></b>	<b><u>2167</u></b>	<b><u>12.6</u></b>	<b><u>2213</u></b>	<b><u>13.0</u></b>
	<b><u>By Group</u></b>					
Europe	1509	10.2	1322	10.6	1307	10.8
Middle East	555	17.2	618	16.2	650	16.7
Africa	65	15.8	68	16	81	16.3
Americas	65	18.3	72	17.6	77	18.9
Asia and the Pacific	72	12.3	85	11.3	96	11.7
Others	2	11.1	2	13.5	2	13.7

Source: Central Agency for Public Mobilization and Statistics .