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Major Monetary and Financial Indicators

Price Index	July/September	
	2006/2007	2007/2008
- Change in consumer price index (urban) (January 2007 = 100)	3.2	3.9
- Change in Wholesale price index (99/2000 =100)	4.6	6.1
Monetary Survey (LE bn)	July/September	
	2006/2007	2007/2008
	End of Period	
Domestic liquidity (M2)	582.2	681.9
Growth rate (%)	3.9	2.9
Reserve money	120.9	142.3
Growth rate (%)	4.2	6.1
Money supply (M1)	117.3	141.9
Growth rate (%)	7.3	8.1
Currency in circulation/Money supply (%)	66.9	65.0
Banking system foreign Assets, of which:	234.9	305.4
CBE foreign assets	135.5	164.6
Banking system foreign liabilities, of which:	82.4	90.3
CBE foreign liabilities	66.6	64.2
Total deposits with banks (excluding the CBE)	587.7	668.3
In local currency	414.6	478.9
In foreign currencies	173.1	189.4
Foreign currency deposits/total deposits (%)	29.5	28.3
Total lending and discount balances extended by banks (excluding the CBE), of which:	329.3	364.0
To government and public economic authorities	22.4	26.4
To business sector (public and private)	249.8	266.3
Portfolio of securities and TBs with banks (excluding the CBE), of which:	208.3	180.4
TBs and government securities	128.6	123.3
Loans/deposits with banks (%)	56.0	54.5
Investment in securities, TBs and equity participations/deposits (%)	35.4	27.0

Annual Discount and Interest Rates (%)	July/September	
	2006/2007	2007/2008
	End of Period	
CBE lending and discount rate	9.0	9.0
<u>CBE Overnight Deposit and Lending Rates</u>		
Deposit	8.0	8.75
Lending	10.0	10.75
Interest rate on 3-month deposits	5.9	6.0
Interest rate on one-year-or-less loans	12.6	12.3
Average interest rate on 91 day TBs	9.2	7.6
<u>CBE Announced US Dollar Exchange Rate</u>	PT per US Dollar	
- Weighted average during the period (buy & sell)	574.2	565.4
- At the end of the period (buy)	573.2	567.8
<u>Consolidated Fiscal Operations of the General Government (LE bn)</u>	2007/2008	
	<u>Estimates for</u>	<u>Actual</u>
	<u>FY</u>	<u>July/Sept.</u>
- Total revenues	217.4	35.0
- Total expenditures	265.9	52.8
<u>Cash Deficit/Surplus</u>	<u>48.5</u>	<u>17.8</u>
Net acquisition of financial assets	4.3	2.5
<u>Overall Deficit / Surplus</u>	<u>52.8</u>	<u>20.3</u>
<u>Total Financing</u>	<u>52.8</u>	<u>20.3</u>
- Domestic finance	57.9	12.7
Banking	44.7	13.6
Non-banking	13.2	-0.9
- Foreign borrowing	2.8	7.7
- Arrears	-	-
- Others	-8.9	4.6
- Revaluation differences	-	-1.2
- Net privatization proceeds	1.0	-
- Difference between treasury bills face value and present value	-	-0.5
- Discrepancy	-	-3.0
- Cash deficit (surplus)/GDP (%)	5.7%	2.1%
- Overall deficit/GDP (%)	6.2%	2.4%
- Expenditures/GDP (%)	31.4%	6.2%
- Revenues/GDP (%)	25.7%	4.1%

Domestic Public Debt	End of June 2007	End of Sept. 2007
- Government domestic debt	478.2	492.0
- Public economic authorities debt	44.6	42.4
- NIB debt	114.4	116.7
Balance of Payments (US\$ bn)	July/September 2006/2007	2007/2008
Balance of Current Account & Transfers	1.4	(0.1)
Trade balance	(3.0)	(5.2)
Merchandise exports	5.4	6.0
Oil and its products %	46.4	42.1
Others %	53.6	57.9
Merchandise Imports	8.4	11.2
Intermediate goods %	26.7	28.5
Investment goods %	22.8	21.2
Consumer goods %	13.9	16.8
Fuel, raw materials and others %	36.6	33.5
Services Balance	3.0	3.1
Receipts	5.2	6.1
Of which:		
Transportation %	28.9	28.2
Travel %	46.4	46.8
Investment income %	12.2	13.3
Payments	2.2	3.0
Of which:		
Transportation %	11.9	14.7
Travel %	20.6	20.2
Investment income %	26.9	17.9
Transfers	1.4	2.0
Official %	8.7	5.5
Private %	91.3	94.5
Capital and Financial Account	0.3	1.7
Overall Surplus (Deficit)	1.1	1.2
Outstanding External Debt at the End of September	<u>29.0</u>	<u>31.9</u>

Domestic Developments

Overview

The Egyptian economy continued its improvement during the first quarter of FY 2007/2008 (the first year of the Sixth Quinquennial Plan 2007/2008 – 2011/2012). This upturn was fuelled by the growing domestic demand, higher non-oil exports -particularly finished goods- and a buoyant Stock Exchange. In this setting, the real GDP growth rate (at factor cost) upheld its high level of about 6.9 percent during July/Sept. 2007/2008, compared with the same period of the previous FY. The main drivers of real GDP growth were the sectors of manufacturing, wholesale and retail trade, construction and building, Suez Canal, agriculture, extractions, communications, and restaurants and hotels. It is worthy noting that the private business sector has played an increasingly important role in the process of development, accounting for a sizeable share of about 68.6 percent of total investments, and a significant contribution of more than 60 percent to the GDP during the period.

The monetary policy adopted by the CBE helped by far to restrain the inflationary pressures, thereby precluding a sharp inflation rise. Thus, the CPI (urban)-based inflation edged up to 3.9 percent during the period under review, against 3.2 percent during the previous corresponding period. Moreover, through its management of key interest rates, the CBE continued its efforts to realize an appropriate level of monetary stability. Accordingly, the CBE kept overnight deposit and lending rates unchanged at 8.75 percent and 10.75 percent, respectively, during the period under review. Ranging between 8.751 percent and 8.761 percent, the weighted average of the interest rates on overnight interbank transactions was obviously close to the CBE overnight deposit rate during the period under review. The stability of the interest rates on overnight interbank transactions was reflected on market interest rates, as they ranged between 6.4 percent and 6.8 percent on 3-month deposits, and between 11.0 percent and 11.9 percent on loans of one year.

The CBE used the open market operations (OMO) as an instrument to absorb the excess liquidity arising from the increase in the foreign currency inflows. Thus, the OMO outstanding balance declined from LE 164.0 billion at the end of June 2007 to LE 159.0 billion at the end of September 2007.

During the period under review, the growth of domestic liquidity slowed to 2.9 percent, down from 3.9 percent in the corresponding period of the preceding FY. This slowdown was attributable to the contractional effect of LE 3.5 billion worth exerted by net foreign assets. However, this contraction was curbed by the pickup in net domestic assets at the banking system by LE 22.7 billion, as an outcome of the increase in domestic credit by LE 20.9 billion and the drop in the negative balance of other items (net) by LE 1.8 billion. As for the domestic credit granted by the banking system to the various economic sectors, the government sector received net credit of LE 10.5 billion during the period; the private sector (business and household) LE 9.1 billion; and the public business sector LE 1.3 billion.

Reserve money went up by LE 8.1 billion or 6.1 percent, because of the increase in net foreign assets by the equivalent of LE 5.0 billion and in net domestic assets by LE 3.1 billion.

As for the payment systems and information technology at the CBE and the banking sector, the initial testing operation of the real time gross settlement (RTGS) system is currently underway, with the participation of all Egyptian banks and a team of foreign expertise. The system is expected to be fully operational in the third quarter of 2008. Also, a contract was concluded with the Society for Worldwide Interbank Financial Telecommunication (SWIFT) to modify the SWIFT system as required for the application of RTGS, to ensure effecting final real time settlement of the transactions processed via SWIFT. Moreover, a pilot operation was made for the automation of the activities of the “Cheque Settlement Department”. In the area of supervision, the CBE is about to finalize the implementation of a new automated system aimed at reducing credit risks.

The CBE pushed ahead with its banking sector reform plan. In this context, banks have evidenced a number of mergers and acquisitions that aim to enhance their efficiency and augment their capital. This move brought the number of banks operating in Egypt to 41 in September 2007, against 54 in December 2004. Moreover, the deal of selling the Bank of Alexandria (BOA) was highly successful, being considered a landmark in the history of privatizations in emerging market economies worldwide. Italy's Sanpaolo IMI won the bidding for an 80% stake in the BOA for US\$ 1.6 billion. In addition, it was announced at end-May 2007 that Banque Misr acquired 100 percent stakes in Banque du Caire. More recently, in July 2007, the Bank announced its intention to sell a portion of its stakes in Banque du Caire to a strategic investor and has already proceeded with the pre-sale preparations.

Under the bank reform plan, the public banks have been obliged to apply a comprehensive time-lined restructuring program designed for the development of their risk management departments.

Thanks to the efforts exerted to address the problem of non-performing loans, 78.0 percent of the private sector's debt was settled, including repayments of 34 percent, of which 29 percent were cash collections. In this regard, a program designed for the resolution of small NPLs (a maximum limit of LE 1 million each), was announced on March 5, 2007 and finalized at end-June 2007. This program resulted in the resolution of about 7600 non-performing cases or 63 percent of the total cases addressed by the program, including 4300 cases (57 percent of the total) against whom legal actions were taken. Moreover, this initiative led to the settlement of 1200 cases against whom judgments were passed and 31 cases serving imprisonment sentences. In addition, a final agreement was reached with the Ministry of Investment regarding the amount of irregular debts (LE 26 billion) owed by public business enterprises to the state-owned commercial banks. Cash repayments to the Bank of Alexandria amounted to LE 6.9 billion in January 2006, whereas repayments to the National Bank of Egypt (NBE), Banque Misr and Banque du Caire reached LE 9.1 billion in December 2006. It was agreed that the remaining debt (LE 10 billion) to the three state-owned banks would be repaid from the privatization proceeds before the end of 2008.

In the area of bank supervision, the CBE in collaboration with the European Central Bank (ECB), completed the supervision sector reform program in November 2007 as scheduled. When designing other reform programs that are currently under discussion with the ECB, the results achieved by this program will be drawn upon.

As regards credit and banking developments, the aggregate financial position of banks (excluding the CBE) reached LE 978.8 billion with a growth rate of 4.4 percent during the period under review, against 6.9 percent during the corresponding year of the previous FY. Moreover, deposits increased by LE 18.4 billion or 2.8 percent during the period, posting LE 668.3 billion at end of September 2007. Due to the expansion in their credit activities, banks' loan and discount balances went up by LE 10.3 billion or 2.9 percent, standing at LE 364.0 billion or 37.2 percent of the aggregate financial position of banks, thus representing 54.5 percent of total deposits at end of September 2007. About 61.0 percent of this increase was concentrated in banks' credits in foreign currencies, as they mounted by LE 6.3 billion worth or 6 percent, reaching the equivalent of LE 111.5 billion at end of September 2007.

Concerning the Forex market, stability continued to prevail during the period under review. As such, transactions unfolded a surplus of US\$ 0.6 billion during the period, against US\$ 2.6 billion during the same period a year earlier.

In view of the Forex market surplus, NIR at the CBE rose by US\$ 1.3 billion reaching US\$ 29.9 billion, thereby covering 8 months of merchandise imports at end of Sept. 2007. NIR continued to further increase by US\$ 31.7 billion at end of December 2007 (at the time of preparing this Review).

The Egyptian pound continued to improve vis-à-vis the US dollar, as the average market rate (buy) of the US dollar declined by 2 percent to LE 5.5776 at end of Sept. 2007, against LE 5.6892 at end of June 2007. Likewise, the weighted average of the US dollar vis-à-vis Egyptian pound in the interbank market fell by 2.01 percent, to LE 5.5843 against LE 5.6967.

As for the **stock market** performance, statistics of the Capital Market Authority (CMA) denoted an upward trend in all trading indicators during the period under review, relative to the period of comparison. The trading volume scaled up by 28.3 percent to 3.3 billion securities and the trading value by 42.5 percent to post LE 84.6 billion. Trading in shares accounted for 89.7 percent of the trading value during the period, against 98.0 percent during the corresponding period. The value of traded shares (in LE and US dollar) went up by LE 75.9 billion, against LE 58.2 billion. Likewise, trading in bonds (in LE and US\$) was active during the period under review, compared with the corresponding period, as its value rose to LE 8.7 billion, from LE 1.2 billion. Trading in bonds was confined to LE transactions on the floor.

Total value of foreigners' transactions picked up during the period by 49.8 percent to LE 41.4 billion, representing almost one quarter of the total trading value, against LE 27.6 billion or 23.3 percent during the corresponding period of the preceding FY. These transactions unfolded net purchases of LE 2.5 billion during the period, against LE 2.7 billion during the period of comparison.

The Fiscal policy continued to perform its role in stimulating economic growth, while paying due consideration to the social dimension. This translated into a rise in the funds allocated to subsidies, especially allocations for the development of industrial zones, export promotion, support of industrial training and development of Upper Egypt. Wages and workers' compensations continued to absorb a large portion of total expenditures (nearly one third of the total during the period).

A follow-up of the execution of the fiscal operations of the budget sector (administrative system, local government and service authorities) during July/Sept. 2007-2008 revealed that total revenues amounted to LE 29.7 billion, and total expenditures to some LE 46.8 billion, unfolding a cash deficit of some LE 17.1 billion. Adding the net acquisition of financial assets (around LE -0.1 billion), the overall fiscal deficit reached about LE 17.0 billion or 2 percent of GDP during the period. The budget deficit was financed mainly by banking local sources (63.4 percent); external sources (35.5 percent); and privatization proceeds and other sources (1.1 percent).

Against this backdrop, gross domestic public debt rose by about LE 13.8 billion during July/Sept. 2007-2008, to LE 651.0 billion at end of September 2007. Government debt represented the bulk of 75.6 percent of this debt.

As for **external transactions** during July/Sept. 2007-2008, the BOP ran an overall surplus of around US\$ 1.2 billion, against US\$ 1.1 billion during the comparison period. This was an interaction of the following developments: a) the capital and financial account realized net inflows of about US\$ 1.7 billion against US\$ 347.7 million during the corresponding period of the previous FY. b) the current account recorded a deficit of some US\$ 0.1 billion, against a surplus of US\$ 1.4 billion, as an outcome of a higher trade deficit of US\$ 5.2 billion (an outcome of the pickup in imports by 32.3 percent and exports by 10.7 percent to US\$ 6.0 billion). The increase in the proceeds of merchandise exports was mainly attributed to a rise of 19.6 percent in the proceeds of non-oil exports, particularly finished goods which accounted for 41.8 percent of total exports. On the other hand, the services surplus maintained almost the same level of the corresponding period (US\$ 3.1 billion), as an outcome of the rise in service payments by 36.6 percent; owing to a pickup in most component items, and the rise in service receipts by 15.1 percent. The higher services receipts were driven by the increase in all their sub-items, especially travel (tourism revenues) by 16.1 percent and the Suez Canal proceeds by 22.1 percent. Moreover, net unrequited transfers went up during the period as a result of the increase in private transfers, particularly remittances of Egyptian workers abroad.

Regarding international finance, net resource inflows amounted to some US\$ 1.2 billion, down by US\$ 2.1 billion during July/Sept. 2007-2008. This was a chief result of the decline in net portfolio investments by about US\$ 1.5 billion, and in FDI in Egypt (net) by some US\$ 0.2 billion. The period under review also witnessed the issuance of LE bonds at a value of US\$ 1.0 billion worth.

The outstanding balance of external debt denominated in US\$ (mostly owed by the public sector) amounted nearly to US\$ 31.9 billion at end of Sept. 2007, with an increase of US\$ 2.0 billion compared with the end of June 2007. The increase was an outcome of the net disbursement of loans and facilities of about US\$ 1.0 billion, on the one hand, and the rise of some US\$ 1.0 billion in the

exchange rates of most currencies of borrowing vis-à-vis the US\$, on the other. External debt indicators revealed an improvement, reflected on the decrease of external debt service (principal and interest payments) by US\$ 0.1 billion, thereby lowering its ratio to current receipts (including private and official transfers) from 6.7 percent during the period of comparison to 5.8 percent during the period under review. Likewise, the ratio of debt service to total export proceeds of goods and services dropped from 7.6 percent to 6.7 percent, owing to the growth of the exports of goods & services as well as transfers by about 16.6 percent.

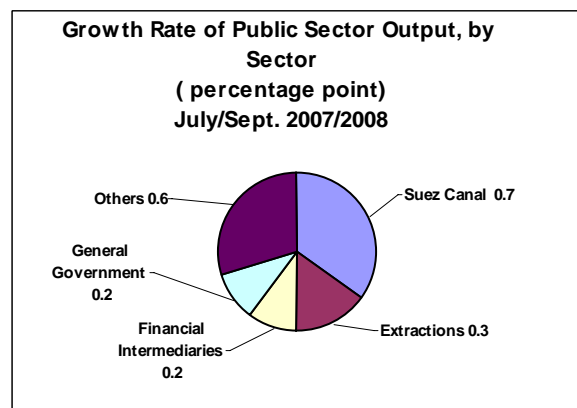
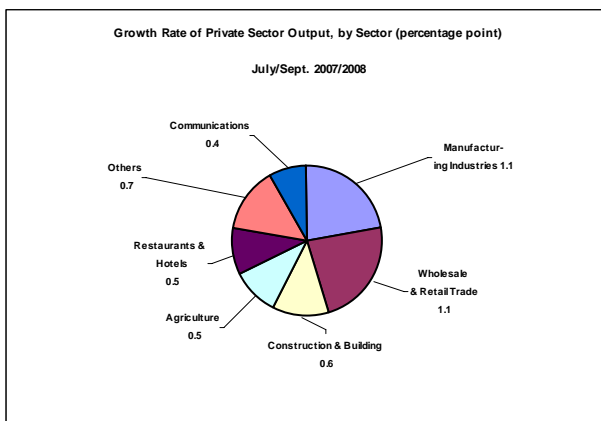
1- Development and Growth

1/1- Gross Domestic Product (GDP)

According to the Ministry of Economic Development, Egypt's economic performance continued to improve during the first quarter of FY 2007/2008 (the first FY of the sixth quinquennial plan 2007/2008-2011/2012). The improvement was underpinned by the continued rise in domestic demand, and non-oil exports (especially of finished goods) and the buoyancy of the stock exchange. Added to this was the progress made in the implementation of the banking reform plan, that has effectively contributed to raising the efficiency of banks' performance and strengthening their financial positions. The better economic performance was also attributed to the ongoing efforts made to create a favorable investment climate. This was helped by the stability of the LE exchange rate vis-a-vis the US dollar under the prudent management of the forex market. As such, real GDP growth rate at factor cost remained at a high level of 6.9 percent to reach some LE 179.4 billion during July/Sept. of FY 2007/2008.

The productive sectors contributed 3.0 percentage points to real GDP growth rate (6.9 percent). Manufacturing accounted for the highest share (1.2 percentage points), followed by construction and building (0.7 percentage points), then agriculture and extractions (0.5 points each).

The services sectors shared with 3.9 percentage points in GDP growth. The main contributors to GDP growth were wholesale and retail trade (1.1 percentage points), the Suez Canal (0.7 percentage points), and communications & restaurants and hotels (0.5 points each).

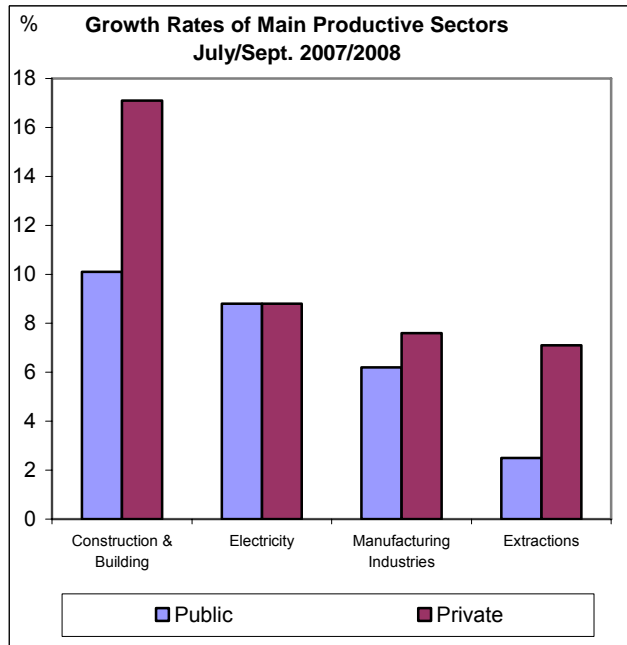
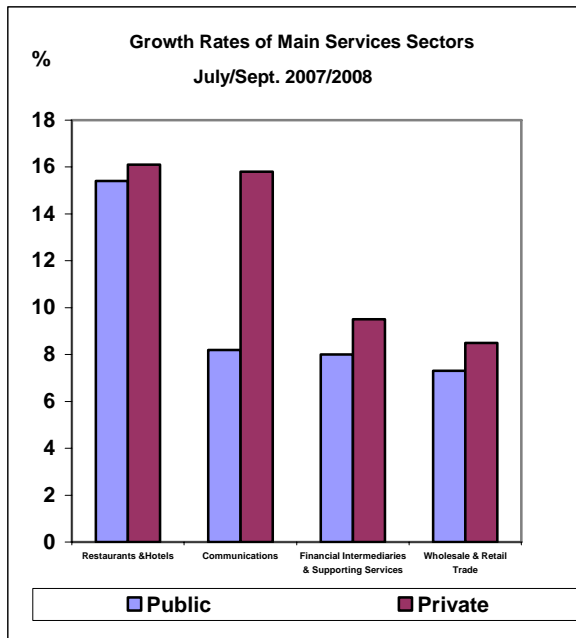


With the mounting role of the private sector in development, its investments noticeably increased. The increase was supported by the measures taken by the government to stimulate investment, reduce the red tape and cut the taxes on income and corporate earnings. As such, the real GDP growth rate of the private sector remained on the rise reaching 7.8 percent during the first quarter of FY 2007/2008. Accordingly, the private sector contributed some 4.9 percentage points to real GDP growth (6.9 percent) during the period under review. The sectors of manufacturing; wholesale and retail trade; construction and building; restaurants and hotels and agriculture & irrigation continued to be the major contributors to the overall growth.

**Real GDP Growth Rates of Public and Private Sectors
July/Sept.**

	<u>2007/2008</u>	
	Public	Private
<u>GDP</u>	<u>5.4</u>	<u>7.8</u>
<u>Productive Sectors, of which:</u>	<u>3.7</u>	<u>6.8</u>
Construction and building	10.1	17.1
Electricity	8.8	8.8
Manufacturing (oil refining and others)	6.2	7.6
Extractions (oil, natural gas and others)	2.5	7.1
<u>Services Sectors, of which:</u>	<u>6.7</u>	<u>8.9</u>
Restaurants & hotels	15.4	16.1
Communications	8.2	15.8
Financial intermediaries and supporting services	8.0	9.5
Wholesale and retail trade	7.3	8.5
Transportation and storage	6.2	6.3
Suez Canal	17.5	0.0

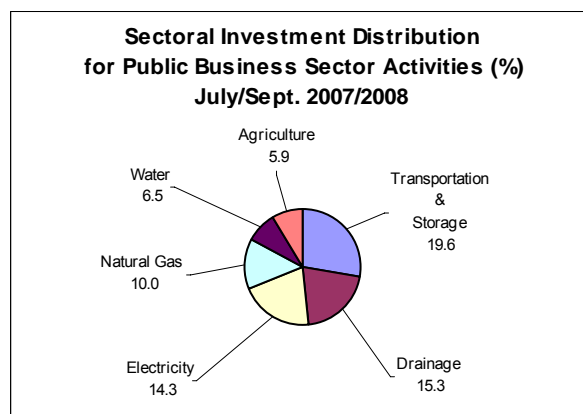
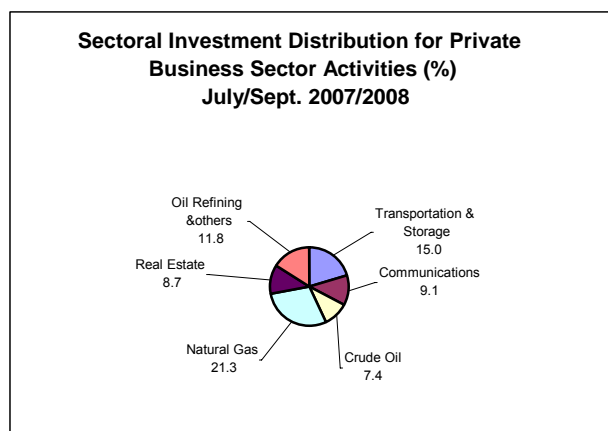
Source: Ministry of Economic Development.



1/2- GDP by Expenditure

During the reporting period, private consumption rose by 18.0 percent to LE 157.2 billion or 76.6 percent of GDP. Total investments significantly grew by 35.6 percent to post LE 33.5 billion or 17.3 percent of GDP during the period. The private sector accounted for the bulk of total investments as its investments mounted by 48.9 percent to reach LE 23.0 billion or 68.6 percent of total investments during the first quarter of FY 2007/2008. This lifted up the private sector's share in GDP at factor cost to 63.6 percent during the period under review. This was associated with a 2.8 percent rise in its share of domestic credit to reach LE 337.6 billion during the period under review.

A breakdown of total implemented investments by economic sectors reveals that the share of the natural gas was 17.8 percent, the manufacturing including oil refining 10.1 percent, crude oil 5.8 percent, agriculture 5.1 percent, electricity and water 6.5 percent, construction and building 1.9 percent, productive services 34.8 percent, and other services 18.0 percent.



The growth in investments was accompanied by a decline in unemployment rate from 9.1 percent in FY 2006/2007 to 8.8 percent during the period under review. As for the sectoral distribution of employment, agriculture accounted for 27.1 percent of total, mining including the production of crude oil 0.5 percent, manufacturing 13.2 percent, electricity 0.8 percent, construction and building 7.6 percent, productive services 20.7 percent, and other services 30.1 percent.

The strengthening of economic performance during the period also benefited from the 12.1 percent rise in the growth rate of goods and services exports (reaching LE 64.1 billion). Nonetheless, it was still lagging behind the 26.3 percent increase in the imports of goods and services (reaching LE 73.9 billion). This in turn led to widening the gap of domestic resources.

GDP by Expenditures at Current Prices July/Sept.

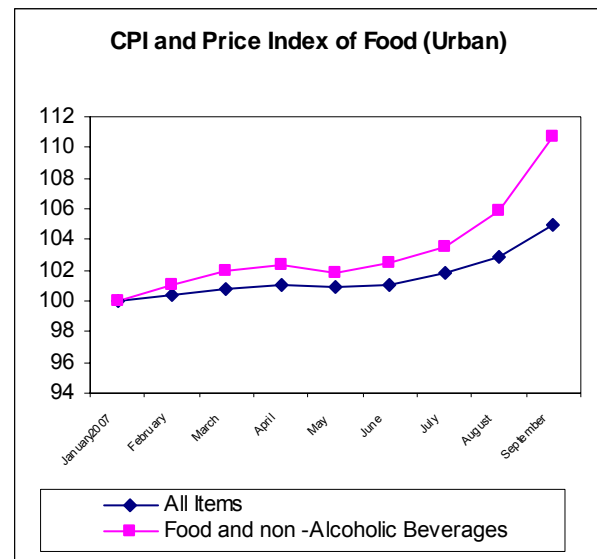
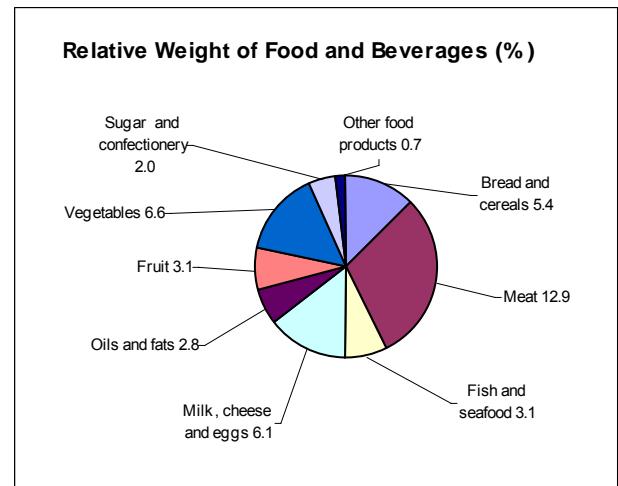
	<u>Value in LE bn</u>		<u>Growth Rate (%)</u>
	2006/2007	2007/2008	2007/2008
1- GDP at Market Price (2+5-6)	178.6	205.1	14.8
2- Gross Domestic Expenditures (3+4)	179.9	214.9	19.5
3- Final Consumption	155.2	181.4	16.9
- Private	133.2	157.2	18.0
- Public	22.0	24.2	10.0
4- Gross Capital Formation	24.7	33.5	35.6
- Executed investments	24.7	33.5	35.6
- Inventory change	0.0	0.0	0.0
5- Exports of Goods and Services	57.2	64.1	12.1
6- Imports of Goods and Services	58.5	73.9	26.3
7- Gross Domestic Saving (1-3)	23.4	23.7	1.3
8- Domestic Resource Gap (5-6)=(7-4)	-1.3	-9.8	:

Source: Ministry of Economic Development.

1/3- Inflation

According to the CPI (urban) published by the CAPMAS, inflation inched up to 3.9 percent during July/Sept. 2007/2008 from 3.2 percent during the corresponding period of the previous FY. Similarly, WPI based inflation rate rose to 6.1 percent during the period under review from 4.6 percent during the period of comparison.

The rise in inflation was fuelled by the surge in food prices on the back of accelerating international prices, particularly of wheat, maize, and edible oil. Moreover, the propagation of inflationary shocks to other non-food prices exerted an upward pressure on inflation. As such, the prices of food and beverages according to CPI (urban) significantly went up by 8.0 percent during the period under review against only 2.8 percent during the period of comparison. According to the WPI, the prices of farm products (including wheat, maize, cereals, vegetables, fruit, and cotton) mounted by 12.4 percent during the period under review against only 4.2 percent during the previous corresponding period. The prices of food-stuffs also climbed by 3.2 percent against 1.9 percent.



The edge-up in inflation was also attributed to the increase in demand pressures resulting from the strong economic growth. This was associated with a rise in sectoral growth rates that reflected the intensive use of productive capacities in some economic sectors (such as building & construction, and manufacturing), thereby raising the prices of production inputs and factor costs. Added to this were the inflationary pressures resulting from the tangible increase in the wages of employees in some professions (due to the higher demand thereon under the better economic performance).

The rise in inflation rate during the period under review could have been larger, but for the improvement in the LE exchange rate vis-a-vis the US dollar.

**CPI- based Inflation Rates (Urban) during July/Sept. 2007/2008
(Jan. 2007= 100)***

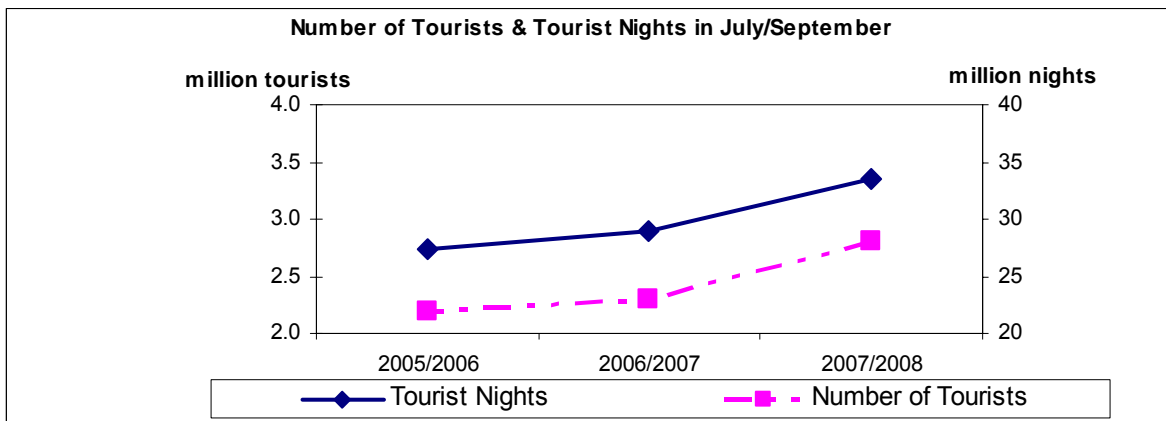
Main CPI Groups	<u>Weights</u>	<u>During July/Sept.</u> (%)	
		2006/2007	2007/2008
<u>General Index</u>	<u>100.0</u>	<u>3.2</u>	<u>3.9</u>
Foodstuffs and beverages	43.9	2.8	8.0
Tobacco	2.5	-	-
Clothing, textiles & footwear	7.9	-0.2	1.0
Housing, water, electricity & fuel	13.5	1.8	0.0
Furnishings, household equipment & routine	4.2	0.2	2.7
Health care	3.5	1.7	0.0
Transportation	5.3	9.8	0.5
Communications	3.7	1.2	0.0
Culture & recreation	3.4	19.5	1.0
Education	4.4	0.1	0.0
Restaurants & hotels	3.5	8.5	1.2
Miscellaneous services	4.2	4.6	1.1

Source: The CAPMAS.

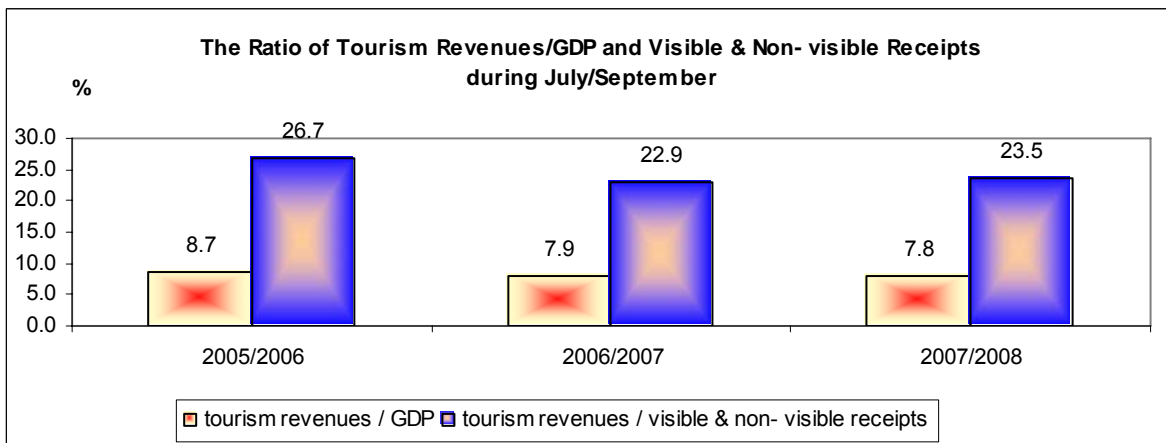
* A new CPI series was introduced in Sept. 2007. The weights involved in the formation of the index were taken from the results of the 2004/2005 survey of income, expenditure and consumption. The series was updated taking the weights of Jan. 2007.

1/4- Tourism

According to the CAPMAS statistics, the indicators of tourism flows to Egypt during July/September 2007/2008 have been positive, reflecting an upward trend in terms of the number of tourists and tourist nights, as compared with the corresponding period of the previous FY. As such, the number of arrivals rose by 22.7 percent to 2.8 million tourists and the tourist nights scaled up by 16.1 percent to 33.5 million nights.



Tourism revenues have been on the rise, climbing by 16.1 percent, to US\$ 2.8 billion representing 7.8 percent of GDP (at market prices) during July/Sept. 2007/2008, and 23.6 percent of total BOP visible and invisible receipts recorded during the same period. This pickup was attributed to the rise in the number of tourist nights by 4.7 million nights, despite the decline in the average stay per tourist by 4.6 percent to 12.4 nights from 13.0 nights.



Total investments in the tourism sector (restaurants and hotels) amounted to around LE 721.4 million during July/Sept. 2007/2008, constituting 2.2 percent of the total implemented investments. The private sector undertook about 83.2 percent of these investments (a total of LE 600.0 million).

Tourism Indicators

	2005/2006		2006/2007		2007/2008	
	July/ Sept.	Change + (-) %	July/ Sept.	Change + (-) %	July/ Sept.	Change + (-) %
Number of arrivals (000s)	2214	(7.4)	2269	2.5	2783	22.7
Number of departures (000s)	2167	(4.5)	2213	2.1	2693	21.7
Number of tourist nights of departures (000s)	27316	(2.9)	28854	5.6	33511	16.1
Average spending per tourist a night (US\$)	85.0	13.3	85.0	0.0	85.0	0.0
Tourism revenues (US\$ mn)	2321.9	10.0	2452.6	5.6	2848.4	16.1
Average tourist stay (night)	12.6	1.6	13.0	3.2	12.4	(4.6)
Total visible & invisible receipts (US\$ mn)	8653.7	18.7	10693.7	23.6	12072.1	12.9

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

Number of Tourists

During the reporting period, total number of arrivals from all tourist groups recorded some 2.8 million, up by 514 thousand or 22.7 percent as compared with the corresponding period. The pickup was attributed to the continued success realized by well-planned tourism promotion campaigns directed to the international markets; development of new tourist areas, particularly on the North Coast; and the diversification of tourism products by introducing new promising types, such as the safari, ecotourism, medical and conference tourism. Another factor at work was the fact that some competitive neighboring countries; such as Turkey and Lebanon, suffer from political tensions.

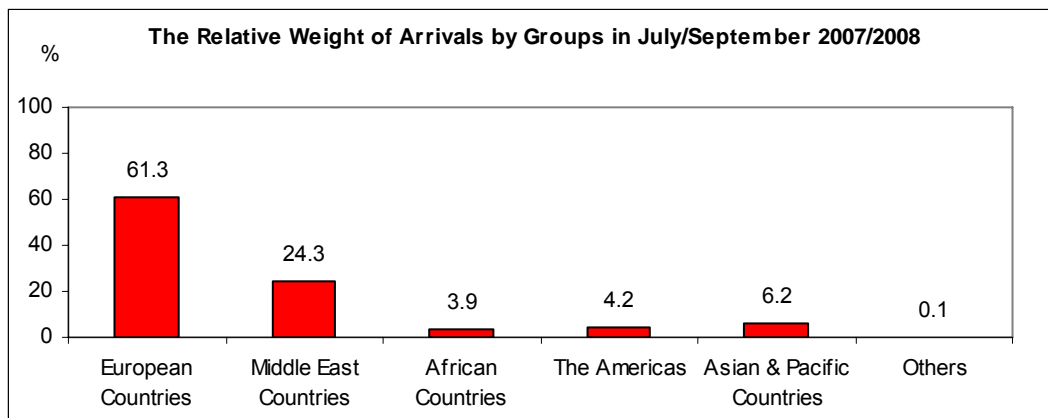
Number of Arrivals

(000s)

	<u>2005/2006</u>			<u>July/Sept. 2006/2007</u>			<u>2007/2008</u>		
	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %
Total	2214	100.0	(7.4)	2269	100.0	2.5	2783	100.0	22.7
					By Month				
July	840	37.9	5.8	794	35.0	(5.5)	952	34.2	19.9
August	743	33.6	(15.3)	814	35.9	9.6	990	35.6	21.6
September	631	28.5	(12.2)	661	29.1	4.8	841	30.2	27.2
					By Group				
Europe	1266	57.2	(11.9)	1342	59.1	6.0	1706	61.3	27.1
Middle East	704	31.8	(3.6)	666	29.4	(5.4)	676	24.3	1.5
Africa	77	3.5	6.9	83	3.7	7.8	108	3.9	30.1
The Americas	72	3.3	10.8	74	3.3	2.8	118	4.2	59.5
Asia & the Pacific	94	4.2	11.9	103	4.5	9.6	173	6.2	68.0
Others	1	0.0	(50.0)	1	0.0	0.0	2	0.1	100.0

Source: CAPMAS.

As for the number of arrivals by type of tourism during July/Sept. 2007/2008, sightseeing and recreation remained in the forefront, with almost the same level as the previous corresponding period (94.2 percent of the total arrivals). Ship stopovers* came next with a share of about 3.6 percent of the total, followed by medical tourism 0.8 percent, cultural tourism 0.6 percent, conferences 0.4 percent, and finally study and training 0.4 percent of the total.



* In this context “stopover arrivals” mean passengers and crew members in-transit through the Egyptian ports who leave their ship and go ashore for 3 days at most, but are going to embark on the same ship from the same port or at a different port.

The European market continued to come in the lead, accounting for the majority of tourist arrivals (61.3 percent), with a pickup of some 364 thousand or 27.1 percent. Most of the increase was contributed by the Western European markets, with a rise of 206 thousand or 20.7 percent, mainly from Italy (90 thousand) and France (41 thousand). Likewise, the number of arrivals from Eastern Europe went up by 158 thousand or 45.3 percent, chiefly from the Russian Federation (68 thousand), Poland (40 thousand) and the Czech Republic and Slovakia (28 thousand).

The Middle East group continued to rank second with a share of 24.3 percent of total arrivals, recording a rise of 10 thousand or 1.5 percent. This uptrend was mainly pronounced in arrivals from Israel (35 thousand), Jordan (14 thousand), Saudi Arabia (6 thousand) and Syria (5 thousand). On the other hand, a decline was noticed in the number of tourists from other countries of the same group, especially Libya (19 thousand), Iraq (18 thousand) and Palestine (13 thousand).

Asia and the Pacific markets ranked third, with 6.2 percent of total number of arrivals. The number of tourists of this group increased by about 70 thousand or 68.0 percent. The increase was concentrated in tourist flows from Japan (15 thousand), China (12 thousand), Australia (8 thousand), India (7 thousand) and South Korea (3 thousand).

The number of visitors from the Americas group picked up by 44 thousand or 59.5 percent, mostly from the USA (20 thousand) and Canada (9 thousand). Likewise, arrivals from the African markets went up by around 25 thousand or 30.1 percent; almost half of this increase came from the Sudan (7 thousand), South Africa (5 thousand), while the other countries contributed different percentages of the increase.

Tourist Nights

In line with the increase in the number of tourists, the number of tourist nights exhibited an upward trend during the reporting period. The number of tourist nights by departures (all groups) totaled around 33.5 million during July/Sept. 2007/2008, with an increase of 4.7 million nights or 16.1 percent compared with the corresponding period of the previous FY.

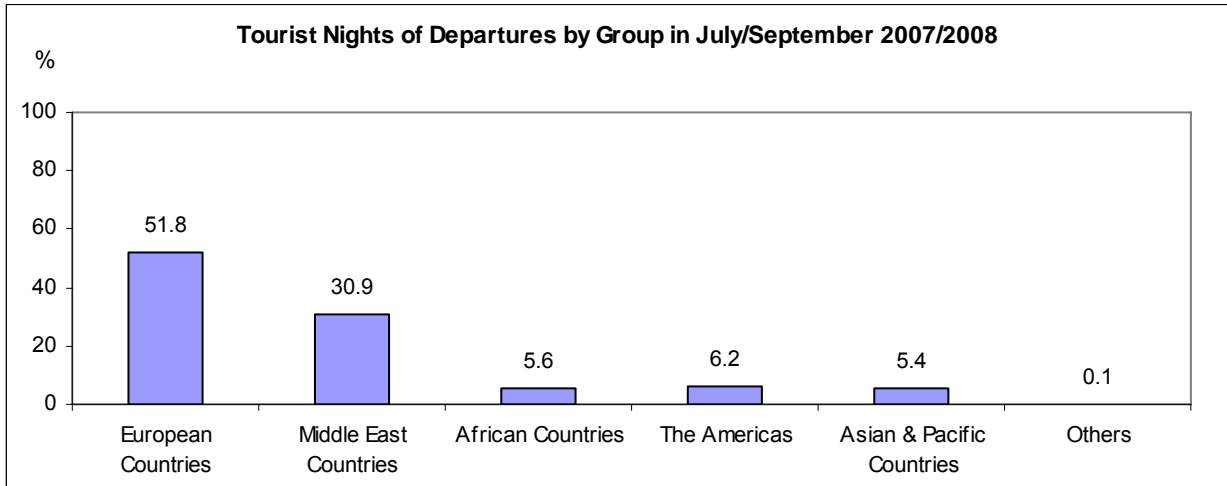
Number of Tourist Departures

(000s)

	<u>2005/2006</u>			<u>July/September</u>			<u>2007/2008</u>		
	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %	No.	Relative Weight	Change + (-) %
Total	27316	100.0	(2.9)	28854	100.0	5.6	33511	100.0	16.1
					By Month				
July	7909	29.0	13.6	7535	26.1	(4.7)	8921	26.6	18.4
August	10921	40.0	(10.0)	12396	43.0	13.5	13906	41.5	12.2
Sept.	8486	31.0	(6.3)	8923	31.0	5.1	10684	31.9	19.7
					By Group				
Europe	13479	49.3	(7.3)	13661	74.2	1.4	17367	51.8	27.1
Middle East	10499	38.4	0.0	11282	39.1	7.5	10358	30.9	(8.2)
Africa	1095	4.0	6.6	1309	4.5	19.4	1873	5.6	43.1
The Americas	1268	4.7	6.8	1461	5.1	15.2	2065	6.2	41.3
Asia & the Pacific	955	3.5	8.9	1122	3.9	17.5	1825	5.4	62.7
Others	19	0.1	(5.0)	19	0.1	0.0	23	0.1	21.1

Source: Ibid.

The European market group ranked first in terms of tourist nights, with a relative weight of 51.8 percent of the total, registering a rise of around 4.7 million nights or 16.1 percent compared with the corresponding period. This was largely ascribed to the increase in the number of nights by departures from Western Europe by about 2.9 million nights or 28.0 percent, mainly from Italy (708 thousand), France (439 thousand), Spain (367 thousand), the Benelux countries (280 thousand), the Scandinavian countries (269 thousand) and Germany (235 thousand). This is in addition to the rise from Eastern Europe by 794 thousand or 24.4 percent, mostly from the Russian Federation (about 301 thousand), Poland (161 thousand) and the Czech Republic and Slovakia (110 thousand).



The number of nights from the Middle East group was lower than the previous corresponding period, by 924 thousand or 8.2 percent. The decline was mostly in the nights spent by tourists from Saudi Arabia with a drop of 688 thousand, Iraq (218 thousand) and Palestine (165 thousand). On the other hand, the number of nights by departures from Jordan and Bahrain increased by about 89 and 57 thousand, respectively.

The Asia and Pacific markets recorded a noticeable rise of some 703 thousand or 62.7 percent in the number of tourist nights, mostly contributed by Australia (118 thousand), Japan (109 thousand), China (97 thousand) and India (87 thousand).

Tourist nights by departures from the African countries scaled up by some 564 thousand or 43.1 percent. Nearly half the increase (276 thousand) came from the Sudan.

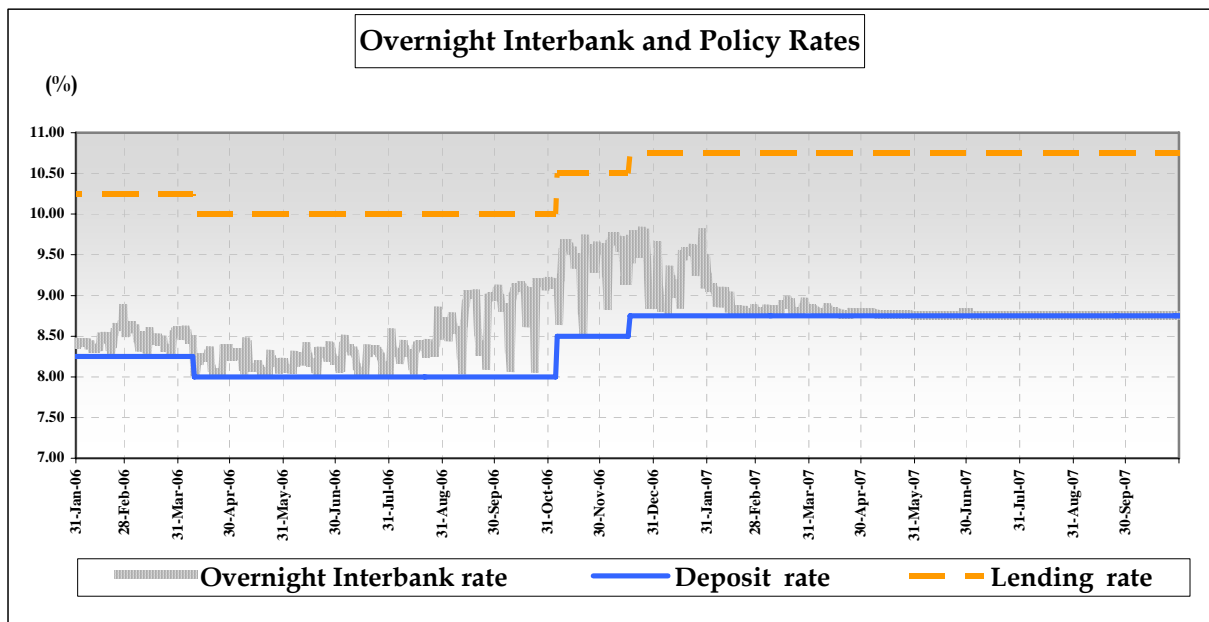
Moreover, nights by departures from the Americas markets increased by 604 thousand or 41.3 percent, mainly from the USA (228 thousand), and Canada (210 thousand).

2 - Monetary and Banking Developments

2/1- Monetary Policy and Monetary Aggregates

2/1/1- Monetary Policy

The key CBE interest rates (overnight deposit and lending rates) remained unchanged at 8.75 percent and 10.75 percent respectively during July/Sept. 2007. Due to the large liquidity excess at the banking system, the weighted average of the overnight inter-bank interest rates became very close to that of the overnight deposit rate at the CBE , ranging between 8.751 percent and 8.761 percent during the period under review (see the following chart).



In the same vein, interest rates on customer's deposits at banks remained unchanged. As such, interest rates on 3 month deposits ranged between 6.4 percent and 6.8 percent, and that on one year loans between 11 percent and 11.9 percent.

The outstanding balance of open market operations used to sterilize the effects of excess liquidity in the market declined to LE 159.0 billion at end of Sept. 2007 against some LE 164.0 billion at end of June 2007.

2/1/2- Reserve Money

Reserve money rose by LE 8.1 billion or 6.1 percent during July/Sept. 2007/2008 against LE 4.8 billion or 4.2 percent during the corresponding period of the previous FY, to reach LE 142.3 billion at end of Sept. 2007. Such a pickup resulted from the rise in both currency in circulation outside the CBE by LE 6.0 billion and banks' local currency deposits at the CBE by LE 2.1 billion.

Reserve Money and Counterpart Assets

(LE mn)

	<u>Balances</u>	<u>Change during July/Sept.</u>			
	<u>at End of</u> <u>Sept. 2007</u>	<u>2006/2007</u> Value	%	<u>2007/2008</u> Value	%
<u>a- Reserve Money</u>	<u>142261</u>	<u>4825</u>	<u>4.2</u>	<u>8135</u>	<u>6.1</u>
- Currency in circulation outside the CBE	98166	4497	5.7	5992	6.5
- Bank's' deposits in local currency	44095	328	0.9	2143	5.1
<u>b- Counterpart Assets</u>	<u>142261</u>	<u>4825</u>	<u>4.2</u>	<u>8135</u>	<u>6.1</u>
<u>Net Foreign Assets</u>	<u>100365</u>	<u>7643</u>	<u>12.5</u>	<u>4993</u>	<u>5.2</u>
<u>Foreign Assets</u>	<u>164579</u>	<u>6066</u>	<u>4.7</u>	<u>4382</u>	<u>2.7</u>
Gold	6744	0	0.0	0	0.0
Foreign securities	118971	49	0.1	10365	9.5
Foreign currencies	38864	6017	8.1	(5983)	(13.3)
<u>Foreign Liabilities</u>	<u>64214</u>	<u>(1577)</u>	<u>(2.3)</u>	<u>(611)</u>	<u>(0.9)</u>
<u>Net Domestic Assets</u>	<u>41896</u>	<u>(2818)</u>	<u>(5.1)</u>	<u>3142</u>	<u>8.1</u>
<u>Claims on the Government (Net)</u>	<u>121186</u>	<u>2331</u>	<u>2.0</u>	<u>3931</u>	<u>3.4</u>
Claims, of which:	196528	982	0.6	4336	2.3
Government securities	165688	1	0.0	(1036)	(0.6)
Deposits	75342	(1349)	(2.3)	405	0.5
<u>Claims on Banks (Net)</u>	<u>51899</u>	<u>12667</u>	<u>1244.3</u>	<u>(7613)</u>	<u>(12.8)</u>
Claims	70062	13630	78.3	(7208)	(9.3)
Foreign currency deposits	18163	963	5.9	405	2.3
<u>Net Balancing Items</u>	<u>131189</u>	<u>(17816)</u>	<u>29.5</u>	<u>6824</u>	<u>(4.9)</u>

Source: Statistical Section, Table 2/1/1

The rise in reserve money counterpart assets was an effect of the increase in both net foreign assets by LE 5.0 billion worth or 5.2 percent and net domestic assets by LE 3.1 billion or 8.1 percent. The surge in net foreign assets at the CBE resulted from the growth in its foreign assets by LE 4.4 billion worth and the decline in its foreign obligations by LE 0.6 billion worth.

The pickup in net domestic assets was an outcome of the increase in the CBE's net claims on the government by LE 3.9 billion (due to the rise in its claims thereon by LE 4.3 billion and government deposits therewith by LE 0.4 billion), and the decline in the negative balance of other items (net) by LE 6.8 billion. It was also attributed to a decline of LE 7.6 billion in net claims on banks (due to the fall in the CBE's claims thereon by LE 7.2 billion, and the rise in their foreign currency deposits at the CBE by LE 0.4 billion worth).

2/1/3- Banknote Issue

Banknote issue (including subsidiary coins) went up by LE 6.1 billion or 6.5 percent during July/Sept. 2007/2008 against LE 4.8 billion or 6.1 percent during the corresponding period of the previous FY, to reach LE 99.6 billion at end of Sept. 2007.

Banknote Issue and Change Rates*

At End of	Balance of Banknote Issue	Annual Change		Change During July/Sept.	
		Value	%	Value	%
June 2006	79253	11500	17.0		
Sept. 2006	84089	12869	18.1	4836	6.1
June 2007	93499	14246	18.0		
Sept. 2007	99622	15533	18.5	6123	6.5

* Including subsidiary coins issued by the Ministry of Finance.

The increase in banknote issue was accompanied by a rise in currency in circulation outside the CBE by LE 6.0 billion or 6.5 percent to reach LE 98.2 billion at end of Sept. 2007.

A breakdown of currency in circulation outside the CBE by denomination indicates that its structure changed in favor of the LE 200 denomination (issued in May 2007) at the expense of other denominations. As such, the LE 200 notes in circulation reached 8.5 percent of the total at end of Sept. 2007, against 3.3 percent at end of June 2007. The large denominations (LE 50, LE 100, and LE 200) accounted for 86.4 percent of total currency in circulation. This indicated the individuals' preference for dealing in large denominations as a reflection of the rising level of prices.

As a result of the changes in the relative structure of the denominations of currency in circulation, the average value per note rose by 6.4 percent during the period under review to LE 27.24 at end of Sept. 2007, against LE 25.61 at end of June 2007.

Currency in Circulation outside the CBE*

(LE bn)

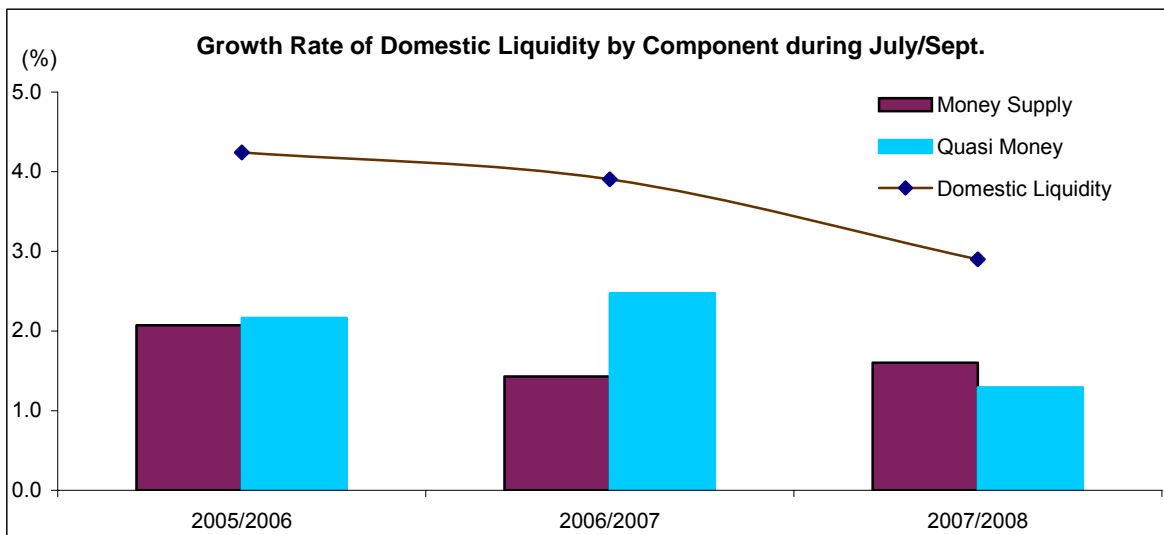
Denominations	June 2007		Sept. 2007		Change Rate during July/Sept.	
	Value	Relative Importance	Value	Relative Importance	2006/ 07	2007/ 08
Total	92175	100.0	98168	100.0	5.7	6.5
Subsidiary Currencies (Notes and Coins)	259	0.3	269	0.3	4.7	3.9
Banknote in Circulation	91916	99.7	97899	99.7	5.7	6.5
PT 25	142	0.1	143	0.1	(3.0)	0.7
PT 50	234	0.3	235	0.2	(7.5)	0.4
LE 1	550	0.6	566	0.6	(6.3)	2.9
LE 5	987	1.1	968	1.0	(5.6)	(1.9)
LE 10	3323	3.6	3038	3.1	(5.4)	(8.6)
LE 20	8553	9.3	8102	8.3	(2.9)	(5.3)
LE 50	27967	30.3	27723	28.2	2.5	(0.9)
LE 100	47136	51.1	48785	49.7	12.5	3.5
LE 200**	3024	3.3	8339	8.5	-	175.8

* Representing the difference between banknote issue and the cash at the CBE vaults.

** LE 200 note was issued for circulation as of May 2007.

2/1/4- Domestic Liquidity and Affecting Factors

Domestic liquidity (M2) totaled LE 681.9 billion at end of Sept. 2007, up by LE 19.2 billion during the first quarter of FY 2007/2008, against a rise of LE 21.9 billion a year earlier. Accordingly, the growth rate of domestic liquidity dropped to 2.9 percent during the period under review from 3.9 percent during the corresponding period of the previous FY. This was attributed to the contractional effect of net foreign assets on domestic liquidity as they declined by 1.6 percent during the period against a rise of 14.3 percent a year earlier. The decline in domestic liquidity was mitigated by the rise in net domestic assets at the banking system by 5.1 percent against 0.7 percent.



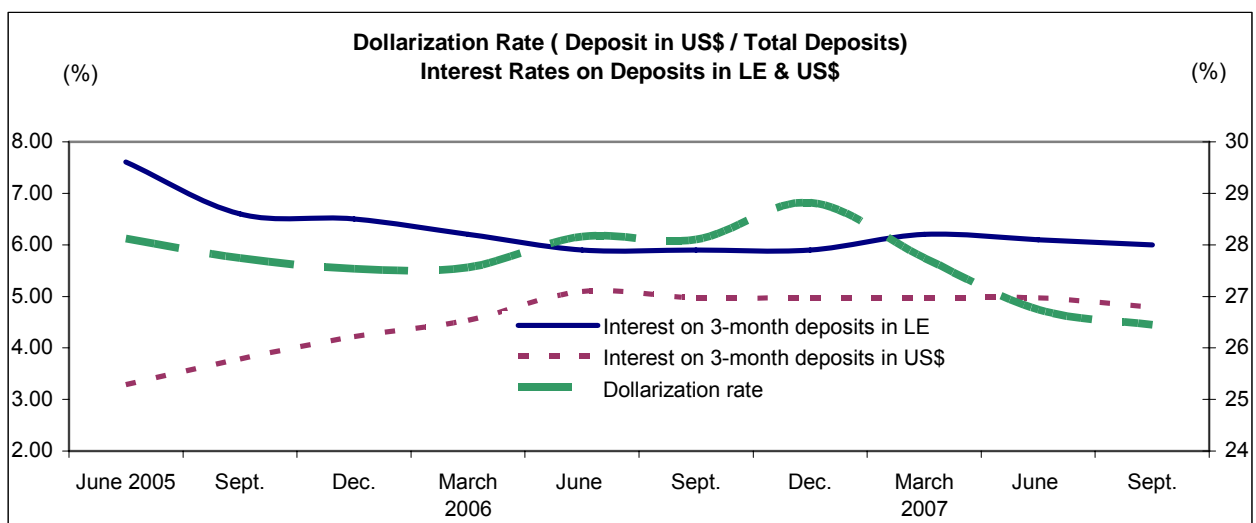
The pickup in domestic liquidity resulted from the growth in both money supply (M1) and quasi-money. Money supply (money in circulation outside the banking system and banks' local currency deposits) rose by LE 10.6 billion or 8.1 percent against LE 8.0 billion or 7.3 percent, to LE 141.9 billion or 20.8 percent of total domestic liquidity at end of Sept. 2007. In addition, quasi-money (time and saving deposits in local currency and foreign currency deposits) augmented by LE 8.6 billion or 1.6 percent to LE 540.0 billion or 79.2 percent of the total at end of Sept. 2007. About 45.8 percent of the increase in quasi-money was concentrated in the rise in the household sector's LE time and saving deposits that went up by LE 3.9 billion or 1.3 percent to reach LE 307.3 billion or 57.0 percent of the total

at end of Sept. 2007. In the meantime, the foreign currency deposits of the sector retreated by LE 0.8 billion or 0.8 percent. This indicated the continued preference for saving in the Egyptian pound. This was mainly ascribed to the higher interest rate on local currency deposits as compared with those in foreign currencies especially following the successive US\$ interest rate cuts by the Federal Reserve . Add to this the continued rise in the LE exchange rate vis-a-vis the US dollar during the period under review, thus reinforcing the expectations of a continued stability of the LE exchange rate.

Domestic Liquidity Structure

(LE mn)

	<u>At End of Sept. 2007</u>		<u>Change during July/Sept.</u>			
	<u>Balances</u>	<u>Relative Importance</u>	<u>2006/2007</u>	<u>%</u>	<u>2007/2008</u>	<u>%</u>
<u>Domestic Liquidity (M2)</u>	<u>681900</u>	<u>100.0</u>	<u>21869</u>	<u>3.9</u>	<u>19212</u>	<u>2.9</u>
<u>Money Supply (M1)</u>	<u>141922</u>	<u>20.8</u>	<u>8017</u>	<u>7.3</u>	<u>10632</u>	<u>8.1</u>
Currency in circulation outside the banking system	92244	13.5	4242	5.7	5384	6.2
Local currency demand deposits	49678	7.3	3775	10.8	5248	11.8
<u>Quasi Money</u>	<u>539978</u>	<u>79.2</u>	<u>13852</u>	<u>3.1</u>	<u>8580</u>	<u>1.6</u>
<u>Time and Saving Deposits in Local Currency</u>	<u>384004</u>	<u>56.3</u>	<u>9186</u>	<u>2.9</u>	<u>6580</u>	<u>1.7</u>
<u>Foreign Currency Deposits</u>	<u>155974</u>	<u>22.9</u>	<u>4666</u>	<u>3.4</u>	<u>2000</u>	<u>1.3</u>
- Demand	25030	3.7	4313	23.3	(1887)	(7.0)
- Time and Saving	130944	19.2	353	0.3	3887	3.1



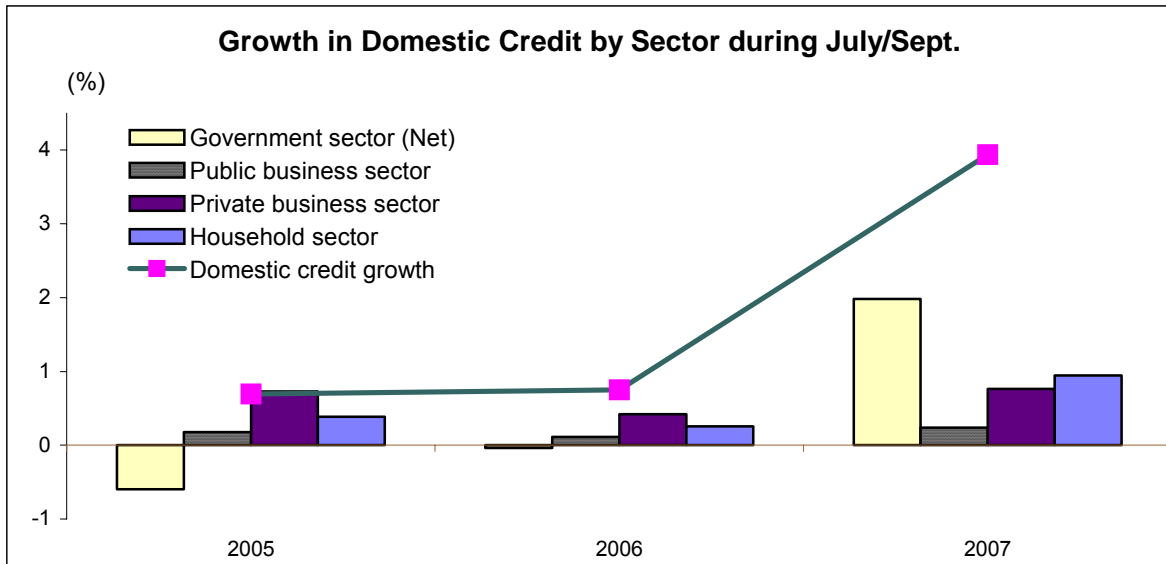
The rise in net counterpart assets of domestic liquidity was ascribed to the expansionary effect of both domestic credit and other items (net). However, such effect was mitigated by the contractional effect of net foreign assets.

Domestic Liquidity Counterpart Assets

(LE mn)

	<u>At End of Sept. 2007</u>		<u>Change during July/Sept.</u>			
	<u>Balances</u>	<u>Relative Importance</u>	<u>2006/07</u>		<u>2007/08</u>	
			<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<u>Domestic Liquidity Counterpart</u>						
<u>Assets</u>	<u>681901</u>	<u>100.0</u>	<u>21869</u>	<u>3.9</u>	<u>19213</u>	<u>2.9</u>
<u>Net Foreign Assets</u>	<u>215081</u>	<u>31.5</u>	<u>19082</u>	<u>14.3</u>	<u>(3548)</u>	<u>(1.6)</u>
- CBE	100365	14.7	7644	12.5	4993	5.2
- Other banks	114716	16.8	11438	15.9	(8541)	(6.9)
<u>Domestic Credit</u>	<u>552226</u>	<u>81.0</u>	<u>3835</u>	<u>0.8</u>	<u>20912</u>	<u>3.9</u>
Government (net)	188857	27.7	(199)	(0.1)	10534	5.9
Public business sector	25729	3.8	580	1.8	1283	5.2
Private business sector	272675	40.0	2145	0.9	4068	1.5
Household sector	64965	9.5	1309	2.5	5027	8.4
<u>Other Items (Net)</u>	<u>-85406</u>	<u>(12.5)</u>	<u>(1048)</u>	<u>1.3</u>	<u>1849</u>	<u>(2.1)</u>

Credit extended by the banking system totaled LE 552.2 billion at end of Sept. 2007, recording a rise of LE 20.9 billion or 3.9 percent against LE 3.8 billion or 0.8 percent. 50.4 percent of the increase in total credit was attributed to the rise in the banking system's net claims on the government (total credit extended to the government less its deposits at the banking system) by LE 10.5 billion or 5.9 percent to LE 188.9 billion or 34.2 percent of total domestic credit. Such a rise was an outcome of the increase in banks' holding of government securities and treasury bills by LE 11.0 billion and the step-up in both loans to the government by LE 5.0 billion, and its deposits by LE 5.5 billion.



Credit to the household sector recorded a marked increase of LE 5.0 billion or 8.4 percent (mostly in local currency) against LE 1.3 billion or 2.5 percent, bringing its debt up to LE 65.0 billion or 11.8 percent of total domestic credit at end of Sept. 2007. The rise was attributed to the fact that some banks increased the finance of retail sales especially the finance of purchasing durable consumer goods and cars.

Credit to the private business sector went up by LE 4.1 billion (mostly in foreign currencies), almost double its increase during the corresponding period, to reach LE 272.7 billion or almost half of the domestic credit at end of Sept. 2007. The increase in the loans extended in foreign currency to the private business sector was helped by the decline in exchange rate risks and the continued expectation of this decline especially with the increase in the LE exchange rate vis-a-vis the US dollar during the reporting period. On the other hand, credit to the public business sector edged up by LE 1.3 billion or 5.2 percent, bringing its debt up to LE 25.7 billion or 4.7 percent of the total.

Net foreign assets at the banking system shrank by LE 3.5 billion worth or 1.6 percent to LE 215.1 billion worth at end of Sept. 2007. Such a decline was due to the fact that net foreign assets fell at banks by LE 8.5 billion worth and increased at the CBE by LE 5.0 billion worth.

Net Foreign Assets of the Banking System

(LE mn)

Balances at End of	June 2007			Sept. 2007			Change in Net	
	Foreign Assets	Foreign Liabilities	Net	Foreign Assets	Foreign Liabilities	Net	2006/07	2007/08
Total	304968	86339	218629	305398	90317	215081	19082	(3548)
CBE	160197	64825	95372	164579	64214	100365	7644	4993
Other banks	144771	21514	123257	140819	26103	114716	11438	(8541)

Net balancing items had an expansionary effect on domestic liquidity as its negative balance declined by LE 1.9 billion during the period to LE 85.4 billion at end of Sept. 2007. Such a fall resulted from the rise in unclassified assets and liabilities (net) by LE 6.5 billion on the one hand, and the rise in capital accounts by LE 4.6 billion on the other.

2/1/5- Payment Systems and Information Technology (IT)

Payment systems help facilitate the transfer of assets and services among economic units, a matter that minimizes credit and settlement risks, and enhances the reliability and speed of settling payments. Add to this its positive impact on economic performance and liquidity management. Against this background, the senior management of the CBE pays a great attention to this sector. Hereunder are the main achievements made during July/Sept. 2007/2008:

- Testing of the Real Time Gross Settlement (RTGS) system is currently being done with the participation of all Egyptian banks and a group of foreign experts. The full operation of this system is expected to be in the third quarter of 2008. It is noteworthy that this system helps eliminate credit and settlement risks. Moreover, a contract was made with the Society for Worldwide International Financial Telecommunications (SWIFT) to adjust the applied SWIFT system to the RTGS requirements to ensure effecting final real time settlement of the transactions received via SWIFT.
- In collaboration with the Society for Worldwide International Financial Telecommunications, the implementation of the first phase of the project aimed at ensuring absolute confidentiality in transferring the messages of financial transactions and transfers was completed. The second phase of the project is expected to be applied by the end of April 2008.

- The system of government receipts has become operational. The system aims at shortening the duration of settling government receipts through banks from three weeks to two working days at most, besides saving the efforts exerted in the settlement process. Moreover, the trial operation of the project regarding the automation of the works of the Cheque Settlement Department was made. The project aims at settling cheques drawn from government units for the benefit of other government units on the same day on which the CBE receives the cheques, or the next day at most.

In the area of information technology at the CBE and the banking sector, the following developments took place:

- The development and updating of the CBE's new website was completed. Following its trial operation phase, the website is about to be launched.
- In the field of supervision, the CBE is about to complete the application of a new electronic system that helps eliminate credit risks through the accurate automated collection and analysis.
- Following up the final stages of relocating the CBE's different departments from old buildings to the new one in Al- Gomhoria Street. The relocation of the Bank's senior management to the new building is currently under way. As such, all the CBE departments will be combined in one building. Actions are also being taken to follow up the establishment of new branches in Tanta and Assuit.

2/1/6- SWIFT Local Service and Clearing Houses Activity

Data of local banking transfers under the Fin Copy-system, conducted via SWIFT, showed an increase in the number and value of LE executed messages during July/Sept. 2007/2008. As such, they amounted in terms of number to 157.1 thousand transactions, and in value to LE 738.2 billion during the period (against 115.1 thousand transactions and LE 446.6 billion during the previous corresponding period). In addition, the number of interbank dollar transactions executed according to the Fin Copy-system rose to 3.2 thousand at a value of US\$ 24.4 billion (against 2.7 thousand at a value of US\$ 8.7 billion).

SWIFT Local Service Activity

During	2005/06	<u>July/Sept.</u> 2006/07	2007/08	Change	
	(1)	(2)	(3)	(2)-(1)	(3)-(2)
<u>First: In Local Currency</u>					
Number of messages (unit)	88713	115078	157107	26365	42029
Value of executed transfers (LE mn)	352352	446590	738220	94238	291630
<u>Second: In US Dollar</u>					
Number of messages (unit)	3114	2748	3238	(366)	490
Value of executed transfers (US\$ mn)	8344	8659	24422	315	15763

Concerning the Automated Clearing House activities, the number of exchanged cheques increased to 2.8 million at a value of LE 106.4 billion during the reporting period against 2.6 million at a value of LE 85.2 billion a year earlier. This led to a rise in the average value per cheque to LE 38.0 thousand against LE 32.8 thousand during the corresponding period of the preceding FY.

CBE Clearing Houses Activity

During	Number of Cheques (in thousand)	Value of Cheques (in million)	Change	
			Number	Value
July/Sept. 2006/07	2599	85236	13.5	22.4
July/Sept. 2007/08	2802	106399	7.8	24.8

2/2– Banking Developments

2/2/1- Banking Reform

During the period under review, the Central Bank of Egypt continued its banking reform plan, the final stage of which is about to be completed. So far, progress on this plan has been reported as follows:

1- Privatization and Consolidation Plan

- In virtue of the CBE Board's decision regarding the implementation of Article (41) of the Law No. 88 for 2003 on the Central Bank, the Banking Sector and Money, a number of voluntary bank mergers were made. In addition, compulsory mergers were made as well, with the aim of enhancing the competitiveness and efficiency of banks and augmenting their capitals, in accordance with the decisions of the CBE Board of directors on the rules and regulations governing the implementation of Article 79 of the said Law.
- At the end of May 2007, it was announced that Banque Misr acquired 100 percent of the shares of Banque du Caire (BdC). Subsequently, in July 2007, Banque Misr declared its intention to sell a percentage of the BdC stakes to a strategic investor and the initiation of the pre-sale preparations.
- The deal of selling the Bank of Alexandria was highly successful. The privatization of BoA started in September 2004; thereafter, on October 27, 2006, it was announced that Italy's Sanpaolo Bank won the bid for the majority stake of 80% of the BoA, following a public auction among four final bidders of Arab and European financial institutions. Sanpaolo valued the whole stakes of BoA at US\$ 2.0 billion, offering about US\$ 1.6 billion for the deal (80 percent of the Bank's shares). The ownership of BoA was transferred to the Italian bank on the Stock Exchange. According to the international standards, this deal is considered a landmark in the history of acquisitions in the emerging market economies.

As for divestiture of state-owned banks (SOBs), their holdings in joint venture banks were sold in accordance with the set plan.

2- Restructuring and Risk Management in State-Owned Banks

- Since early 2005, state-owned banks (SOBs) have been applying a comprehensive restructuring plan according to a timeline of actions and goals. The plan was devised by the Banking Reform Unit (BRU) at the CBE to reform the practices of all departments and technological systems, besides establishing new departments. The BRU follows up the implementation of the plan on a regular basis.
- A finance agreement was forged with the European Commission to conduct diagnostic reviews of, and develop, the current practices of three backbone departments at the NBE and Banque Misr (Risk Management, IT and Human Resources), in line with the best international practices. In October 2005, international consultants were chosen to conduct this process (ABN AMRO for Banque Misr and ING Bearing for the NBE). The project is currently under implementation, and is to be completed by end-2008.
- The CBE's Banking Reform Unit (BRU), in coordination with the World Bank, has embarked on conducting full audit reviews of the four state-owned banks, in accordance with the international accounting standards. To date, audit reviews of the three state-owned banks (after selling Bank of Alexandria) were completed for the years 2004 and 2005, while those for 2006 and 2007 have not been finished yet.
- The state-owned banks have proceeded with the appointment of qualified senior staff and cadres, and obtained the necessary finance through the fund established for developing the performance of the banking sector, mentioned in the Law of the Central Bank, the Banking Sector and Money.

3- Non-Performing Loans (NPLs) at Banks:

- The NPL Management Unit at the CBE monitors the “Workout Units” at banks, which managed to settle 78 percent of NPLs (excluding the non-performing public enterprises’ debt), and made collections of 34 percent including cash collections of 29% in the period 1/1/2004 - 30/11/2007.

- A final agreement was reached with the Ministry of Investment on the value of the non-performing debt of public enterprises to the four state-owned banks (LE 26 billion). In January 2006, an amount of LE 6.9 billion was repaid in cash to the Bank of Alexandria, while cash repayments of LE 9.1 billion were subsequently made to the National Bank of Egypt, Banque Misr and Banque du Caire in December 2006. In addition, it was agreed that repayments for the remaining debt (LE 10 billion) to the three state-owned banks would be made from the privatization proceeds before end-2008.
- Through coordination among the CBE, the NBE, Banque Misr, Banque du Caire and the Industrial Development Bank of Egypt, a program addressing small non-performing debts (a maximum of LE 1 million each) was announced on March 5, 2007 and completed at end of June 2007. This program which covered NPLs in the manufacturing, trade and services sectors, resulted in resolution of about 7600 NPL cases or 63 percent of the total cases listed under the program. The resolved cases included 4300 and 1200 cases, respectively, against whom legal actions were taken and judgments were passed and 31 serving imprisonment sentences.

4- Supervision Sector at the CBE

A program for the reform of the Supervision Sector has been on track to achieve the following: (I) improve the Egyptian banking sector; (II) benefit from the best international practices; (III) recruit highly qualified and professional staff to the senior banking management positions; (IV) improve the efficiency of human resources and recruit the expertise required for the application of the most advanced international supervisory standards; and (V) improve the management information systems (MIS). In this context, a protocol was signed with the European Central Bank (ECB) and four European central banks to introduce a two-year technical assistance program, launched in December 2005. This program aimed at raising the efficiency of the supervision Sector's staff, in order to enhance and develop their capacities and skills in various fields, by arranging training courses in cooperation with a number of other central banks and international organizations and by dispatching educational missions abroad. During the period, a set of new concepts were adopted in the area of the analysis of bank performance

and financial positions as well as bank examination. In addition, a number of training courses were organized for bank examiners in the area of “report writing”, with focus on modifying and refining such reports.

This program was completed, as planned, at the end of November 2007. The results of this program will be the mainstay of other development programs that are currently under discussion with the European Central Bank (ECB).

With respect to the CBE supervisory role, a work team from both the “On-Site and Off-Site Examination Departments” was formed, to be responsible for setting the regulations and procedures for assessing market risks and training specialized cadres. In addition, the examination plan for the present year is currently under implementation.

2/2/2- Banks' Aggregate Financial Position

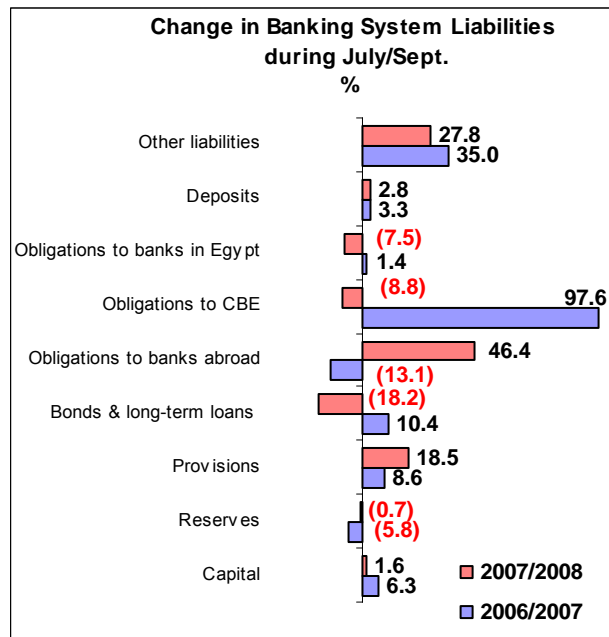
The number of registered banks operating in Egypt reached 41 at end of September 2007. Their aggregate financial position amounted to LE 978.8 billion, indicating a rise of LE 40.8 billion or 4.4 percent during the first quarter of 2007/2008, against a rise of LE 52.8 billion or 6.9 percent during the corresponding period of the previous FY.

Banks' Aggregate Financial Position

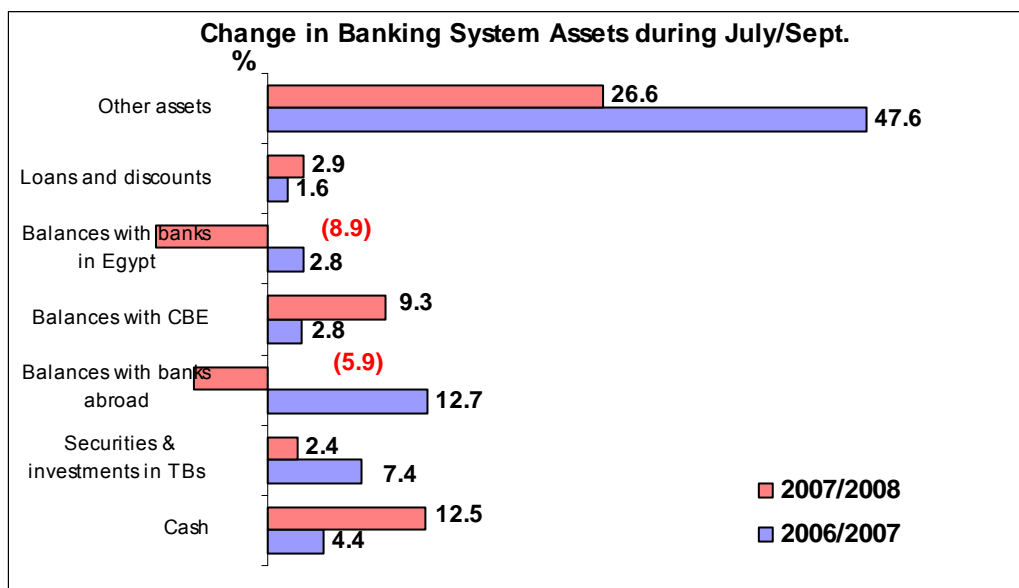
(LE mn)

At End of	June 2007	Relative Importance	Sept. 2007	Relative Importance
Cash	7705	0.8	8671	0.9
Securities and investments	176098	18.8	180406	18.4
Balances at banks abroad	124366	13.3	116980	11.9
Balances at CBE	199542	21.3	218187	22.3
Balances at local banks	17821	1.9	16241	1.7
Loan & discount balances	353746	37.7	364015	37.2
Other assets	58645	6.2	74264	7.6
(Assets = Liabilities)	937923	100.0	978764	100.0
Capital	33037	3.5	33555	3.4
Reserves	12552	1.3	12461	1.3
Provisions	53469	5.7	63336	6.5
Bonds & long-term loans	26351	2.8	21542	2.2
Obligations to banks abroad	10006	1.1	14645	1.5
Obligations to CBE	66485	7.1	60617	6.2
Obligations to local banks	16134	1.7	14917	1.5
Deposits	649953	69.3	668335	68.3
Other liabilities	69936	7.5	89356	9.1

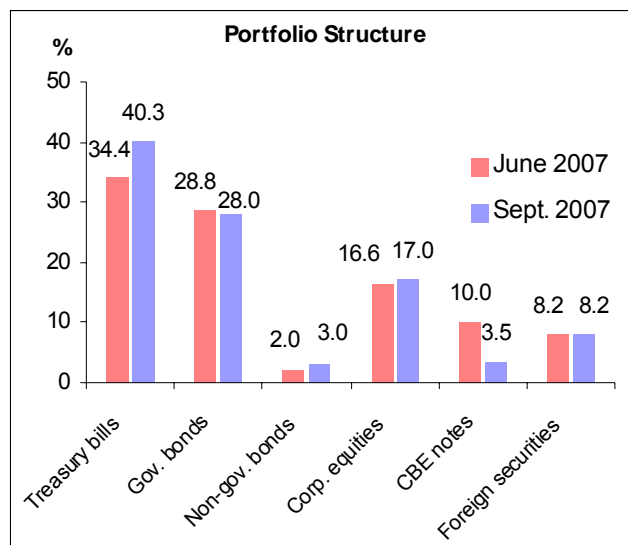
Liabilities rose to LE 63.3 billion or 17.4 percent of the total loan and discount balances at the end of September 2007, largely because of the increase of LE 18.4 billion in banks' deposits and LE 9.9 billion in banks' provisions. It is to be noted that the increase in provisions was intended either to augment them or cover a shortage therein. On the other hand, the balances of obligations to local banks (including the CBE) declined by LE 7.1 billion. Likewise, bonds & long-term loans dropped by LE 4.8 billion.



Similarly, assets increased because of a rise of LE 17.1 billion in deposits at local banks (mostly deposits accepted at the CBE under open market operations) and in loan and discount balances by LE 10.3 billion to LE 364.0 billion. In addition, banks' investments in securities and bills edged up by LE 4.3 billion to LE 180.4 billion and in other assets by LE 15.6 billion; while balances at banks abroad declined by LE 7.4 billion worth.



Moreover, banks' investments in securities and bills rose during the period as an outcome of the increase of their investments in treasury bills by LE 12.2 billion; non-government bonds by LE 1.9 billion; equity participations by LE 1.5 billion and foreign securities by LE 0.3 billion worth. This rise was somewhat curbed by the decline in banks' investments in CBE notes by LE 11.4 billion and government bonds by LE 0.2 billion.



Net credit balances of local banks' transactions with their foreign correspondents declined by the equivalent of LE 12.0 billion or 10.5 percent, bringing their net transactions with banks abroad down to LE 102.3 billion worth at the end of September 2007. This decline was an outcome of a drop in the balances with banks abroad by LE 7.4 billion worth and a rise in their obligations thereto by the equivalent of LE 4.6 billion, at the end of September 2007.

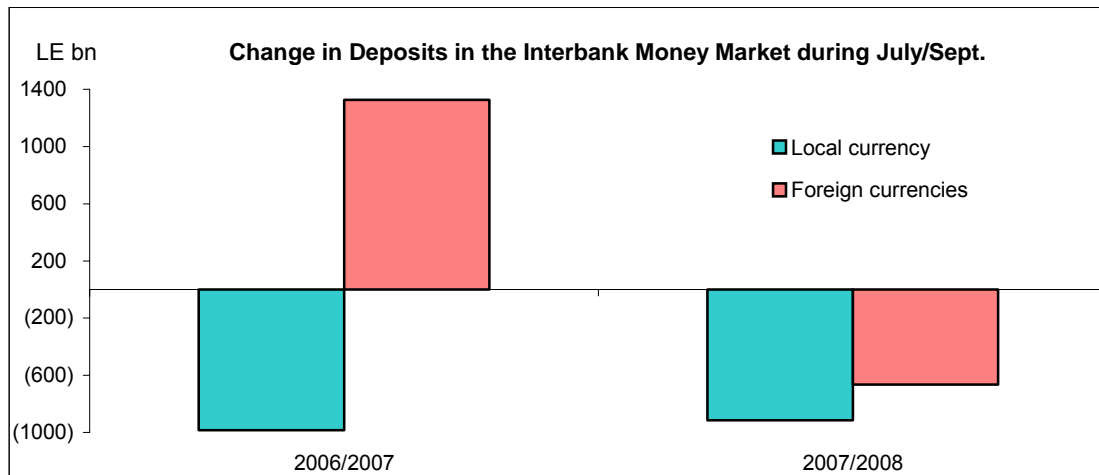
Transactions with Banks Abroad

(LE mn)

	<u>End of</u>		<u>Change during July/Sept.</u>			
	<u>June</u> <u>2007</u>	<u>Sept.</u> <u>2007</u>	<u>2006/2007</u>		<u>2007/2008</u>	
			<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<u>Net Position</u>	<u>114360</u>	<u>102335</u>	<u>10389</u>	<u>16.3</u>	<u>(12025)</u>	<u>(10.5)</u>
Balances with banks abroad	124366	116980	9243	12.7	(7386)	(5.9)
Obligations to banks abroad	10006	14645	(1146)	(13.1)	4639	46.4

2/2/3- Interbank Money Market in Egypt

The volume of transactions in the interbank money market - in terms of deposits - declined by LE 1.6 billion, as deposits totaled LE 16.2 billion at the end of September 2007. The decrease was attributed to the decline in local currency and foreign currency deposits by LE 0.9 billion and LE 0.7 billion worth, respectively.

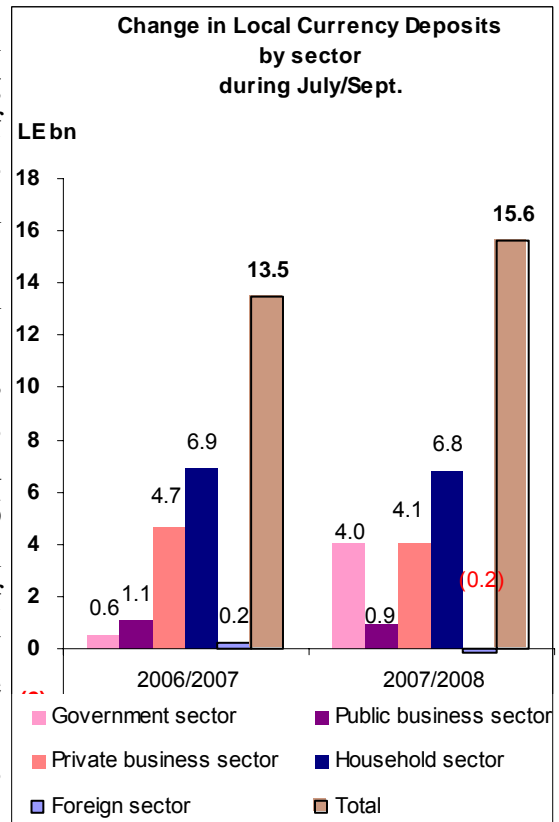
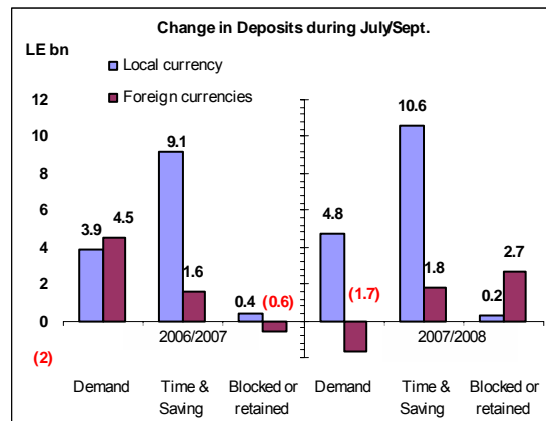


2/2/4- Deposits

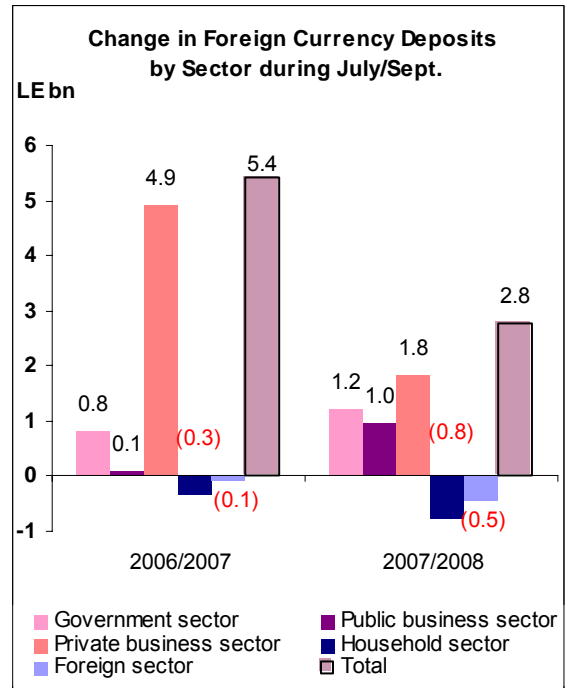
Total deposits at banks (including government deposits) went up by LE 18.4 billion or 2.8 percent during the period under review, against LE 18.9 billion or 3.3 percent during the corresponding period of the previous FY. Reaching LE 668.3 billion at the end of September 2007, banks' deposits constituted 68.3 percent of the aggregate financial position of banks.

The breakdown of deposits by maturity indicates that LE time and saving deposits accounted for the bulk of total deposits (60.9 percent). They reached LE 406.9 billion, with a rise of LE 10.6 billion during the period under review. On the other hand, foreign currency time and saving deposits rose by about LE 1.8 billion worth to the equivalent of LE 148.4 billion, representing 22.2 percent of total deposits.

The propensity to save in the Egyptian pound remained, as was noticed, high during the reporting period. About 43.5 percent of the increase in total deposits was concentrated in household sector's deposits in LE, which rose by LE 6.8 billion or 2.1 percent during the period to LE 328.6 billion (91.1 percent were time and saving deposits), representing 68.6 percent of the total deposits in LE at the end of September 2007. Deposits of the private business sector also augmented by LE 4.1 billion or 5.3 percent to LE 81.6 billion, representing 17.0 percent of the total local currency deposits at the end of September 2007. Government deposits grew by LE 4.0 billion or 10.8 percent and the public business sector's by LE 0.9 billion. Conversely, the foreign sector's deposits decreased by LE 0.2 billion.



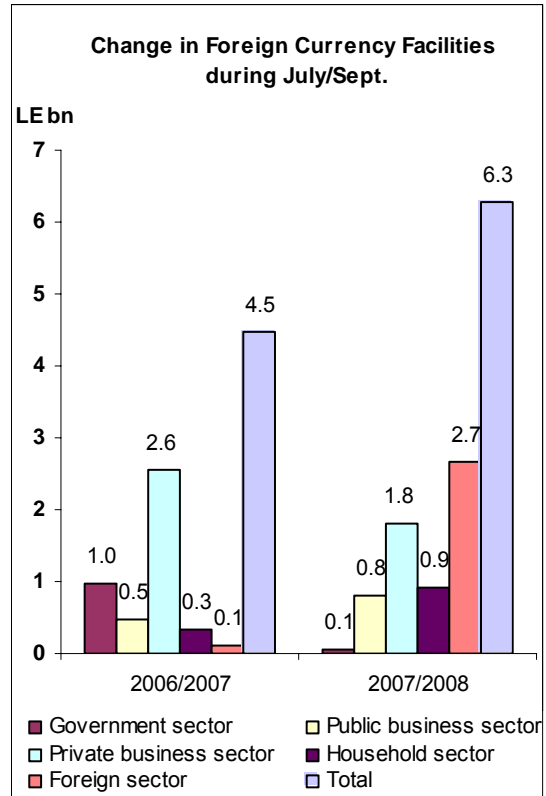
The foreign currency deposits amounted to LE 189.4 billion at the end of September 2007, recording a modest rise of LE 2.8 billion worth or 1.5 percent, i.e. less than half the rise in local currency deposits. Deposits of the private business sector accounted for around 66.6 percent of this rise, as they scaled up by the equivalent of LE 1.8 billion or 3.8 percent. Likewise, deposits of the government sector and the public business sector rose by LE 1.2 billion and LE 1.0 billion worth, respectively. On the other hand, the household sector's deposits declined by the equivalent of LE 0.8 billion and the foreign sector's by the equivalent of LE 0.5 billion.



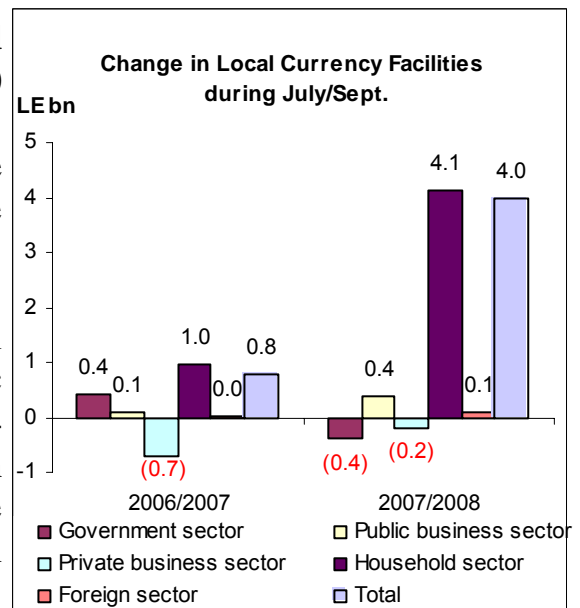
2/2/5- Lending Activity

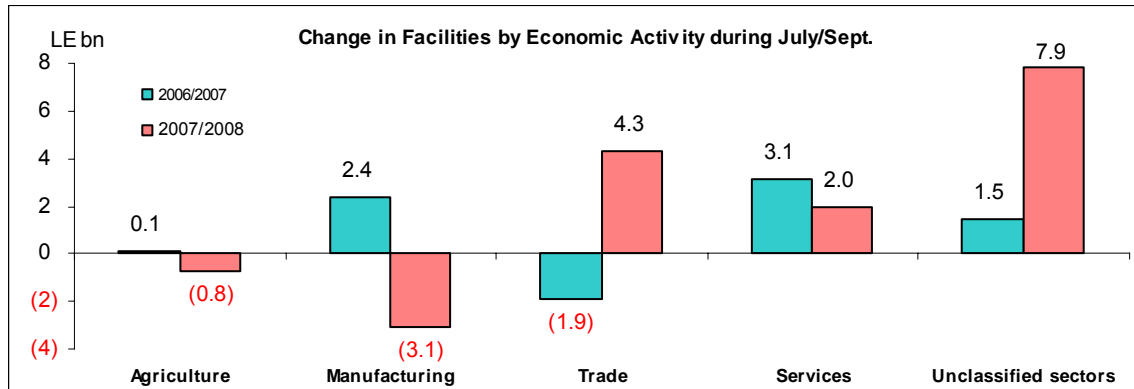
During the period under review, banks' lending activity remarkably expanded, relative to the period of comparison. Banks' loan and discount balances rose by LE 10.3 billion or 2.9 percent (against LE 5.3 billion and 1.6 percent), totaling LE 364.0 billion or 37.2 percent of banks' total assets and 54.5 percent of total deposits at the end of September 2007.

Around 61 percent of the increase in the loan and discount balances stemmed from the rise in foreign currency balances. Foreign currency loan and discount balances went up by LE 6.3 billion worth or 6.0 percent, standing at LE 111.5 billion worth at the end of September 2007. This was ascribed partly to the increase in loans to the private business sector by LE 1.8 billion worth or 2.4 percent, bringing its debt to the equivalent of LE 77.8 billion or 21.4 percent of total loan and discount balances at the end of September 2007. Combined with this were the rises in the loan and discount balances of the household sector by LE 0.9 billion worth or 20.3 percent; the public business sector by the equivalent of LE 0.8 billion; the government sector by the equivalent of LE 64 million and the foreign sector by LE 2.7 billion worth.



Likewise, local currency loan and discount balances increased by LE 4.0 billion or 1.6 percent, reaching LE 252.5 billion at the end of September 2007. The increase was mainly in the loans to the household sector, which climbed by LE 4.1 billion or 7.4 percent to LE 595.7 billion, representing 23.6 percent of total local currency loans. As for loans to the public business sector, they amounted to LE 0.4 billion, whereas declines were noticed in loans to the government sector and the private business sector, by LE 0.4 billion and LE 0.2 billion, respectively.

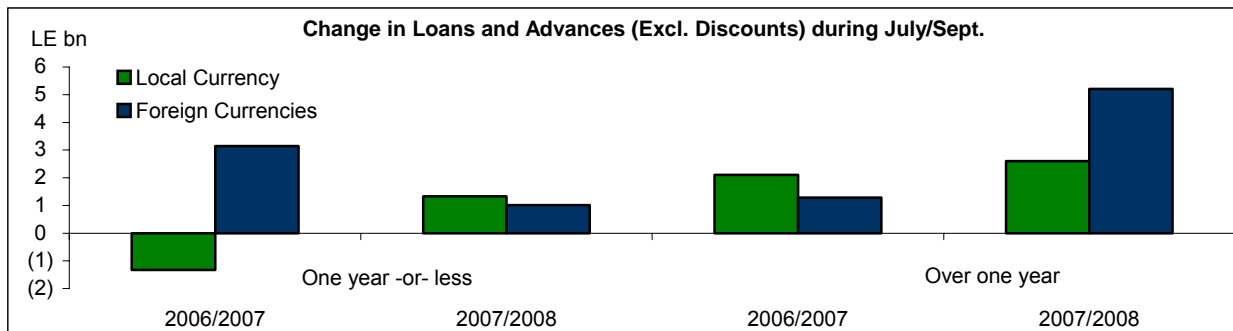




A breakdown of loans by economic activity shows that the manufacturing sector accounted for 35.4 percent of the total loans extended by banks in local and foreign currencies at the end of September 2007. The services sector came next with 28.3 percent, followed by trade with 14.7 percent and agriculture with 1.9 percent.

During the period under review, loans and advances (excluding discounts) offered by banks registered LE 362.6 billion, with an increase of LE 10.2 billion or 2.9 percent at the end of September 2007. With the improvement of the investment climate, the increase was concentrated in long-term loans (i.e. more than one year loans), which accounted for 76.9 percent of the total increase in loans and advances offered by banks. As such, long-term loans grew by LE 7.8 billion or 5.0 percent to LE 163.6 billion at the end of September 2007. More than half of that increase was concentrated in foreign currency loans during the period because of their low cost, the lower interest rate on the main currencies, and the appreciation of the Egyptian pound and the expectation of its continued stability.

On the other hand, loans of one-year-or-less scaled down by only LE 2.3 billion or 1.2 percent, as an outcome of the rise of LE 1.3 billion in local currency loans and LE 1.0 billion worth in foreign currency loans.



3- Stock Exchange

During the period July/Sept. of FY 2007-2008, efforts continued to spur market trading through a number of decisions and decrees. Chiefly, the Minister of Investment issued Decree No. (259) for 2007 specifying the listing fees of securities issued by small and medium enterprises (SMEs), and the charges of services delivered by the Exchange for these enterprises. Moreover, the Minister of Investment issued another decree amending certain provisions of the Executive Regulations of the Capital Market Law No. 95 for 1992 as concerns the regulation of mutual funds. By virtue of this decree, the maximum limit for issuing the fund documents was raised, to allow mutual funds to expand the scope of their activities. In addition, two new types of funds were introduced; specifically real-estate funds and holding funds. Moreover, another decree was issued by the Minister of Investment to reduce brokerage commissions, the listing fees and the charges for other services provided by the Exchange.

The Capital Market Authority (CMA) issued a decision amending the rules of listing, continued listing and delisting of securities on the Stock Exchange. The decision stipulated that the complete listing of issued securities shall be made within two months at most, starting from the date of closure of subscription or issue of capital increase. Moreover, according to the amendment of the Article related to “net profit”, the company’s net profits should be generated by the actual activity for which it was established to perform originally, and that it should not be less than 5 percent of the paid capital for the companies listed on the official schedule (1), and 1 percent of the paid capital for the companies listed on the unofficial schedule (2). Moreover, the CMA Board approved a number of amendments to capital adequacy requirements, aimed at measuring how far securities intermediaries can handle the risks related to their business.

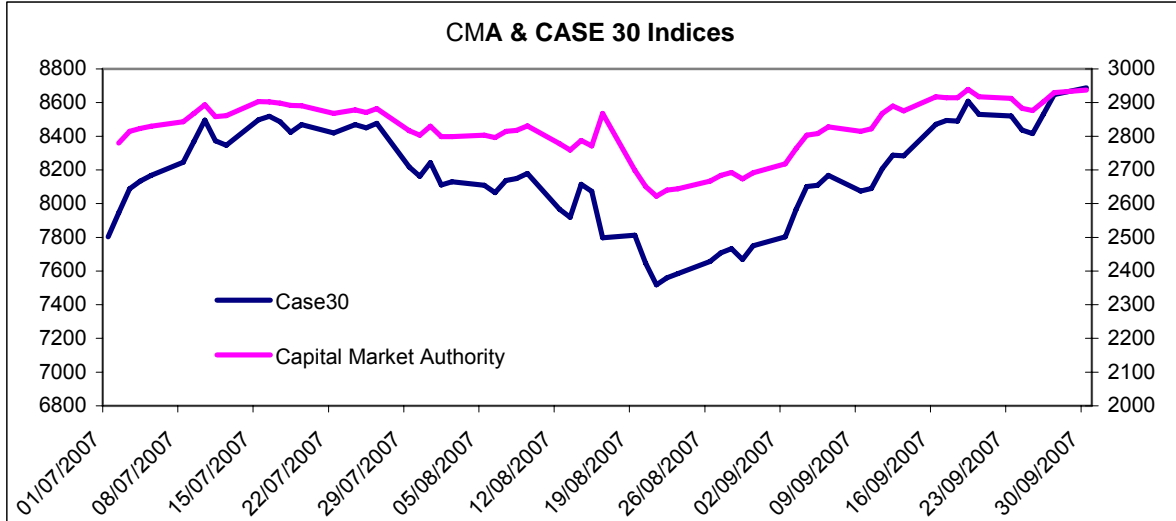
In order to protect the rights of all investors in the stock market, the CMA issued a comprehensive manual on all aspects related to splitting the par value of their shares, after concerns were raised about the frenzied race among issuing companies to split their shares.

With the aim of attuning with international standards, CASE introduced a new “sector classification standard”, whereby all of its listed companies were reclassified into new sectors; and launched - for the first time - twelve sector indices. Furthermore, the Stock Exchange amended two rules of CASE 30: the first by allowing the companies whose shares are denominated in foreign currency to be included in the indicator, and the second by excluding the companies incurring losses for three successive years.

In order to bolster regional cooperation with capital markets in Africa, the CASE hosted the first round table meeting of the Chief Executives of the Stock Exchanges in the COMESA, with the aim of discussing the prospects for the integration of stock markets in the COMESA region.

The efforts exerted to develop and enhance the performance of the stock market played an effective role in improving the investment climate, a matter which was applauded by several international credit rating agencies. Egypt has been the first Arab and African country to join the investment committee of the Organization for Economic Cooperation and Development (OECD). No less important was the upgrading of Egypt’s credit rating by the international rating agencies, which not only welcomed the ongoing economic reforms but also expressed an optimistic outlook for the country’s capacity to continue this path of structural reforms.

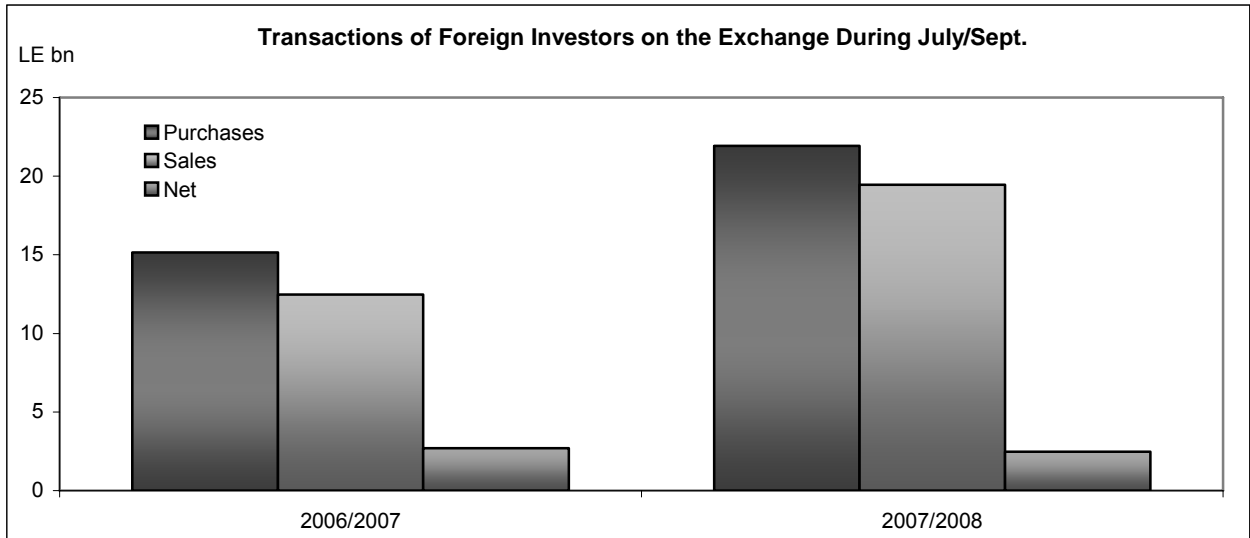
Similar to other stock markets worldwide, CASE had been negatively affected by the complications of the subprime crisis of the US markets especially at its onset in the second week of August 2007. CASE 30 exhibited a short-lived drop by about 5 percent, following the decline in the Egyptian global depository receipts (GDRs) in London market, at the time of the crisis, negatively affecting the Egyptian market performance. However, the stock market began to rebound in the last week of August 2007, supported by foreigners’ purchases. This trend can be traced to the increased attractiveness of CASE for foreigners at that time, in view of the persistent implications of the crisis on the international markets, and the actions taken by many central banks, especially the Federal Reserve, to reduce the key interest rates in an attempt to contain the crisis. Against this backdrop, CASE 30 moved up by 11.3 percent during July/Sept. 2007-2008, recording 8687.8 points at end of Sept. 2007. Also, the CMA index went up by 7.5 percent, recording 2937.4 points during the same period.



The trading volume of securities scaled up during the period by 28.3 percent, reaching 3.3 billion securities. Likewise, the value of these securities picked up by LE 25.2 billion or 42.5 percent, to LE 84.6 billion. Dealings on shares represented 89.7 percent of the total value of traded securities, against 98.0 percent during the corresponding period of the preceding FY. Dealings on bonds also went up representing 10.3 percent of the total value of traded securities, up from 2.0 percent.

Foreigners' transactions on the Egyptian Exchange realized net purchases of LE 2.5 billion during the period, against LE 2.7 billion during the corresponding period a year earlier. The total value of foreigners' dealings notably increased by 49.8 percent to reach LE 41.4 billion during the period, representing 24.5 percent of the total value of trading, against LE 27.6 billion or 23.3 percent during the period of comparison.

The value of trading by individual investors on CASE at end of Sept. 2007 was obviously close to that of institutional investors. Thus, trades by the said two accounted for 50.8 percent and 49.2 percent of the total value of transactions, respectively, compared with 39.7 percent and 60.3 percent, at end of June 2007.



3/1-Shares Market

3/1/1- Primary (Issue) Market

a) New Issues

During July/September 2007-2008, the CMA approved 748 new share issues at a total value of LE 16.0 billion. Issues for new incorporations accounted for 508 of total issues at a value of LE 3.4 billion, while those for the capital increase of existing companies amounted to 240 at a total value of LE 12.6 billion.

New Share Issues on the Exchange

During	July/September	
	2006/2007	2007/2008
<u>Total Number of Issues (Unit)</u>	<u>683</u>	<u>748</u>
New incorporations	444	508
Capital increase	239	240
<u>Total Number of Shares (mn)</u>	<u>1443</u>	<u>1194</u>
New incorporations	611	214
Capital increase	832	980
<u>Total Value of Shares (LE mn)</u>	<u>18240</u>	<u>15958</u>
New incorporations	7054	3391
Capital increase	11186	12567

Source: CMA

b) Companies Listed on the Exchange

During July/September 2007-2008, the number of listed companies on the Stock Exchange dropped to 515 at end of September 2007, against 544 companies at end of June 2007. This was an outcome of delisting 33 companies, and listing only 4 new ones. The nominal capital of listed companies amounted to LE 119.9 billion, whereas the market capital reached LE 645.6 billion at end of September 2007.

Companies Listed on the Exchange

End of	June 2007			Sept. 2007		
	No. of Companies (Unit)	Nominal Capital	Market Capital	No. of Companies (Unit)	Nominal Capital	Market Capital
Total	544	121072	601826	515	119892	645618
Listed on official schedules	147	73403	497319	143	66777	518692
Listed on unofficial schedules	394	47387	104055	371	53065	126876
Listed on the temporary schedule	3	282	452	1	50	50

Source: CASE

The sectoral distribution of market capital shows that the most investment-attractive two sectors were finance, insurance & real estate, and manufacturing, with shares of 40.0 percent and 29.5 percent, respectively, of the total market capital. The services sector came next with 19.1 percent of the total market capital, followed by utilities (transportation – communications – electricity – gas – health) with a share of 9.4 percent, at end of Sept. 2007.

Market Capital by Sector

End of	June 2007		Sept. 2007	
	Market Capital	%	Market Capital	%
Total	601826	100.0	645612	100.0
Agriculture, Forests & Fishing	1686	0.3	2515	0.4
Extractions	4262	0.7	3850	0.6
Construction	3090	0.5	3427	0.5
Manufacturing	187459	31.1	190570	29.5
Utilities (Transportation-Communications-Electricity-Gas-Health)	80648	13.4	60836	9.4
Wholesale & Retail Trade	2824	0.5	2831	0.5
Finance, Insurance & Real Estate	210144	34.9	258242	40.0
Services	111713	18.6	123341	19.1

Source: CMA Monthly Report.

3/1/2- Secondary (Trading) Market

Trading on shares in the secondary market rallied during the reporting period, unfolding a total trading value of LE 75.9 billion (on the floor and over the counter), with an increase of LE 17.7 billion or 30.5 percent, compared with the previous corresponding period.

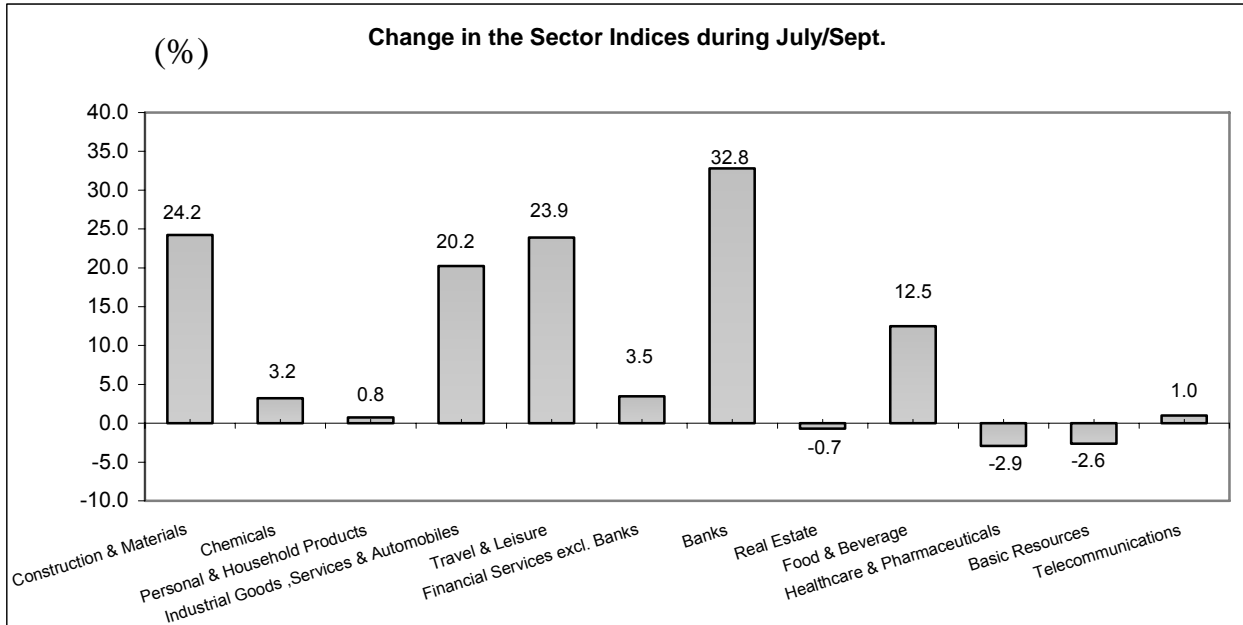
Trading in Shares

	<u>2006/2007</u>		<u>July/Sept.</u>		<u>2007/2008</u>	
	No. of Transactions (Unit)	Volume (000s)	Market Value (mn)	No. of Transactions (Unit)	Volume (000s)	Market Value (mn)
<u>Total Trading on the Floor (LE)</u>	<u>1830100</u>	<u>2266915</u>	<u>55472</u>	<u>2217497</u>	<u>2719289</u>	<u>69916</u>
Shares in LE	1753089	2149331	53764	2158800	2518574	67772
Shares in US dollar	77011	117584	298	58697	200715	376
<u>Total Trading over the Counter (LE)</u>	<u>49640</u>	<u>273360</u>	<u>2707</u>	<u>86729</u>	<u>534345</u>	<u>6006</u>
Shares in LE	47606	233764	1903	85001	505667	4699
Shares in US dollar	2034	39596	140	1728	28678	230

Source: CMA.

Share trading was mostly on the floor, representing LE 69.9 billion or 92.1 percent of total value of transactions. The value of traded LE shares amounted to LE 67.8 billion, whereas US dollar shares reached only US\$ 376 million. On the other hand, shares traded OTC represented only LE 6.0 billion, of which LE 4.7 billion were in LE shares (78.2 percent of the value of OTC transactions), and US\$ 230 million in US dollar-denominated shares.

The follow-up of the twelve sector indices issued by CASE during the period under review denoted higher value for 9 indices, versus a decline of the remaining 3 indices. The pickup was most conspicuous in the banking sector (up by 32.8 percent), followed by construction and materials (24.2 percent). Conversely, the sharpest decline was noticed in the sector of health and medications, down by 2.9 percent.



3/2- Bonds Market

3/2/1- Primary (Issue) Market

Total value of bond issues (listed) increased by LE 1.8 billion during the period under review, to post some LE 63.9 billion at end of Sept. 2007. This was an outcome of the increase in the value of government bonds by LE 1.9 billion, and the drop in the value of both corporate bonds and securitization bonds by LE 80 million and LE 26.0 million, respectively. The increase in the value of government bonds was an outcome of the rise in the outstanding balance of Treasury bonds (under the primary dealers system) by LE 2.0 billion and the fall in the balance of US dollar development bonds by LE 0.1 billion.

Against this backdrop, the relative structure of bonds was highly tilted in favour of government bonds which represented 93.2 percent of the total value of bonds at end of Sept. 2007, followed by corporate bonds (5.6 percent), securitization bonds (1.0 percent) and bank bonds (0.2 percent).

Bonds Listed on the Exchange

At End of	June 2007		September 2007	
	Value	%	Value	%
Total	62130	100.0	63899	100.0
Government Bonds	57598	92.7	59473	93.2
- Treasury bonds	4000	6.4	4000	6.3
- Treasury bonds (primary dealers system)	53000	85.3	55000	86.1
- Housing bonds	118	0.2	118	0.2
- Dollar development bonds	480	0.8	355	0.6
Corporate Bonds	3693	6.0	3613	5.6
Bank Bonds	150	0.2	150	0.2
Securitization Bonds	689	1.1	663	1.0

Source: CASE

3/2/2- Secondary (Trading) Market

Trading in bonds was markedly active during the period, compared with the corresponding period. The trading value of bonds climbed to LE 8.7 billion, against LE 1.2 billion. Trading was confined to LE bonds conducted on the floor.

The increase in the trading value of bonds was mainly attributed to the pickup in the value of traded Treasury bonds (under the primary dealers system) by LE 8.6 billion or 99.3 percent of the total value of traded bonds.

Trading in Listed Bonds on the Floor

	2006/2007		July /Sept.		2007/2008	
	No. of Transactions (Unit)	Volume (000s)	Value (000000s)	No. of Transactions (Unit)	Volume (000s)	Value (000000s)
Total Bonds (LE)	100	1689.4	1187.6	451	8306.2	8685.3
Treasury bonds	3	21.0	20.7	1	40.0	44.0
T. Bonds (primary dealers system)	67	1016.0	1098.3	433	8121.5	8626.2
Housing bonds	4	0.1	0.0	1	0.0	0.0
Corporate bonds	23	652.3	68.6	16	144.7	15.1
Bank bonds	3	0.0	0.0	0	0.0	0.0
Total Bonds (US\$)	1	1.0	0.1	0	0.0	0.0
Corporate bonds	1	1.0	0.1	0	0.0	0.0
Development bonds	0	0.0	0.0	0	0.0	0.0

Source: CMA

3/3 - Mutual Funds

The number of mutual funds reached 37 (34 open-end and 3 close-end funds). The nominal value of the funds' certificates amounted to LE 7.5 billion at end of Sept. 2007 (the date of establishment), compared with the same number of funds and the same par value at end of June 2007.

4- Public Finance and Domestic Public Debt

4/1- Consolidated Fiscal Operations of the General Government

The estimates of the consolidated fiscal operations of the general government for FY 2007-2008 were expressive of the orientations of the fiscal policy towards enhancing economic growth, particularly through encouraging exportation and manufacturing, as well as investment in Upper Egypt. The estimates also reflected the role played by the fiscal policy in observing the social dimension, especially through increasing the provisions allocated for education and health by 11.8 percent and 13.5 percent, respectively, during the said FY.

During July/Sept. 2007-2008, a number of actions were taken in the policy field. Chiefly was the introduction of computer network for the first time to link all the accounting units in Egypt with the Ministry of Finance , a matter that will strengthen supervision over public expenditures. This was intended to bring the budget presentation in line with the international concepts and the IMF's Government Finance Statistics Manual (GFSM) on the one hand and to serve the purposes of analyzing and clarifying the economic concepts of all the budget items by economic or functional classification on the other. To enhance the role of the fiscal policy in observing the social dimension and improving the conditions of low-income brackets, exceptional pensions were provided to many critical social cases, and other pensions were increased. Moreover, the smart ration cards began to be used, along with the old ration cards, in an attempt to spread their use and to stop the subsidy leakage. The government also continued to attach importance to combating tax evasion and to improve tax calculation and payment procedures.

Hereunder are the estimates of the consolidated fiscal operations of the general government for FY 2007-2008, and the actual follow-up results of their execution during the first quarter of the said year, in comparison with their estimates and actual execution during the corresponding period of the previous FY.

4/1/1- Estimates of the Consolidated Fiscal Operations of the General Government

Budget Sector

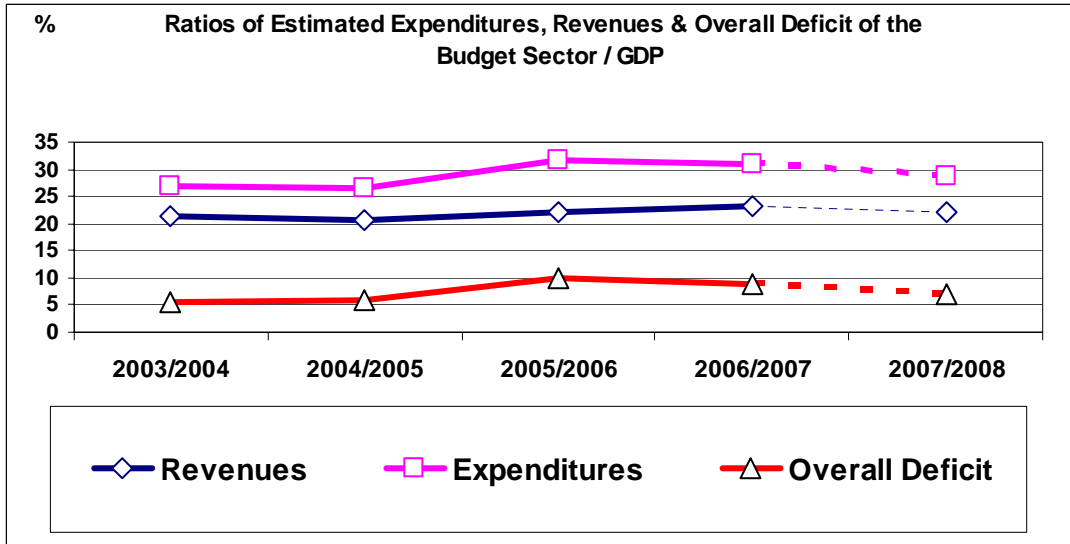
The budget sector's total estimated revenues for FY 2007-2008 reached nearly LE 187.2 billion or 22.1 percent of GDP. Tax revenues were estimated at LE 120.8 billion, representing 64.5 percent of total estimated revenues. Of the total tax revenues, taxes on income and business profits accounted for LE 56.1 billion or 46.5 percent, whereas taxes on goods and services registered LE 45.7 billion or 37.8 percent, up by LE 8.8 billion or 23.9 percent over the estimated figure of the preceding FY. The increase was mainly ascribed to the positive results that are expected to arise from the measures taken to improve the performance of tax officials, and the rise in the number of companies registered at the Sales Tax Department. Moreover, customs receipts were estimated at 11.0 percent of total tax revenues, to reach LE 13.3 billion, up by 38.3 percent over the estimated figure a year earlier. This rise is expected to result from the increase in the export and import activity and the reduction of customs evasion. In addition, other revenues (mainly property income, selling proceeds of goods and services, financial investment and other miscellaneous taxes) were estimated at LE 63.2 billion or 33.8 percent of total collected revenues.

Total estimated expenditures reached some LE 244.1 billion or 28.8 percent of GDP. Compensations of employees (including salaries and wages) reached nearly LE 60.3 billion, representing 24.7 percent of total expenditures. Moreover, interest payments of the external and domestic public debt reached LE 52.0 billion or 21.3 percent of total expenditures. In addition, subsidies for oil products were estimated at LE 36.6 billion or 15.0 percent of total expenditures, and for goods at LE 9.5 billion, of which some LE 2.0 billion were electricity subsidies. Furthermore, about LE 3.8 billion were expected to be allocated for other subsidies represented in low-income housing, interests on concessionary loans to farmers, and water, medicines, health insurance and passengers transport.

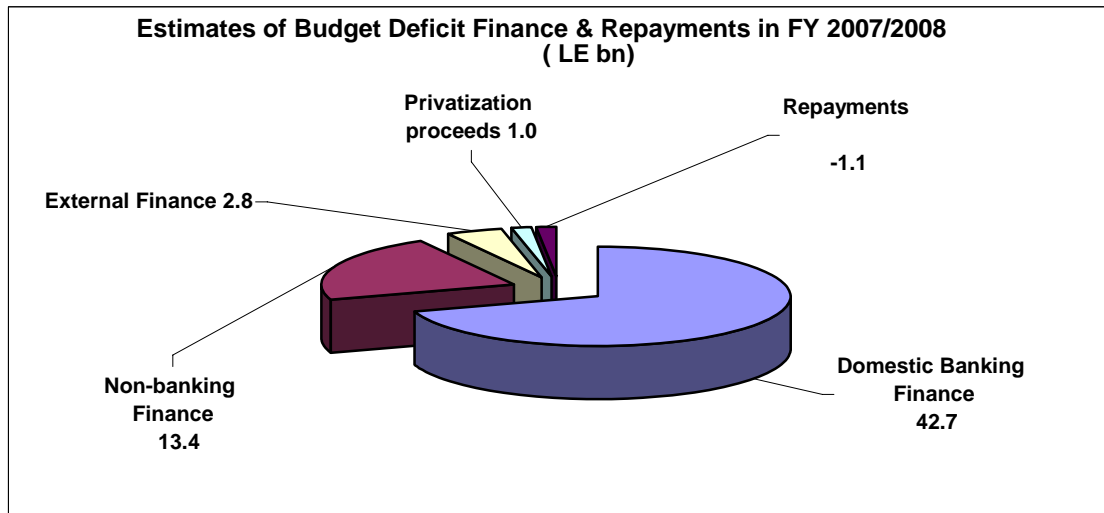
To strengthen the role of the fiscal policy in stimulating economic growth, about LE 3.8 billion were allocated to enhance production. Of this amount, LE 2.0 billion were allocated for promoting exports, LE 1.3 billion for enhancing industrial zones and vocational training, LE 0.3 billion for subsidizing farmers, and LE 200 million for the development of Upper Egypt. Moreover, grants and social benefits were estimated at LE 6.9 billion, and investments to be implemented during FY 2007/2008 at about LE 27.7 billion or 11.3 percent of total expenditures, with a rise of LE 7.4 billion or 36.6 percent over the estimated figure of the previous FY.

	2004/2005	2005/2006	2006/2007	2007/2008
	Actual	Actual	Actual	Budgetary
Total Revenues	110864	151266	180215	187239
Total Expenditures	161611	207811	222029	244061
Cash Deficit	50747	56545	41814	56822
Net Acquisition of				
Financial Assets	896	- 6159	12883	1947
Overall Deficit	51643	50386	54697	58769
Preliminary Deficit	18863	13571	6997	6790

In light of the previous estimates, the cash deficit of the budget sector was estimated at LE 56.8 billion or 6.7 percent of GDP during FY 2007/2008. Net acquisition of financial assets was estimated at LE 2.0 billion, against LE 12.9 billion representing the figure realized during FY 2006/2007. The decline was ascribed to a drop in the provisions allocated by the government for reforming companies' structures and repaying their debts. Accordingly, the overall fiscal deficit was projected to decline from LE 62.2 billion or 8.8 percent of GDP during FY 2006/2007, to LE 58.8 billion or 6.9 percent of GDP during FY 2007/2008. On the other hand, the budget sector's primary deficit was estimated at LE 6.8 billion or 0.8 percent only of GDP. This reflected the big burden of interest payments on public and domestic debt: a matter that gives rise to the need for revising the debt and its management techniques, working on the rationalization of public expenditures, increasing the state's financial resources, and shifting the primary deficit into a surplus to reduce the public debt.



The finance for the overall fiscal deficit and some miscellaneous domestic repayments were expected to be provided from banking and non-banking domestic sources (71.2 percent and 22.4 percent, respectively), external sources (4.7 percent), and net privatization proceeds (1.7 percent).



Budget Sector, NIB and SIFs

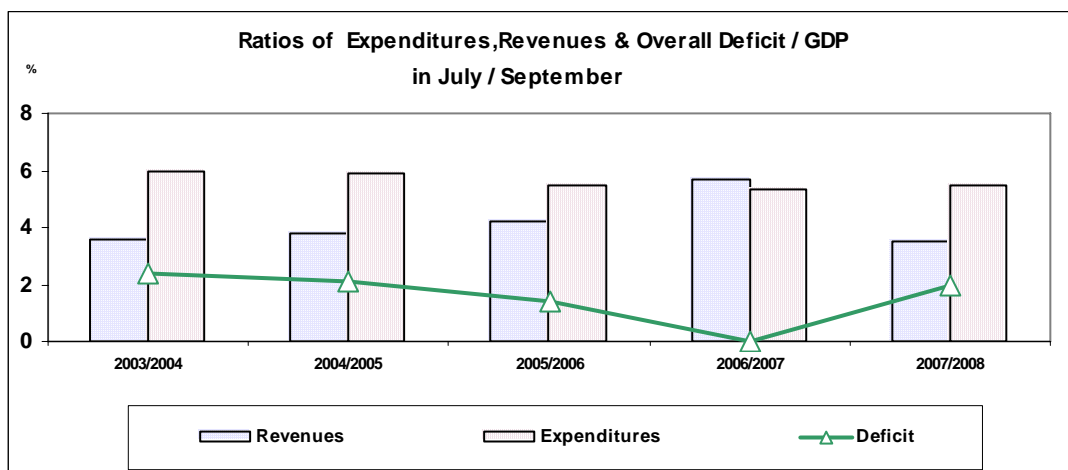
With the addition of the fiscal operations of SIFs and NIB to the budget sector, total revenues were estimated at LE 217.4 billion, and total expenditures at

LE 265.9 billion. Accordingly, the cash deficit amounted to some LE 48.5 billion or 5.7 percent of GDP. With the addition of the estimated figure of the net acquisition of financial assets (LE 4.3 billion) to the cash deficit, the overall deficit reached nearly LE 52.8 billion or 6.2 percent of GDP. The finance for this deficit and some miscellaneous domestic repayments were expected to be made through banking and non-banking domestic sources (72.3 percent and 21.5 percent, respectively), external borrowing (4.6 percent), and net privatization proceeds (1.6 percent).

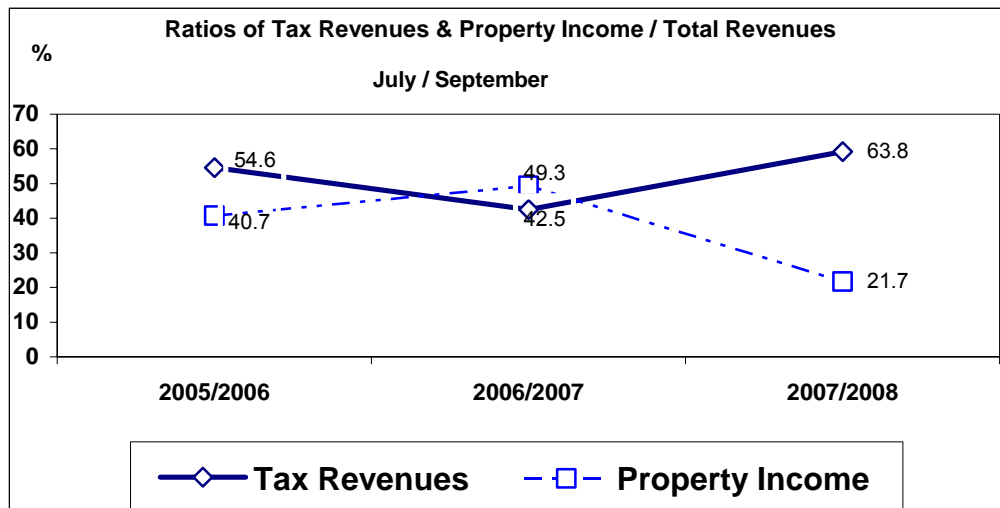
4/1/2- Execution of the Consolidated Fiscal Operations of the General Government during July/Sept. 2007

Budget Sector

According to the Ministry of Finance during July/Sept. 2007-2008, total collected revenues reached about LE 29.7 billion or 15.8 percent of total revenues estimated for the whole FY, with a 26.4 percent decline below the actual collected revenues during the corresponding period of the previous FY. This was mainly attributed to disbursing the exceptional revenues collected a year earlier (the selling of the third mobile license). Meanwhile, total expenditures reached some LE 46.8 billion, with an increase of 25.5 percent over the period of comparison. Accordingly, the overall deficit of the budget sector posted LE 17.0 billion or 2 percent of GDP during the period under review.



Tax revenues amounted to some LE 18.9 billion or 63.8 percent of total revenues, up by LE 1.8 billion or 10.5 percent over the corresponding period of the previous FY. Almost half the tax revenues was concentrated in taxes on goods and services which rose by some LE 2.6 billion or 37.8 percent over the period of comparison, to post nearly LE 9.3 billion. Moreover, taxes on income and business profits amounted to some LE 6.0 billion or 20.1 percent of total tax revenues, down by LE 1.1 billion or 15.6 percent from the period of comparison. The decline was concentrated in taxes collected from joint stock companies which retreated by 45.8 percent. Conversely, individuals' taxes went up by 26.2 percent and from Suez Canal Authority (SCA) by 17.2 percent.

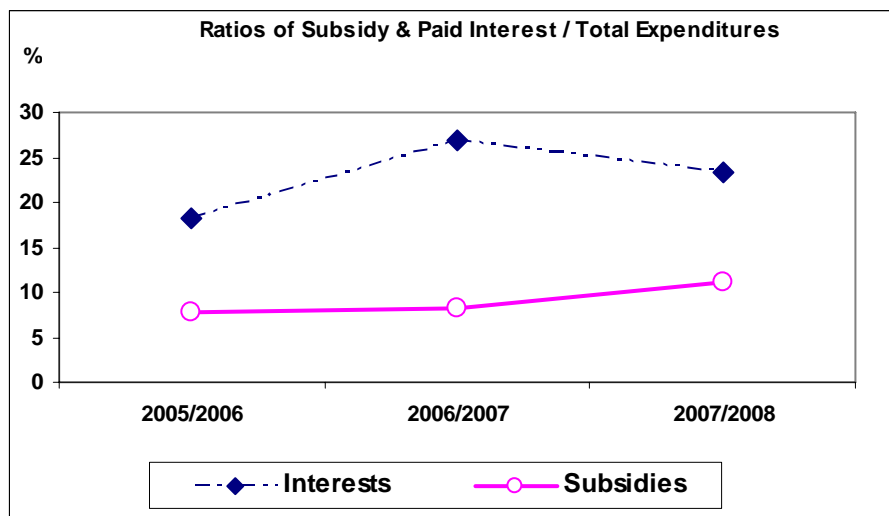


Customs receipts contributed about LE 2.8 billion or 15.1 percent of total tax revenues, up by 14.6 percent over the period of comparison.

Revenues collected from property income reached some LE 6.4 billion, of which 60 percent came from the SCA, 35.5 percent from the third mobile license, and the remainder from economic authorities and some other miscellaneous revenues.

On the expenditures side, total expenditures reached some LE 46.8 billion. Of this amount, compensations of employees (wages and salaries) accounted for LE 15.8 billion or 33.7 percent of total expenditures, with a 13.2 percent rise over the period of comparison.

Domestic and external interest payments of the public debt increased by almost LE 0.9 billion or 8 percent, to reach some LE 10.9 billion or 23.3 percent of total expenditures. The increase was mainly ascribed to a rise in the interest payments to the NIB & SIFs and other expenditures of the public debt service by some LE 0.7 billion. Added to this was the step-up in external interest payments by only LE 0.1 billion.



Subsidies noticeably picked up by LE 2.1 billion or 69.4 percent over the period of comparison, to almost LE 5.2 billion or 11.1 percent of total expenditures. The increase was concentrated in expenditures on enhancing industrial zones and exports, promoting vocational training and developing Upper Egypt in accordance with the provisions included in the budget for the whole FY as afore-mentioned. Moreover, defense outlays reached some LE 4.7 billion, with an increase of LE 0.9 billion over the period of comparison.

The value of investments implemented during the period under review posted LE 3.8 billion or 8.2 percent, with a remarkable increase of LE 1.8 billion or 90.5 percent over the corresponding period of the previous FY. However, investments still represented about 14.0 percent of the allocations for FY 2007/2008 according to the projects set in the Economic Development Plan which is to be implemented during the FY.

Against this background, the cash deficit of the budget sector during July/Sept. 2007-2008 reached LE 17.1 billion or 30.2 percent of the cash deficit estimated for the whole FY. Moreover, the net acquisition of financial assets reached a negative of LE 0.1 billion. Accordingly, the overall deficit during the period amounted to LE 17.0 billion, representing 28.9 percent of the deficit estimated for the whole FY, against a surplus of LE 2 million during the corresponding period of the preceding FY.

The financing of the overall budget deficit (LE 17.0 billion) and some miscellaneous domestic repayments (LE 4.8 billion) were made, mainly through domestic banking sources (63.4 percent), external sources (35.5 percent) and privatization proceeds and some other miscellaneous sources (1.1 percent).

Budget Sector, NIB and SIFs

With the addition of the fiscal operations of SIFs and NIB to the budget sector, total revenues reached some LE 35.0 billion or 4.1 percent of GDP.

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

(LE bn)

	<u>July/Sept. 2007-2008</u>					
	Budget Sector	Relative Structure	Execution ratio of the total estimated for the year	Budget Sector & NIB	Relative Structure	Execution ratio of the total estimated for the year
<u>Total Revenues</u>	<u>29.7</u>	<u>100.0</u>	<u>15.8</u>	<u>35.0</u>	<u>100.0</u>	<u>16.1</u>
<u>Tax Revenues</u>	<u>18.9</u>	<u>63.8</u>	<u>15.7</u>	<u>18.9</u>	<u>54.1</u>	<u>15.7</u>
Taxes on Incomes & Profits						
From EGPC	6.0	20.1	10.6	6.0	17.0	10.6
From SCA	0.0	0.0	0.0	0.0	0.0	0.0
From CBE	2.1	6.9	22.4	2.1	5.8	22.4
From other units	0.0	0.0	0.0	0.0	0.0	0.0
From other units	2.1	7.1	20.7	2.1	6.0	20.7
Payable by individuals	1.8	6.1	13.6	1.8	5.2	13.6
Taxes on Property	0.4	1.3	26.0	0.4	1.1	26.0
Taxes on Goods and Services	9.3	31.5	20.4	9.3	26.7	20.4
Taxes on International Trade	2.8	9.6	21.5	2.8	8.2	21.5
Other Taxes	0.4	1.3	9.2	0.4	1.1	9.2
<u>Grants</u>	<u>0.6</u>	<u>1.8</u>	<u>16.9</u>	<u>0.6</u>	<u>1.5</u>	<u>16.9</u>
<u>Other Revenues</u>	<u>10.2</u>	<u>34.4</u>	<u>16.1</u>	<u>15.5</u>	<u>44.4</u>	<u>16.7</u>
Property Income	6.4	21.6	14.3	7.0	20.0	13.3
Sales of Goods and Services	1.2	4.1	13.6	1.2	3.5	13.6
Financing						
Investment	0.2	0.7	7.8	0.2	0.6	7.8
Others	2.4	8.0	35.2	7.1	20.3	24.5

Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

Total expenditures increased by 25.6 percent over the corresponding period of the preceding FY, to reach around LE 52.8 billion or 6.2 percent of GDP.

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

(LE bn)

	<u>July/Sept. 2007-2008</u>					
	Budget Sector	Relative Structure	Execution ratio of the total estimated for the year	Budget Sector & NIB	Relative Structure	Execution ratio of the total estimated for the year
<u>Total Expenditures</u>	<u>46.8</u>	<u>100.0</u>	<u>19.2</u>	<u>52.8</u>	<u>100.0</u>	<u>19.9</u>
<u>Compensations of Employees</u>	<u>15.8</u>	<u>33.7</u>	<u>26.1</u>	<u>15.9</u>	<u>30.1</u>	<u>26.1</u>
<u>Purchases of Goods and Services</u>	<u>2.6</u>	<u>5.6</u>	<u>15.6</u>	<u>2.6</u>	<u>5.0</u>	<u>15.6</u>
<u>Interest</u>	<u>10.9</u>	<u>23.3</u>	<u>20.9</u>	<u>8.0</u>	<u>15.2</u>	<u>19.2</u>
<u>Subsidies, Grants and Social Benefits</u>	<u>8.3</u>	<u>17.8</u>	<u>12.9</u>	<u>17.1</u>	<u>32.3</u>	<u>17.8</u>
Subsidies	5.2	11.1	9.3	5.2	9.9	9.3
Grants	1.8	4.0	55.0	1.8	3.5	55.0
Social Benefits	1.2	2.6	34.0	10.0	18.8	28.5
Other	0.1	0.1	2.9	0.1	0.1	2.9
<u>Other Expenditures, Including Defense Purchases of Non-Financial Assets (Investments)</u>	<u>5.3</u>	<u>11.4</u>	<u>23.3</u>	<u>5.3</u>	<u>10.1</u>	<u>23.3</u>
	<u>3.9</u>	<u>8.2</u>	<u>13.9</u>	<u>3.9</u>	<u>7.3</u>	<u>13.9</u>

Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

Against this background, the cash deficit of the consolidated fiscal operations of the general government reached some LE 17.8 billion during the period. Adding the net acquisition of the financial assets (about LE 2.5 billion) to the cash deficit, the overall deficit amounted to LE 20.3 billion or 2.4 percent of GDP, representing 38.5 percent of the total deficit estimated for the whole FY.

Through the domestic banking sources, the remainder of external borrowing, net privatization proceeds and some other miscellaneous sources, the deficit was financed and some domestic repayments were made during the period.

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

(LE bn)

	<u>July/Sept. 2007-2008</u>					
	Budget Sector	Relative Structure	Execution ratio of the total estimated for the year	Budget Sector & NIB	Relative Structure	Execution ratio of the total estimated for the year
<u>Total Revenues</u>	<u>29.7</u>		<u>15.8</u>	<u>35.0</u>		<u>16.1</u>
<u>Total</u>						
<u>Expenditures</u>	<u>46.8</u>		<u>19.2</u>	<u>52.8</u>		<u>19.9</u>
<u>Cash Deficit</u>	<u>17.1</u>		<u>30.2</u>	<u>17.8</u>		<u>:</u>
Net Acquisition of Financial assets	-0.2		-8.7	2.5		-
<u>Overall Deficit</u>	<u>17.0</u>		<u>28.9</u>	<u>20.3</u>		<u>:</u>
<u>Financing Sources</u>	<u>17.0</u>	<u>100.0</u>	<u>28.9</u>	<u>20.3</u>	<u>100.0</u>	<u>38.4</u>
<u>Domestic</u>						
<u>Financing</u>	<u>13.8</u>	<u>81.3</u>	<u>24.6</u>	<u>12.7</u>	<u>62.8</u>	<u>21.9</u>
Banking Financing	13.8	81.3	32.3	13.6	67.2	30.5
Non-Banking Financing	0.0	0.0	-	-0.9	-4.4	-6.7
<u>Foreign</u>						
<u>Borrowing</u>	<u>7.7</u>	<u>45.6</u>	<u>174.8</u>	<u>7.7</u>	<u>38.2</u>	<u>174.8</u>
<u>Arrears</u>	<u>0.0</u>	<u>0.0</u>	<u>:</u>	<u>0.0</u>	<u>0.0</u>	<u>:</u>
<u>Other</u>	<u>0.2</u>	<u>1.3</u>	<u>-19.4</u>	<u>4.6</u>	<u>22.6</u>	<u>-51.4</u>
<u>Financing Effects of Eliminations</u>	<u>0.0</u>	<u>0.0</u>	<u>:</u>	<u>0.0</u>	<u>0.0</u>	<u>:</u>
<u>Exchange Rate Revaluation</u>	<u>-1.2</u>	<u>-7.3</u>	<u>:</u>	<u>-1.2</u>	<u>-6.1</u>	<u>:</u>
<u>Net Privatization Proceeds</u>	<u>0.0</u>	<u>0.1</u>	<u>1.5</u>	<u>0.0</u>	<u>0.1</u>	<u>-1.5</u>
<u>The difference between the TBs face and present value</u>	<u>-0.5</u>	<u>-3.1</u>	<u>:</u>	<u>-0.5</u>	<u>-2.6</u>	<u>:</u>
<u>Discrepancy</u>	<u>-3.0</u>	<u>-17.9</u>	<u>:</u>	<u>-3.0</u>	<u>-15.0</u>	<u>:</u>

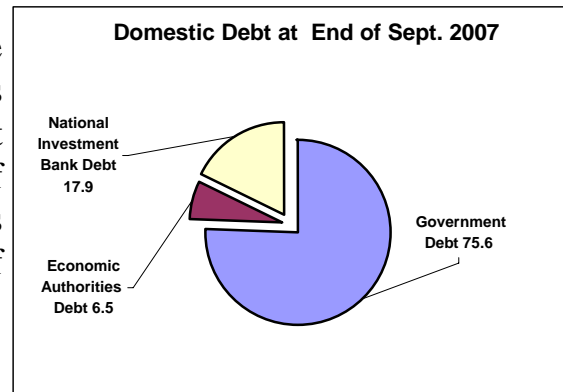
Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

Domestic Public Debt

4/2- Domestic Public Debt

During July/Sept. 2007/2008, the domestic public debt remained on the rise as it mounted by LE 13.8 billion or 2.2 percent to reach LE 651.0 billion or 76.9 percent of GDP at end of Sept. 2007. However, this ratio is slightly lower than its level at end of FY 2006/2007 (87.1 percent).



4/2/1- Domestic Government Debt (Net)

At the end of Sept. 2007, net domestic government debt reached LE 492.0 billion or 58.1 percent of GDP, up by LE 13.8 billion or 2.9 percent during July/Sept. 2007/2008. The rise was partly an outcome of the pickup in the balances of government bonds and bills by LE 12.8 billion, and the decline in the net credit position of government balances with the banking system by LE 1.5 billion (due to an increase in its loans by LE 4.0 billion, which exceeded the LE 2.5 billion rise in its deposits). Another contributing factor was the LE 0.5 billion drop in the deposits of the SIFs with the Public Treasury (this item was introduced on 30/6/2007).

Net Domestic Government Debt

Balances at End of	June 2007		Sept. 2007		(LE bn)
	Value	%	Value	%	Change +(-)
<u>Net Domestic Government Debt</u>	<u>478.2</u>	<u>100.0</u>	<u>492.0</u>	<u>100.0</u>	<u>13.8</u>
<u>-Balances of Bonds and Bills</u>	<u>562.9</u>	<u>117.7</u>	<u>575.7</u>	<u>117.0</u>	<u>12.8</u>
• Notes and Bonds*	444.2	92.9	445.0	90.5	0.8
Of which: tradable on exchanges	61.0	12.8	63.0	12.8	2.0
• Treasury bills	118.7	24.8	130.7	26.5	12.0
<u>- Net Balances at the Banking System</u>	<u>-89.2</u>	<u>-18.7</u>	<u>-87.7</u>	<u>-17.8</u>	<u>1.5</u>
Facilities	23.6	4.9	27.6	5.6	4.0
Deposits	-112.8	-23.6	-115.3	-23.4	(2.5)
<u>- Deposits of the SIFs at the Treasury</u>	<u>4.5</u>	<u>1.0</u>	<u>4.0</u>	<u>0.8</u>	<u>(0.5)</u>
Net domestic government debt/GDP (%)	65.4		58.1		

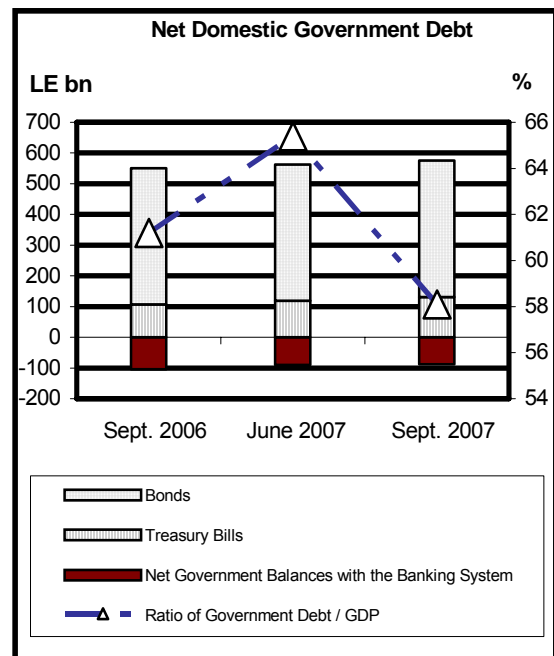
Source: Ministry of Finance, CBE and NIB

Ratios are calculated in terms of LE million.

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

The rise in the balance of bonds and bills (LE 12.8 billion) was an outcome of the following:

- The rise in the outstanding balance of treasury bills by LE 12.0 billion to LE 130.7 billion at the end of Sept. 2007.
- The issuance of 7- year T.bonds on 25/9/2007 at a value of LE 2.0 billion, and an interest rate of 8.45 percent.
- The redemption of treasury bonds issued in August 1987 to repay the 1986/87 debt of the GASC at a value of LE 1.0 billion and an interest rate of 10 percent as they fell due on 20/8/2007.
- The decline of LE 0.2 billion worth in the value of treasury bonds issued to repay the deficit of the foreign currency position at public sector commercial banks due to revaluation differences.



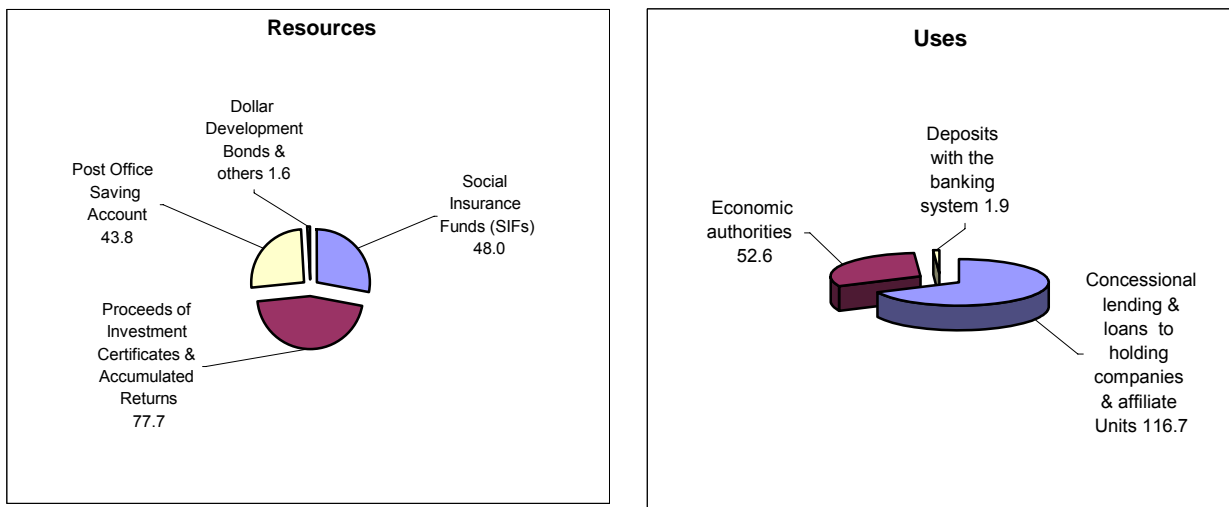
4/2/2- Debt of Public Economic Authorities

Debt of public economic authorities dropped by LE 2.2 billion during the period to LE 42.4 billion at end of Sept. 2007. The decline resulted from the rise in the net credit position of these accounts at the banking system by LE 3.1 billion (due to their higher deposits by LE 4.1 billion and loans by LE 1.0 billion) on the one hand, and the increase in their borrowing from the NIB by LE 0.9 billion, on the other.

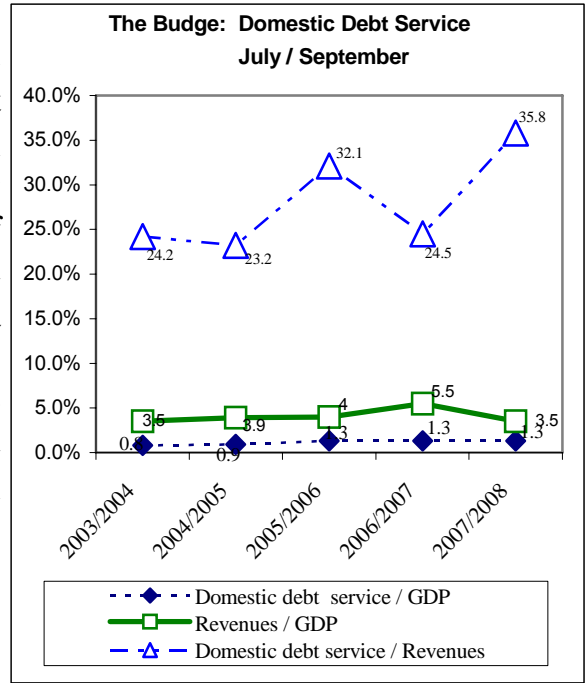
4/2/3- Resources and Uses of the NIB

NIB resources mounted by LE 2.0 billion during July/ Sept. 2007/2008 to reach LE 171.2 billion at end of Sept. 2007. The increase was largely ascribed to a pickup in the proceeds of investment certificates and the accumulated interest on investment certificates (group A) by LE 1.6 billion. The Bank used the bulk of its resources (68.2 percent) in equity participations, concessional lending of different projects and in lending to holding companies and their affiliate units. In addition, 30.7 percent of the Bank's resources were used to finance the investments of public economic authorities.

NIB Resources and Uses at the End of September 2007 (LE bn)



During the first quarter of FY 2007/2008, domestic public debt service posted LE 10.6 billion (including interest payments of LE 9.5 billion and principal repayments of LE 1.1 billion) representing 1.3 percent of GDP, and 35.8 percent of total public revenues. This indicated that the domestic public debt service constituted a heavy burden on the state budget. However, the domestic public debt is expected to decline during the next phase under the fiscal policy adopted to reduce the overall budget deficit/GDP ratio to range between 3 percent and 4 percent during FY 2010/2011.



5- External Transactions

5/1- Foreign Exchange Market

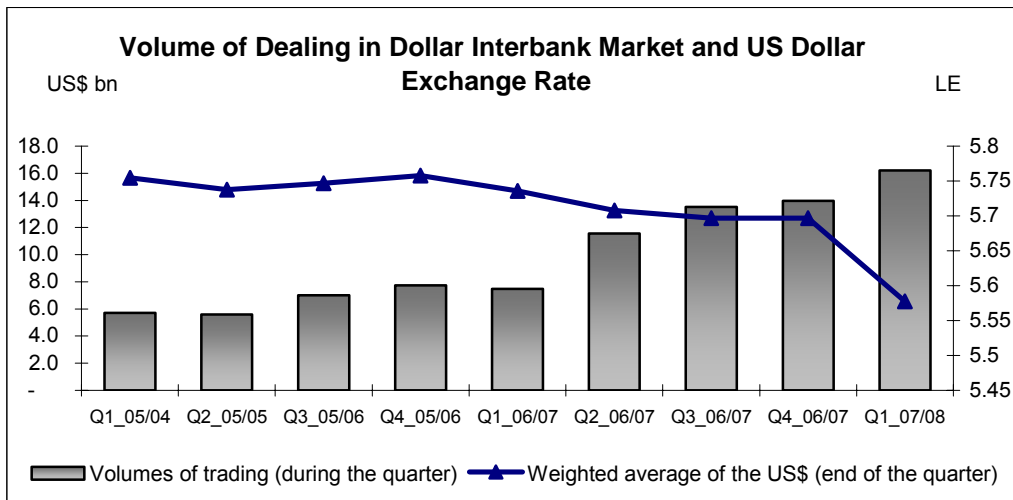
Transactions on the foreign exchange market unfolded a surplus of US\$ 0.6 billion during July/Sept. 2007-2008, against a surplus of US\$ 2.6 billion during the corresponding period of the preceding FY. The decline in the surplus during the period was an outcome of the increase in utilizations by US\$ 4.1 billion to US\$ 11.3 billion, which exceeded the increase in resources by only US\$ 2.1 billion to US\$ 11.9 billion. The banks (including the CBE) accounted for about 68.9 percent of the realized surplus. Exchange dealer companies contributed the remaining share.

Resources and Utilizations of the Foreign Exchange Market

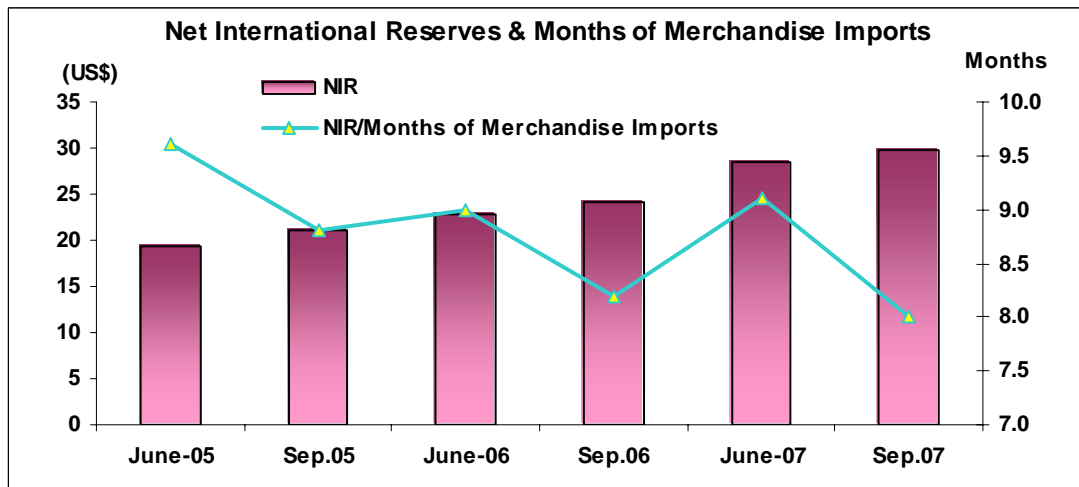
	(US\$ mn)	
During July/Sept.	2006/2007	2007/2008
<u>Surplus/Deficit (-)</u>	<u>2604</u>	<u>598</u>
The banking system	2581	412
Exchange dealer companies	23	186
<u>Resources</u>	<u>9811</u>	<u>11880</u>
The banking system	8514	10139
Exchange dealer companies	1297	1741
<u>Utilizations</u>	<u>7207</u>	<u>11282</u>
The banking system	5933	9727
Exchange dealer companies	1274	1555

The forex market remained stable during the period under review. This was largely attributed to the prudent management of the US dollar interbank market which was launched as of 23/12/2004. This, in turn, provided banks with a large amount of their foreign currency requirements. The volume of dealings in the interbank market reached US\$ 16.21 billion during the period, against US\$ 7.49 billion during the period of comparison, with an increase of 116.4 percent. Sales by public banks represented 13.6 percent of total dealings during the period, and their purchases 3.8 percent. Meanwhile, private banks 'sales recorded 86.4 percent, and their purchases 96.2 percent.

As for the developments in the foreign exchange market during the period, the average exchange rate of the US dollar (buying) declined by 2.0 percent for market transactions, to LE 5.5776 at end of Sept. 2007, against LE 5.6892 at end of June 2007. Likewise, the weighted average of the US dollar vis-à-vis the Egyptian pound declined by 2.01 percent for interbank transactions, to LE 5.5843 against LE 5.6967.



NIR at the CBE improved up during the period by US\$ 1.3 billion to stand at US\$ 29.9 billion, thereby covering 8 months of merchandise imports at end of Sept. 2007. The NIR remained on the rise during the period under review registering US\$ 31.7 billion at end of December 2007.



The CBE's investment policy aimed at diversifying investment in reserves to be in other currencies besides the US dollar. This was made according to a number of factors including the structure of Egypt's external debt; the currencies of Egypt's main trade partners; and the distribution of reserve investments among several portfolios with varying maturities and goals that strike a balance between risks and return. Moreover, reserve transactions are currently being made in real-time using the latest automated systems of reserve management. This helped in avoiding losses that could have resulted from the depreciation of the US dollar vis-à-vis other currencies.

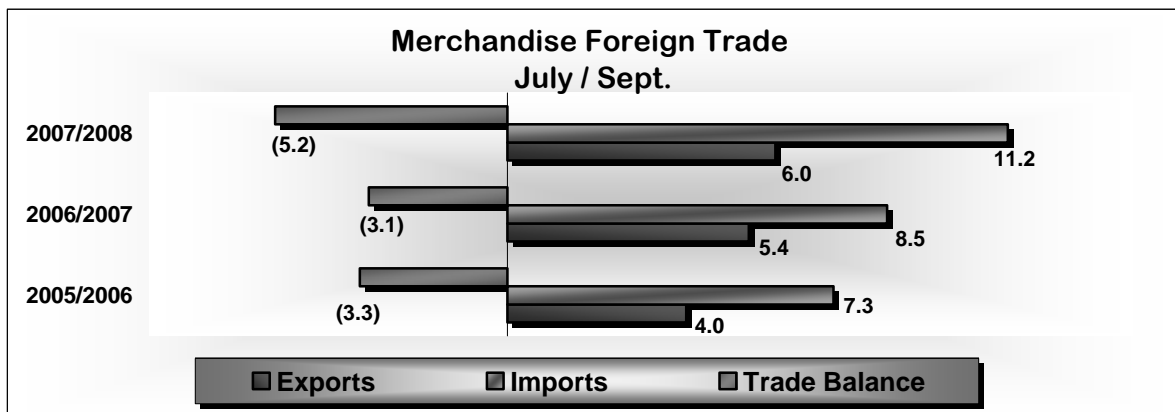
5/2- Balance of Payments*

Egypt's BOP realized an overall surplus of about US\$ 1.2 billion or 0.8 percent of GDP during the first quarter of FY 2007/2008. This was due to an inflow of US\$ 1.7 billion on the capital and financial account (against US\$ 0.3 billion), and a deficit of US\$ 0.1 billion on the current account (against a surplus of US\$ 1.4 billion). Hereunder is a detailed review of Egypt's BOP and the commodity structure of external transactions.

5/2/1- Trade Balance

The main indicators of Egypt's external trade with the rest of the world notably improved during July/September of FY 2007/2008 as the volume of trade posted a rise of 23.9 percent above the corresponding period of the previous FY. This drove up the ratio of the total value of external trade/GDP to 11.5 percent (against 10.9 percent), as an outcome of the growth of exports by 10.7 percent to US\$ 6.0 billion; and imports by 32.3 percent to US\$ 11.2 billion. This was indicative of the Egyptian economy's increased openness to the external world.

As imports grew faster than exports, the trade deficit widened to US\$ 5.2 billion, representing 3.5 percent of GDP. Moreover, the ratio of merchandise export proceeds to merchandise import payments declined from 64.0 percent to 53.5 percent.

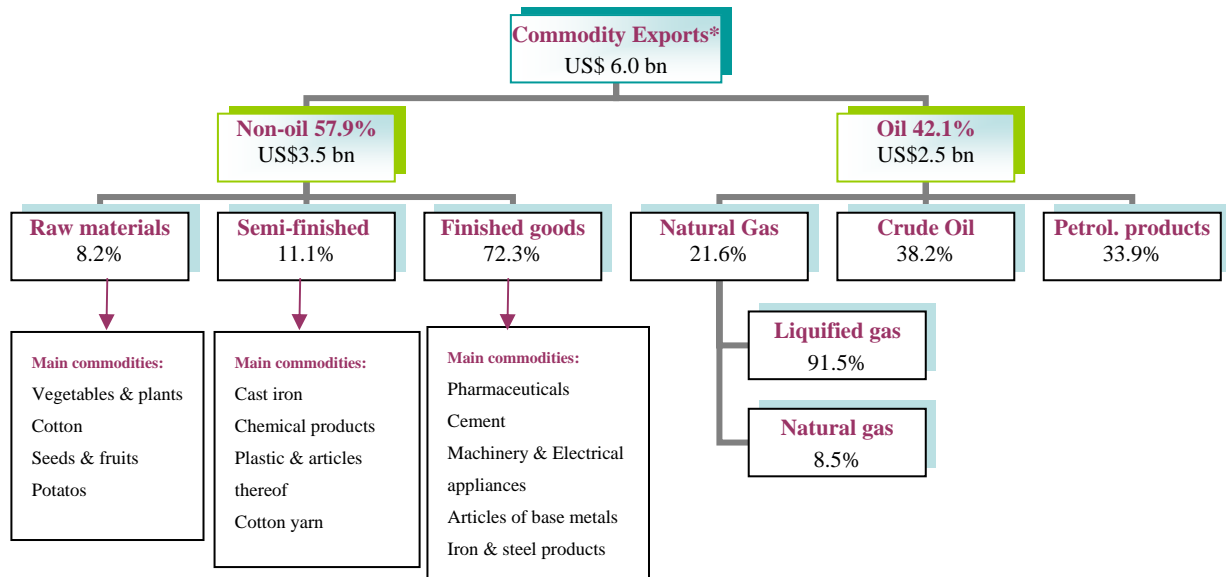


* Compiled in accordance with the Fifth Edition of the IMF's Balance of Payments Manual, September 1993.

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

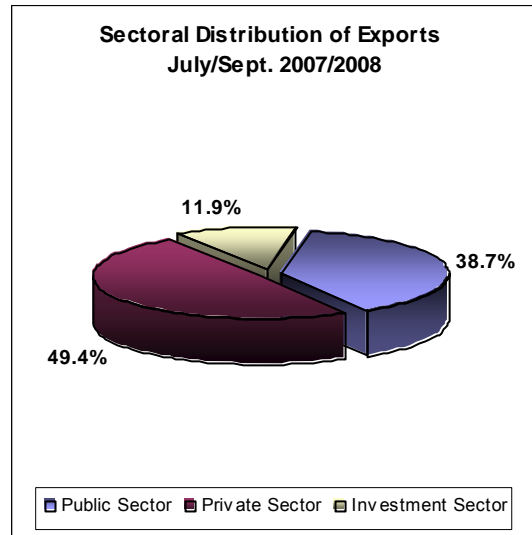
A. Exports by Degree of Processing

Merchandise export proceeds reached about US\$ 6.0 billion or 4.0 percent of GDP, mostly from non-oil exports which recorded a marked increase of 19.6 percent. The increase was mainly in finished goods which rose by 34.8 percent to US\$ 2.5 billion, constituting 41.8 percent of total proceeds and raw materials which surged by 80.7 percent to around US\$ 0.3 billion. In contrast, semi-finished goods declined by 9.1 percent; whereas oil export proceeds slightly rose by 0.4 percent to US\$ 2.5 billion during the period under review. The following chart shows the distribution of merchandise exports by relative importance during the period under review.



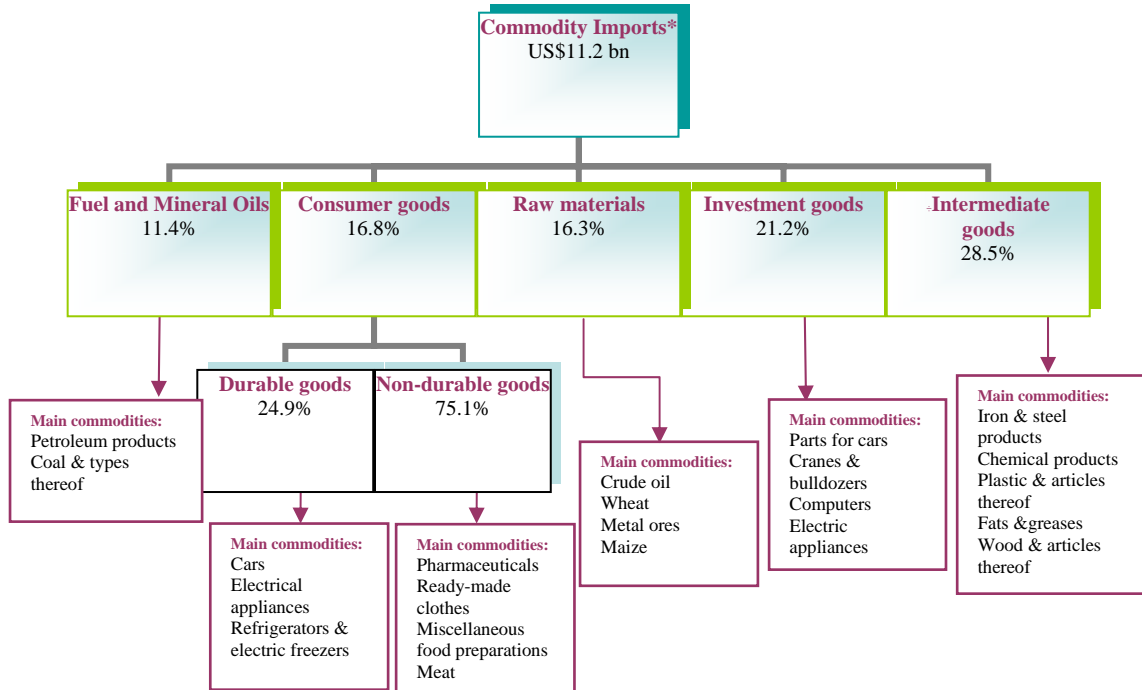
* Calculated on FOB basis, as their value is calculated at the customs borders of the Egyptian economy, i.e. excluding the costs of shipment, freight and insurance. They include exports of the free zones to the rest of the world.

Concerning the relative importance of the different sectors to foreign trade, the private sector came in the lead, accounting for almost half the total volume of exports (49.4 percent) during the period under review. Its key exports were finished goods, with a share of 72.9 percent of the total. The public sector came second contributing 38.7 percent of the total volume of exports. Crude oil and products constituted 92.9 percent of this sector's total exports. The investment sector came next with a share of 11.9 percent, with oil exports constituting 54.5 percent of its total exports.

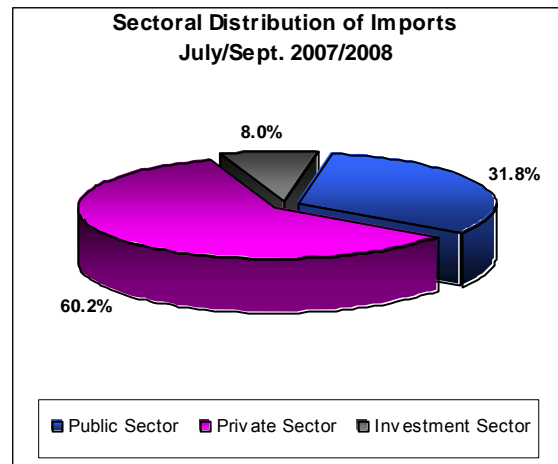


B. Imports by Degree of Use

Import payments increased by 32.3 percent, reaching some US\$ 11.2 billion or 7.5 percent of GDP. This was attributed to an increase in all groups of merchandise imports, particularly intermediate goods which accounted for 34.1 percent of the increase in import payments, and investment goods (16.2 percent). The rise in the imports of these two groups was pronounced in the increase in production, thereby enlarging the role played by exports in strengthening economic growth. In addition, imports of consumer goods accounted for 25.8 percent of the total increase in imports. The following chart illustrates the distribution of merchandise imports by relative importance during the period.



As shown in the chart, the public and private sectors were the main importers, with combined shares of 92.0 percent. The relative importance of the private sector's imports rose from 49.8 percent to 60.2 percent, due to a rise in all of its groups, particularly intermediate and investment goods. Iron and steel products; organic and inorganic chemicals; spare parts and accessories for cars, and pharma-ceuticals were the main imports.



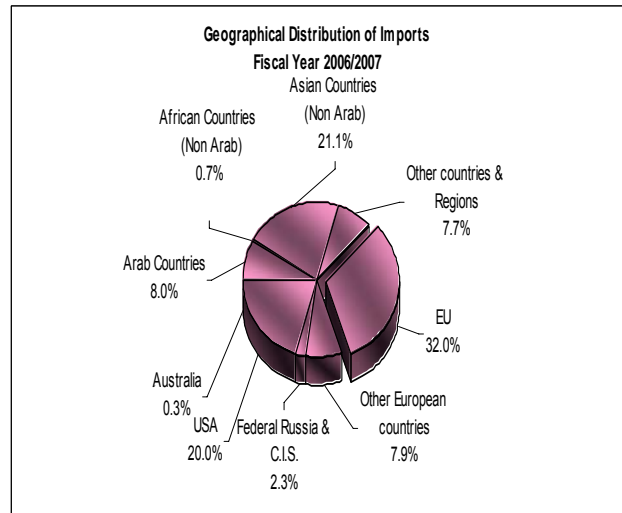
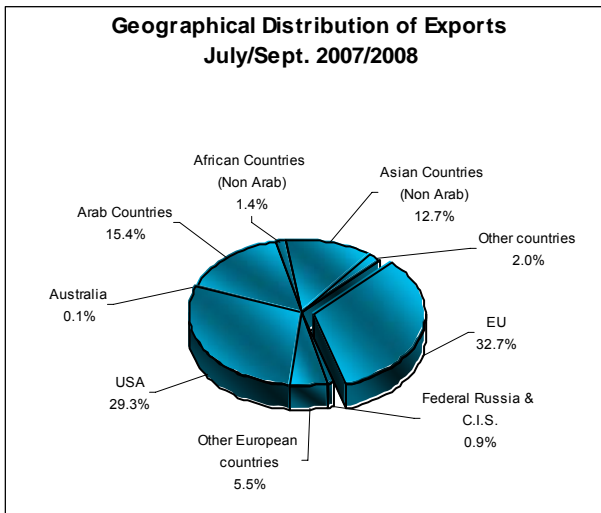
The relative importance of the public sector's imports declined from 47.4 percent to 31.8 percent. Its chief imports were crude oil and products; wheat and animal & vegetable fats, greases & oils and products.

The main imports of the investment sector were crude oil; oil products; iron and steel products; organic and inorganic chemicals, and pharmaceuticals.

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

5/2/1/2- Geographical Distribution of Export Proceeds and Import Payments

The volume of trade between Egypt and the external world stepped up by 23.9 percent to US\$ 17.2 billion during July/September 2007/2008. The following two charts display the geographical distribution of merchandise exports and imports.



As shown in the following table, the trade deficit with the non-Arab Asian countries substantially widened by 149.6 percent, posting US\$ 1.6 billion. Likewise, sharp increases were noticed in the trade deficits with the USA, the EU countries and other European countries (109.6 percent, 44.8 percent and 21.6 percent, respectively). The trade deficits with the Russian Federation and CIS, and Australia deepened as well. Conversely, the trade deficit with the Arab countries and the non-Arab African countries shifted into a surplus.

Geographical Distribution of Merchandise Transactions

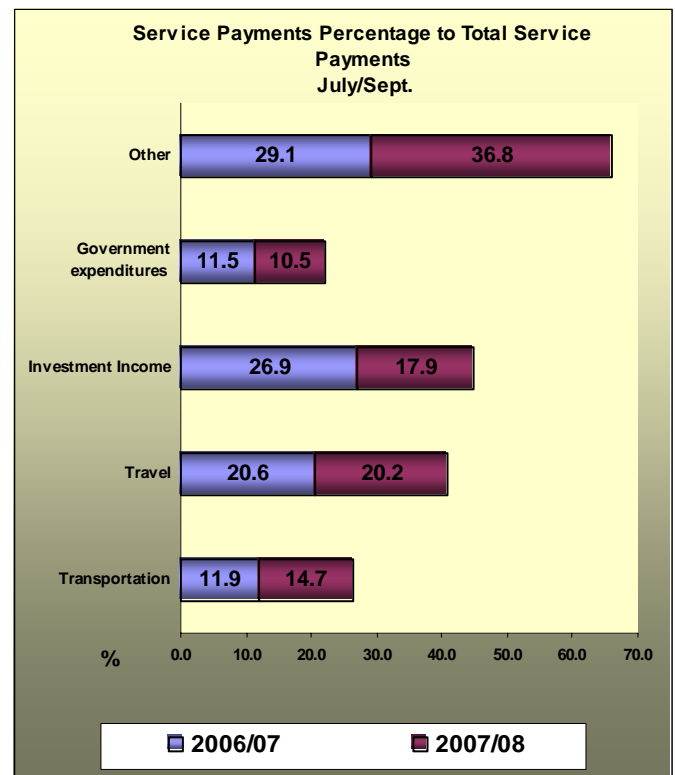
(US\$ mn)

<u>July/September</u>	<u>Export Proceeds</u>		<u>Import Payments</u>		<u>Trade Balance</u>	
	<u>2006/07</u>	<u>2007/08</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2006/07</u>	<u>2007/08</u>
Grand Total	5410.8	5989.8	8460.7	11190.7	(3049.9)	(5200.9)
EU	1912.0	1957.6	3033.6	3581.4	(1121.6)	(1623.8)
Other European countries	273.1	328.8	725.6	879.2	(452.5)	(550.4)
Russian Federation and CIS	21.3	53.1	194.2	260.3	(172.9)	(207.2)
USA	1544.3	1755.8	1772.5	2234.1	(228.2)	(478.3)
Arab countries	735.1	920.0	740.9	900.8	(5.8)	19.2
Asian countries (non-Arab)	726.0	764.2	1366.4	2362.5	(640.4)	(1598.3)
African countries (non-Arab)	59.9	82.9	72.8	74.4	(12.9)	8.5
Australia	9.9	5.8	21.0	31.3	(11.1)	(25.5)
Other countries and regions	129.2	121.6	533.7	866.7	(404.5)	(745.1)

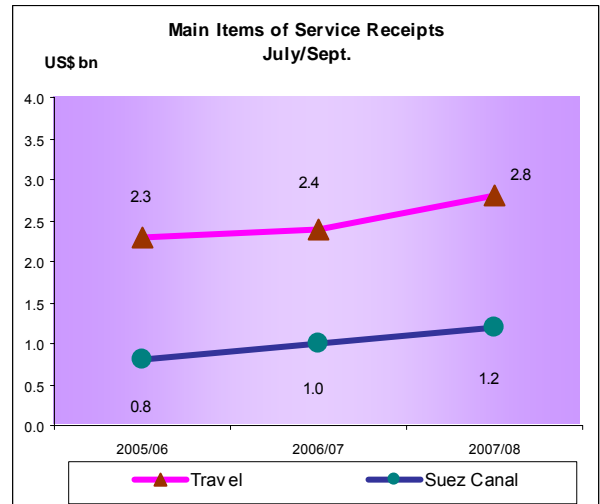
5/2/2- Services Balance and Transfers

The services balance ran a surplus of US\$ 3.1 billion or 2.0 percent of GDP. This surplus was an outcome of the rise in invisible payments by 36.6 percent to US\$ 3.0 billion and a rise of only 15.1 percent in invisible receipts to US\$ 6.1 billion.

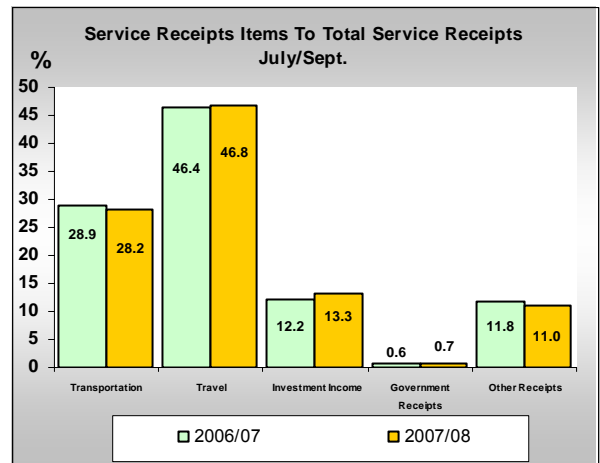
Service payments went up by US\$ 0.8 billion, mainly due to the rise in most of its components. Transportation payments largely increased by 69.2 percent, due to the rise in the amounts transferred abroad for aircraft repairing and hiring, and transfers abroad by foreign aviation and navigation companies (particularly freight). In addition, travel payments went up by 33.8 percent, owing to the rise in the expenses of tourism and medical treatment abroad; payments of tourism companies, hotels and Hijj and umra expenses. Likewise, government expenditure rose by 24.6 percent and other payments by 72.4 percent. The increase in other payments was due to the rise in transfers abroad by Egyptian and foreign oil companies; and payments for communication services; securities' brokerage commissions, legal and consultation fees; and construction and contracting services.



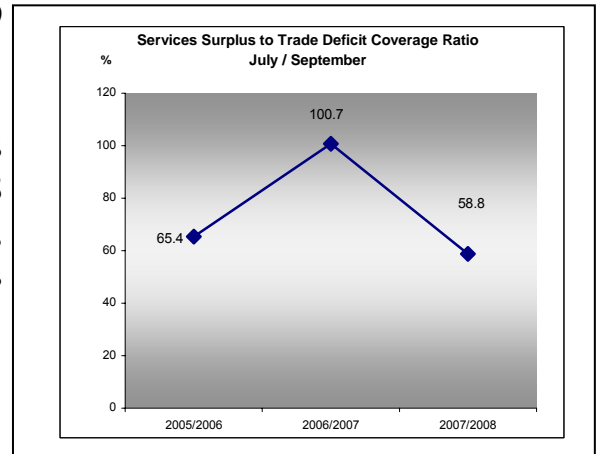
On the other hand, the rise in service receipts emanated from the rise in all its components; particularly travel receipts* (tourism), which stepped up by 16.1 percent to US\$ 2.8 billion, representing 1.9 percent of GDP. The higher travel receipts resulted from the rise in the number of tourist nights to 33.5 million against 28.9 million a year earlier, coupled with a tourist spending of US\$ 85 per night, almost the same level of the previous year.



Likewise, transportation receipts rose by 12.2 percent to US\$ 1.7 billion, representing 1.1 percent of GDP. This was mainly ascribed to a rise in Suez Canal earnings by 22.1 percent, because of the increase in the number of transiting ships and net tonnage. Investment income surged by 24.9 percent to US\$ 0.8 billion, as a result of the increase in the receipts from financial (portfolio) investments, and the interest payments on deposits abroad. Government receipts rose as well by 33.9 percent.

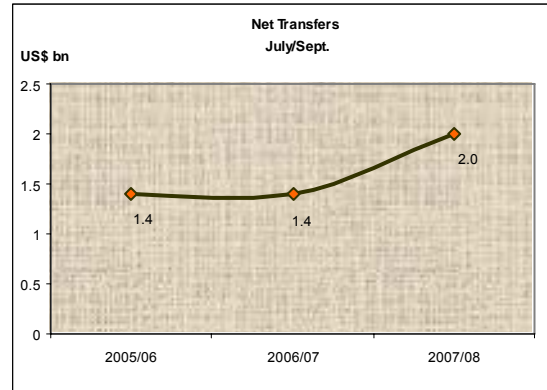


Accordingly, the ratio of the services surplus to the trade deficit declined to 58.8 percent during July/September 2007/2008, as compared with the corresponding periods of the previous two years.



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

Moreover, during the period under review, net unrequited transfers rose by US\$ 0.6 billion or 44.6 percent, representing 14.5 percent of current receipts (against 11.7 percent) and 1.4 percent of GDP (against 1.1 percent).

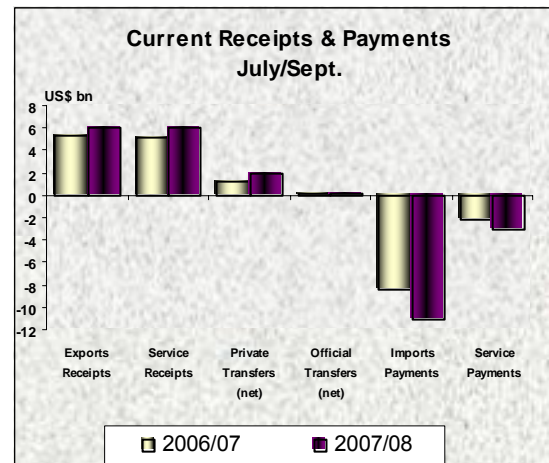


Unrequited Transfers

(US\$ mn)

	July/September		Change	
	2006/2007	2007/2008	(-)	%
Net Current Transfers	1417.2	2049.0	631.8	44.6
1- Official Transfers (Net)	123.4	112.6	(10.8)	(8.8)
- Inward cash grants	1.3	43.0	41.7	3207.7
- Other inward grants	125.7	88.1	(37.6)	(29.9)
- Outward grants (-)	-3.6	-18.5	(14.9)	413.9
2- Private Transfers (Net)	1293.8	1936.4	642.6	49.7
- Workers' remittances	1309.5	1974.5	665.0	50.8
- Other transfers	17.5	10.6	(6.9)	(39.4)
- Foreigners' transfers abroad (-)	-33.2	-48.7	(15.5)	46.7

Against this background, the BOP current account unfolded a deficit of US\$ 0.1 billion during July/September 2007/2008. This was a result of a rise in current payments by US\$ 3.5 billion or 33.1 percent to US\$ 14.2 billion, exceeding the increase in current receipts by US\$ 2.0 billion or 16.6 percent, to US\$ 14.1 billion.



The main indicators of current external transactions are shown in the following table:

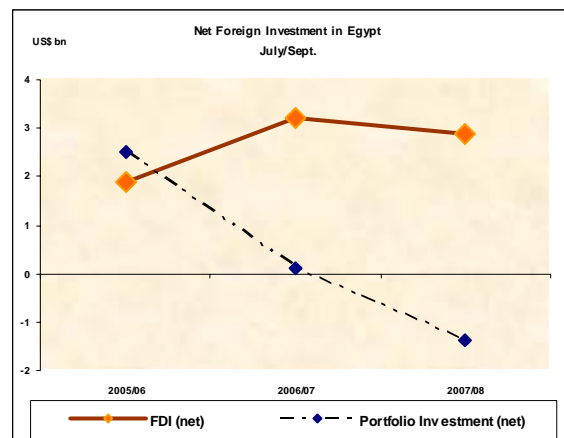
	July/September	
	2006/07	2007/08
	%	%
Merchandise exports/merchandise imports	64.0	53.5
Service receipts/service payments	238.7	201.2
Current receipts (excluding official transfers)/current payments	112.3	98.6
Current receipts/current payments	113.5	99.3

5/2/3- Capital and Financial Account

The capital and financial account revealed a net inflow of US\$ 1.7 billion during the first quarter of FY 2007/2008 (against US\$ 0.3 billion). This was mainly attributed to the following factors:

- Foreign investment in Egypt (direct and portfolio) achieved a total inflow of US\$ 8.4 billion, and a total outflow of US\$ 6.8 billion (against US\$ 6.3 billion and US\$ 3.0 billion, respectively, during the period of comparison).

A- Net FDI in Egypt* (US\$ 3.0 billion) included net inflows of US\$ 1.7 billion for establishing new incorporations or capital increase; net investments of US\$ 1.0 billion in the oil sector; and privatization proceeds of US\$ 259.5 million (against US\$ 2.6 billion, US\$ 0.5 billion and US\$ 87.7 million, respectively).



B- Net portfolio investment in Egypt** unfolded a net outflow of US\$ 1.4 billion, including LE bonds of US\$ 1.1 billion (inflows); foreigners' net transactions on TBs of around US\$ 2.0 billion (outflows); and foreigners' net transactions on Egyptian CDs of US\$ 648.9 million (outflows).

* FDI represents the foreign investor's equity participation in local enterprises that equals at least 10 percent of the capital of any enterprise, or entitles the investor to an effective voting power. In Egypt, the concept of the equity participation of at least 10 percent of the capital is applicable.

** Portfolio investment represents foreigners' net portfolio (according to the CMA statement), excluding the foreign investor's equity participation in local enterprises, which is equal to 10 percent or more of the capital of any enterprise. Included also is the data of trading in Egyptian bonds and notes.

- Net other assets and liabilities (representing the change in both foreign assets and liabilities of banks, the CBE non-reserve foreign assets and the counterpart of some items listed under the current account) declined by around US\$ 0.6 billion (inflow), against an increase of US\$ 2.8 billion (outflow).

- Medium- and long-term loans and facilities achieved a net repayment of US\$ 0.4 billion (against US\$ 0.6 billion), as an outcome of the following:
 - a. A decrease in total repayments to US\$ 556.7 million (from US\$ 589.8 million), because of an 86.9 percent drop in the repayments of suppliers' and buyers' medium- and long-term credit.

 - b. An increase in total disbursements to around US\$ 126.2 million (from US\$ 27.4 million), due to a rise of 132.1 percent in the disbursements of bilateral loans, together with obtaining loans of US\$ 76.6 million from international institutions.

5/3- International Finance

Net resource inflows, as shown by international finance data, posted US\$ 1.2 billion during July/Sept. 2007-2008, down by US\$ 2.1 billion or 64.2 percent than the previous corresponding period. The decline was due to a fall in net portfolio investments in Egypt to record an outflow of US\$ 1.4 billion against an inflow of US\$ 37.9 million during the period of comparison. Add to this the drop in net FDI in Egypt to US\$ 3.0 billion during the reporting period against US\$ 3.2 billion during the corresponding period. Moreover, LE bonds were issued in an amount of US\$ 1.0 billion worth during the period under review.

Transactions on medium- and long-term loans and facilities revealed net repayments of US\$ 0.4 billion against US\$ 0.6 billion.

Net Resource Flows

	(US\$ mn)		
	July/Sept.		
	2006/07	2007/08⁺	Change
Total Net Flows	3324.2	1190.8	(2133.4)
- External Debt	80.0	30.4	(49.6)
• Bilateral loans	-264.2	-391.2	(27.0)
Disbursements	19.6	45.5	25.9
Principal repayments	-383.8	-436.7	(52.9)
• International Organizations' Loans	-75.8	-21.7	54.1
Disbursements	0.0	76.6	76.6
Principal repayments	-75.8	-98.3	(22.5)
• Medium- and Long-Term Suppliers' and Buyers' Credit	-122.4	-17.6	104.8
Disbursements	7.8	4.1	(3.7)
Principal repayments	-130.2	-21.7	108.5
• Short-Term Suppliers' and Buyers' Credit (Net)	642.4	460.9	(181.5)
- Official Grants (Net)	123.4	112.6	(10.8)
- Direct Investment in Egypt (Net)	3237.1	2969.1⁺⁺	(268.0)
- Direct Investment Abroad	-58.2	-131.0	(72.8)
- Portfolio Investment in Egypt (Net), of which:	37.9	-1430.4[*]	(1468.3)
Bonds	-344.0	996.7	1340.7
- Portfolio Investment Abroad	-96.0	-359.9	(263.9)

⁺ Provisional.

⁺⁺ Including net FDI of US\$ 1.0 billion in the oil sector, and privatization proceeds of US\$ 0.3 billion.

^{*} Including US\$ 1072.5 million of LE bonds floated on the international markets during the period, US\$ 1958.1 million of net sales of TBs by foreigners, and US\$ 648.9 million of foreigners' net sales of certificates of deposits.

Net resource transfers (net inflows less interest payments and profit transfers) showed, during July/Sept. 2007/2008, an inflow of US\$ 0.7 billion, down by US\$ 2.0 billion from the period of comparison. This was attributed to the decline in net resource inflows to US\$ 1.2 billion, and total outflows to US\$ 0.5 billion (mainly in the profit transfers of both FDI and portfolio investment). However, there was a rise in interest payments on both external loans and facilities and non-resident's deposits at Egyptian banks.

Net Resource Transfers from Abroad

(US\$ mn)

	<u>July/Sept.</u>	
	2006/07	2007/08
<u>Net Resources from Abroad</u>	<u>2728.9</u>	<u>650.9</u>
<u>- Net Inflows</u>	<u>3324.2</u>	<u>1190.8</u>
<u>- Outflows (Interest Payments and Profit Transfers):</u>	<u>-595.3</u>	<u>-539.9</u>
<u>1- External Loans and Facilities</u>	<u>-172.4</u>	<u>-213.6</u>
• Bilateral loans	-130.8	-142.7
• International organizations' loans	-36.7	-69.0
• Suppliers' and buyers' credit	-4.9	-1.9
<u>2- Deposits at Egyptian Banks</u>	<u>-15.4</u>	<u>-16.6</u>
<u>3- Profit Transfers of Foreign Direct Investment</u>	<u>-342.6</u>	<u>-248.3</u>
<u>4- Profit Transfers of Portfolio Investment</u>	<u>-64.9</u>	<u>-61.4</u>

5/3/1- FDI in Egypt

FDI in Egypt achieved a net inflow of US\$ 3.0 billion during the period under review against US\$ 3.2 billion during the corresponding period. This was an outcome of both the decline in total investment inflows by 2.9 percent to US\$ 3.7 billion and the pickup in capital repatriation by 30.2 percent to US\$ 0.7 billion.

Flows from Arab countries went down by US\$ 1.9 billion to only US\$ 0.1 billion mainly due to the decline in the flows from the UAE during the reporting period. However, there was a rise in the flows from the EU countries by US\$ 0.5 billion to US\$ 1.1 billion (mainly in the flows from the UK by US\$ 0.9 billion), the USA by US\$ 0.8 billion to US\$ 1.6 billion, and the rest of the world by US\$ 0.5 billion to US\$ 0.8 billion.

FDI in Egypt

	July/Sept.		(US\$ mn)
			Change (-)
	2006/2007	2007/2008	
Flows of FDI in Egypt (Net)	3237.1	2969.1	(268.0)
Inflows	3767.6	3659.8	(107.8)
USA	801.2	1633.9	832.7
EU Countries	660.4	1114.8	454.4
Germany	14.7	53.7	39.0
France	15.4	86.2	70.8
UK	616.4	949.4	333.0
Italy	2.8	2.6	(0.2)
Greece	2.1	11.1	9.0
Spain	0.5		(0.5)
The Netherlands	5.4	9.6	4.2
Portugal		0.1	0.1
Bulgaria		0.1	0.1
Belgium	0.3		(0.3)
Luxemburg	1.0	0.2	(0.8)
Denmark	1.2		(1.2)
Sweden		1.0	1.0
Cyprus	0.6	0.7	0.1
Latvia		0.1	0.1
Arab Countries	2058.5	125.1	(1933.4)
Saudi Arabia	35.1	36.5	1.4
UAE	2013.8	63.3	(1950.5)
Kuwait	3.2	13.8	10.6
Lebanon	0.6	0.3	(0.3)
Libya	1.3	1.2	(0.1)
Jordan	1.1	1.8	0.7
Bahrain	0.9	2.7	1.8
Qatar	0.4	1.3	0.9
Oman		0.3	0.3
The Sudan		0.1	0.1
Others	2.1	3.8	1.7
Other Countries	247.5	786.0	538.5
Switzerland	3.0	32.1	29.1
Japan		0.1	0.1
Canada	0.2	0.2	0.0
China	8.1	0.7	(7.4)
Australia	0.1	0.1	0.0
India	0.2	0.1	(0.1)
Turkey	0.3	5.9	5.6
Bermuda		0.4	0.4
Others	235.6	746.4	510.8
Capital Repatriation	-530.5	-690.7	(160.2)

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

Net transfers of official grants (cash and in-kind) declined by US\$ 10.8 million or 8.8 percent to US\$ 112.6 million during July/Sept. 2007/2008 against US\$ 123.4 million during the previous corresponding period.

Transfers of Official Grants

	(US\$ mn)		
	July/Sept.		
	2006/2007	2007/2008	Change
<u>Official Grant Transfers (Net)</u>	<u>123.4</u>	<u>112.6</u>	<u>(10.8)</u>
Inward grants	127.0	131.1	4.1
- Cash grants	1.3	43.0	41.7
- Other grants	125.7	88.1	(37.6)
Outward grants	-3.6	-18.5	(14.9)

According to the Ministry of International Cooperation, total grant commitments decreased during the period under review by US\$ 100.6 million to US\$ 364.0 million. The decline was concentrated in the commitments made with the USA.

A breakdown of actual inflows of official grants indicated a slight increase of US\$ 4.1 million to US\$ 131.1 million (mainly in grants from the USA, Germany, and Belgium), mostly directed to developmental projects. In addition, there was a rise in outflows to US\$ 18.5 million.

Official Grants: New Commitments and Net Actual Flows

	(US\$ mn)			
July/Sept.	<u>New Commitments</u>		<u>Actual Flows</u>	
	2006/2007	2007/2008	2006/2007	2007/2008
<u>Net Inflows</u>			<u>123.4</u>	<u>112.6</u>
<u>Inflows</u>	<u>436.0</u>	<u>364.0</u>	<u>127.0</u>	<u>131.1</u>
USA	414.4	319.4	114.2	78.9
Japan		2.5	2.5	4.6
Germany	21.6	13.5	8.7	26.0
Italy			0.6	
Belgium				20.4
Austria				0.1
Canada			0.7	1.1
Saudi Arabia			0.3	
Kuwait		1.0		
EU		27.3		
The Islamic Development Bank		0.3		
<u>Outflows</u>			<u>-3.6</u>	<u>-18.5</u>

As for the sectoral distribution of grant commitments, the decline was concentrated in the productive sectors (by US\$ 41.3 million), mainly in the construction and building sector. Moreover, grant commitments for the services sectors fell by US\$ 30.7 million as no grant commitments were made on the wholesale and retail trade during the period, and there was a decline in grant commitments for the health and education sector. In the meantime, grant commitments for the general government showed an increase.

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

(US\$ mn)

			July/Sept.		Change
	2006/2007	%	2007/2008	%	
<u>Total</u>	<u>436.0</u>	<u>100.0</u>	<u>364.0</u>	<u>100.0</u>	<u>(72.0)</u>
<u>Productive Sectors:</u>	<u>65.6</u>	<u>15.1</u>	<u>24.3</u>	<u>6.7</u>	<u>(41.3)</u>
Agriculture and irrigation			10.5	2.9	10.5
Electricity & energy			13.5	3.7	13.5
Potable water & sanitary sewage	5.1	1.2	0.3	0.1	(4.8)
Construction and building	60.5	13.9			(60.5)
<u>Service Sectors:</u>	<u>370.4</u>	<u>84.9</u>	<u>339.7</u>	<u>93.3</u>	<u>(30.7)</u>
Transportation, communications and information	4.4	1.0			(4.4)
Wholesale and retail trade	197.3	45.3			(197.3)
Financial intermediaries & supporting services			26.3	7.2	26.3
Insurance & social solidarity			27.3	7.5	27.3
General government	48.6	11.1	196.4	54.0	147.8
Education and health	116.6	26.7	89.7	24.6	(26.9)
Others	3.5	0.8			(3.5)

5/3/3- External Debt

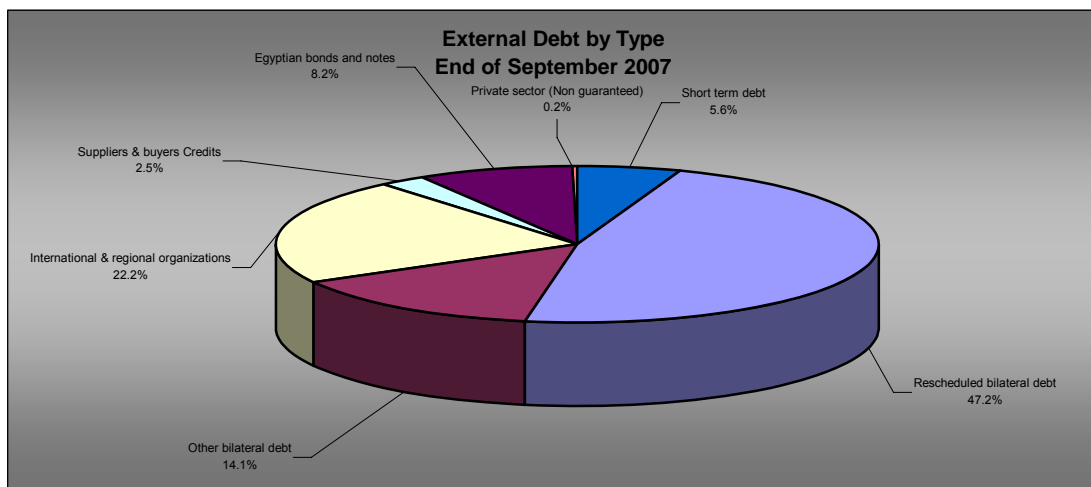
At end of Sept. 2007, the balance of external debt (public and private, all maturities and denominated in US dollar) posted US\$ 31.9 billion (or 21.4 percent of GDP), up by US\$ 2.0 billion as compared with the end of June 2007. This was an outcome of two factors. First, there was a net disbursement of loans and facilities of US\$ 1.0 billion (due to disbursements of US\$ 1.6 billion - representing

US\$ 1.0 billion worth of LE government bonds issued abroad in addition to disbursements of loans and facilities in an amount of US\$ 0.6 billion- and principal repayments of US\$ 0.6 billion). Second, there was an appreciation in most currencies of borrowing versus the US dollar by US\$ 1.0 billion.

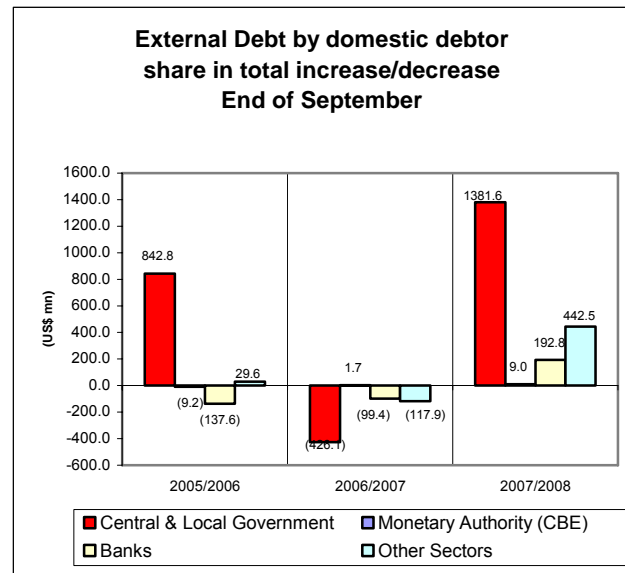
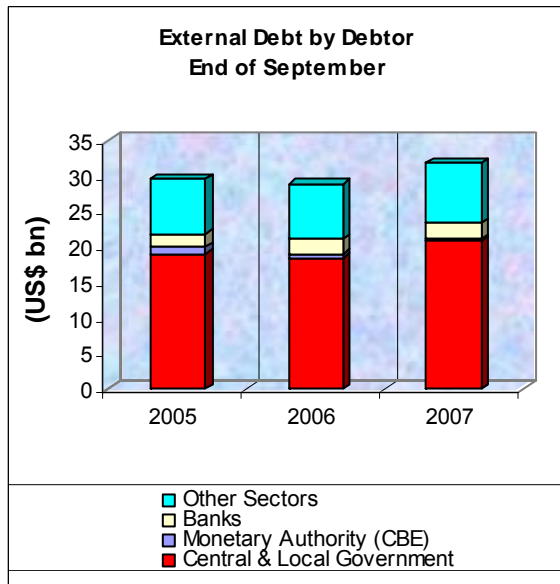
Medium - and long-term external debt amounted to US\$ 30.1 billion or 94.4 percent of total debt at end of Sept. 2007. Of this amount, US\$ 19.6 billion (61.5 percent of total) were owed to Paris Club member countries in the form of bilateral loans (rescheduled and non-rescheduled) and suppliers' and buyers' credit. Debt due to countries other than Paris Club members amounted to US\$ 0.7 billion or 2.3 percent of the total. Debts to international and regional organizations reached US\$ 7.1 billion or 22.2 percent of the total (the public sector owed 95.4 percent). The balance of Egyptian bonds and notes (holdings of non-residents) registered US\$ 2.6 billion or 8.2 percent of total external debt (including US\$ 1.3 billion as guaranteed government securities, US\$ 0.3 billion as dollar-denominated sovereign bonds, and US\$ 1.0 billion worth as LE bonds issued during the period under review). In addition, non-guaranteed debt of the private sector reached US\$ 0.1 billion or 0.2 percent.

The balance of short- term debt remained almost unchanged as it posted US\$ 1.8 billion or 5.6 percent (of which, 60.9 percent was owed by the private sector).

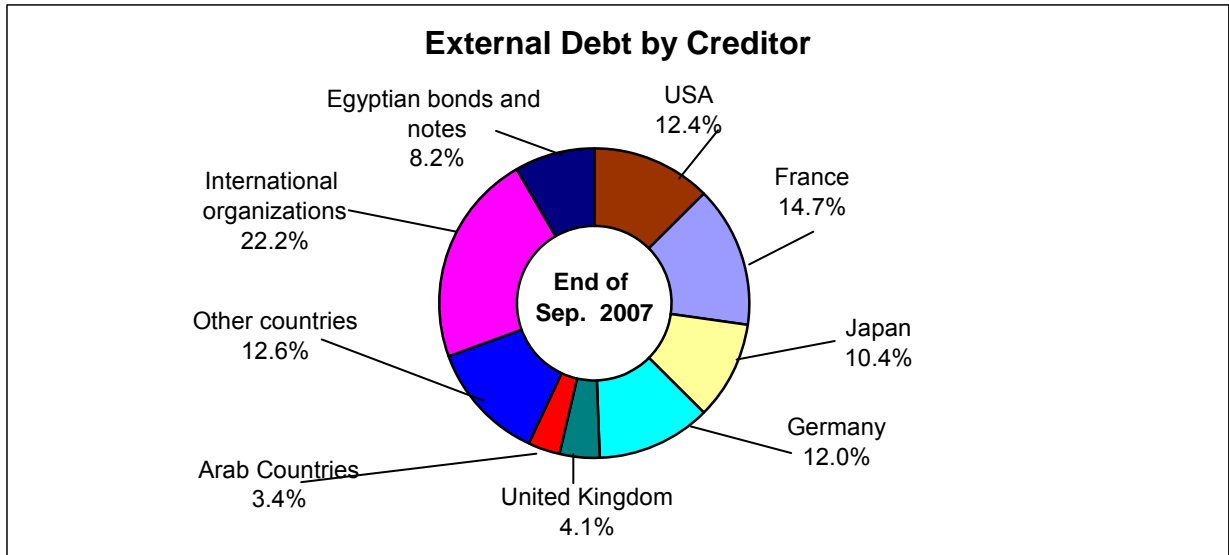
At end of Sept. 2007, the external debt owed by the public sector (official debts) represented the bulk (95.3 percent) of the total as it reached US\$ 30.4 billion. However, debt of the private sector amounted to only US\$ 1.5 billion, constituting almost a stable ratio of 4.7 percent.



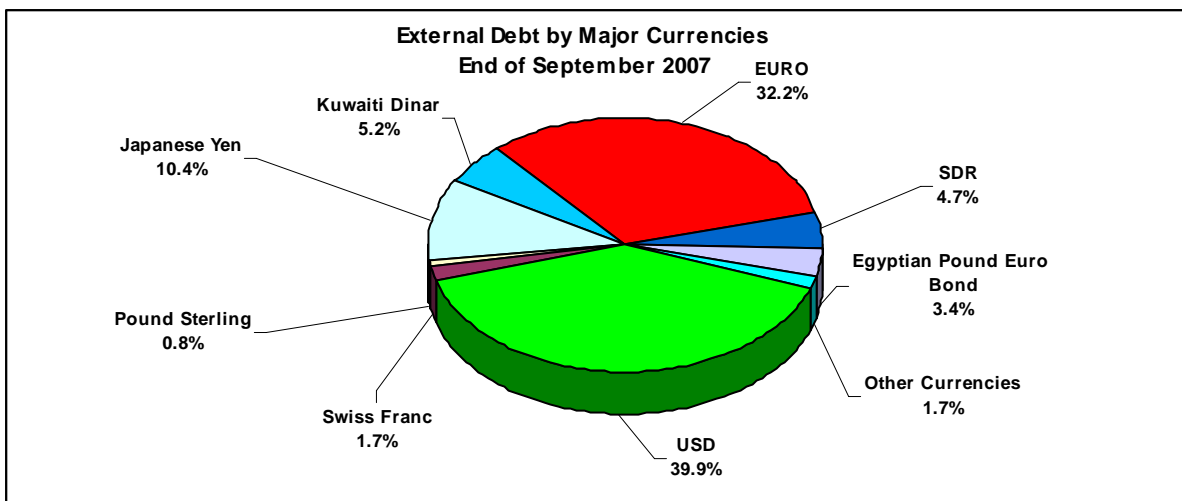
A breakdown of external debt by debtor showed that the balance of external debt owed by the central government increased by US\$ 1.4 billion to US\$ 20.9 billion, other sectors by US\$ 0.4 billion to US\$ 8.6 billion, banks by US\$ 0.2 billion to US\$ 2.1 billion, and the monetary authority (CBE) by US\$ 9.0 million to US\$ 0.3 billion. Nevertheless, these developments did not affect the structure of external debt by debtor, as the central government debt continued to account for the bulk (65.4 percent) of the total, followed by other sectors (26.8 percent), banks (6.8 percent), and the monetary authority (1.0 percent) at end of Sept. 2007.



A breakdown of external debt by creditor showed that 49.5 percent of the total was due to the four main Paris Club members; namely France (14.7 percent), the USA (12.4 percent), Germany (12.0 percent), and Japan (10.4 percent). Debt owed to the Arab countries combined posted 3.4 percent, mainly Kuwait (1.8 percent), Saudi Arabia (0.5 percent), and the UAE (0.3 percent). Moreover, the debt owed to international and regional organizations registered 22.2 percent, mainly to the European Investment Bank (5.6 percent).



A breakdown of external debt by main currencies indicated that the US dollar accounted for the bulk (39.9 percent) of the total, due to outstanding obligations in US dollar to creditors other than the USA. The euro came next with 32.2 percent, the Japanese yen with 10.4 percent, and the Kuwaiti dinar with 5.2 percent. Moreover, the LE bonds issued abroad in July 2007 as mentioned above had a share of 3.4 percent. (See the following chart).



New commitments on loans and facilities reached US\$ 96.7 million during July/September 2007/2008. Most of these commitments (US\$ 82.0 million or 84.8 percent) were bilateral loans from Germany. Commitments on suppliers' and

buyers' credit reached US\$ 14.7 million, of which the Islamic Development Bank accounted for US\$ 10.8 million. However, no commitments were made on loans from international and regional organizations.

As for external debt service, total payments of debt service (interest and principal repayments) went down by US\$ 0.1 billion to US\$ 0.8 billion during July/Sept. 2007/2008. Such a decline was an outcome of the fall in principal repayments (medium- and long-term) by US\$ 0.1 billion to US\$ 0.6 billion, and the slight rise in interest payments to US\$ 255.4 million.

Main indicators of external debt during July/Sept. 2007/2008 revealed an improvement for the third year in a row. As such, the ratio of external debt to GDP fell to 21.4 percent against 22.7 percent. Due to a growth in current receipts by 16.6 percent during the period, the ratio of external debt service to current receipts (including transfers) improved to 5.8 percent against 6.7 percent and to exports of goods and services to 6.7 percent against 7.6 percent. Likewise, the external debt as a percentage of exports (goods and services) improved from 270.7 percent to 264.4 percent

Main Indicators of External Debt

	(%)		
	2005/06	<u>July/Sept.</u> 2006/07	2007/08
Debt balance/GDP	27.6	22.7	21.4
Debt balance/exports of goods and services	342.9	270.7	264.4
Debt service/exports of goods and services	10.0	7.6	6.7
Debt service/current receipts (including transfers)	8.7	6.7	5.8
Interest payments [*] /exports of goods and services	2.3	2.2	2.1
Interest payments [*] / current receipts (including transfers)	2.0	1.9	1.8
Short-term debt/total debt	5.9	5.7	5.6
Short-term debt/net international reserves	8.2	6.8	5.9
External debt per capita (US\$)	412.7	385.9	425.5

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

Annex

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

At 2006/2007 prices

(LE mn)

July / September

Sectors	2006/2007			2007/2008			Growth Rate % 2007/2008		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
Total GDP	61879.0	105976.3	167855.3	65199.5	114202.9	179402.4	5.4	7.8	6.9
Agriculture, Irrigation & Fishing	3.7	24243.0	24246.7	3.9	25078.9	25082.8	5.4	3.4	3.4
Extractions	20784.2	3552.4	24336.6	21304.1	3804.0	25108.1	2.5	7.1	3.2
Oil	9364.0	1400.0	10764.0	9381.0	1565.0	10946.0	0.2	11.8	1.7
Natural gas	11336.0	2034.0	13370.0	11835.0	2115.0	13950.0	4.4	4.0	4.3
Others	84.2	118.4	202.6	88.1	124.0	212.1	4.6	4.7	4.7
Manufacturing Industries	3629.7	23566.2	27195.9	3853.7	25358.0	29211.7	6.2	7.6	7.4
Oil refining	869.0	603.0	1472.0	897.0	672.0	1569.0	3.2	11.4	6.6
Others	2760.7	22963.2	25723.9	2956.7	24686.0	27642.7	7.1	7.5	7.5
Electricity	2007.3	198.1	2205.4	2184.0	215.5	2399.5	8.8	8.8	8.8
Water	549.2	0.0	549.2	582.7	0.0	582.7	6.1	-	6.1
Construction & Building	842.0	5980.0	6822.0	927.0	6999.6	7926.6	10.1	17.1	16.2
Transportation & Storage	1217.2	6131.2	7348.4	1293.0	6520.0	7813.0	6.2	6.3	6.3
Communications	97.0	5020.5	5117.5	105.0	5812.0	5917.0	8.2	15.8	15.6
Suez Canal	6711.6	0.0	6711.6	7886.1	0.0	7886.1	17.5	-	17.5
Wholesale & Retail Trade	676.9	20689.3	21366.2	726.3	22456.0	23182.3	7.3	8.5	8.5
Financial Intermediaries & Supporting Services	4971.3	2090.4	7061.7	5371.0	2289.0	7660.0	8.0	9.5	8.5
Insurance	161.9	107.1	269.0	173.0	113.4	286.4	6.9	5.9	6.5
Social Solidarity	3201.4	0.0	3201.4	3408.0	0.0	3408.0	6.5	0.0	6.5
Restaurants & Hotels	61.2	4871.5	4932.7	70.6	5654.4	5725.0	15.4	16.1	16.1
Real Estate	126.7	4727.1	4853.8	131.1	4873.1	5004.2	3.5	3.1	3.1
Real Estate Ownership	82.0	2486.5	2568.5	85.0	2562.1	2647.1	3.7	3.0	3.1
Business Services	44.7	2240.6	2285.3	46.1	2311.0	2357.1	3.1	3.1	3.1
General Government	16510.1	0.0	16510.1	16840.0	0.0	16840.0	2.0	-	2.0
Education, Health & Personal activities	327.6	4799.5	5127.1	340.0	5029.0	5369.0	3.8	4.8	4.7
Education	0.0	983.6	983.6	0.0	1020.0	1020.0	0.0	3.7	3.7
Health	327.6	1729.9	2057.5	340.0	1784.0	2124.0	3.8	3.1	3.2
Others	0.0	2086.0	2086.0	0.0	2225.0	2225.0	0.0	6.7	6.7

Source : Ministry of Economic Development.

(1/2) Number of Arrivals and Tourist Nights of Departures (by Group)

(Thousands)

	<u>July/Sept.</u>											
	<u>2005/2006</u>				<u>2006/2007</u>				<u>2007/2008</u>			
	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%
<u>Total</u>	<u>2214</u>		<u>27316</u>		<u>2269</u>		<u>28854</u>		<u>2783</u>		<u>33511</u>	
<u>European Countries</u>	<u>1266</u>	<u>100.0</u>	<u>13479</u>	<u>100.0</u>	<u>1342</u>	<u>100.0</u>	<u>13661</u>	<u>100.0</u>	<u>1706</u>	<u>100.0</u>	<u>17367</u>	<u>100.0</u>
<u>East Europe</u>	<u>296</u>	<u>23.4</u>	<u>2904</u>	<u>21.5</u>	<u>349</u>	<u>26.0</u>	<u>3260</u>	<u>23.9</u>	<u>507</u>	<u>29.7</u>	<u>4054</u>	<u>23.3</u>
<u>West Europe</u>	<u>970</u>	<u>76.6</u>	<u>10575</u>	<u>78.5</u>	<u>993</u>	<u>74.0</u>	<u>10401</u>	<u>76.1</u>	<u>1199</u>	<u>70.3</u>	<u>13313</u>	<u>76.7</u>
France	84	6.6	995	7.4	70	5.2	820	6.0	111	6.5	1259	7.3
Germany	235	18.6	2673	19.8	229	17.1	2344	17.1	237	13.9	2579	14.9
Italy	185	14.6	1854	13.8	212	15.8	1869	13.7	302	17.7	2577	14.8
Spain	42	3.3	400	3.0	42	3.1	422	3.1	50	2.9	789	4.5
Switzerland	22	1.7	214	1.6	23	1.7	74	0.5	25	1.5	304	1.8
United Kingdom	217	17.2	2285	16.9	236	17.6	2566	18.8	240	14.1	2517	14.5
Other	185	14.6	2154	16.0	181	13.5	2306	16.9	234	13.7	3288	18.9
<u>Middle East Countries</u>	<u>704</u>	<u>100.0</u>	<u>10499</u>	<u>100.0</u>	<u>666</u>	<u>100.0</u>	<u>11282</u>	<u>100.0</u>	<u>676</u>	<u>100.0</u>	<u>10358</u>	<u>100.0</u>
Jordan	39	5.6	436	4.2	47	7.1	514	4.6	61	9.0	603	5.8
Libya	143	20.3	2017	19.2	163	24.5	2141	19.0	144	21.3	2111	20.4
Kuwait	41	5.8	847	8.1	51	7.7	976	8.7	40	5.9	905	8.8
Palestine	74	10.5	964	9.2	37	5.5	952	8.4	24	3.6	787	7.6
Saudi Arabia	181	25.7	3645	34.7	176	26.4	3818	33.8	182	26.9	3130	30.2
Syria	26	3.7	247	2.3	26	3.9	281	2.5	30	4.4	324	3.1
Other	200	28.4	2343	22.3	166	24.9	2600	23.0	195	28.8	2498	24.1

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

(1/2) Number of Arrivals and Tourist Nights of Departures (by Group)(Contd.)

(Thousands)

July/Sept.

	<u>2005/2006</u>				<u>2006/2007</u>				<u>2007/2008</u>			
	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%	Tourists	%	Tourist Nights	%
<u>African Countries</u>	<u>77</u>	<u>100.0</u>	<u>1096</u>	<u>100.0</u>	<u>83</u>	<u>100.0</u>	<u>1309</u>	<u>100.0</u>	<u>108</u>	<u>100.0</u>	<u>1873</u>	<u>100</u>
Algeria	2	2.6	73	6.6	8	9.6	91	6.9	9	8.3	131	7.0
South Africa	5	6.5	35	3.2	6	7.2	51	3.9	12	11.1	78	4.1
Morocco	9	11.7	100	9.1	9	10.9	116	8.9	11	10.2	177	9.5
Sudan	32	41.5	666	60.8	36	43.4	804	61.4	43	39.8	1081	57.7
Tunisia	8	10.4	82	7.5	8	9.6	85	6.5	11	10.2	135	7.2
Other	21	27.3	140	12.8	16	19.3	162	12.4	22	20.4	271	14.5
<u>Americas</u>	<u>72</u>	<u>100.0</u>	<u>1268</u>	<u>100.0</u>	<u>74</u>	<u>100.0</u>	<u>1461</u>	<u>100.0</u>	<u>118</u>	<u>100.0</u>	<u>2065</u>	<u>100</u>
Canada	13	18.1	247	19.5	13	17.6	278	19.0	22	18.6	488	23.6
United States	47	65.3	914	72.1	48	64.9	1069	73.2	68	57.6	1297	62.8
Latin America	12	16.7	107	8.4	13	17.5	114	7.8	28	23.7	280	13.6
<u>Asia & Pacific</u>	<u>94</u>	<u>100.0</u>	<u>955</u>	<u>100.0</u>	<u>103</u>	<u>100.0</u>	<u>1122</u>	<u>100.0</u>	<u>173</u>	<u>100.0</u>	<u>1825</u>	<u>100</u>
Australia	13	13.9	143	15.0	12	11.7	137	12.2	20	11.6	255	14.0
Japan	16	17.0	108	11.3	19	18.4	129	11.5	35	20.2	238	13.0
South Korea	11	11.7	50	5.2	11	10.7	68	6.1	14	8.1	77	4.2
China	8	8.5	56	5.9	11	10.7	84	7.5	24	13.9	180	9.9
India	13	13.8	102	10.7	12	11.6	117	10.4	19	11.0	204	11.2
Other	33	35.1	496	51.9	38	36.9	587	52.3	61	35.3	871	47.7
<u>Other Countries</u>	<u>1</u>	<u>:</u>	<u>19</u>	<u>:</u>	<u>1</u>	<u>:</u>	<u>19</u>	<u>:</u>	<u>2</u>	<u>:</u>	<u>23</u>	<u>:</u>

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

(1/3) Number of Tourists (Departures) & Average Stay

(Thousands)

	July /September					
	2005/2006		2006/2007		2007/2008	
	Number	Average Stay	Number	Average Stay	Number	Average Stay
<u>Total</u>	<u>2167</u>	<u>12.6</u>	<u>2213</u>	<u>13.0</u>	<u>2693</u>	<u>12.4</u>
Europe	1322	10.6	1307	10.8	1635	10.8
Middle East	618	16.2	650	16.7	631	15.8
Africa	68	16.0	81	16.3	115	16.3
Americas	72	17.6	77	18.9	136	15.1
Asia and the Pacific	85	11.3	96	11.7	174	10.5
Others	2	13.5	2	13.7	2	13.5

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

(1/4) Consumer Price Index (Urban Population) (Jan. 2007=100)*

End of	Relative Weights	<u>2006</u>		<u>2007</u>		<u>Inflation Rate %</u>	
		June	Sept.	June	Sept.	July/Sept. 2006/2007	July/Sept. 2007/2008
<u>General Index</u>	<u>100.0</u>	<u>93.1</u>	<u>96.1</u>	<u>101.1</u>	<u>105.0</u>	<u>3.2</u>	<u>3.9</u>
Food & Non-Alcoholic Beverages	43.9	93.1	95.7	102.5	110.7	2.8	8.0
Tobacco	2.5	100.0	100.0	100.0	100.0	0.0	0.0
Clothing & Footwear	7.9	95.6	95.4	100.2	101.2	-0.2	1.0
Housing , Water, Electricity, Gas & Fuel	13.5	94.6	96.3	100.0	100.0	1.8	0.0
Furnishings, Household Equipment & Routine Maintenance of the House	4.2	95.4	95.6	100.4	103.1	0.2	2.7
Health	3.5	97.2	98.9	100.0	100.0	1.7	0.0
Transportation	5.3	91.1	100.0	100.0	100.5	9.8	0.5
Communications	3.7	98.8	100.0	100.0	100.0	1.2	0.0
Recreation & Culture	3.4	83.7	100.0	100.0	101.0	19.5	1.0
Education	4.4	90.0	90.1	100.0	100.0	0.1	0.0
Hotels & Restaurants	3.5	92.2	100.0	100.0	101.2	8.5	1.2
Miscellaneous	4.2	90.1	94.2	100.2	101.3	4.6	1.1

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

* A new series of CPI was introduced in September 2007. The weights involved in the formation of the Index were taken from the results of the 2004/2005 survey of income, expenditure and consumption. The series was updated on the basis of the weights of January 2007

(1/5) Wholesale Price Index (1999/2000=100)*

Groups	Relative Weights	<u>2006</u>		<u>2007</u>		<u>Inflation Rate %</u>	
		June	Sept.	June	Sept.	July/Sept. 2006/2007	July/Sept. 2007/2008
<u>All Items</u>	<u>100.0</u>	<u>177.1</u>	<u>185.3</u>	<u>192.3</u>	<u>204.1</u>	<u>4.6</u>	<u>6.1</u>
Farm Products	34.4	207.2	216.0	224.8	252.7	4.2	12.4
Foodstuffs	18.2	172.5	175.8	181.6	187.4	1.9	3.2
Beverages & Tobacco	2.7	169.0	169.1	196.1	197.4	0.1	0.7
Yarn & Textiles	3.9	173.2	173.5	174.3	174.3	0.2	0.0
Wearing Apparel	1.4	124.5	124.5	124.5	124.5	0.0	0.0
Leather & Footwear	0.2	174.9	175.7	182.5	182.5	0.5	0.0
Wood & its Products	1.5	167.1	190.2	191.9	208.9	13.8	8.9
Paper & Printing	1.7	154.3	156.3	157.3	157.3	1.3	0.0
Chemicals & its products	7.4	126.4	126.7	127.4	129.7	0.2	1.8
Fuel & Related Products	10.5	125.1	141.3	142.9	142.9	12.9	0.0
Rubber & Plastic Products	0.6	142.7	142.7	146.7	146.7	0.0	0.0
Non-metallic Mineral Products	3.5	132.3	147.8	146.1	146.7	11.7	0.4
Metals	5.2	248.2	277.7	302.4	308.3	11.9	2.0
Metallic Prods., Machinery & Equipment	5.4	164.2	169.7	173.2	179.5	3.3	3.6
Transportation Equipment	2.8	175.4	176.6	189.5	191.3	0.7	0.9
Other Manufacturing Products	0.6	205.7	217.2	223.9	224.3	5.6	0.2

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

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

(LE mn)

End of	2004		2005		2006		2007	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Reserve Money</u>	<u>98933</u>	<u>101080</u>	<u>108083</u>	<u>116050</u>	<u>120875</u>	<u>134126</u>	<u>142261</u>	
Currency in circulation outside CBE	61208	67241	70133	78604	83101	92174	98166	
Banks' deposits in local currency	37725	33839	37950	37446	37774	41952	44095	
<u>Counterpart Assets</u>	<u>98933</u>	<u>101080</u>	<u>108083</u>	<u>116050</u>	<u>120875</u>	<u>134126</u>	<u>142261</u>	
<u>Net Foreign Assets</u>	<u>10139</u>	<u>37295</u>	<u>49050</u>	<u>61302</u>	<u>68945</u>	<u>95372</u>	<u>100365</u>	
<u>Foreign Assets</u>	<u>88198</u>	<u>108738</u>	<u>118636</u>	<u>129477</u>	<u>135543</u>	<u>160197</u>	<u>164579</u>	
Gold	4437	4500	4500	6429	6429	6744	6744	
Foreign securities	18176	16665	16035	48353	48402	108606	118972	
Foreign currencies	65585	87573	98101	74695	80712	44847	38863	
<u>Foreign Liabilities</u>	<u>78059</u>	<u>71443</u>	<u>69586</u>	<u>68175</u>	<u>66598</u>	<u>64825</u>	<u>64214</u>	
<u>Net Domestic Assets</u>	<u>88794</u>	<u>63785</u>	<u>59033</u>	<u>54748</u>	<u>51930</u>	<u>38754</u>	<u>41896</u>	
<u>Net Claims on Government</u>	<u>107114</u>	<u>122264</u>	<u>112160</u>	<u>114055</u>	<u>116386</u>	<u>117254</u>	<u>121187</u>	
Claims; of which	210472	227367	189135	171808	172790	192192	196529	
Government securities	194441	208021	174898	164761	164762	166724	165688	
Deposits	103358	105103	76975	57753	56404	74938	75342	
<u>Net Claims on Banks</u>	<u>-36339</u>	<u>-21983</u>	<u>-8078</u>	<u>1018</u>	<u>13685</u>	<u>59512</u>	<u>51898</u>	
Claims	9227	11572	17000	17412	31042	77270	70061	
Deposits in foreign currencies	45566	33555	25078	16394	17357	17758	18163	
<u>Other Items (Net)</u>	<u>18019</u>	<u>-36496</u>	<u>-45049</u>	<u>-60325</u>	<u>-78141</u>	<u>-138012</u>	<u>-131189</u>	
Assets	58843	49071	48014	41743	44506	39141	42504	
Liabilities; of which	40825	85567	93063	102068	122647	177153	173693	
Equities	2325	2513	2513	2423	2513	2139	3061	
Provisions	375	302	371	50	49	41	40	

Source : Central Bank of Egypt.

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

(LE mn)							
End of	<u>2004</u>	<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<u>1-Domestic Liquidity</u>	<u>450914</u>	<u>493884</u>	<u>514822</u>	<u>560356</u>	<u>582225</u>	<u>662688</u>	<u>681900</u>
<u>A-Money Supply</u>	<u>80660</u>	<u>89685</u>	<u>99928</u>	<u>109274</u>	<u>117291</u>	<u>131290</u>	<u>141922</u>
Currency in circulation outside the banking system	57666	63029	66335	74239	78481	86860	92244
Demand deposits in local currency	22994	26656	33593	35035	38810	44430	49678
<u>B-Quasi-Money</u>	<u>370254</u>	<u>404199</u>	<u>414894</u>	<u>451082</u>	<u>464934</u>	<u>531398</u>	<u>539978</u>
Time & saving deposits in local currency	241579	283020	290467	314188	323374	377424	384004
Demand and time & saving deposits in foreign currencies	128675	121179	124427	136894	141560	153974	155974
<u>2-Counterpart Assets</u>							
Net foreign assets	53021	80913	103913	133385	152467	218629	215080
Domestic credit	432009	466771	470017	509532	513367	531314	552226
Other items (net)	-34116	-53800	-59108	-82561	-83609	-87255	-85406

Source : Central Bank of Egypt.

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

(LE mn)

End of	2004		2005		2006		2007	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total Deposits in Local Currency</u>	<u>264573</u>	<u>309676</u>	<u>324060</u>	<u>349223</u>	<u>362184</u>	<u>421854</u>	<u>433682</u>	
<u>1-Demand Deposits</u>	<u>22994</u>	<u>26656</u>	<u>33593</u>	<u>35035</u>	<u>38810</u>	<u>44430</u>	<u>49678</u>	
Public business sector *	2137	3027	3162	4934	4903	6278	5600	
Private business sector	9806	12228	18022	15863	17643	20681	23697	
Household sector	11538	11985	13214	14831	16551	18378	21243	
Minus: Purchased cheques & drafts	487	584	805	593	287	907	862	
<u>2-Time and Saving Deposits</u>	<u>241579</u>	<u>283020</u>	<u>290467</u>	<u>314188</u>	<u>323374</u>	<u>377424</u>	<u>384004</u>	
Public business sector *	12995	13700	14386	15465	16557	17186	18772	
Private business sector	26944	27439	27583	25580	28474	56823	57889	
Household sector	201640	241881	248498	273143	278343	303415	307343	

Source : Central Bank of Egypt.

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

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total Deposits in Foreign Currencies</u>	<u>128675</u>	<u>121179</u>	<u>124427</u>	<u>136894</u>	<u>141560</u>	<u>153974</u>	<u>155974</u>	
<u>1-Demand Deposits</u>	<u>17303</u>	<u>18140</u>	<u>19125</u>	<u>18534</u>	<u>22847</u>	<u>26917</u>	<u>25030</u>	
Public business sector *	860	1249	885	935	967	947	1385	
Private business sector	9603	10234	11742	10417	14922	18453	15987	
Household sector	6989	6823	6658	7392	7190	7688	7847	
Minus: Purchased cheques & drafts	149	166	160	210	232	171	189	
<u>2-Time and Saving Deposits</u>	<u>111372</u>	<u>103039</u>	<u>105302</u>	<u>118360</u>	<u>118713</u>	<u>127057</u>	<u>130944</u>	
Public business sector *	2636	2946	4202	4733	4801	5774	6290	
Private business sector	22489	21103	22333	28845	29259	30641	34947	
Household sector	86247	78990	78767	84782	84653	90642	89707	

Source : Central Bank of Egypt.

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

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Net Foreign Assets</u>	<u>53021</u>	<u>80913</u>	<u>103913</u>	<u>133385</u>	<u>152467</u>	<u>218629</u>	<u>215081</u>	
<u>Foreign Assets</u>	<u>151064</u>	<u>174328</u>	<u>192803</u>	<u>218982</u>	<u>234888</u>	<u>304968</u>	<u>305398</u>	
Central Bank of Egypt	88198	108737	118636	129477	135543	160197	164579	
Banks	62866	65591	74167	89505	99345	144771	140819	
<u>Foreign Liabilities</u>	<u>98043</u>	<u>93415</u>	<u>88890</u>	<u>85597</u>	<u>82421</u>	<u>86339</u>	<u>90317</u>	
Central Bank of Egypt	78059	71443	69586	68176	66598	64825	64214	
Banks	19984	21972	19304	17421	15823	21514	26103	

Source : Central Bank of Egypt.

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Domestic Credit</u>	<u>432009</u>	<u>466771</u>	<u>470017</u>	<u>509532</u>	<u>513367</u>	<u>531314</u>	<u>552226</u>	
Net claims on the government (A+B-C)	135693	159889	157095	184131	183932	178323	188857	
A-Securities	293876	311375	283492	295974	293343	278011	288980	
B-Credit facilities	32101	41364	36515	28044	30397	52151	57192	
C-Government deposits	190284	192850	162912	139887	139808	151839	157315	
Claims on public business sector *	36541	37420	38253	32888	33468	24446	25729	
Claims on private business sector	221434	228195	231589	239338	241483	268607	272675	
Claims on household sector	38342	41267	43080	53175	54484	59938	64965	
<u>Other Items (Net)</u>	<u>-34116</u>	<u>-53800</u>	<u>-59108</u>	<u>-82561</u>	<u>-83609</u>	<u>-87255</u>	<u>-85406</u>	
Capital accounts, of which :	-88591	-94179	-99152	-102139	-105205	-114534	-119183	
Capital and reserves	-34082	-37881	-39098	-43043	-44006	-48133	-48567	
Provisions	-47223	-49843	-50697	-55000	-59715	-53510	-63376	
Net unclassified assets and liabilities	54474	40379	40044	19578	21596	27279	33777	

Source : Central Bank of Egypt.

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

(2/1/7) Total Saving Vessels

(LE mn)

End of	<u>2004</u>	<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<u>Total Saving Vessels</u>	<u>459430</u>	<u>498190</u>	<u>509068</u>	<u>560229</u>	<u>576527</u>	<u>655376</u>	<u>666056</u>
<u>Savings at the Banking System</u>	<u>370254</u>	<u>404199</u>	<u>414894</u>	<u>451082</u>	<u>464934</u>	<u>531398</u>	<u>539978</u>
Time & saving deposits in local currency	241579	283020	290467	314188	323374	377424	384004
Demand and time & saving deposits in foreign currencies	128675	121179	124427	136894	141560	153974	155974
<u>Net Sales of Investment Certificates</u>	<u>60300</u>	<u>58485</u>	<u>58493</u>	<u>63697</u>	<u>65216</u>	<u>68311</u>	<u>70072</u>
<u>Post Office Saving Deposits</u>	<u>28876</u>	<u>35506</u>	<u>35681</u>	<u>45450</u>	<u>46377</u>	<u>55667</u>	<u>56006</u>

Source : Central Bank of Egypt.

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

(LE mn)

End of	<u>2004</u>	<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<u>Total</u>	<u>36357</u>	<u>37242</u>	<u>38073</u>	<u>32636</u>	<u>33224</u>	<u>24163</u>	<u>25395</u>
<u>In Local Currency</u>	<u>28591</u>	<u>30165</u>	<u>31498</u>	<u>26269</u>	<u>26373</u>	<u>18072</u>	<u>18486</u>
Agriculture	35	16	7	59	65	7	7
Manufacturing	17864	18318	18754	16215	16315	9071	8857
Trade	5420	5936	6036	4318	4548	3986	3980
Services	5272	5895	6701	5677	5445	5008	5642
<u>In Foreign Currencies</u>	<u>7766</u>	<u>7077</u>	<u>6575</u>	<u>6367</u>	<u>6851</u>	<u>6091</u>	<u>6909</u>
Agriculture	-	-	-	-	-	-	-
Manufacturing	5788	5260	4983	3752	3807	2611	3269
Trade	530	511	514	1555	578	880	689
Services	1448	1306	1078	1060	2466	2600	2951

Source : Central Bank of Egypt.

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

**(2/1/8) Bank Lending and Discount Balances to Business Sector (Contd.)
Private Business Sector**

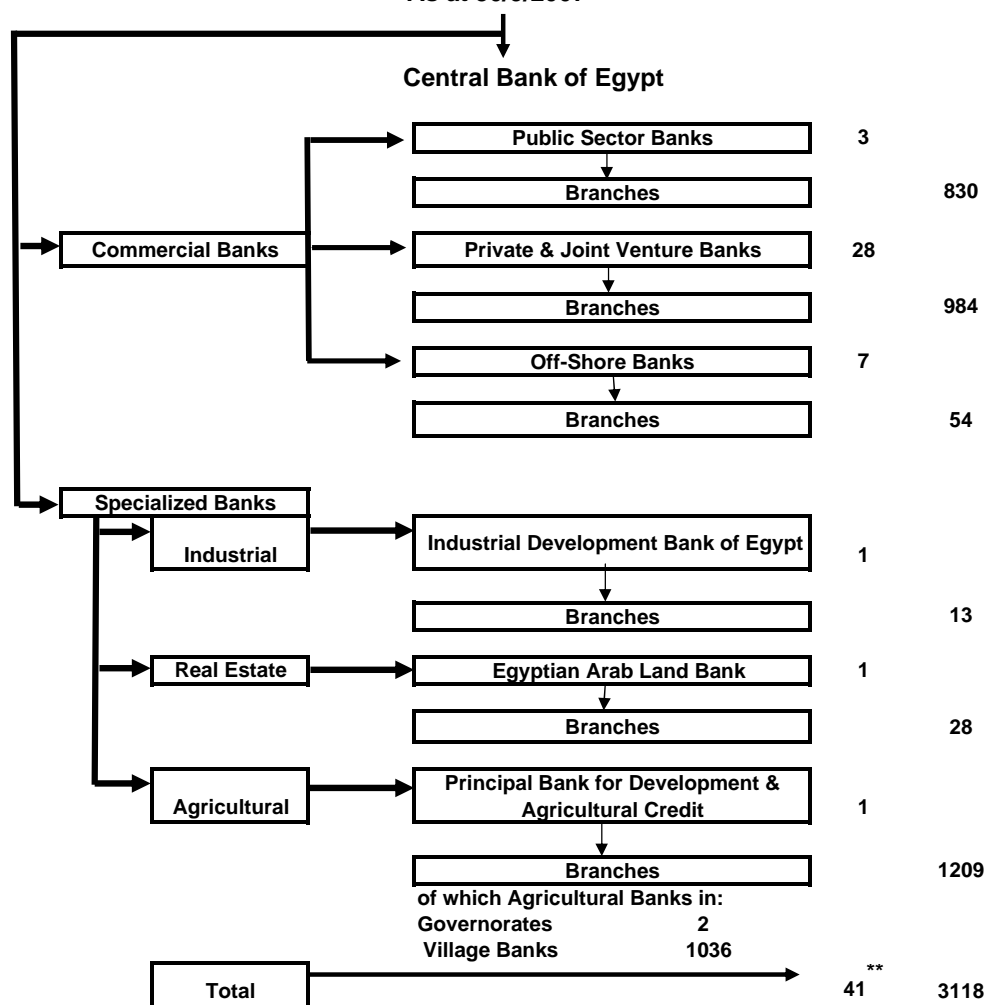
(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total</u>	<u>204601</u>	<u>205693</u>	<u>204465</u>	<u>214665</u>	<u>216539</u>	<u>239312</u>	<u>240935</u>	
<u>In Local Currency</u>	<u>152699</u>	<u>152191</u>	<u>149240</u>	<u>150485</u>	<u>149786</u>	<u>163292</u>	<u>163101</u>	
Agriculture	4580	5756	5627	4794	4853	6922	6180	
Manufacturing	60268	59099	57776	55827	54887	65453	61922	
Trade	40144	39712	38476	39110	38328	33487	35816	
Services	47707	47624	47361	50754	51718	57430	59183	
<u>In Foreign Currencies</u>	<u>51902</u>	<u>53502</u>	<u>55225</u>	<u>64180</u>	<u>66753</u>	<u>76020</u>	<u>77834</u>	
Agriculture	546	619	874	829	905	929	899	
Manufacturing	19758	20388	20720	26072	27650	34199	34428	
Trade	12638	11369	11564	12337	12165	10944	13106	
Services	18960	21126	22067	24942	26033	29948	29401	

Source : Central Bank of Egypt.

(2/2/1) Structure of the Egyptian Banking System

As at 30/9/2007*



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

** Compared with 57 banks at end of September 2005 due to the merger and acquisition operations in the banking sector, in accordance with the reform plan implemented by the CBE sector .

(2/2) Local Mutual Funds Authorized and Operating as at 30/9/2007

Fund Name	Fund Manager	Inception Date	Par Value (LE)	Size (LE Million)	Net Asset Value (LE) at end of June 2007	Net Asset Value (LE) at end of Sept. 2007	Cash Distribution since Date of Inception	Total Return since Inception %
Open End - Balance Funds								
National Bank of Egypt I	El Ahly Fund Management	Sep-94	500	200	2079	2244.25	0.00	348.85
Banque Misr I	Concord International Investments	Feb-95	100	500	113.65	113.42	93.30	105.72
National Bank of Egypt II	El Ahly Fund Management	Oct-95	100	300	92.65	98.5	112.50	111.00
Export Development Bank I (Al-Khabeer)	Cairo Fund Management	Oct-96	100	100	107.39	113.71	33.00	46.71
Suez Canal Bank	HC Securities	Dec-96	500	100	382.47	429.69	20.00	(10.06)
National Bank of Egypt III	HC Securities	Aug-05	100	200	123.32	130.51	12.00	42.51
El Watany Bank of Egypt	Hermes Fund Management	Aug-06	100	135	108.77	118.73	7.00	25.73
National Bank of Egypt V	El Ahly Fund Management	May-07	10	100	10.19	10.63	0.00	6.30
Open End - Equity Funds								
Credit Agricole Egypt I ***	Hermes Fund Management	Oct-94	100	300	323.21	373.54	170.25	443.79
Bank of Alexandria I	Hermes Fund Management	Nov-94	100	200	491.89	496.29	211.00	607.29
Banque Misr II	Concord International Investment	Sep-95	66.67	300	89.57	88.75	46.65	103.09
Banque de Caire	Hermes Fund Management	Nov-95	100	200	109.53	122.96	0.00	1129.60
Credit Agricole Egypt II ***	Hermes Fund Management	Apr-97	100	300	179.53	204.4	47.50	151.90
Egyptian Gulf Bank	Hermes Fund Management	May-97	100	100	382.36	435.81	147.00	482.81
Banque Misr III*	HC Securities	Dec-97	100	138.97	541.35	600.49	50.00	550.49
Shild Fund **	Concord International Investment	Feb-98	50	280	123.42	131.23	31.50	225.46
Misr Iran Development Bank I	HC Securities	Aug-98	100	100	512.41	578.69	90.00	568.69
Commercial International Bank II (Istethmar)	C I Asset Management	Apr-06	100	600	122.02	127.88	0.00	27.88
Open End - Fixed Income Funds								
Al Rabeh Fund ++	Prime Investment Fund Management	Feb-99	100	50	100.27	102.37	72.90	75.27
Credit Agricole Egypt III ***	Egyption Fund Management Group	Jun-99	1000	150	1045.91	1066.25	782.05	84.83
Commercial International Bank I (Osoul)	C I Asset Management	Apr-05	100	1000	121.62	123.89	0.00	23.89
Misr Iran Development Bank II	HC Securities	Jul-05	1000	500	1000	1020.27	167.86	18.81
Bank of Alexandria II	Egyption Fund Management Group	May-06	10	200	11.04	11.25	0.00	12.54
National Bank of Egypt IV	El Ahly Fund Management	Jun-06	100	145	109.92	111.87	0.00	11.87
National Societe Generale Bank (Themar)	Egyption Fund Management Group	Oct-06	100	100	106.88	108.87	0.00	8.87
Export Development Bank II	ABN-Amro-Delta Fund Management	Nov-06	100	100	105.79	107.81	0.00	7.81
Open End - Islamic Funds								
Faisal Islamic Bank	Hermes Fund Management	Dec-04	100	50	154.37	164.56	37.00	101.56
Egyptian Saudi Finance Bank	Hermes Fund Management	May-06	100	50	118.41	124.94	18.96	43.90
Faisal Islamic Bank - CIB (Al Amman)	CI Asset Management	Oct-06	100	100	111.78	113.68	0.00	13.68
Banque Misr IV	HC Securities	Oct-06	100	200	119.60	129.39	3.00	32.39
Sanabel Fund	Prime Investment Fund Management	Feb-07	100	100	102.53	109.05	5.00	14.05
Close End Funds								
Orient Trust	Egyption Investment & Finance Co.	Feb-07	1000	50	1256.50	1290.31	200.00	49.03
Misr Direct Investment Fund	Al Ahly Development & Investment	Jul-99	1000	35	1057.30	1113.50	0.00	11.35
Arab Land Direct	Prime Investment Fund Management	Feb-00	1000	70	894.22	895.92	113.75	0.97
Asset Allocator Funds								
Arab Misr Insurance Group	Prime Investment Fund Management	Aug-95	500	100	944.57	1024.63	212.00	147.33
Societe Arab Int'l Banque I +	Prime Investment Fund Management	Jun-96	100	100	510.51	556.19	78.00	534.19
Societe Arab Int'l Banque II	Prime Investment Fund Management	Oct-97	100	200	319.46	346.54	80.00	326.54

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

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

*** The Egyptian American Bank Funds have changed to Credit Agricole Egypt Funds starting from 3-9-2006.

+ The fund's certificate has been split by a ratio of 1: 5 and the par value has also changed from LE 500 to LE100, effective 29-3-2007.

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

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

	(LE mn)							
	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Currency By Denomination</u>	<u>61737</u>	<u>67527</u>	<u>70992</u>	<u>79017</u>	<u>83842</u>	<u>93240</u>	<u>99353</u>	
PT 25	105	120	119	136	136	144	147	
PT 50	192	220	219	241	225	240	242	
LE 1	486	517	502	545	520	565	577	
LE 5	1294	1279	1280	1121	1092	1071	1043	
LE 10	5391	5074	4889	4274	4111	3470	3165	
LE 20	11459	10329	10087	9226	9102	8796	8325	
LE 50	22521	24517	26218	27959	28666	28152	27936	
LE 100	20289	25471	27678	35515	39990	47552	49274	
LE 200*	-	-	-	-	-	3250	8644	

Source : Central Bank of Egypt.

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

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

(LE mn)

End of	2004		2005		2006		2007	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total</u>	<u>61209</u>	<u>67236</u>	<u>70132</u>	<u>78604</u>	<u>83105</u>	<u>92175</u>	<u>98168</u>	
Auxiliary Coins & Notes*	221	226	228	236	247	259	269	
PT 25	103	118	113	135	131	142	143	
PT 50	184	217	209	239	221	234	235	
LE 1	473	512	483	540	506	550	566	
LE 5	1250	1251	1149	1095	1034	987	968	
LE 10	5344	4999	4646	4215	3987	3323	3038	
LE 20	11275	10246	9843	9128	8861	8553	8102	
LE 50	22338	24348	26003	27737	28426	27967	27723	
LE 100	20021	25319	27458	35279	39692	47136	48785	
LE 200**	-	-	-	-	-	3024	8339	

Source : Central Bank of Egypt.

* Issued by the Ministry of Finance.

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

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

During	July/Sept.						
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2006/2007	2007/2008
<u>Cairo Branch</u>							
Number of cheques (thousands)	9250	8856	8618				
Value of cheques (LE mn)	215703	215091	231942				
<u>Alexandria Branch</u>							
Number of cheques (thousands)	663	626	593				
Value of cheques (LE mn)	26383	30652	27875				
<u>Port - Said Branch</u>							
Number of cheques (thousands)	112	109	110				
Value of cheques (LE mn)	2495	2481	2606				
<u>All Branches*</u>							
Number of cheques (thousands)	10025	9591	9321	9508	10480	2599	2802
Value of cheques (LE mn)	244581	248224	262423	69626	356901	85236	106399

Source : Central Bank of Egypt.

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

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Assets</u>								
Cash	5653	6594	6026	6813	7113	7705	8671	
Securities & investments in TBs of which:	155564	170659	183800	193965	208325	176098	180406	
CBE notes	-	-	24837	21563	38160	17617	6259	
Balances with banks in Egypt	107863	124986	125389	121695	125078	217363	234428	
Balances with banks abroad	49344	51204	59657	72554	81797	124366	116980	
Loan and discount balances	297112	308195	309843	324041	329302	353746	364015	
Other assets	47215	41990	59090	42494	62732	58645	74264	
Assets =Liabilities	662751	703628	743805	761562	814347	937923	978764	
<u>Liabilities</u>								
Capital	20895	22949	24444	27112	28822	33037	33555	
Reserves	10861	12419	12141	13418	12641	12552	12461	
Provisions	46848	49541	50326	54950	59665	53469	63336	
Bonds & long-term loans	14231	14254	14928	17526	19350	26351	21542	
Obligations to banks in Egypt	27978	22671	30838	21488	31770	82619	75534	
Obligations to banks abroad	9394	12262	9814	8770	7624	10006	14645	
Total deposits	479487	519649	534810	568841	587703	649953	668335	
Other liabilities	53057	49883	66504	49457	66772	69936	89356	

Source : Central Bank of Egypt.

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

(LE mn)

End of	<u>2004</u>	<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.
<u>Total Deposits</u>	<u>479487</u>	<u>519649</u>	<u>534810</u>	<u>568841</u>	<u>587703</u>	<u>649953</u>	<u>668335</u>
Demand deposits	46939	51557	59984	62431	70765	78758	81866
Time & saving deposits and saving accounts	406272	445132	452692	479805	490501	542983	555357
Blocked or retained deposits	26276	22960	22134	26605	26437	28212	31112
<u>Local Currency Deposits</u>	<u>323342</u>	<u>369067</u>	<u>382944</u>	<u>401143</u>	<u>414599</u>	<u>463320</u>	<u>478937</u>
Demand deposits	27664	31606	39034	41793	45668	50365	55141
Time & saving deposits and saving accounts	281508	324664	331586	345953	355095	396352	406947
Blocked or retained deposits	14170	12797	12324	13397	13836	16603	16849
<u>Foreign Currency Deposits</u>	<u>156145</u>	<u>150582</u>	<u>151866</u>	<u>167698</u>	<u>173104</u>	<u>186633</u>	<u>189398</u>
Demand deposits	19275	19951	20950	20638	25097	28393	26725
Time & saving deposits and saving accounts	124764	120468	121106	133852	135406	146631	148410
Blocked or retained deposits	12106	10163	9810	13208	12601	11609	14263

Source : Central Bank of Egypt.

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

(LE mn)

End of	2004		2005		2006		2007	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total Deposits</u>	<u>479487</u>	<u>519649</u>	<u>534810</u>	<u>568841</u>	<u>587703</u>	<u>649953</u>	<u>668335</u>	
<u>Local Currency Deposits</u>	<u>323342</u>	<u>369067</u>	<u>382944</u>	<u>401143</u>	<u>414599</u>	<u>463320</u>	<u>478937</u>	
Government sector	57667	57649	56693	49422	49985	37233	41265	
Public business sector *	15133	16727	17548	20399	21461	23464	24372	
Private business sector	36750	39668	45605	41444	46117	77504	81587	
Household sector	213178	253865	261712	287973	294894	321793	328585	
Foreign sector **	614	1158	1386	1905	2142	3326	3128	
<u>Foreign Currency Deposits</u>	<u>156145</u>	<u>150582</u>	<u>151866</u>	<u>167698</u>	<u>173104</u>	<u>186633</u>	<u>189398</u>	
Government sector	26548	27252	26286	29290	30099	30329	31530	
Public business sector *	3496	4195	5087	5668	5768	6721	7675	
Private business sector	32092	31337	34075	39263	44181	49093	50934	
Household sector	93236	85813	85425	92174	91843	98331	97554	
Foreign sector**	773	1985	993	1303	1213	2159	1705	

Source : Central Bank of Egypt.

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

** Including counterpart deposits of US aid .

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total Deposits</u>	<u>479487</u>	<u>519649</u>	<u>534810</u>	<u>568841</u>	<u>587703</u>	<u>649953</u>	<u>668335</u>	
<u>Local Currency Deposits</u>	<u>323342</u>	<u>369067</u>	<u>382944</u>	<u>401143</u>	<u>414599</u>	<u>463320</u>	<u>478937</u>	
Agriculture	2789	2548	2427	2215	2964	2531	2831	
Manufacturing	18061	19239	20590	19903	20294	23819	26149	
Trade	11019	11740	12746	12793	14972	18354	18102	
Services	29318	31915	37751	38245	42336	40530	42809	
Unclassified sectors	262155	303625	309430	327987	334033	378086	389046	
<u>Foreign Currency Deposits</u>	<u>156145</u>	<u>150582</u>	<u>151866</u>	<u>167698</u>	<u>173104</u>	<u>186633</u>	<u>189398</u>	
Agriculture	455	831	847	855	579	467	608	
Manufacturing	15771	15274	17167	18159	22700	21208	25623	
Trade	7830	6583	6668	8250	8221	11824	7682	
Services	16194	17499	18110	21602	22735	23216	25982	
Unclassified sectors	115895	110395	109074	118832	118869	129918	129503	

Source : Central Bank of Egypt.

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total</u>	<u>155564</u>	<u>170659</u>	<u>158963</u>	<u>172402</u>	<u>170165</u>	<u>158481</u>	<u>174147</u>	
<u>In Local Currency</u>	<u>124761</u>	<u>139322</u>	<u>127562</u>	<u>140840</u>	<u>139493</u>	<u>125981</u>	<u>139833</u>	
Government sector	107792	118358	102099	115146	113802	96652	108854	
Public business sector *	642	666	668	859	657	761	1577	
Private business sector	16327	20298	24795	24835	25034	28568	29402	
Household sector	-	-	-	-	-	-	-	
Foreign sector	-	-	-	-	-	-	-	
<u>In Foreign Currencies</u>	<u>30803</u>	<u>31337</u>	<u>31401</u>	<u>31562</u>	<u>30672</u>	<u>32500</u>	<u>34314</u>	
Government sector	18306	16594	16487	16067	14780	14636	14438	
Public business sector *	-	-	-	-	-	-	-	
Private business sector	2804	4711	4571	3545	3519	3474	5153	
Household sector	-	-	-	-	-	-	-	
Foreign sector	9693	10032	10343	11950	12373	14390	14723	

Source : Central Bank of Egypt.

+ Excluding CBE notes.

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

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

(LE mn)

End of	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total</u>	<u>297112</u>	<u>308195</u>	<u>309843</u>	<u>324041</u>	<u>329302</u>	<u>353746</u>	<u>364015</u>	
<u>In Local Currency</u>	<u>228659</u>	<u>233141</u>	<u>233098</u>	<u>238926</u>	<u>239719</u>	<u>248544</u>	<u>252543</u>	
Government sector	9646	10938	10705	11285	11692	10788	10392	
Public business sector *	28590	30164	31498	26269	26374	18097	18486	
Private business sector	152707	152193	149247	150491	149793	163292	163101	
Household sector	37303	39354	41092	50158	51124	55453	59570	
Foreign sector	413	492	556	723	736	914	994	
<u>In Foreign Currencies</u>	<u>68453</u>	<u>75054</u>	<u>76745</u>	<u>85115</u>	<u>89583</u>	<u>105202</u>	<u>111472</u>	
Government sector	6425	11080	11575	9712	10675	15896	15960	
Public business sector *	7780	7078	6575	6373	6850	6091	6909	
Private business sector	51902	53502	55225	64184	66753	76020	77834	
Household sector	1039	1913	1988	3017	3361	4485	5395	
Foreign sector	1307	1481	1382	1829	1944	2710	5374	

Source : Central Bank of Egypt.

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

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

	(LE mn)							
	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total</u>	<u>452676</u>	<u>478854</u>	<u>468806</u>	<u>496443</u>	<u>499467</u>	<u>512227</u>	<u>538158</u>	
<u>In Local Currency</u>	<u>353420</u>	<u>372463</u>	<u>360660</u>	<u>379766</u>	<u>379212</u>	<u>374525</u>	<u>392372</u>	
Government sector	117438	129296	112804	126431	125494	107440	119246	
Public business sector *	29232	30830	32166	27128	27031	18858	20059	
Private business sector	169034	172491	174042	175326	174827	191860	192503	
Household sector	37303	39354	41092	50158	51124	55453	59570	
Foreign sector	413	492	556	723	736	914	994	
<u>In Foreign Currencies</u>	<u>99256</u>	<u>106391</u>	<u>108146</u>	<u>116677</u>	<u>120255</u>	<u>137702</u>	<u>145786</u>	
Government sector	24731	27674	28062	25779	25455	30532	30398	
Public business sector *	7780	7078	6575	6373	6850	6091	6909	
Private business sector	54706	58213	59796	67729	70272	79494	82987	
Household sector	1039	1913	1988	3017	3361	4485	5395	
Foreign sector	11000	11513	11725	13779	14317	17100	20097	

Source : Central Bank of Egypt.

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

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

(LE mn)

End of	2004		2005		2006		2007	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<u>Total</u>	<u>297112</u>	<u>308195</u>	<u>309843</u>	<u>324041</u>	<u>329302</u>	<u>353746</u>	<u>364015</u>	
<u>In Local Currency</u>	<u>228659</u>	<u>233141</u>	<u>233098</u>	<u>238926</u>	<u>239719</u>	<u>248544</u>	<u>252543</u>	
Agriculture	4662	5822	5686	4902	4976	6986	6250	
Manufacturing	80636	81844	81183	77734	77412	80497	76384	
Trade	45564	45648	44512	43564	42876	37476	39796	
Services	59987	59870	59930	61679	62403	67035	69275	
Unclassified sectors	37810	39957	41787	51047	52052	56550	60838	
<u>In Foreign Currencies</u>	<u>68453</u>	<u>75054</u>	<u>76745</u>	<u>85115</u>	<u>89583</u>	<u>105202</u>	<u>111472</u>	
Agriculture	546	619	874	829	905	929	899	
Manufacturing	28563	34957	35582	38517	41215	51399	52423	
Trade	13169	11893	12093	13930	12756	11837	13807	
Services	23759	24188	24824	26983	29401	33842	33574	
Unclassified sectors	2416	3397	3372	4856	5306	7195	10769	

Source : Central Bank of Egypt.

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

(% Annually)

End of	Discount rate	Average Interest Rates at Banks				Interest Rate on Investment Certificates		Interest Rate on Post Office Saving Deposits*
		Less than three- month deposits	Less than six- month deposits	Less than one year deposits	Loans less than one year	Simple Return	Of increasing certificate value	
January 2005	10.00	7.63	7.78	7.87	13.36	10.50	10.00	10.50
February	..	7.62	7.78	7.81	13.44	..	..	..
March	..	7.60	7.85	7.83	13.41	..	..	..
April	..	7.60	7.76	7.84	13.39	..	..	..
May	..	7.60	7.75	7.80	13.35	..	..	..
June	..	7.61	7.67	7.70	13.35	..	..	..
July	..	7.46	7.56	7.62	13.31	..	..	..
August	..	7.42	7.52	7.53	13.28	..	..	..
September	..	6.60	7.70	7.90	12.80	..	..	..
October	..	6.60	7.60	7.90	12.60	..	..	..
November	..	6.50	7.50	7.70	12.60	..	..	..
December	..	6.50	7.50	7.70	12.70	..	..	..
January 2006	9.00	6.40	7.40	7.60	12.60	..	..	..
February	..	6.10	7.20	7.40	12.60	..	..	..
March	..	6.20	7.20	7.50	12.60	9.50	9.00	9.50
April	..	6.20	7.00	7.30	12.60	..	..	..
May	..	5.90	7.00	7.20	12.60	..	..	..
June	..	5.90	6.90	7.10	12.50	..	..	..
July	..	5.90	6.80	7.10	12.60	..	..	..
August	..	5.90	6.80	7.00	12.70	..	..	..
September	..	5.90	6.80	7.00	12.60	..	..	..
October	..	5.90	6.80	7.00	12.60	..	..	..
November	..	6.00	6.80	7.10	12.60	..	..	..
December	..	5.90	6.80	6.90	12.60	..	..	..
January 2007	..	6.10	6.80	6.90	12.60	..	..	..
February	..	6.20	6.90	6.90	12.70	10.00	9.50	..
March	..	6.20	6.90	6.90	12.70	..	..	..
April	..	6.20	6.90	6.90	12.70	..	..	..
May	..	6.20	6.90	6.90	12.70	..	..	..
June	..	6.10	6.90	6.90	12.60	..	..	..
July	..	6.10	6.90	6.90	12.60	..	..	..
August	..	6.10	6.80	6.90	12.60	..	..	..
September	..	6.00	6.70	6.90	12.30	..	..	..

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

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

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

(% Annually)

End of	US Dollar		Sterling Pound		Euro	
	Min.	Max.	Min.	Max.	Min.	Max.
January 2005	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
January 2006	4.25	4.44	3.44	4.19	1.75	2.00
February	4.38	4.56	3.44	4.19	1.88	2.13
March	4.44	4.63	3.44	4.19	2.00	2.25
April	4.63	4.81	3.56	4.31	2.06	2.31
May	4.69	4.88	3.56	4.31	2.13	2.38
June	5.00	5.19	3.63	4.38	2.31	2.56
July	5.00	5.19	3.63	4.38	2.38	2.63
August	4.88	5.06	3.88	4.63	2.50	2.75
September	4.88	5.06	3.94	4.69	2.63	2.88
October	4.88	5.06	4.00	4.75	2.75	3.00
November	4.88	5.06	4.13	4.88	2.88	3.13
December	4.88	5.06	4.19	4.94	2.94	3.19
January 2007	4.88	5.06	4.50	5.25	3.00	3.25
February	4.88	5.06	4.44	5.19	3.06	3.31
March	4.88	5.06	4.44	5.19	3.19	3.44
April	4.88	5.06	4.56	5.31	3.25	3.50
May	4.88	5.06	4.69	5.44	3.38	3.63
June	4.88	5.06	4.81	5.56	3.44	3.69
July	4.88	5.06	4.94	5.69	3.50	3.75
August	5.06	5.25	5.44	6.19	4.00	4.25
September	4.69	4.88	5.19	5.94	4.00	4.25

Source: National Bank of Egypt

(2/5/3) Interest Rates on Treasury Bills (Weekly Weighted Averages)

(%)

		91 days	182 days	364 days
<u>July 2007</u>				
The:				
First week	(3/7)	..	7.138	7.454
Second week	(10/7)	6.800	7.206	7.561
Third week	(17/7)	6.879	7.360	7.664
Fourth week	(24/7)	0.000	7.367	7.764
	(31/7)	6.976	7.508	7.800
Monthly Average		6.885	7.316	7.649
<u>August 2007</u>				
The:				
First week	(7/8)	7.196	7.743	7.917
Second week	(14/8)	7.392	7.919	8.023
Third week	(21/8)	7.601	8.224	8.213
Fourth week	(28/8)	7.817	8.266	8.354
Monthly Average		7.502	8.038	8.127
<u>September 2007</u>				
The:				
First week	(4/9)	7.851	8.221	8.377
Second week	(11/9)	7.593	7.905	8.265
Third week	(18/9)	7.203	7.417	7.899
Fourth week	(25/9)	0.000	7.072	7.437
Monthly Average		7.549	7.654	7.995

Source : Central Bank of Egypt.

.. No issuance during the week.

(3/1) Companies Listed on the Stock Exchange

End of	<u>2004</u> Sept.	<u>2005</u> June	<u>2005</u> Sept.	<u>2006</u> June	<u>2006</u> Sept.	<u>2007</u> June	<u>2007</u> Sept.
<u>First: Companies Listed on the Official Schedules</u>							
- Number of companies (in unit)	129	132	138	141	142	147	143
- Number of shares (mn)	3715	4236	4630	7881	8873	11450	11645
- Nominal value of capital (LE mn)	45304	49274	52100	58432	65649	73403	66777
- Market value of capital (LE mn)	120251	250136	304977	298478	405779	497319	518692
<u>Second: Companies Listed on the Unofficial Schedules</u>							
- Number of companies (in unit)	564	612	602	503	485	394	371
- Number of shares (mn)	2513	2646	2566	2560	2538	3534	3766
- Nominal value of capital (LE mn)	49890	57368	53077	50354	49788	47387	53065
- Market value of capital (LE mn)	76153	84407	81623	78013	80336	104055	126876
<u>Third: Companies Listed on the Temporary Schedule*</u>							
- Number of companies (in unit)	97	26	25	12	5	3	1
- Number of shares (mn)	169	103	73	16	11	9	5
- Nominal value of capital (LE mn)	5229	1567	1269	379	316	282	50
- Market value of capital (LE mn)	7581	2516	1450	579	486	452	50
<u>Fourth : All Companies</u>							
- Number of companies (in unit)	790	770	765	656	632	544	515
- Number of shares (mn)	6397	6985	7269	10457	11422	14993	15416
- Nominal value of capital (LE mn)	100423	108209	106446	109165	115753	121072	119892
- Market value of capital (LE mn)	203985	337059	388050	377070	486601	601826	645618

Source : Monthly Bulletin of Cairo & Alexandria Stock Exchanges.

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

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

During	July/ Sept.					
	<u>2006/2007</u>			<u>2007/2008</u>		
	Number of Transactions (unit)	Amount (Thousand)	Market Value (mn)	Number of Transactions (unit)	Amount (Thousand)	Market Value (mn)
<u>In Egyptian Pound</u>	<u>1800695</u>	<u>2383095</u>	<u>55667</u>	<u>2243801</u>	<u>3024241</u>	<u>72471</u>
Floor Transactions	1753089	2149331	53764	2158800	2518574	67772
Over the Counter Trading	47606	233764	1903	85001	505667	4699
<u>In US Dollar</u>	<u>79045</u>	<u>60662</u>	<u>438</u>	<u>60425</u>	<u>229393</u>	<u>606</u>
Floor Transactions	77011	21066	298	58697	200715	376
Over the Counter Trading	2034	39596	140	1728	28678	230

Source : Capital Market Authority (CMA).

(3/3) Trading in Bonds and Mutual Fund Documents on the Stock Exchange

During	July/ Sept.					
	<u>2006/2007</u>		Market Value (Thousand)	<u>2007/2008</u>		Market Value (Thousand)
	Number of Transactions (Unit)	Amount		Number of Transactions (Unit)	Amount	
<u>In Egyptian Pound</u>	<u>100</u>	<u>1689354</u>	<u>1187575</u>	<u>451</u>	<u>8306293</u>	<u>8685266</u>
Floor Transactions	100	1689354	1187575	451	8306293	8685266
Over the Counter Trading	-	-	-	-	-	-
<u>In US Dollar</u>	<u>2</u>	<u>3200</u>	<u>2301</u>	<u>=</u>	<u>=</u>	<u>=</u>
Floor Transactions	1	1000	101	-	-	-
Over the Counter Trading	1	2200	2200	-	-	-

Source : Capital Market Authority (CMA).

(3/4) Foreign Transactions on the Stock Exchange

During	<u>2006/2007</u>		<u>July/ Sept.</u>		<u>2007/2008</u>	
	Egyptian Pound	US Dollar	Egyptian Pound	US Dollar	Egyptian Pound	US Dollar
<u>Net Number of Transactions (unit)</u>	<u>35298</u>	<u>352</u>	<u>59189</u>	<u>4877</u>		
Purchases	177917	6826	247936	13711		
Sales	142619	6474	188747	8834		
<u>Net Volume of Securities (mn)</u>	<u>68</u>	<u>-1</u>	<u>113</u>	<u>-62</u>		
Purchases	385	16	519	51		
Sales	317	17	406	113		
<u>Net Value of Securities (mn)</u>	<u>2704</u>	<u>-1</u>	<u>3207</u>	<u>-128</u>		
Purchases	14920	42	21245	121		
Sales	12216	43	18038	249		

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

(3/5) Global Depository Receipts (GDRs)

GDRs Listed on Global Exchanges						Corporate Stocks Issued on the Egyptian Exchange			
Order and Date of Offering	Depository Bank	Sub Custodian Bank	Conversion Ratio	Volume on Offering Date (000s)	Price (\$) at End of		Price (LE) at End of		
					June 2007	Sept. 2007	June 2007	Sept. 2007	
1st	July 1996	Bank of New York	CIB	1.00	9999	10.90	13.50	60.05	76.82
2nd	July 1996	Bank of New York	CIB	1.00	7310	10.33	8.75	57.79	59.42
			NBE						
3rd	Oct. 1997	Bank of New York	CIB	3.00	6297	2.70	2.70	56.20	58.21
4th	Aug. 1998	Bank of New York	HSBC	0.50	4324	15.75	16.60	45.92	46.03
5th	June 1999	Deutsche Bank	Citibank	0.33	573	28.00	28.00	54.62	52.59
6th*	July 1999	Bank of New York	CIB	0.33	35000	0.44	0.44	-	-
7th**	July 2000	Bank of New York	CIB	0.20	11713	64.00	65.40	72.67	73.92
8th	Aug. 2002	Bank of New York	CIB	0.50	50	132.00	169.25	372.49	471.21
9th	Nov. 2004	Bank of New York	CIB	1.00	8796	10.15	12.25	63.30	70.00
10th	Dec. 2005	Bank of New York	CIB	0.20	8522	15.50	15.90	17.34	17.28

Source : Monthly Bulletin of Cairo and Alexandria Stock Exchanges.

* The closing price of 3 March, 2005.

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

(3/6) Outstanding Balance of Treasury Bills (Quarterly)

	(LE mn)				
End of	91 days	182 days	89 days	364 days	Total
<u>2000</u>					
March	5558.2	8675.8	..	11145.4	25379.4
June	5585.3	8675.9	..	11131.9	25393.1
Sept.	5773.3	8637.9	..	14457.4	28868.6
Dec.	5714.9	8666.5	..	14457.4	28838.8
<u>2001</u>					
March	6195.9	8271.3	..	14457.4	28924.6
June	5762.5	9113.9	..	14457.4	29333.8
Sept.	7687.7	8564.1	..	14457.4	30709.2
Dec.	11451.6	9502.5	..	14457.4	35411.5
<u>2002</u>					
March	10864.0	10240.5	..	14457.4	35561.9
June	11183.2	14366.7	..	14457.4	40007.3
Sept.	14575.7	18411.5	..	14457.4	47444.6
Dec.	15897.1	22908.0	..	14457.4	53262.5
<u>2003</u>					
March	15250.8	24259.7	..	14457.4	53967.9
June	16235.7	24625.2	..	14457.4	55318.3
Sept.	14975.2	26776.5	..	14457.4	56209.1
Dec.	6272.9	28066.3	13001.4	14457.4	61798.0
<u>2004</u>					
March	15294.0	30476.8	4081.4	14457.4	64309.6
June	18462.7	38852.7	..	26458.2	83773.6
Sept.	11000.0	48196.3	..	48958.2	108154.5
Dec.	8600.0	45466.8	..	66558.2	120625.0
<u>2005</u>					
March	0.0	34550.0	..	82358.2	116908.2
June	2750.0	23900.0	..	98257.4	124907.4
Sept.	8900.0	22350.0	..	71725.6	102975.6
Dec.	5500.0	22600.0	..	67815.6	95915.6
<u>2006</u>					
March	6000.0	24100.0	..	69015.6	99115.6
June	7100.0	26500.0	..	69543.6	103143.6
Sept.	9900.0	27500.0	..	69957.4	107357.4
Dec.	8200.0	27000.0	..	71157.4	106357.4
<u>2007</u>					
March	11000.0	26000.0	..	73657.4	110657.4
June	9000.0	27500.0	..	82157.4	118657.4
Sept.	8500.0	31500.0	-	90657.4	130657.4

Source: Central Bank of Egypt.

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

(LE mn)

		91 days	182 days	364 days	Total
<u>July 2007</u>					
The:					
First week	(3/7)	8000.0	28000.0	83657.4	119657.4
Second week	(10/7)	8500.0	28000.0	83657.4	120157.4
Third week	(17/7)	8500.0	28000.0	84157.4	120657.4
Fourth week	(24/7)	7500.0	27000.0	84457.4	118957.4
End of month		6500.0	28000.0	84957.4	119457.4
<u>August 2007</u>					
The:					
First week	(7/8)	5500.0	28500.0	85957.4	119957.4
Second week	(14/8)	6500.0	29000.0	86457.4	121957.4
Third week	(21/8)	7500.0	30500.0	86957.4	124957.4
Fourth week	(28/8)	8000.0	31000.0	87457.4	126457.4
End of month		8000.0	31000.0	87457.4	126457.4
<u>September 2007</u>					
The:					
First week	(4/9)	9500.0	32500.0	88457.4	130457.4
Second week	(11/9)	9000.0	33000.0	89457.4	131457.4
Third week	(18/9)	9000.0	32500.0	90457.4	131957.4
Fourth week	(25/9)	8500.0	31500.0	90657.4	130657.4
End of month		8500.0	31500.0	90657.4	130657.4

Source: Central Bank of Egypt.

(3/8) Outstanding Balance of Treasury Bonds*

End of Sept. 2007

	Date of Issue	Value (LE mn)	Interest Rate	Maturity & Due Date
Seventh Tranche	1/3/1999	2000	9.500%	10 years, 01/03/2009
Eighth Tranche	16/4/1999	2000	10.000%	10 years, 16/04/2009
<u>Bonds under the Primary Dealers System**</u>				
Eleventh Tranche	26/10/2004	5000	11.500%	7 years,26/10/2011
Twelveth Tranche	16/11/2004	5000	11.625%	10 years,16/11/2014
Thirteenth Tranche	7/12/2004	3000	10.938%	4 years,07/12/2008
Fourteenth Tranche	18/1/2005	1000	11.400%	20 years,18/01/2025
Fifteenth Tranche	12/7/2005	2000	9.100%	5 years,12/07/2010
Sixteenth Tranche ⁽¹⁾	2/8/2005	4000	9.250%	4 years,02/08/2009
Seventeenth Tranche	16/8/2005	2000	9.350%	5 years,16/08/2010
Eighteenth Tranche ⁽²⁾	20/9/2005	6000	9.100%	7 years,20/09/2012
Nineteenth Tranche	4/10/2005	2000	9.063%	3 years, 04/10/2008
Twentieth Tranche	18/10/2005	2000	9.100%	5 years,18/10/2010
Twenty First Tranche ⁽³⁾	15/11/2005	5000	9.300%	10 years, 15/11/2015
Twenty Second Tranche	3/1/2006	2000	9.050%	4 years,03/01/2010
Twenty Third Tranche ⁽⁴⁾	24/1/2006	6000	8.850%	7 years 24/01/2013
Twenty Fourth Tranche	14/2/2006	2000	8.500%	2 years,14/02/2008
Twenty Fifth Tranche	28/2/2006	2000	8.600%	5 years,28/02/2011
Twenty Sixth Tranche	2/5/2006	2000	8.950%	4 years,02/05/2010
Twenty Seventh Tranche	29/5/2007	2000	9.450%	7 years,29/05/2014
Twenty Eighth Tranche	25/9/2007	2000	8.450%	7 years,25/09/2014
Total		59000		

Source : Central Bank of Egypt.

* Issued by Law No. 4 /1995.

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

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

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

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

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

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

(Total Expenditures)

(LE mn)

	2007/2008			
	Pre. Estimates		3 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Expenditures</u>	<u>244061</u>	<u>265890</u>	<u>46799</u>	<u>52811</u>
<u>Compensation of Employees</u>	<u>60344</u>	<u>61039</u>	<u>15773</u>	<u>15904</u>
Salaries and wages	45120	45732	13393	13510
Social contributions	6538	6617	1764	1778
Other	8686	8690	616	616
<u>Purchases of Goods and Services</u>	<u>16944</u>	<u>17040</u>	<u>2636</u>	<u>2651</u>
Goods	7326	7343	1177	1177
Services	6769	6825	1274	1279
Other	2849	2872	185	195
<u>Interests</u>	<u>51979</u>	<u>41544</u>	<u>10888</u>	<u>7994</u>
Foreign interests	3893	3893	1333	1333
Domestic interests	48086	37651	9555	6661
To NIB	17673	0	4305	0
To others	30413	37651	5250	6661
<u>Subsidies, Grants and Social Benefits</u>	<u>64280</u>	<u>95640</u>	<u>8316</u>	<u>17070</u>
<u>Subsidies</u>	<u>55703</u>	<u>55703</u>	<u>5205</u>	<u>5205</u>
To GASC	9482	9482	2752	2752
To petroleum	36579	36579	0	0
To others	9642	9642	2453	2453
<u>Grants</u>	<u>3376</u>	<u>3376</u>	<u>1857</u>	<u>1857</u>
<u>Social Benefits</u>	<u>3551</u>	<u>34911</u>	<u>1206</u>	<u>9960</u>
Contribution to SIFs	2000	0	0	0
Other	1551	34911	1206	9960
<u>Other</u>	<u>1650</u>	<u>1650</u>	<u>48</u>	<u>48</u>
<u>Other Expenditures</u>	<u>22864</u>	<u>22886</u>	<u>5338</u>	<u>5338</u>
Defense	19050	19050	4754	4754
Other	3814	3836	584	584
<u>Purchases of Non-Financial Assets</u>	<u>27650</u>	<u>27741</u>	<u>3848</u>	<u>3854</u>
<u>(Investments)</u>	<u>27650</u>	<u>27741</u>	<u>3848</u>	<u>3854</u>
Fixed assets	23926	24017	3582	3588
Others	3724	3724	266	266

Source : The Ministry of Finance .

(4/2) Consolidated Fiscal Operations of the General Government
(The Budget Sector, NIB and SIFs)

(Total Revenues)

(LE mn)

	2007/2008			
	Pre. Estimates		3 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Revenues</u>	<u>187239</u>	<u>217344</u>	<u>29660</u>	<u>35009</u>
<u>Tax Revenues</u>	<u>120824</u>	<u>120824</u>	<u>18924</u>	<u>18924</u>
<u>Tax on income, Profits</u>	<u>56138</u>	<u>56138</u>	<u>5970</u>	<u>5970</u>
From EGPC	23274	23274	0	0
From SCA	9119	9119	2040	2040
From CBE	135	135	0	0
From other units	10184	10184	2104	2104
Payable by individuals	13426	13426	1826	1826
<u>Taxes on Property</u>	<u>1494</u>	<u>1494</u>	<u>388</u>	<u>388</u>
<u>Taxes on Goods and Services</u>	<u>45725</u>	<u>45725</u>	<u>9325</u>	<u>9325</u>
<u>Taxes on International Trade</u>	<u>13284</u>	<u>13284</u>	<u>2856</u>	<u>2856</u>
<u>Other Taxes</u>	<u>4183</u>	<u>4183</u>	<u>385</u>	<u>385</u>
<u>Grants</u>	<u>3166</u>	<u>3166</u>	<u>534</u>	<u>534</u>
Current	1727	1727	476	476
Capital	1439	1439	58	58
<u>Other Revenues</u>	<u>63249</u>	<u>93354</u>	<u>10202</u>	<u>15551</u>
<u>Property Income</u>	<u>45049</u>	<u>52871</u>	<u>6423</u>	<u>7029</u>
From EGPC	17293	17293	0	0
From SCA	13178	13178	3810	3810
From CBE	50	50	0	0
From economic authorities	1399	1399	151	151
From companies	4412	4489	-90	-51
Other (from EGPC)	5240	5240	2280	2280
Other	3477	11222	272	839
<u>Sales of Goods and Services</u>	<u>8894</u>	<u>8894</u>	<u>1214</u>	<u>1214</u>
<u>Financing Investment</u>	<u>2588</u>	<u>2588</u>	<u>203</u>	<u>203</u>
<u>Other</u>	<u>6718</u>	<u>29001</u>	<u>2362</u>	<u>7105</u>

Source : The Ministry of Finance .

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

(LE mn)

	2007/2008			
	Pre. Estimates		3 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
Total Revenues	187239	217344	29660	35009
Total Expenditures	244061	265890	46799	52811
Cash Deficit	56822	48546	17139	17802
Net Acquisition of Financial Assets	1947	4296	-169	2465
Overall Fiscal Balance Finance	58769	52842	16970	20267
<u>Financing Sources</u>	<u>58769</u>	<u>52842</u>	<u>16970</u>	<u>20267</u>
<u>Domestic Financing</u>	<u>56102</u>	<u>57950</u>	<u>13790</u>	<u>12720</u>
<u>Banking Financing</u>	<u>42660</u>	<u>44681</u>	<u>13786</u>	<u>13608</u>
Central Bank	-2000	-2000	3844	3844
Other Banks	44660	46681	9942	9764
<u>Non- Banking Financing</u>	<u>13442</u>	<u>13269</u>	<u>4</u>	<u>-888</u>
NIB	1000	0	623	0
SIFs	2740	0	567	0
Other	7702	7702	108	108
NIB Borrowing	0	3567	0	298
Special Accounts for Economic Authorities	2000	2000	-1294	-1294
<u>Foreign Borrowing</u>	<u>2814</u>	<u>2814</u>	<u>7732</u>	<u>7732</u>
<u>Arrears</u>	<u>0</u>	<u>0</u>	<u>-7</u>	<u>-7</u>
<u>Others, of which:</u>	<u>-1147</u>	<u>-8922</u>	<u>223</u>	<u>4590</u>
Special Accounts for Budget Entities	1000	1000	0	0
<u>Financing Effects for Eliminations</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Exchange Rate Revaluation</u>	<u>0</u>	<u>0</u>	<u>-1227</u>	<u>-1227</u>
<u>Net Privatization Proceeds</u>	<u>1000</u>	<u>1000</u>	<u>15</u>	<u>15</u>
Privatization Proceeds	10000	10000	15	15
Treasury Contribution to the Fund	9000	9000	0	0
<u>Difference between Treasury Bills Face Value & Present Value</u>	<u>0</u>	<u>0</u>	<u>-518</u>	<u>-518</u>
<u>Discrepancy</u>	<u>0</u>	<u>0</u>	<u>-3038</u>	<u>-3038</u>
Cash Deficit (Surplus) as a percentage of GDP	6.7%	5.7%	2.0%	2.1%
Overall fiscal balance as a percentage of GDP	6.9%	6.2%	2.0%	2.4%
Revenues as a percentage of GDP	22.1%	25.7%	3.5%	4.1%
Expenditures as a percentage of GDP	28.8%	31.4%	5.5%	6.2%

Source : The Ministry of Finance .

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

(LE mn)

End of	<u>June 2007</u>		<u>Sept. 2007</u>		<u>Change +(-)</u>
	Value	%	Value	%	2007/2008
<u>Total Domestic Debt</u>	<u>637197</u>		<u>651013</u>		<u>13816</u>
<u>Government Domestic Debt</u>	<u>478173</u>	<u>100.0</u>	<u>491962</u>	<u>100.0</u>	<u>13789</u>
<u>- Balances of Bonds & Bills</u>	<u>562897</u>	<u>117.7</u>	<u>575686</u>	<u>117.0</u>	<u>12789</u>
- Treasury bonds , of which :	230848	48.3	231869	47.1	1021
Local currency bonds with public sector banks	4000	0.8	4000	0.8	-
Euro sovereign bonds (US\$) offered abroad *	3868	0.8	3925	0.8	57
- Government notes to compensate for the actuarial deficit in social insurance funds	2000	0.4	2000	0.4	-
- Housing bonds	119	0.0	122	0.0	3
- Treasury bills	118657	24.8	130657	26.6	12000
- Foreign currency bonds with public sector commercial banks	11886	2.5	11651	2.4	(235)
- The equivalent of the retained 5% of corporate profits to purchase government bonds	1588		1588	0.3	0
- Bonds of the Insurance Funds (against the transfer of NIB debt to the Treasury)	197799	41.4	197799	40.2	<u>0</u>
<u>- Net Government Balances with the Banking System</u>	<u>-89241</u>	<u>-18.7</u>	<u>-87736</u>	<u>-17.8</u>	<u>1505</u>
<u>Amounts paid against Insurance Funds' deposits with the Treasury</u>	<u>4517</u>	<u>1.0</u>	<u>4012</u>	<u>0.8</u>	<u>(505)</u>
<hr style="border-top: 1px dashed black;"/>					
<u>Economic Authorities Debt</u>	<u>44557</u>	<u>100.0</u>	<u>42387</u>	<u>100.0</u>	<u>(2170)</u>
- Net balances of economic authorities with the banking system	-7177	-16.1	-10232	-24.1	(3055)
- Borrowing of economic authorities from NIB	51734	116.1	52619	124.1	885

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

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

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

(LE mn)

End of	<u>June 2007</u>		<u>Sept. 2007</u>		<u>Change +(-)</u>
	Value	%	Value	%	2007/2008
<u>Resources:</u>	<u>169152</u>	<u>100.0</u>	<u>171135</u>	<u>100.0</u>	<u>1983</u>
. Social Insurance Fund for Gov. Employees	27428	16.2	27435	16.0	7
. Social Insurance Fund for Pub. & Priv. Business Sectors Employees	20574	12.2	20574	12.0	0
. Proceeds from investment certificates	68485	40.5	70064	40.9	1579
. Accumulated interest on investment certificates (category A)	7579	4.5	7619	4.5	40
. Proceeds from US dollar development bonds	483	0.3	441	0.3	(42)
. Post office savings	43518	25.7	43818	25.6	300
. Others *	1085	0.8	1184	0.7	99
<u>Uses:</u>	<u>169152</u>	<u>100.0</u>	<u>171135</u>	<u>100.0</u>	<u>1983</u>
. Government	0	0.0	0	0.0	0
. Economic authorities	51734	30.6	52619	30.7	885
. Holding companies, entities & concessional loans, and others	114467	67.7	116664	68.2	2197
. NIB balances with the banking system	2951	1.7	1852	1.1	(1099)

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

(5/1) Balance of Payments

(US\$ mn)

	July/September				Change (-)
	2006/2007		2007/2008*		
	Value	%	Value	%	
<u>Balance of Current Account</u>	<u>1437.1</u>		<u>(92.4)</u>		<u>(1529.5)</u>
<u>Balance of Current Account (Excluding Transfers)</u>	<u>19.9</u>		<u>(2141.4)</u>		<u>(2161.3)</u>
<u>Receipts</u>	<u>10693.7</u>	<u>100.0</u>	<u>12072.1</u>	<u>100.0</u>	<u>1378.4</u>
Export proceeds**	5410.8	50.6	5989.8	49.6	579.0
Transportation, of which	1529.3	14.3	1716.2	14.2	186.9
Suez Canal dues	(993.4)	(9.3)	(1213.2)	(10.0)	219.8
Travel	2452.6	22.9	2848.4	23.6	395.8
Investment income	646.2	6.0	807.1	6.7	160.9
Government receipts	30.4	0.3	40.7	0.3	10.3
Others	624.4	5.9	669.9	5.6	45.5
<u>Payments</u>	<u>10673.8</u>	<u>100.0</u>	<u>14213.5</u>	<u>100.0</u>	<u>3539.7</u>
Import payments**	8460.7	79.3	11190.7	78.8	2730.0
Transportation	262.3	2.4	443.9	3.1	181.6
Travel	456.0	4.3	610.0	4.3	154.0
Investment income, of which	595.3	5.6	539.9	3.8	(55.4)
Interest paid	(187.8)	(1.8)	(230.2)	(1.6)	42.4
Government expenditures	254.6	2.4	317.2	2.2	62.6
Others	644.9	6.0	1111.8	7.8	466.9
<u>Transfers</u>	<u>1417.2</u>	<u>100.0</u>	<u>2049.0</u>	<u>100.0</u>	<u>631.8</u>
Private (net)	1293.8	91.3	1936.4	94.5	642.6
Official (net)	123.4	8.7	112.6	5.5	(10.8)

* Provisional.

** Including exports and imports of free zones.

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

(US\$ mn)

	July/September	
	2006/2007	2007/2008*
	Value	Value
Capital & Financial Account	347.7	1655.9
Capital Account	-38.8	1.4
Financial Account	386.5	1654.5
Direct investment abroad	-58.2	-131.0
Direct investment in Egypt (Net) **	3237.1	2969.1
Portfolio investments abroad (Net)	-96.0	-359.9
Portfolio investments in Egypt (Net), of which :	37.9	-1430.4
Bonds	-344.0	996.7
Other investments (Net)	-2734.3	606.7
Net Borrowing	80.0	30.4
Medium-and Long-Term Loans	-440.0	-412.9
Drawings	19.6	122.1
Repayments	-459.6	-535.0
Medium-Term Suppliers' Credit	-122.4	-17.6
Drawings	7.8	4.1
Repayments	-130.2	-21.7
Short-Term Suppliers' Credit (Net)	642.4	460.9
Other Assets	-2551.1	-280.5
CBE	-28.4	-8.7
Banks	-1789.8	423.9
Others	-732.9	-695.7
Other Liabilities	-263.2	856.8
CBE	3.5	-0.6
Banks	-266.7	857.4
Net Errors & Omissions	-723.7	-413.1
Overall Balance	1061.1	1150.4
Change in Reserve Assets, Increase (-)	-1061.1	-1150.4

Source: CBE.

* Provisional.

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

+ Including Egyptian pound denominated bonds of US\$ 1072.5 million (inflows), net foreign transactions on Egyptian T-Bills of US\$ 1958.1 million (outflows), and net foreign transactions in CDs of US\$ 648.9 million (outflows).

(5/2) Exports by Degree of Processing *

(US\$ mn)

	July/September				Change (-)
	2006/2007		2007/2008**		
	value	%	value	%	
Total ***	<u>5410.8</u>	<u>100.0</u>	<u>5989.8</u>	<u>100.0</u>	<u>579.0</u>
<u>Fuels , Mineral Oils & Products</u>	<u>2549.2</u>	<u>47.1</u>	<u>2574.1</u>	<u>43.0</u>	<u>24.9</u>
Crude oil	901.8	16.7	964.2	16.1	62.4
Petroleum products ****	1610.7	29.8	1558.7	26.0	(52.0)
Coal & types thereof	8.2	0.1	23.4	0.4	15.2
Other	28.5	0.5	27.8	0.5	(0.7)
<u>Raw Materials</u>	<u>158.7</u>	<u>2.9</u>	<u>286.7</u>	<u>4.8</u>	<u>128.0</u>
Cotton	22.9	0.4	34.4	0.6	11.5
Potatoes	1.3	0.0	19.6	0.3	18.3
Edible fruits & nuts	6.0	0.1	21.6	0.4	15.6
Oil seeds & oleaginous fruits, medicinal plants & plants for manufacturing	28.5	0.5	14.6	0.2	(13.9)
Iron, ore	23.2	0.4	3.5	0.1	(19.7)
Citrus fruits	3.9	0.1	7.6	0.1	3.7
Raw hides & tanned leather	0.6	0.0	10.6	0.2	10.0
Flax, raw	0.9	0.0	0.6	0.0	(0.3)
Edible vegetables, roots & tubers	35.1	0.7	82.2	1.4	47.1
Other	36.3	0.7	92.0	1.5	55.7
<u>Semi-finished Goods</u>	<u>421.8</u>	<u>7.8</u>	<u>383.3</u>	<u>6.4</u>	<u>(38.5)</u>
Carbon	3.7	0.1	9.7	0.2	6.0
Essential oils & resins	2.4	0.0	0.5	0.0	(1.9)

(5/2) Exports by Degree of Processing * (Contd.)

					(US\$ mn)
	July/September				Change
	2006/2007		2007/2008**		
	value	%	value	%	(-)
Cotton yarn	21.5	0.4	25.3	0.4	3.8
Aluminium, unalloyed	79.7	1.5	20.4	0.3	(59.3)
Animal & vegetable fats, greases & oils & products	15.0	0.3	5.8	0.1	(9.2)
Molasses	4.6	0.1	5.5	0.1	0.9
Organic & inorganic chemicals	51.6	0.9	87.4	1.5	35.8
Cast iron & semi-finished products & rolled iron	189.9	3.5	166.9	2.8	(23.0)
Leather, tanned	16.0	0.3	12.2	0.2	(3.8)
Tanning or dyeing extracts	8.5	0.2	20.8	0.3	12.3
Plastic & articles thereof	26.7	0.5	27.4	0.5	0.7
Other	2.2	0.0	1.4	0.0	(0.8)
<u>Finished Goods</u>	<u>1858.8</u>	<u>34.4</u>	<u>2504.9</u>	<u>41.8</u>	<u>646.1</u>
Milk & condensed cream	7.8	0.1	6.1	0.1	(1.7)
Dried onion	1.1	0.0	2.5	0.0	1.4
Rice	21.1	0.4	50.8	0.8	29.7
Vegetable & fruit preparations	6.5	0.1	9.0	0.2	2.5
Miscellaneous edible preparations	67.0	1.2	142.0	2.4	75.0
Manufactured tobacco and tobacco substitutes	12.5	0.2	14.9	0.2	2.4
Sugar and its products	5.8	0.1	6.0	0.1	0.2
Pharmaceuticals	48.7	0.9	179.1	3.0	130.4
Fertilizers	149.7	2.8	94.7	1.6	(55.0)
Cement	41.2	0.8	161.0	2.7	119.8

(5/2) Exports by Degree of Processing * (Contd.)

					(US\$ mn)
	July/September				Change
	2006/2007		2007/2008**		
value	%	value	%	(-)	
Extracts of essential oils & resins	16.5	0.3	23.1	0.4	6.6
Leather products	4.8	0.1	2.3	0.0	(2.5)
Rubber & articles	2.4	0.1	16.3	0.3	13.9
Paper, cardboard paper & articles thereof	21.4	0.4	41.7	0.7	20.3
Ceramic products	26.1	0.5	41.0	0.7	14.9
Cars, bicycles & tractors	25.2	0.5	87.5	1.5	62.3
Cotton textiles	55.2	1.0	77.7	1.3	22.5
Carpets & other floor coverings	33.6	0.6	27.8	0.5	(5.8)
Shoes & accessories	1.5	0.0	0.1	0.0	(1.4)
Ready-made clothes	113.9	2.1	115.8	1.9	1.9
Glass & glassware	43.9	0.8	55.1	0.9	11.2
Copper & articles	1.4	0.0	17.7	0.3	16.3
Aluminium & articles	19.7	0.4	89.8	1.5	70.1
Articles of iron and steel	285.4	5.3	157.5	2.6	(127.9)
Wood & articles thereof and charcoal	9.3	0.2	4.3	0.1	(5.0)
Marble & granite	11.9	0.2	20.8	0.3	8.9
Articles of base metals	124.0	2.3	158.3	2.6	34.3
Optical appliances	0.0	0.0	0.0	0.0	0.0
Electric machines & appliances, recorders & T.V sets and their accessories	188.4	3.5	159.7	2.7	(28.7)
Other	512.8	9.5	742.3	12.4	229.5
Miscellaneous Goods (Undistributed)	422.3	7.8	240.8	4.0	(181.5)

Source: Central Bank of Egypt.

* According to the Harmonized System.

** Provisional.

*** Including exports of free zones.

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

(5/3) Imports by Degree of Use *

(US\$ mn)

	July/September				Change (-)
	2006/2007		2007/2008**		
	Value	%	Value	%	
Total ***	<u>8460.7</u>	<u>100.0</u>	<u>11190.7</u>	<u>100.0</u>	<u>2730.0</u>
<u>Fuels, Mineral Oils & Products</u>	<u>850.2</u>	<u>10.0</u>	<u>1275.9</u>	<u>11.4</u>	<u>425.7</u>
Petroleum products ****	822.5	9.7	1062.0	9.5	239.5
Coal & types thereof	23.2	0.2	5.5	0.0	(17.7)
Other	4.5	0.1	208.4	1.9	203.9
<u>Raw Materials</u>	<u>1439.4</u>	<u>17.0</u>	<u>1823.8</u>	<u>16.3</u>	<u>384.4</u>
Crude oil	573.9	6.8	746.7	6.7	172.8
Wheat	288.5	3.4	347.5	3.1	59.0
Maize	104.1	1.2	174.0	1.6	69.9
Tobacco	52.1	0.6	71.7	0.6	19.6
Metal ores	57.8	0.7	189.1	1.7	131.3
Iron, ore	64.8	0.8	34.3	0.3	(30.5)
Seeds & oleaginous seeds	11.6	0.1	71.6	0.6	60.0
Cotton	35.2	0.4	20.7	0.2	(14.5)
Other	251.4	3.0	168.2	1.5	(83.2)
<u>Intermediate Goods</u>	<u>2259.2</u>	<u>26.7</u>	<u>3189.5</u>	<u>28.5</u>	<u>930.3</u>
Sugar, raw	34.9	0.4	64.1	0.6	29.2
Animal and vegetable fats, greases & oils and products	167.8	2.0	214.3	1.9	46.5
Cement	2.3	0.0	91.7	0.8	89.4
Organic & inorganic chemicals	228.2	2.7	494.7	4.4	266.5
Fertilizers	13.2	0.2	11.8	0.1	(1.4)
Tanning & dyeing extracts	26.8	0.3	48.1	0.4	21.3
Essential oils & resins	18.5	0.2	11.7	0.1	(6.8)
Plastic & articles thereof	206.7	2.4	294.0	2.6	87.3

(5/3) Imports by Degree of Use* (Contd.)

(US\$ mn)

	July/September				Change
	2006/2007		2007/2008**		
	Value	%	Value	%	(-)
Wood & articles thereof	175.7	2.1	212.0	1.9	36.3
Paper, cardboard paper & articles thereof	124.0	1.5	207.1	1.9	83.1
Cotton textiles	44.3	0.5	39.7	0.4	(4.6)
Synthetic fibers	69.2	0.8	72.7	0.6	3.5
Ceramic products	29.8	0.4	70.7	0.6	40.9
Glass & articles	13.2	0.2	38.0	0.3	24.8
Iron & steel products	459.8	5.4	769.2	6.9	309.4
Copper & articles	25.5	0.3	62.5	0.6	37.0
Rubber & articles	59.0	0.7	67.8	0.6	8.8
Aluminium & articles	90.6	1.1	104.4	0.9	13.8
Articles of base metals	43.2	0.5	49.7	0.5	6.5
Other	426.5	5.0	265.3	2.4	(161.2)
<u>Investment Goods</u>	<u>1931.1</u>	<u>22.8</u>	<u>2372.7</u>	<u>21.2</u>	<u>441.6</u>
Pumps, fans & parts thereof	44.9	0.5	102.7	0.9	57.8
Machines and apparatus for ginning and spinning & parts thereof	18.2	0.2	11.8	0.1	(6.4)
Computers	53.9	0.6	155.6	1.4	101.7
Motors, generators, transformers & parts thereof	60.5	0.7	88.3	0.8	27.8
Parts of railway and tramway locomotives or rolling stock equipment	6.5	0.1	11.4	0.1	4.9
Tractors	8.9	0.1	16.3	0.1	7.4
Vehicles for transport of passengers	6.1	0.1	5.9	0.1	(0.2)
Vehicles for transport of goods	5.8	0.1	10.5	0.1	4.7
Parts & accessories of motor vehicles	201.0	2.4	333.5	3.0	132.5

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(5/3) Imports by Degree of Use* (Contd.)

	(US\$ mn)				
	July/September				Change
	2006/2007		2007/2008**		
	Value	%	Value	%	(-)
Tools, implements, cutlery & spoons	34.4	0.4	50.2	0.4	15.8
Air conditioners	26.1	0.3	43.1	0.4	17.0
Cranes and bulldozers & parts thereof	34.7	0.4	190.8	1.7	156.1
Agricultural machinery	16.3	0.2	15.3	0.1	(1.0)
Printing machinery & parts	6.6	0.1	13.6	0.1	7.0
Electric appliances for telephones & telegraph	56.2	0.7	154.7	1.4	98.5
Optical appliances	69.0	0.8	74.8	0.7	5.8
Other	1282.0	15.1	1094.2	9.8	(187.8)
Consumer Goods	1172.4	13.9	1876.6	16.8	704.2
A - Durable Goods	304.8	3.6	467.0	4.2	162.2
Household refrigerators & electric freezers	23.2	0.3	25.5	0.2	2.3
Televisions & parts thereof	12.0	0.1	21.3	0.2	9.3
Vehicles for transport of persons	111.3	1.3	217.0	1.9	105.7
Household electric-motor appliances	49.0	0.6	73.9	0.7	24.9
Other	109.3	1.3	129.3	1.2	20.0
B - Non-durable Goods	867.6	10.3	1409.6	12.6	542.0
Meat and edible offals	126.7	1.5	137.4	1.2	10.7
Fish, crustaceans, molluscs and others	21.9	0.3	34.8	0.3	12.9
Dairy products, eggs, poultry and honey	25.7	0.3	54.0	0.5	28.3
Edible vegetables, roots & tubers	14.9	0.2	44.6	0.4	29.7
Tea	19.3	0.2	41.6	0.4	22.3

(5/3) Imports by Degree of Use* (Contd.)

(US\$ mn)

	July/September				Change
	2006/2007		2007/2008**		
	Value	%	Value	%	(-)
Miscellaneous edible preparations	65.9	0.8	166.5	1.5	100.6
Pharmaceuticals	178.4	2.1	297.3	2.7	118.9
Insecticides	5.7	0.1	6.8	0.1	1.1
Residues of foodstuff industries & animal fodder	34.7	0.4	66.9	0.6	32.2
Live animals	5.3	0.1	15.0	0.1	9.7
Ready-made clothes	74.3	0.9	183.9	1.7	109.6
Cotton textiles	25.4	0.3	36.9	0.3	11.5
Refined sugar and products	34.4	0.4	15.1	0.1	(19.3)
Lentils	3.7	0.0	10.9	0.1	7.2
Soap, detergents & artificial wax	20.6	0.2	26.5	0.2	5.9
Other	210.7	2.5	271.4	2.4	60.7
Miscellaneous Goods (Undistributed)	808.4	9.6	652.2	5.8	(156.2)

Source: Central Bank of Egypt.

* According to the Harmonized System.

** Provisional.

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

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

(5/4) Regional Distribution of Exports and Imports

(US\$ mn)

	July/September					
	Export Proceeds		Import Payments *		Trade Balance	
	2006/2007	2007/2008**	2006/2007	2007/2008**	2006/2007	2007/2008**
Total ***	5410.8	5989.8	8460.7	11190.7	(3049.9)	(5200.9)
European Union	1912.0	1957.6	3033.6	3581.4	(1121.6)	(1623.8)
Other European countries	273.1	328.8	725.6	879.2	(452.5)	(550.4)
Russian Federation & C.I.S	21.3	53.1	194.2	260.3	(172.9)	(207.2)
United States of America	1544.3	1755.8	1772.5	2234.1	(228.2)	(478.3)
Arab countries	735.1	920.0	740.9	900.8	(5.8)	19.2
Asian countries (Non Arab)	726.0	764.2	1366.4	2362.5	(640.4)	(1598.3)
African countries (Non Arab)	59.9	82.9	72.8	74.4	(12.9)	8.5
Australia	9.9	5.8	21.0	31.3	(11.1)	(25.5)
Other countries & regions	129.2	121.6	533.7	866.7	(404.5)	(745.1)

Source : Central Bank of Egypt

* Including commodity grants and loans.

** Provisional.

*** Including exports & imports of free zones.

(5/5) Average LE Exchange Rates against Currencies
(In piasters per foreign currency unit)

End of	June 2007		September 2007	
First : Interbank US\$ Rates				
Minimum	569.64		558.30	
Maximum	569.68		558.59	
Weighted average	569.67		558.43	
Second : Market Rates	Buy	Sell	Buy	Sell
US Dollar	568.92	570.73	567.76	560.31
Euro	766.17	768.72	795.81	799.57
Pound Sterling	1139.09	1142.78	1141.62	1147.02
Swiss Franc	463.18	464.77	479.01	481.33
100 Japanese Yens	462.69	464.28	485.61	488.12
Saudi Riyal	151.66	152.19	148.89	149.77
Kuwaiti Dinar	1974.32	1981.30	1992.00	2004.70
UAE Dirham	154.89	155.40	151.86	152.60

Source : Central Bank of Egypt.

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

(5/6) External Debt

End of	(US\$ mn)					
	June 2007 *		Sept. 2007 *		Change (-)	
	Value	%	Value	%	Value	%
<u>Total External Debt</u> **	<u>29898.0</u>	<u>100.0</u>	<u>31923.9</u>	<u>100.0</u>	<u>2025.9</u>	<u>6.8</u>
1- Medium-and long- term debt :	28448.5	95.1	30147.0	94.4	1,698.5	6.0
Rescheduled bilateral debt +	14846.5	49.6	15068.8	47.2	222.3	1.5
ODA	7396.5	24.7	7524.4	23.6	127.9	1.7
Non-ODA	7450.0	24.9	7544.4	23.6	94.4	1.3
Other bilateral debt	4346.0	14.5	4492.1	14.1	146.1	3.4
Paris club countries	3630.1	12.1	3754.2	11.8	124.1	3.4
Other countries	715.9	2.4	737.9	2.3	22.0	3.1
Suppliers' & buyers' credit	791.6	2.6	794.8	2.5	3.2	0.4
International institutions	6815.2	22.8	7084.2	22.2	269.0	3.9
Egyptian bonds and notes	1570.3	5.3	2633.2	8.2	1,062.9	67.7
Private sector debt (Non guaranteed)	78.9	0.3	73.9	0.2	(5.0)	(6.3)
2- Short- term debt :	1449.5	4.9	1776.9	5.6	327.4	22.6
Deposits	536.0	1.8	636.6	2.0	100.6	18.8
Other facilities	913.5	3.1	1140.3	3.6	226.8	24.8

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.

(5/7) Distribution of External Debt by Main Currencies

End of	(US\$ mn)				
	June 2007 *		September 2007 *		Change (-)
	Value	%	Value	%	
Total	<u>29898.0</u>	<u>100.0</u>	<u>31923.9</u>	<u>100.0</u>	<u>2025.9</u>
US dollar **	12453.0	41.6	12731.4	39.9	278.4
Canadian dollar	167.0	0.5	175.0	0.5	8.0
Australian dollar	139.0	0.5	142.0	0.4	3.0
Swiss franc	526.0	1.8	540.0	1.7	14.0
Sterling pound	260.0	0.9	260.0	0.8	0.0
Japanese yen	3200.0	10.7	3310.0	10.4	110.0
Danish krone	146.0	0.5	152.0	0.5	6.0
Norwegian krone	1.0	0.0	1.0	0.0	0.0
Swedish krona	37.0	0.1	38.0	0.1	1.0
Kuwaiti dinar	1601.0	5.4	1656.0	5.2	55.0
Saudi riyal	31.0	0.1	33.0	0.1	2.0
UAE dirham	41.0	0.1	41.0	0.1	0.0
Euro	9793.0	32.8	10268.0	32.2	475.0
Egyptian Pound	0.0	0.0	1072.5	3.4	1072.5
SDRs	1503.0	5.0	1504.0	4.7	1.0

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Source : Loans & External Debt Department- CBE.

* Provisional.

** Including other liabilities in US dollar

Periodical Publications of the Central Bank of Egypt

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

Notes:

- All publications of the Central Bank of Egypt are available on the CBE's website : www.cbe.org.eg