



**CENTRAL BANK OF EGYPT**

**ECONOMIC REVIEW**

**Vol. 49 No. 1**

**2008/2009**

**Research, Development and Publishing Sector**

**The Economic Review is issued by the Research, Development and Publishing Sector at the Central Bank of Egypt (CBE) on a quarterly basis. It aims to make available to a broad readership of specialists and non-specialists a wide range of information on the performance of the Egyptian economy during the reporting period. The CBE posts the Review on its website: [www.cbe.org.eg](http://www.cbe.org.eg).**

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## Major Monetary and Financial Indicators

	<u>July/September</u>	
	<u>2007/2008</u>	<u>2008/2009</u>
<b>Price Index</b>		
- Change in consumer price index (urban) (January 2007 = 100)	3.9	5.0
- Change in producer price index (2004/2005 =100)	5.6	-3.1
<b>Monetary Survey</b>		
<b>(LE bn)</b>		
	<u>July/September</u>	
	<u>2007/2008</u>	<u>2008/2009</u>
	<u>End of Period</u>	
Domestic liquidity (M2)	681.9	777.9
Growth rate (%)	2.9	1.5
Reserve money	142.3	178.1
Growth rate (%)	6.1	4.8
Money supply (M1)	141.9	177.6
Growth rate (%)	8.1	4.1
Currency in circulation/Money supply (%)	65.0	63.6
Banking system foreign assets, of which:	305.4	303.4
CBE foreign assets	164.6	188.6
Banking system foreign liabilities, of which:	90.3	29.0
CBE foreign liabilities	64.2	1.6
Total deposits with banks (excluding the CBE)	668.3	755.0
In local currency	478.9	558.5
In foreign currencies	189.4	196.5
Foreign currency deposits/total deposits (%)	28.3	26.0
Total lending and discount balances extended by banks (excluding the CBE), of which:	364.0	422.7
To government and public economic authorities	26.4	30.9
To business sector (public and private)	266.3	298.6
Portfolio of securities and TBs with banks (excluding the CBE), of which:	180.4	219.1
TBs and government bonds	123.0	167.8
Loans/deposits with banks (%)	54.5	56.0
Investment in securities, TBs and equity participations/deposits (%)	27.0	29.0

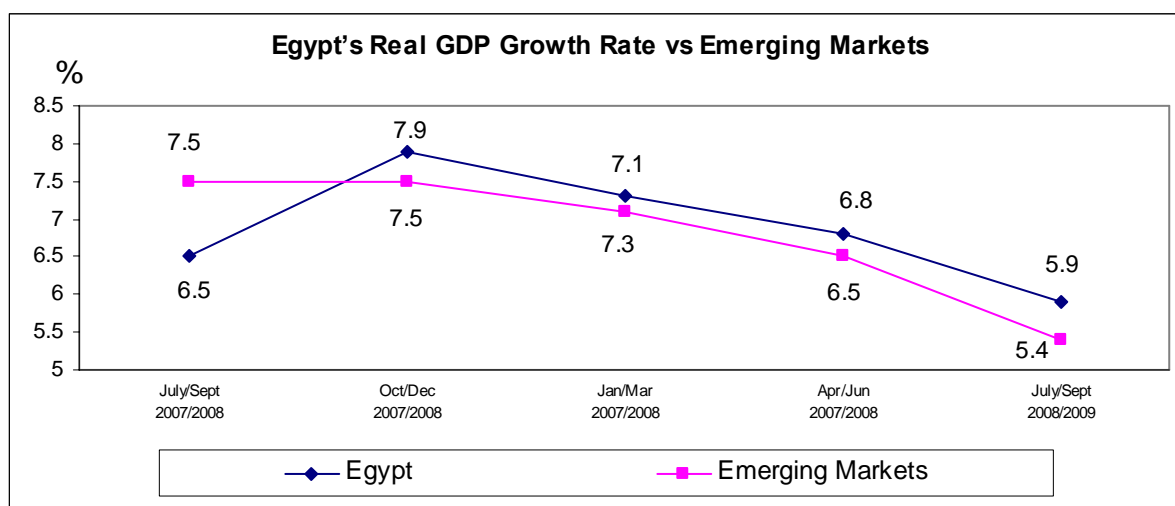
<b>Annual Discount and Interest Rates (%)</b>	<b>July/September</b>	
	<b><u>2007/2008</u></b>	<b><u>2008/2009</u></b>
	<b>End of Period</b>	
CBE lending and discount rate	9.0	11.5
<b><u>CBE Overnight Deposit and Lending Rates</u></b>		
Deposit	8.75	11.50
Lending	10.75	13.50
Interest rate on less than 3-month deposits	6.0	6.90
Interest rate on one-year-or-less loans	12.3	12.40
<b><u>CBE Announced US Dollar Exchange Rate</u></b>	<b>PT per US Dollar</b>	
- Buy and sell exchange rate (average during the period)	565.4	536.5
- At the end of the period (buy)	567.8	545.3
<b><u>Consolidated Fiscal Operations of the General Government (Budget Sector)</u></b>	<b><u>2008/2009</u></b>	
	<b><u>Estimates for</u></b>	<b><u>Actual</u></b>
	<b><u>FY</u></b>	<b><u>July/Sept.</u></b>
	<b>LE bn</b>	
- Total revenues	276.8	42.7
- Total expenditures	343.9	65.1
<b><u>Cash Deficit/Surplus</u></b>	<b><u>67.1</u></b>	<b><u>22.4</u></b>
Net acquisition of financial assets	2.7	0.4
<b><u>Overall Deficit / Surplus</u></b>	<b><u>69.8</u></b>	<b><u>22.8</u></b>
<b><u>Total Financing</u></b>	<b><u>69.8</u></b>	<b><u>22.8</u></b>
- Domestic finance	77.9	33.8
Banking	67.4	32.0
Non-banking	10.5	1.8
- Foreign borrowing	-6.9	23.6
- Arrears	-1.0	-
- Others	-1.2	-13.9
- Revaluation differences	-	1.8
- Net privatization proceeds	1.0	0.1
- Difference between treasury bills face value and present value	-	-4.2
- Foreign debt reclassification differences and FX differences related to it	-	-18.2
- Discrepancy	-	-0.2
- Cash deficit (surplus)/GDP (%)	6.7	2.0
- Overall deficit/GDP (%)	6.9	2.1
- Expenditures/GDP (%)	34.1	5.9
- Revenues/GDP (%)	27.5	3.9

<b>Domestic Public Debt</b>	<b>End of June 2008</b>	<b>End of Sept. 2008</b>
- Debt of the government	478.8	512.6
- Public economic authorities debt	50.1	50.7
- NIB debt	137.9	136.5
<b>US\$ bn</b>		
<b>July/September</b>		
<b>Balance of Payments</b>	<b>2007/2008</b>	<b>2008/2009</b>
<b>Balance of Current Account &amp; Transfers</b>	<b>(0.1)</b>	<b>(1.0)</b>
<b>Trade balance</b>	<b>(5.2)</b>	<b>(7.0)</b>
Merchandise exports	6.0	8.2
Oil and its products %	42.1	50.3
Others %	57.9	49.7
Merchandise Imports	11.2	15.2
Intermediate goods %	28.5	32.9
Investment goods %	21.2	23.0
Consumer goods %	16.8	15.0
Fuel, raw materials and others %	33.5	29.1
<b>Services Balance</b>	<b>3.0</b>	<b>4.0</b>
Receipts	6.0	7.4
Of which:		
Transportation %	28.4	30.1
Travel %	47.1	44.3
Investment income %	13.4	9.9
Payments	3.0	3.4
Of which:		
Transportation %	14.7	16.8
Travel %	20.2	23.6
Investment income %	17.9	14.9
<b>Transfers</b>	<b>2.1</b>	<b>2.0</b>
Official %	5.5	3.9
Private %	94.5	96.1
<b>Capital and Financial Account</b>	<b>1.7</b>	<b>2.2</b>
<b>Overall Surplus (Deficit)</b>	<b>1.2</b>	<b>0.5</b>
<b>Outstanding External Debt at the End of September</b>	<b>31.9</b>	<b>32.5</b>

## 1: Development and Growth

### 1/1: Gross Domestic Product (GDP)

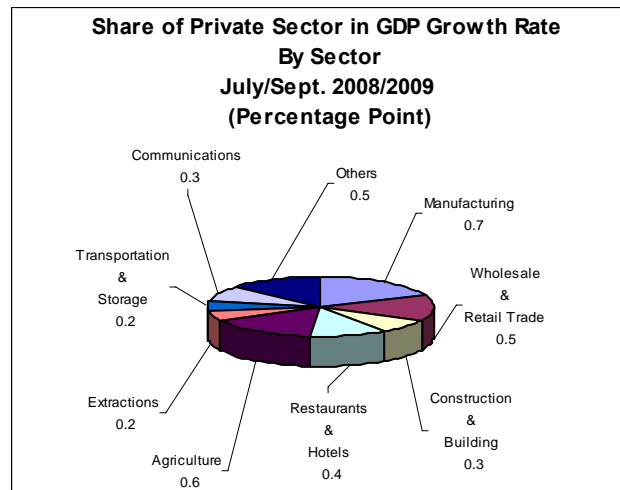
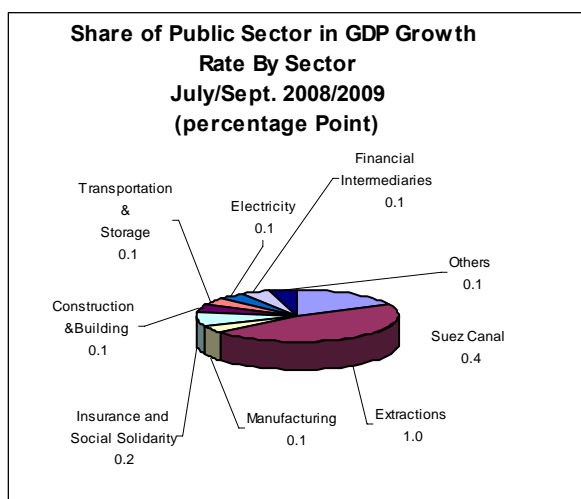
According to the Ministry of Economic Development, Egypt's economic performance slightly slowed down during July/September 2008/2009, compared with the corresponding period of the previous FY. Thus, real GDP growth at factor cost slackened to 5.9 percent during the period under review from 6.5 percent during July/September 2007/2008, reaching about LE 200.7 billion. However, it was still higher than its counterpart (5.4 percent) recorded by the emerging economies during July/September 2008.



Sources: Ministry of Economic Development - JP Morgan, World Financial Markets, 2008

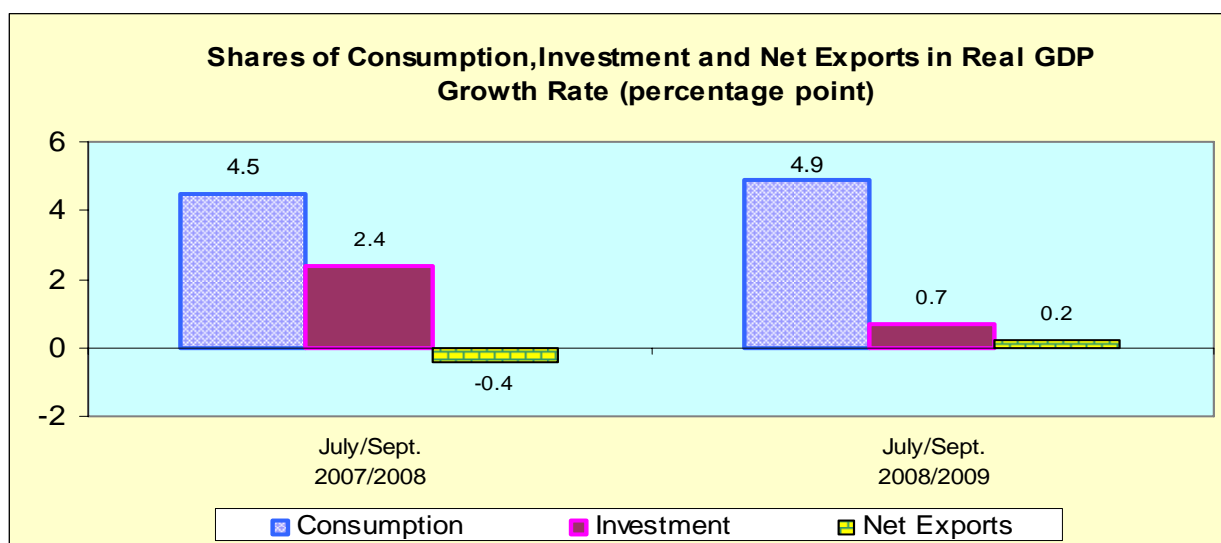
**On the supply side**, the decline in the real GDP growth rate at factor cost (5.9 percent) came as a result of the retreat in the real growth rate of fast-growth sectors, especially manufacturing, and construction and building. However, this decrease was somehow offset by the higher contribution of the sector of oil, gas and other extractions. Commodity sectors contributed 3.1 percentage points to the overall growth rate and the services sectors about 2.8 percentage points. Commodity sectors, were led by the sector of oil, gas and other extractions (1.2 percentage points), followed by manufacturing (0.8 percentage points), agriculture and irrigation (0.6 percentage points), and construction and building (0.4 percentage points). As for the services sectors, the main contributors to the overall GDP growth were wholesale & retail trade (0.5 percentage points), as well as restaurants & hotels and the Suez Canal (0.4 percentage points each).





On the demand side, the real GDP growth rate at market prices retreated to 5.8 percent during the period under review, from 6.5 percent during the period of comparison, due to the modest contribution of total investments. On the other hand, the slowdown in growth was offset by the acceleration in the real growth rate of total consumption (private and public) and its high share in economic growth. Add to this the reversal of the contribution of net external demand (exports of goods and services minus imports thereof) from negative in the period of comparison to positive in the relevant period.

**Total investments** shared only 0.7 percentage points of the overall growth rate during the period under review, against 2.4 percentage points during the period of comparison, because of the sharp drop in the real GDP growth of total investments from 17.8 percent to 4.8 percent. This was a reflection of a number of factors; foremost of which was the decline in FDI flows in green field investments and capital increases. However modest is the growth rate of its investments, **the private business sector** has remained a key development driver in Egypt. Demonstratively, investments of this sector represented over 70 percent and 60 percent of total investments and GDP respectively.



Private consumption (77.3 percent of GDP) kept up almost the same high share in real GDP growth (4.3 percentage points) of the period of comparison. Moreover, the share of public consumption in the growth rate noticeably picked up to 0.6 percentage point from 0.2 percentage point.

**Net external demand** (exports of goods and services minus imports thereof) contributed 0.2 percentage point of overall growth compared to a negative 0.4 percentage point in the period of comparison. This was a net outcome of the fact that exports of goods and services shared by 4.8 percentage point of the overall growth rate while imports thereof contributed 4.6 percentage points.

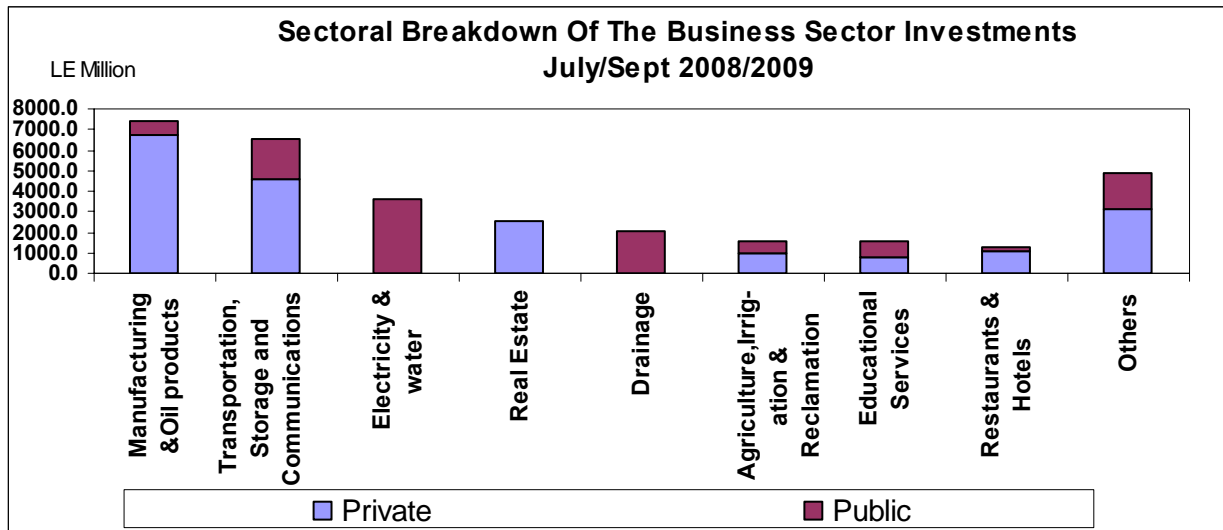
### Share of Demand Components in Real GDP Growth Rate

(Percentage Point)

	July/September	
	2007/2008	2008/2009
<b>Real GDP Growth Rate</b>	<b>6.5</b>	<b>5.8</b>
<b>1- Domestic Demand (A+B)</b>	<b>6.9</b>	<b>5.6</b>
<b>A- Final Consumption</b>	<b>4.5</b>	<b>4.9</b>
- Private	4.3	4.3
- Public	0.2	0.6
<b>B- Capital Formation</b>	<b>2.4</b>	<b>0.7</b>
<b>2- Net External Demand (A-B)</b>	<b>-0.4</b>	<b>0.2</b>
A- Exports of Goods and Services	4.9	4.8
B- Imports of Goods and Services	5.3	4.6

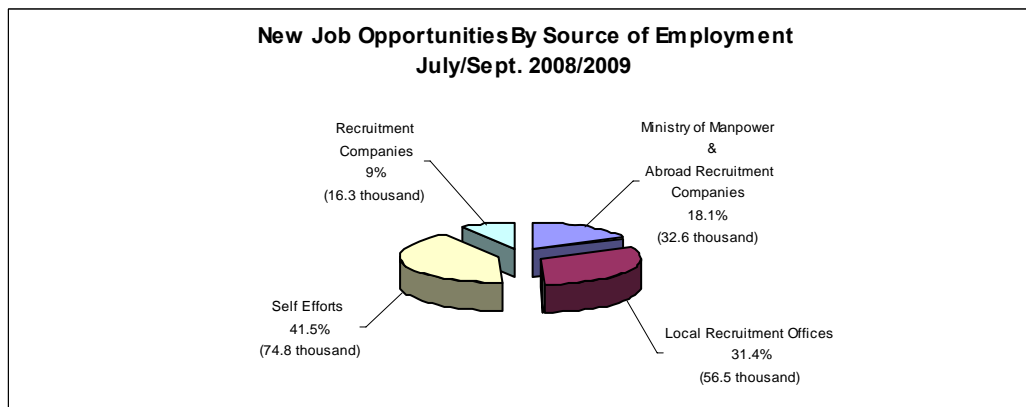
Breakdown of total implemented investments by economic sector (at current prices) reveals that oil, natural gas and other extractions accounted for 27.7

percent; manufacturing 17 percent; electricity and water 8.4 percent; agriculture and irrigation 3.6 percent; construction and building 1.9 percent; productive services 20.9 percent; and other services 20.5 percent.



## 1/2: Employment and Unemployment

The growth in investments helped create about 180 thousand job opportunities during the first quarter of FY 2008/2009, bringing unemployment rate slightly down to 8.6 percent in the relevant period from 8.9 percent during the corresponding period of the previous FY.



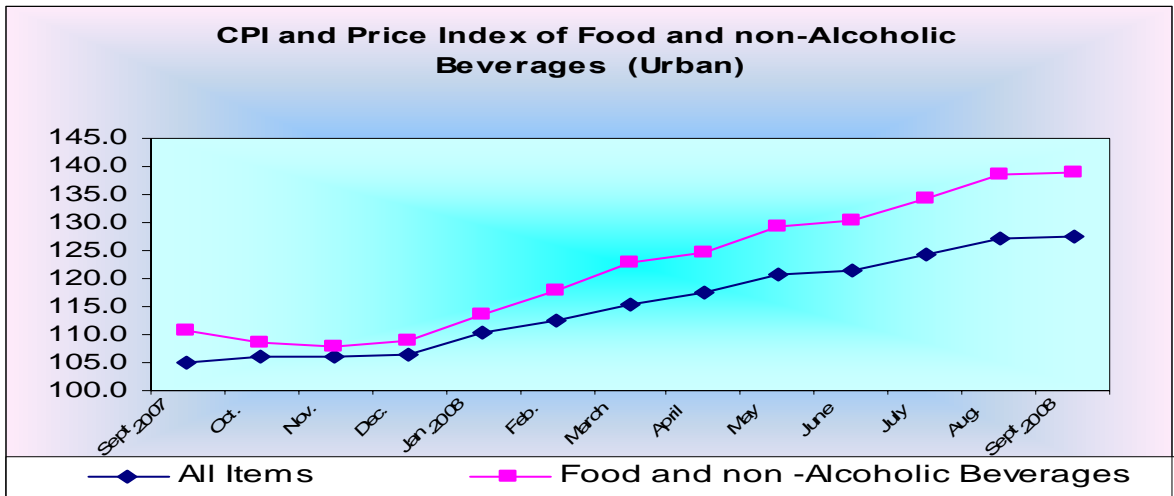
Source : Ministry of Manpower and Immigration

The sectoral distribution of employment during FY 2008/2009 ran as follows: 57 percent in commodity sectors, 20 percent in social services sectors and 23 percent in productive services sectors.

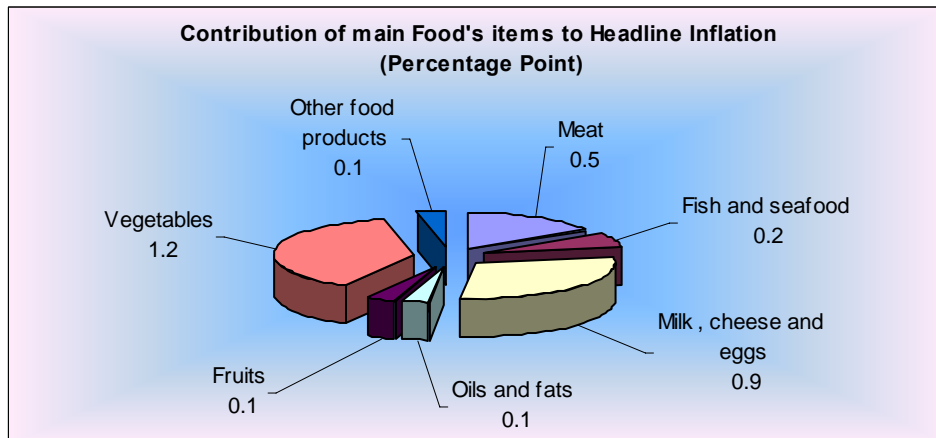
### 1/3: Inflation

#### **First: Consumer Price Index (CPI)**

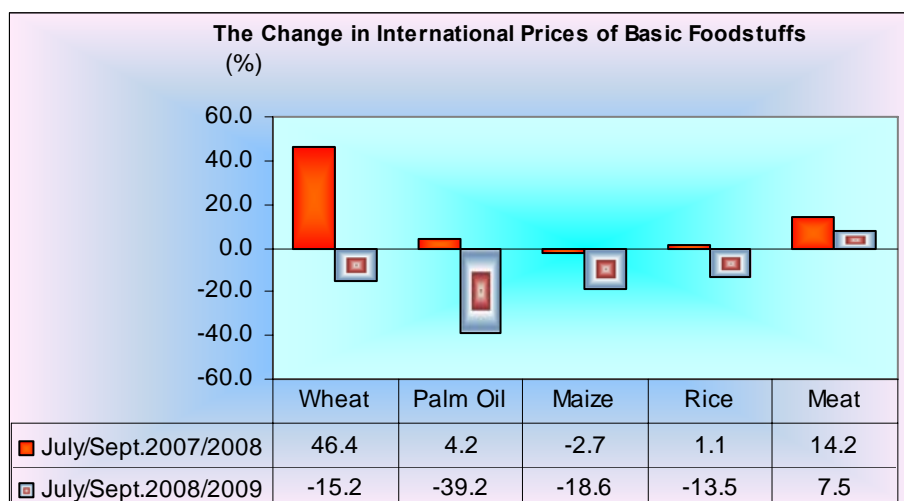
According to the CPI (urban) published by the CAPMAS, inflation accelerated to 5.0 percent during July/Sept. 2008/2009 from 3.9 percent and 3.2 percent during the corresponding periods of FYs 2007/2008 and 2006/2007, respectively.



The climb in inflation came on the back of the rise in the CPI of food and non-alcoholic beverages (contributing 3.1 percentage points to the headline inflation rate). The price index of this group went up by 6.5 percent during the period under review against 8.0 percent during the corresponding period of the previous FY, driven by the rises in the prices of vegetables that accounted for some 1.2 percentage points of headline inflation; milk, cheese and eggs (0.9 percentage points); and meat (0.5 percentage points).



The rise in headline inflation was concentrated in the prices of food and non-alcoholic beverages despite the retreat in the international prices of basic foodstuffs, particularly wheat, maize and palm oil. With a view to increasing the supply of some foodstuffs, a number of decrees were made; inter alia imposing a temporary ban on rice exports and cutting down custom tariffs on basic foodstuffs. However, such decisions and the concomitant decline in international prices of foodstuffs failed to exert a satisfactory effect on local prices. This can be explained by price downward rigidities of the domestic market. In addition, inflationary pressures have been further fed by the increase in transportation costs, due to higher fuel prices and also in the prices of fertilizers during the reporting period.



Source : IMF, IFS, various issues

On the other hand, the contribution of other groups – according to the CPI-based inflation rates (urban) during the period under review – was insignificant compared to the group of food and non-alcoholic beverages. In detail, clothing and footwear accounted for 0.6 percentage points; furnishings, household equipment and maintenance and culture and recreation (0.3 each); and housing, water, electricity; and fuel, and communications (0.2 each).

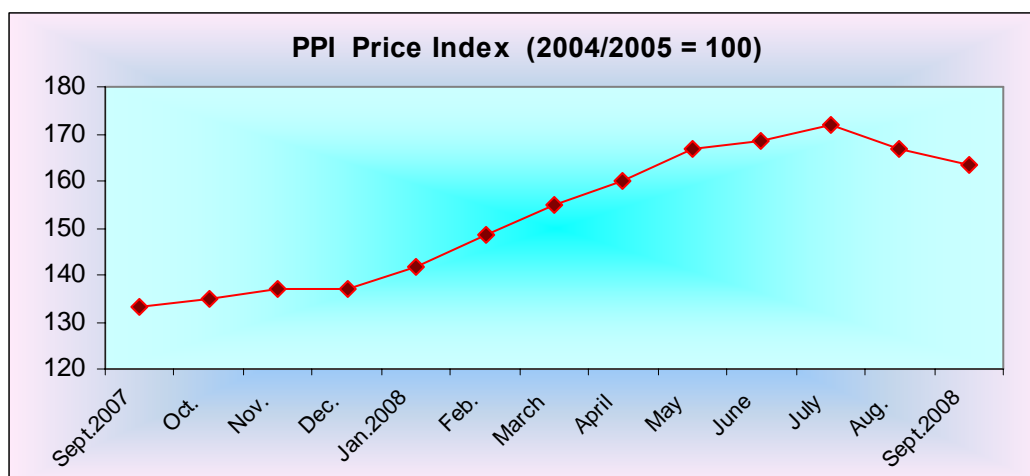
**The Share of CPI Groups (Urban) in Headline Inflation  
(Jan. 2007= 100)**

Main CPI Groups	<u>Weights</u>	<u>Inflation Rate</u>		(%)
		<u>July/Sept.</u>		Share in Headline Inflation (%) <u>July/Sept.</u> <u>2008/2009</u>
		2007/2008	2008/2009	
<b><u>General Index</u></b>	<b><u>100.0</u></b>	<b><u>3.9</u></b>	<b><u>5.0</u></b>	<b><u>5.0</u></b>
Food & non-alcoholic beverages	43.9	8.0	6.5	3.1
Alcoholic beverages, tobacco and narcotics	2.5	0.0	7.9	0.2
Clothing and footwear	7.9	1.0	9.7	0.6
Housing, water, electricity, gas & fuel	13.5	0.0	1.7	0.2
Furnishings, household equipment and routine maintenance	4.2	2.7	8.0	0.3
Health care	3.6	0.0	0.0	0.0
Transportation	5.2	0.5	1.7	0.1
Communications	3.6	0.0	5.3	0.2
Culture & recreation	3.4	1.0	8.7	0.3
Education	4.4	0.0	0.0	0.0
Restaurants & hotels	3.6	1.2	0.3	0.0
Miscellaneous goods & services	4.2	1.1	-0.7	0.0

Source: The CAPMAS.

**Second: Producer Price Index (PPI)**

PPI recorded a decline of 3.1 percent during the period under review, in contrast to a rise of 5.6 percent during the period of comparison.



The sharpest decline was in the prices of crude oil, down by 28.6 percent against a rise of 9.3 percent during the period of comparison. Conversely, the prices of agriculture, forestry & fishing, manufacturing, and information and communications went up. As to the other groups, prices remained stable. This is illustrated by the following table:

**The Share of PPI Groups\* in Headline Inflation  
(Jan. 2007 = 100)**

Main PPI Groups	<u>Inflation Rate</u>		(%)
	<u>July/Sept.</u>		<u>Share in Headline Inflation (%)</u>
	<u>2007/2008</u>	<u>2008/2009</u>	<u>July/Sept. 2008/2009</u>
<b><u>General Index</u></b>	<b><u>5.6</u></b>	<b><u>-3.1</u></b>	<b><u>-3.1</u></b>
<b><u>1-Agriculture, Forestry and Fishing, of which:</u></b>	<b><u>11.7</u></b>	<b><u>9.5</u></b>	<b><u>2.5</u></b>
Cereals and legumes	6.6	0.2	0.0
Rice	8.0	-1.8	0.0
Poultry and eggs	9.8	14.8	0.4
<b><u>2-Mining and Quarrying, of which:</u></b>	<b><u>6.9</u></b>	<b><u>-24.1</u></b>	<b><u>-7.2</u></b>
Crude oil	9.3	-28.6	-11.3
Sand and stone	8.0	0.0	0.0
<b><u>3-Manufacturing, of which:</u></b>	<b><u>1.6</u></b>	<b><u>4.6</u></b>	<b><u>1.5</u></b>
Processed food products, of which:	3.3	4.4	0.3
Oils and fats	10.0	10.8	0.1
Dairy products	10.1	5.3	0.0
Manufacture of fertilizers	4.3	6.7	0.0
Wood & products	4.6	0.0	0.0
Cement industry	0.5	5.1	0.1
Iron and steel industry	2.4	13.7	0.8
<b><u>4-Electricity and Gas, of which:</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
Electric power generation and distribution	0.0	0.0	0.0
<b><u>5-Water Supply Activities</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
<b><u>6-Transportation and Storage, of which:</u></b>	<b><u>1.2</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
Land transport	8.2	0.0	0.0
<b><u>7-Food Services, of which:</u></b>	<b><u>3.5</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
Meal serving services in limited-service facilities	22.9	0.0	0.0
<b><u>8-Information and Communications</u></b>	<b><u>0.0</u></b>	<b><u>4.4</u></b>	<b><u>0.1</u></b>

\* According to the Producer Price Index Bulletin, issued by CAPMAS as of Sept. 2007 to replace the Wholesale Price Index Bulletin that was stopped as of Jan. 2008.

On the other hand, the more recent data that followed the reporting period (the time of preparing this Review) showed that the current global financial crisis and its spillovers triggered a downtrend in the international prices of primary commodities. This, in turn, is expected to strengthen the prospects for the abatement of domestic inflationary pressures, helped by the anticipated influence of global slowdown.

## **2: Monetary and Banking Developments**

### **2/1: Monetary Policy and Monetary Aggregates**

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#### **2/1/1: Monetary Policy**

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As the overriding objective of the monetary policy is price stability, the CBE seeks to bring inflation to a low and stable level that helps build confidence and sustain appropriate rates of investment and economic growth.

The following are the main developments during the reporting period:

#### **First: Interest Rates:**

The Monetary Policy Committee (MPC) at the CBE, in its meetings of August and September 2008, decided to raise the CBE key interest rates (the overnight deposit and lending rates) as shown in the following table:

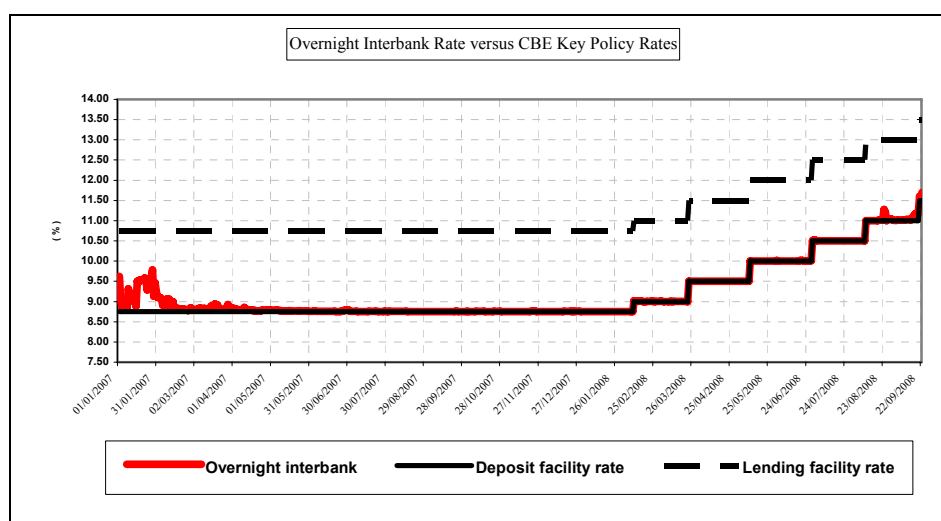
	<b><u>Overnight Deposit Rate</u></b>	<b><u>Overnight Lending Rate</u></b>
August 2008 Meeting	11.00%	13.00%
September 2008 Meeting	11.50%	13.50%

The discount rate was increased as well to 11.50 percent in September 2008 (equal to the overnight deposit rate) from 11.00 percent a month earlier and 10.00 percent at the end of June 2008. In the meeting of November 6, 2008, the deposit and lending rates were kept unchanged at 11.5 percent and 13.5 percent, respectively. Such increases appear at odds with what the central banks in other developed and emerging economies had been doing, ranging from lowering their interest rates to using other innovative tools to address the shortage in liquidity caused by turmoil in global capital markets. In Egypt, the case was different as the banking system had not suffered a liquidity crunch and the impact of the global financial crisis was limited, thanks to the prudent regulations governing the banks operating in Egypt.



Affected by the MPC decisions , the weighted average overnight interbank interest rate rose to 11.265 percent and 11.072 percent in September and August 2008, respectively, from 10.50 percent in July 2008.

Due to the excess liquidity in the banking system, the weighted average of the overnight interbank interest rate moved close to the CBE overnight deposit rate during the period under review. (See the following chart)



The rise in the overnight interbank interest rates was reflected on the interest rates on three- month deposits, reaching an average of 7.6 percent in September 2008, against 6.8 percent in June 2008. The interest rates on one-year-or-less loans rose to 12.2 percent on average in September 2008 against 11.6 percent in June 2008.

## **Second: Open Market Operations**

The outstanding balance of open market operations, used to sterilize the effects of excess liquidity in the market, declined from LE 182.9 billion at the end of June 2008 to LE 167.5 billion at the end of September 2008. This was mainly attributed to the CBE foreign currency sales to banks.

## 2/1/2: Reserve Money

Reserve money mounted by LE 8.2 billion or 4.8 percent during July/September 2008/2009, against LE 8.1 billion or 6.1 percent during the corresponding period of the previous FY, to reach LE 178.1 billion at the end of September 2008. Such a pickup resulted from the rise in currency in circulation outside the CBE by LE 9.5 billion and the decline in banks' local currency deposits at it by LE 1.3 billion.

### Reserve Money and Counterpart Assets

	Balances at the end of Sept. 2008	Change during July/Sept.+ (-) <u>2007/2008</u>			
		Value	%	Value	%
				(LE mn)	
<b><u>Reserve Money</u></b>	<b><u>178091</u></b>	<b><u>8135</u></b>	<b><u>6.1</u></b>	<b><u>8180</u></b>	<b><u>4.8</u></b>
Currency in circulation outside the CBE	120913	5992	6.5	9501	8.5
Banks' local currency deposits	57178	2143	5.1	(1321)	(2.3)
<b><u>Counterpart Assets</u></b>	<b><u>178091</u></b>	<b><u>8135</u></b>	<b><u>6.1</u></b>	<b><u>8180</u></b>	<b><u>4.8</u></b>
<b><u>Net Foreign Assets</u></b>	<b><u>187077</u></b>	<b><u>4993</u></b>	<b><u>5.2</u></b>	<b><u>6744</u></b>	<b><u>3.7</u></b>
<b><u>Foreign Assets</u></b>	<b><u>188652</u></b>	<b><u>4382</u></b>	<b><u>2.7</u></b>	<b><u>6631</u></b>	<b><u>3.6</u></b>
Gold	8695	0	0.0	0	0.0
Foreign securities	172955	10365	9.5	21780	14.4
Foreign currencies	7002	(5983)	(13.3)	(15149)	(68.4)
<b><u>Foreign Liabilities</u></b>	<b><u>1575</u></b>	<b><u>(611)</u></b>	<b><u>(0.9)</u></b>	<b><u>(113)</u></b>	<b><u>(6.7)</u></b>
<b><u>Net Domestic Assets</u></b>	<b><u>-8986</u></b>	<b><u>3142</u></b>	<b><u>8.1</u></b>	<b><u>1436</u></b>	<b><u>(13.8)</u></b>
<b><u>Claims on the Government (Net)</u></b>	<b><u>101571</u></b>	<b><u>3931</u></b>	<b><u>3.4</u></b>	<b><u>19699</u></b>	<b><u>24.1</u></b>
Claims, of which:	175828	4336	2.3	16131	10.1
Government securities	123123	(1036)	(0.6)	0	0.0
Deposits	74257	405	0.5	(3568)	(4.6)
<b><u>Claims on Banks (Net)</u></b>	<b><u>42437</u></b>	<b><u>(7613)</u></b>	<b><u>(12.8)</u></b>	<b><u>(35144)</u></b>	<b><u>(45.3)</u></b>
Claims	62458	(7208)	(9.3)	(35370)	(36.2)
Foreign currency deposits	20021	405	2.3	(226)	(1.1)
<b><u>Net Balancing Items</u></b>	<b><u>-152994</u></b>	<b><u>6824</u></b>	<b><u>(4.9)</u></b>	<b><u>16881</u></b>	<b><u>(9.9)</u></b>

The rise in counterpart assets of the reserve money was an effect of the increase in both net foreign and domestic assets. Net foreign assets picked up by LE 6.7 billion worth as an outcome of the growth in foreign assets at the CBE by LE 6.6 billion worth and the decline in its foreign obligations by LE 0.1 billion worth. Net domestic assets stepped up by LE 1.5 billion.

The pickup in net domestic assets was attributed to a number of factors. First, the CBE's net claims on the government went up by LE 19.7 billion (due to the rise in its claims on the government by LE 16.1 billion and the decline in government deposits therewith by LE 3.6 billion). Second, the negative balance of other items (net) fell by LE 16.9 billion owing to the LE 15.4 billion drop in the deposits accepted by the CBE under the open market operations. This was ascribed to a decline in the banking system's excess liquidity, especially under the decrease in its net foreign assets. Third, net claims on banks rolled back by LE 35.1 billion due to the fall in the CBE's claims on banks by LE 35.4 billion and the drop in their foreign currency deposits at the CBE by LE 0.3 billion worth.

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### **2/1/3: Banknote Issue**

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Banknote issue (including subsidiary coins) went up by LE 9.5 billion or 8.4 percent during July/September 2008/2009, against LE 6.1 billion or 6.5 percent during the corresponding period of the previous FY, to reach LE 122.2 billion at the end of September 2008.

### **Banknote Issue and Change Rates\***

(LE mn)

At the end of	Balance of Banknote Issue	Annual Change		Change during July/September	
		Value	%	Value	%
June 2007	93499	14246	18.0		
September 2007	99622	15533	18.5	6123	6.5
June 2008	112705	19206	20.5		
September 2008	122200	22578	22.7	9495	8.4

\* Including subsidiary coins issued by the Ministry of Finance.

The increase in banknote issue led to a rise in currency in circulation outside the CBE by an equivalent amount or 8.5 percent, to reach LE 120.9 billion at end of September 2008. A breakdown of currency in circulation outside the CBE by denomination showed a decline in the relative importance of the LE 20, LE 50 and LE 100 denominations, with a total of 4.07 percentage points. By contrast, the relative importance of the LE 200 note mounted by 3.43 percentage points. The relative importance of denominations of less than LE 20 rose by only 0.66 percentage points. This mirrored a continued preference for dealing in large denominations in light of the larger value of transactions and the rising level of prices. This is proved by the fact that the LE 100 and 200 denominations accounted for the bulk (almost 88 percent) of the total increase in circulated currency.

Against these developments, the average value per note declined from LE 30.29 at the end of June 2008 to LE 26.78 at the end of September 2008.

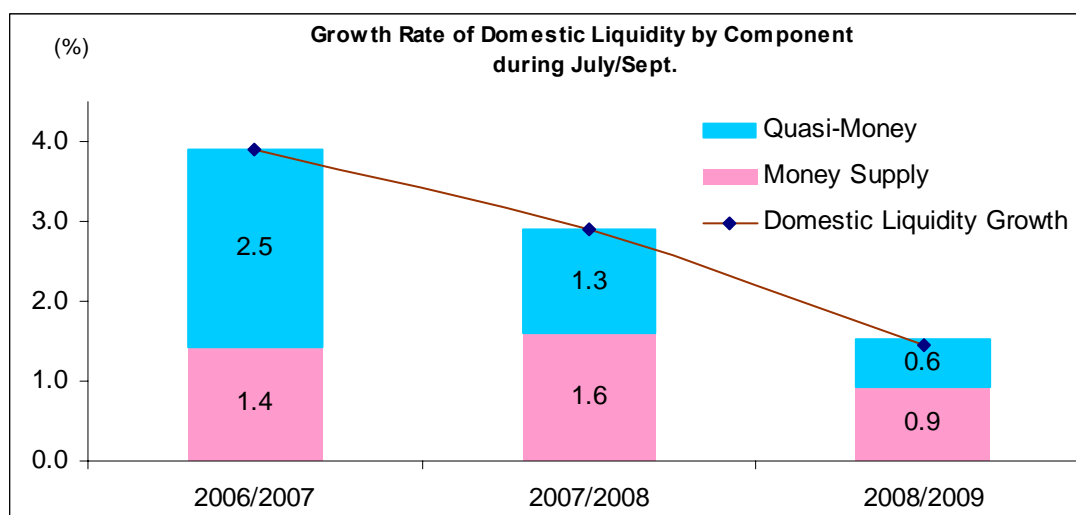
### Currency in Circulation outside the CBE\*

Balances at the End of	<u>June 2008</u>		<u>September 2008</u>		<u>Change during July/September</u>	
	Value	Relative Importance	Value	Relative Importance	2007/ 2008	2008/ 2009
<b>Total</b>	<b><u>111412</u></b>	<b><u>100.0</u></b>	<b><u>120913</u></b>	<b><u>100.0</u></b>	<b><u>6.5</u></b>	<b><u>8.5</u></b>
<b><u>Subsidiary Currencies (Notes &amp; Coins)</u></b>	<b><u>275</u></b>	<b><u>0.25</u></b>	<b><u>281</u></b>	<b><u>0.23</u></b>	<b><u>3.9</u></b>	<b><u>2.2</u></b>
<b><u>Banknote in Circulation</u></b>	<b><u>111137</u></b>	<b><u>99.75</u></b>	<b><u>120632</u></b>	<b><u>99.77</u></b>	<b><u>6.5</u></b>	<b><u>8.5</u></b>
PT 25	145	0.13	182	0.15	0.7	25.5
PT 50	242	0.22	347	0.29	0.4	43.4
LE 1	591	0.53	896	0.74	2.9	51.6
LE 5	1105	0.99	1424	1.18	(1.9)	28.9
LE 10	2845	2.55	3286	2.72	(8.6)	15.5
LE 20	7194	6.46	7628	6.31	(5.3)	6.0
LE 50	25422	22.82	24932	20.62	(0.9)	(1.9)
LE 100	54529	48.94	57100	47.22	3.5	4.7
LE 200	19064	17.11	24837	20.54	175.8	30.2

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

## 2/1/4: Domestic Liquidity (M2) and Counterpart Assets

Domestic liquidity (M2) reached LE 777.8 billion at the end of September 2008, with a rise of LE 11.2 billion during July/September 2008/2009, against LE 19.2 billion during the previous corresponding period. Accordingly, the growth rate of domestic liquidity posted only 1.5 percent during the reporting period (against 2.9 percent in the corresponding period). This was a chief outcome of the decline in banks' net foreign assets and the increase in cash outflows due to the repercussions of the global financial crisis.



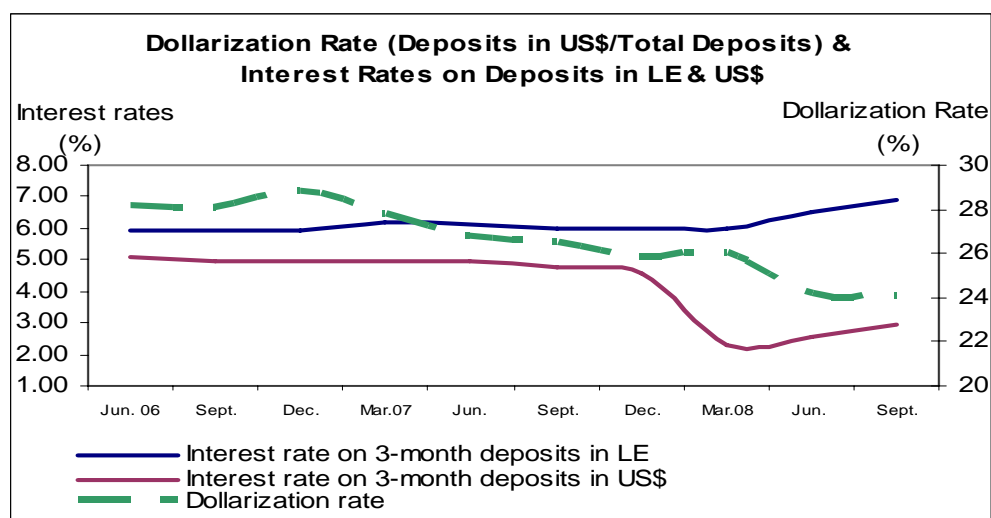
### Domestic Liquidity Structure

(LE mn)

	<u>End of Sept. 2008</u>		<u>Change During July/September</u>			
	<u>Balances</u>	<u>Relative Importance</u>	<u>2007/2008</u>		<u>2008/2009</u>	
			<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<b><u>Domestic Liquidity (M2)</u></b>	<b><u>777871</u></b>	<b><u>100.0</u></b>	<b><u>19212</u></b>	<b><u>2.9</u></b>	<b><u>11209</u></b>	<b><u>1.5</u></b>
<b><u>Money Supply (M1)</u></b>	<b><u>177641</u></b>	<b><u>22.8</u></b>	<b><u>10632</u></b>	<b><u>8.1</u></b>	<b><u>7062</u></b>	<b><u>4.1</u></b>
Currency in circulation outside the banking system	112984	14.5	5384	6.2	8328	8.0
Local currency demand deposits	64657	8.3	5248	11.8	(1266)	(1.9)
<b><u>Quasi-Money</u></b>	<b><u>600230</u></b>	<b><u>77.2</u></b>	<b><u>8580</u></b>	<b><u>1.6</u></b>	<b><u>4145</u></b>	<b><u>0.7</u></b>
<b><u>Time and Saving Deposits in Local Currency</u></b>	<b><u>440268</u></b>	<b><u>56.6</u></b>	<b><u>6580</u></b>	<b><u>1.7</u></b>	<b><u>4000</u></b>	<b><u>0.9</u></b>
<b><u>Foreign Currency Deposits</u></b>	<b><u>159962</u></b>	<b><u>20.6</u></b>	<b><u>2000</u></b>	<b><u>1.3</u></b>	<b><u>145</u></b>	<b><u>0.1</u></b>
- Demand	27896	3.6	(1887)	(7.0)	1315	4.9
- Time and saving	132066	17.0	3887	3.1	(1170)	(0.9)

The pickup in domestic liquidity resulted from the growth in both money supply (M1) and quasi-money. **Money supply** rose by LE 7.1 billion or 4.1 percent, against LE 10.6 billion or 8.1 percent, to reach LE 177.6 billion or 22.8 percent of total domestic liquidity at the end of September 2008. In addition, **quasi-money** augmented by LE 4.1 billion or 0.7 percent, against LE 8.6 billion or 1.6 percent, to LE 600.2 billion or 77.2 percent of the total at the end of September 2008.

The bulk of the increase in quasi money (96.5 percent) was in LE time and saving deposits that went up during the period by LE 4.0 billion or 0.9 percent, On the other hand, foreign currency deposits rose by only LE 0.1 billion worth or 0.1 percent. This indicated a continued preference for saving in Egyptian pound, given the stability of the exchange rates supported by the confidence in the forex market efficiency. Add to this the higher interest rate on local currency deposits as compared with those in the US dollar and other main currencies.



The LE time and saving deposits of the household sector contributed about 2.7 percentage points to the growth rate of total LE time and saving deposits. As such, the household sector's deposits showed a rise of LE 11.7 billion or 3.6 percent mainly in saving vessels of three years and more. The public business sector contributed some 0.5 percentage points to the growth rate of LE time and saving deposits. On the other hand, deposits of the private business sector showed a negative contribution of 2.3 points. This was a result of the drop in the sector's

deposits by LE 9.9 billion or 11.6 percent mainly because of the decline in the deposits of mutual funds at banks.

As for the counterpart assets of domestic liquidity, net domestic assets showed a positive contribution (5.3 percentage points) to the domestic liquidity growth. However, this was mitigated by the negative contribution of net foreign assets (3.8 points). As such, net domestic assets mounted by LE 40.5 billion or 8.7 percent, whereas net foreign assets at the banking system declined by LE 29.3 billion worth or 9.6 percent.

**Domestic Liquidity Growth Rate  
By Counterpart Assets**

	<b>During July/September + (-)</b>		%
	<b>2007/2008</b>	<b>2008/2009</b>	
<b><u>Domestic Liquidity Growth Rate</u></b>	<b><u>2.9</u></b>	<b><u>1.5</u></b>	
- Net foreign assets	(0.5)	(3.8)	
- Net domestic assets	3.4	5.3	
Domestic credit assets	3.1	6.6	
Net balancing items (unclassified)	0.3	(1.3)	

Domestic credit extended by the banking system markedly rose during the period under review as compared with the corresponding period of the previous FY. This credit increased by LE 50.5 billion or 8.9 percent against LE 20.9 billion or 3.9 percent, reaching LE 621.5 billion at the end of September 2008. Around two thirds of the rise in total credit (66.7 percent) was attributed to the increase 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 33.7 billion or 19.4 percent to LE 207.7 billion or 33.4 percent of total domestic credit. The rise was an outcome of the increase in banks' holdings of government securities and treasury bills by LE 19.4 billion and the step up in both loans to the government by LE 15.9 billion and its deposits by LE 1.6 billion.

### Domestic Liquidity Counterpart Assets

(LE mn)

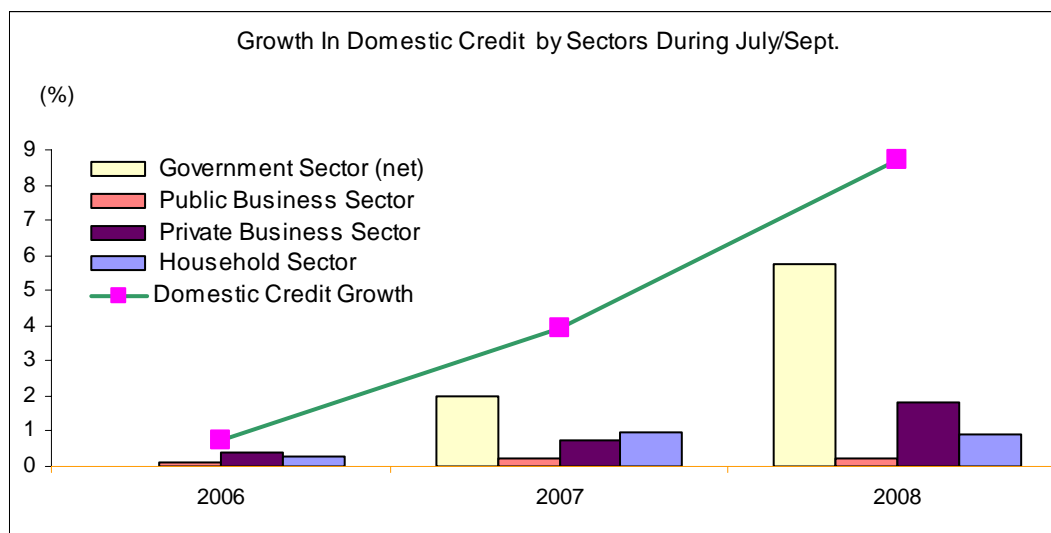
	<u>End of Sept. 2008</u>		<u>Change During July/September</u>			
	<u>Balances</u>	<u>Relative Importance</u>	<u>2007/2008</u>		<u>2008/2009</u>	
			<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<b><u>Domestic Liquidity</u></b>						
<b><u>Counterpart Assets</u></b>	<b><u>777871</u></b>	<b><u>100.0</u></b>	<b><u>19213</u></b>	<b><u>2.9</u></b>	<b><u>11207</u></b>	<b><u>1.5</u></b>
<b><u>Net Foreign Assets</u></b>	<b><u>274385</u></b>	<b><u>35.3</u></b>	<b><u>(3548)</u></b>	<b><u>(1.6)</u></b>	<b><u>(29295)</u></b>	<b><u>(9.6)</u></b>
- The CBE	187077	24.0	4993	5.2	6744	3.7
- Other banks	87308	11.2	(8541)	(6.9)	(36039)	(29.2)
<b><u>Domestic Credit</u></b>	<b><u>621486</u></b>	<b><u>79.9</u></b>	<b><u>20912</u></b>	<b><u>3.9</u></b>	<b><u>50533</u></b>	<b><u>8.9</u></b>
Government (net)	207687	26.7	10534	5.9	33682	19.4
Public business sector	28251	3.6	1283	5.2	1354	5.0
Private business sector	302170	38.8	4068	1.5	10451	3.6
Household sector	83378	10.7	5027	8.4	5046	6.4
<b><u>Other Items (Net)</u></b>	<b><u>-118000</u></b>	<b><u>-15.2</u></b>	<b><u>1849</u></b>	<b><u>(2.1)</u></b>	<b><u>(10031)</u></b>	<b><u>9.3</u></b>

The private business sector received about 20.7 percent of the increase in credit during the reporting period. As such, credit to this sector rose by LE 10.5 billion or 3.6 percent, against LE 4.1 billion or 1.5 percent, bringing its indebtedness to LE 302.2 billion or 48.6 percent of total credit. Around 70 percent of the credit increase went to the units of this sector (in the field of trade and manufacturing).

Credit to the household sector edged up by LE 5.0 billion or 6.4 percent, against LE 5.0 billion or 8.4 percent, reaching LE 83.4 billion or 13.4 percent of total domestic credit at the end of September 2008. The rise was ascribed to banks' expansion of retail business.

The public business sector received only LE 1.3 billion or 5.0 percent of the increase in domestic credit during the period. This brought its loans up to LE 28.2 billion or 4.6 percent of total domestic credit at the end of September 2008.





Net foreign assets at the banking system were negatively affected by the increase in foreign currency outflows in the wake of the global financial crisis. Net foreign assets contracted by LE 29.3 billion worth or 9.6 percent during the reporting period as an outcome of the decline in net foreign assets at banks by LE 36.0 billion worth and the increase in net foreign assets at the CBE by LE 6.7 billion worth.

### Change in Foreign Assets and Liabilities at the Banking System

(LE mn)

	<u>During July/September + (-)</u>			
	<u>2007/2008</u>		<u>2008/2009</u>	
	Value	Growth Rate (%)	Value	Growth Rate (%)
<b><u>Net Foreign Assets at the Banking System</u></b>	<b><u>(3548)</u></b>	<b><u>(1.6)</u></b>	<b><u>(29295)</u></b>	<b><u>(9.6)</u></b>
<b><u>Net Foreign Assets at the CBE</u></b>	<b><u>4993</u></b>	<b><u>5.2</u></b>	<b><u>6744</u></b>	<b><u>3.7</u></b>
- Foreign assets	4382	2.7	6631	3.6
- Foreign liabilities	(611)	(0.9)	(113)	(6.7)
<b><u>Net Foreign Assets at Banks</u></b>	<b><u>(8541)</u></b>	<b><u>(6.9)</u></b>	<b><u>(36039)</u></b>	<b><u>(29.2)</u></b>
- Foreign assets	(3952)	(2.7)	(33990)	(22.9)
- Foreign liabilities	4589	21.3	2049	8.1

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## **2/1/5: Payment Systems and Information Technology (IT)**

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The top management of the CBE pays special attention to the payment systems and IT sector in recognition of its role in facilitating the exchange of assets and services among economic units. No doubt, payment systems do not only minimize credit and settlement risks but also speed up and enhance the reliability of payment settlements, and ultimately reflect positively on economic performance as well as liquidity management.

Hereunder is the progress realized during July/Sept. 2008/2009:

- A leading international company was chosen to implement the RTGS according to the European Commission regulations. With the participation of all Egyptian banks and a number of experienced foreign advisors, the final arrangements for the full operation of the RTGS system were completed and the necessary operational tests were made. In this context, a contract was concluded with the Society for Worldwide Interbank Financial Telecommunications (SWIFT) to adjust the applied SWIFT system to the RTGS requirements to ensure final real time settlement of the transactions received via SWIFT. A number of testing operations have been already carried out with banks.
- Arrangements of tests regarding the interface of RTGS with the banking accounting system “core accounting system CAS” at the Central Bank of Egypt and with other systems (inside and outside the CBE) have been made.
- In collaboration with SWIFT, the first phase of the project had been finalized, with the aim of ensuring absolute confidentiality for the transmitted messages of financial transactions and transfers; by means of introducing new technology and installing new equipment. Subsequently, in April 2008, the second phase was also finished, but the third phase is still under way.
- The new regulations for the Automated Clearing House (ACH) were approved, in order to subject the process of cheque collection to additional regulatory controls and shorten the duration of settlement.

In the area of information technology at the CBE and the banking sector, the following was accomplished:

- The CBE branches in Alexandria and Port Said were furnished with more advanced PCs. On the other hand, an operational testing has been made to link these branches to the new RTGS.
- The RTGS “Disaster Recovery Site” and the relevant applications have been completed and are being currently tested.
- At present, efforts are under way to raise the efficiency of linkages with the SWIFT and banks, so as to meet the RTGS requirements.
- In cooperation with the NBE, the automated teller machine (ATM) system was adopted to electronically disburse the salaries and wages of the CBE staff.

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### **2/1/6: SWIFT Local Service and Clearing House Activity**

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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. 2008/2009. As such, their number amounted to 203.1 thousand transactions, with a higher value of LE 741.3 billion during the period (against 157.1 thousand transactions and LE 738.2 billion during the previous corresponding period). In addition, the number of transactions executed in foreign currencies rose to 3.8 thousand at a value of US\$ 29.0 billion (against 3.2 thousand at a value of US\$ 24.4 billion).

#### **SWIFT Local Service Activity**

<b>During</b>	<b>2006/07</b>	<b>July/Sept. 2007/08</b>	<b>2008/09</b>	<b>Change</b>	
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(2) - (1)</b>	<b>(3) - (2)</b>
<b><u>1- In Local Currency</u></b>					
Number of messages (unit)	115078	157107	203069	42029	45962
Value of executed transfers (LE mn)	446590	738220	741304	291630	3084
<b><u>2- In Foreign Currencies</u></b>					
Number of messages (unit)	2748	3238	3765	490	527
Value of executed transfers (US\$ mn)	8659	24422	28963	15763	4541

Concerning the CBE Automated Clearing House (ACH), the number of exchanged cheques increased to 2.9 million at a value of LE 138.4 billion during the reporting period against 2.8 million at a value of LE 106.4 billion during the corresponding period of the previous FY. This led to a rise in the average value per cheque to LE 48.4 thousand from LE 38.0 thousand during the corresponding period of the preceding FY.

### ACH Activity

	Number of Cheques (Thousand)	Value of Cheques (LE mn)	Change %	
			Number	Value
July/Sept. 2006/07	2599	85236	13.5	22.4
July/Sept. 2007/08	2802	106399	7.8	24.8
July/Sept. 2008/09	2860	138377	2.1	30.1

## **2/2: Banking and Credit Developments**

### **2/2/1: Banking Reform**

In July/Sept. 2008/2009, the CBE continued its banking reform plan (approved by the President of the Republic in Sept. 2004). Hereunder is a progress summary on this plan up to the end of Sept. 2008 (till the time of printing this Economic Review):

As regards **the privatization and consolidation plan**, a number of voluntary and state-forced mergers took place during the reporting period. Misr Exterior Bank was merged into Banque Misr on 16/9/2004; Misr America International Bank (MAIB) into the Arab African International Bank (AAIB) at the end of Sept. 2005; and Port Said National Development Bank into Société Arabe Internationale de Banque (SAIB) at the end of Jan. 2008. In addition, Crédit Agricole Indosuez Egypt was merged into Credit Lyonnais (Egypt branch), giving birth to Calyon Bank Egypt; and also a merger was formed of the Egyptian American Bank (EAB) and the branches of American Express Bank of Egypt. On 5 Oct. and 29 Dec. 2005, respectively, both of Al Mohandes Bank and the Bank of Commerce and Development “Al-Tegaryoun” were merged into the National Bank of Egypt (NBE). As for the United Bank, it had been established on 20 June 2006; and subsequently, on 29 June 2008, the Islamic International Bank for Investment and Development, the Nile Bank and the United Bank of Egypt were merged therein. Moreover, the Egyptian American Bank (EAB) was merged into Calyon Bank to form “Crédit Agricole Bank–Egypt”, and Misr International Bank (MIBank) into the National Société Générale Bank (NSGB) on 30 November 2006. At the end of May 2008, it was announced that Banque Misr acquired 100 percent of the shares of Banque du Caire (BdC). More recently, on 30 Oct. 2008, the Egyptian Workers Bank was merged into the Industrial Development Bank of Egypt.

As for **the privatization of the Bank of Alexandria (BoA)**, its majority stake of 80 percent was successfully sold to Italy's Sanpaolo Bank for US\$ 1.6 billion. According to the international standards, this deal has been considered a landmark in the history of acquisitions in the emerging market economies. On 12 Dec. 2006, the ownership of BoA was transferred to the Italian bank on the Stock Exchange.

Concerning the plan of the **divestiture of State-owned banks**, the **National Bank of Egypt (NBE)** sold its stakes in a number of banks: in NSGB to the French Société Générale, in the Suez Canal Bank to the Arab International Bank, and in the Commercial International Bank to the Ripplewood-led consortium, while its stake in the Egyptian Saudi Finance Bank was sold on the stock exchange. With respect to **the Bank of Alexandria**, its stake in the Commercial International Bank was sold to the Greek Piraeus Bank, in the Egyptian American Bank to Crédit Agricole Group, and in Delta Bank to the shareholders of the bank, and in the Egyptian Saudi Finance Bank was sold on the stock exchange.

**The stake of Banque Misr** in Misr International Bank (MIBank) was sold to the National Société Générale Bank (NSGB), and in Misr Romania Bank to the Bank of Lebanon and El Mahgar (Blom). **The stake of Banque du Caire** in Banque du Caire Barclays was sold to the British Barclays Bank, and in Cairo Far East Bank to Bank Audi. Moreover, the stakes of Banque du Caire and the Industrial Development Bank of Egypt in Misr America International Bank were sold to the Arab African International Bank. In addition, the stakes of both Banque du Caire and National Investment Bank in Alexandria Commercial and Maritime Bank (ACMB) were sold to the UAE-based Union National Bank (UNB).

As for **restructuring and risk management in state-owned banks**, these banks -since the beginning of 2005- have been implementing a comprehensive restructuring plan, with a specified timetable. The plan was devised by the Banking Reform Unit (BRU) at the CBE to develop all departments and technological systems, besides establishing new departments. An agreement was forged with the European Commission to finance the assessment and application of the international best practices of the three backbone departments (Risk Management, IT and Human Resources) at the NBE and Banque Misr. International consultants were recruited to take charge of this process. The four state-owned banks have undergone full audit reviews, in accordance with international accounting standards, conducted by international audit firms. In addition, qualified senior staff and cadres were appointed in those public banks.

As for the progress made by the banking reform plan in the field of **non-performing loans (NPLs)**, the NPL Management Unit at the CBE, in the period 1/1/2004 - 30/9/2008, had monitored the workout units at banks, which managed to settle more than 90 percent of irregular debts (excluding the debt of the public business sector); including the recovery of 47 percent (40 percent in cash). In coordination with the National Bank of Egypt, Banque Misr, Banque du Caire, and the Industrial Development Bank of Egypt, the CBE applied a program addressing minor NPLs (up to LE 1 million each) in the manufacturing, trade and services sectors. This program, which started in mid March 2007, set a deadline up to the end of June 2007 to the NPL cases, resulting in the resolution of nearly 7600 NPLs or 63 percent of the total cases addressed by the program. These involved 4300 cases against which legal actions had been taken, 1200 facing court judgments, and 31 serving imprisonment sentences.

Another step forward was the final agreement reached with the Ministry of Investment on the irregular debt value of the public business enterprises (LE 26 billion) to the four state-owned banks. Cash repayments of LE 6.9 billion were made to the Bank of Alexandria in January 2006. In December 2006, an amount of LE 9.1 billion was also repaid in cash to the National Bank of Egypt, Banque Misr and Banque du Caire, given that the remaining debt to these three banks (LE 10 billion) would be repaid from the privatization proceeds.

A program for the reform of **the Bank Supervision Sector** was devised to achieve the following: (I) improve the Egyptian banking sector; (II) benefit from the best international practices and adopt the concept of risk-based supervision to ensure the soundness and robustness of the banking system; (III) recruit highly qualified and professional staff; (IV) improve the efficiency of human resources and recruit the expertise required for the application of the most advanced international regulatory standards; and (V) improve the management information systems (MIS). To this end, 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 and completed, as planned, in November 2007). Furthermore, preparations for the second stage of the reform plan are under way. This stage focuses on qualifying the CBE and banks for the application of Basel II Accords, which aim mainly at strengthening risk management and internal control at banks, while urging them to enhance

disclosure and transparency and implement the rules of good governance. To this end, a memorandum of understanding was signed between the CBE and the ECB (at the time of preparing this Review), to implement the second stage of the technical assistance program. It was expected that this stage would be initiated at the beginning of 2009, with a time span of three years.

With respect to the CBE's regulatory role, the Bank conducted a number of examination tasks (type-specific), to carry out its examination plan for 2008. These tasks included on-site examination for risks management, internal control and information technology systems to ensure soundness of the implementation and compliance with the supervisory regulations. On the other hand, in coordination with Money Laundering Combating Unit (MLCU), the CBE has completed the overhaul of the applicable systems for combating money-laundering and the financing of terrorism in the banking sector.

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

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Banks' aggregate financial position reached LE 1077.1 billion at end of Sept. 2008, down by 0.6 percent during July/Sept. 2008/2009 in contrast to a growth rate of 4.4 percent during the corresponding period of the previous FY. On the assets side, the decline was attributed to the drop in balances with banks abroad by 30 percent as banks debited from their accounts with their correspondents abroad for the benefit of foreign customers who liquidated their investments in Egyptian treasury bills and securities in local currency. Another affecting factor was the fall in the balances with local banks by 10 percent, being mostly pronounced in their holdings at the CBE (down by 83 percent). However, the decline was offset by the rise in banks' investments in securities and treasury bills by 8.6 percent and in their lending and discount balances by 5.3 percent. On the liabilities side, obligations to local banks went down by 39.8 percent and reserves by 4.1 percent.

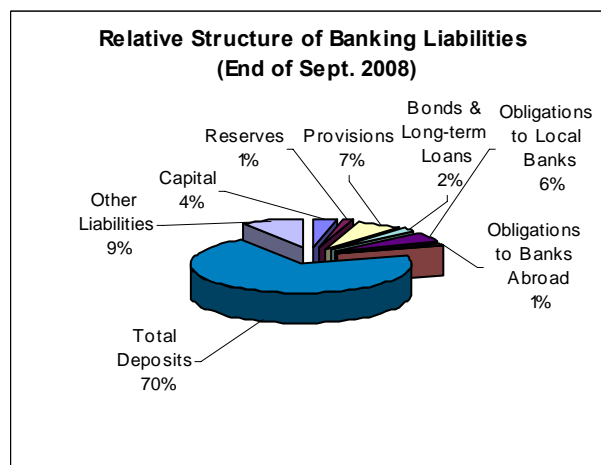
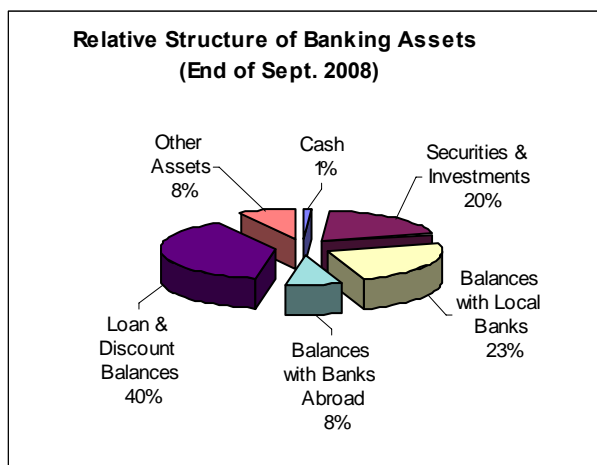


### Banks' Aggregate Financial Position

(LE mn)

Balances at End of	Sept. 2008	Change during <u>July/Sept.</u>		Change during <u>July/Sept.</u>	
		2007/2008	2008/2009	2007/2008 %	2008/2009 %
Cash	11485	966	1224	12.5	11.9
Securities and investments in TBs, of which:	219146	4308	17288	2.4	8.6
CBE notes	0	(11358)	0	(64.5)	0
Balances with local banks	250323	17065	(27862)	7.9	(10.0)
Balances with banks abroad	86038	(7386)	(36754)	(5.9)	(29.9)
Loan and discount balances	422706	10269	21281	2.9	5.3
Other assets	87404	15619	18614	26.6	27.1
Assets = liabilities	1077102	40841	(6209)	4.4	(0.6)
Capital	38620	518	1325	1.6	3.6
Reserves	15487	(91)	(654)	(0.7)	(4.1)
Provisions	71281	9867	8967	18.5	14.4
Bonds & long- term loans	22644	(4809)	359	(18.2)	1.6
Obligations to banks in Egypt	59423	(7085)	(39276)	(8.6)	(39.8)
Obligations to banks abroad	14982	4639	1655	46.4	12.4
Total deposits	755020	18382	7821	2.8	1.0
Other liabilities	99645	19420	13594	27.8	15.8

Other factors that mitigated the decline in banks' aggregate financial position included the increase of their capital by 3.6 percent, and augmentation of their provisions by 14 percent, along with the pick-up in their deposits; albeit only by 1 percent (almost one third of its growth rate in the corresponding period). The aforementioned developments in the aggregate financial position of banks came on the back of the global financial crisis and its implications for the economic climate in general, and the state of anticipation that prevailed over banks, in particular.

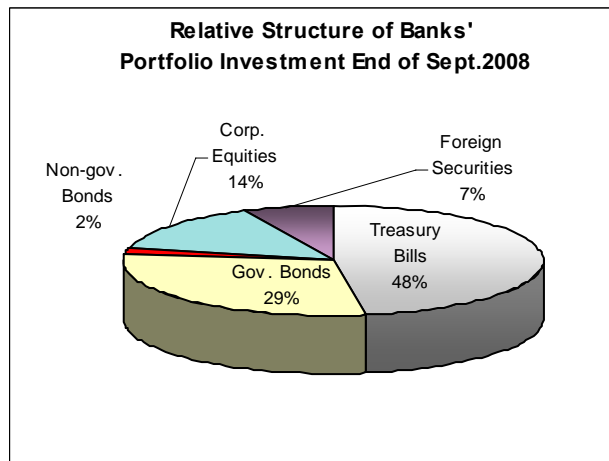
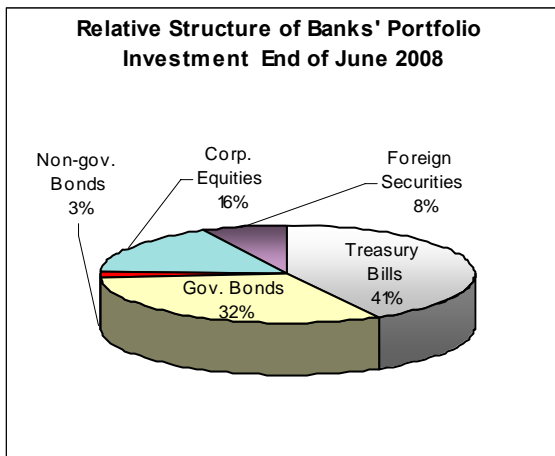


The relative structure of banks' liabilities was stable during the first quarter of FY 2008/2009, as deposits, representing the major component of this structure, accounted for 70 percent of the total resources of banks at end of June and Sept. 2008. On the other hand, some changes came over the asset structure, including the step-up in banks' investments in securities and loans to 60 percent of its total investments at end of Sept. 2008, against 56 percent at the end of June 2008. Furthermore, balances with banks at home and abroad went down to some 31 percent of total assets at end of Sept. 2008 against 37 percent at end of June 2008.

### **Relative Structure of Banks' Portfolios**

Banks expanded their investments in government securities. The increase was mainly in TBs that rose by LE 19 billion, driving up the relative importance of TBs to 47.4 percent of the total portfolio investments at the end of Sept. 2008, compared with 41 percent at the end of June 2008.

Conversely, the relative importance of government bonds dropped to 29.3 percent at the end of Sept. 2008 against 32 percent. In addition, with the decline of LE 2 billion in banks' corporate equity participations, their relative importance fell to 14 percent, against 16 percent.

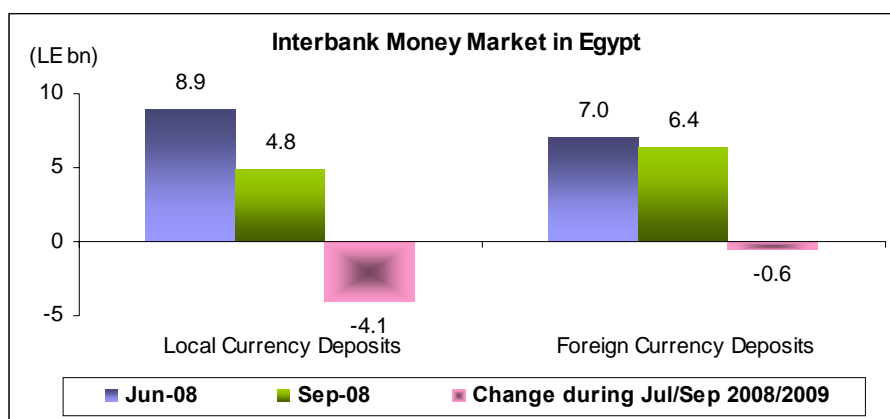


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### **2/2/3: Interbank Money Market in Egypt**

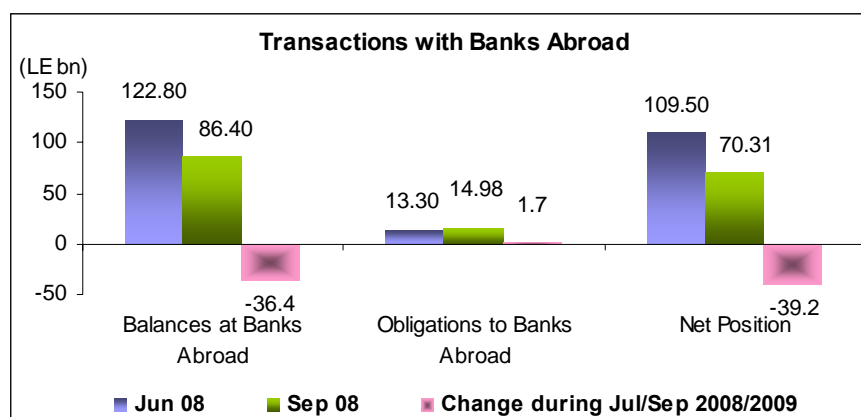
The volume of transactions in the interbank money market in Egypt retreated by LE 4.7 billion (in terms of deposits), totaling LE 11.2 billion at end of

Sept. 2008. This resulted from the decline in local currency deposits by LE 4.1 billion, and in foreign currency deposits by LE 0.6 billion worth.



### Transactions with Banks Abroad

Banks' net credit balances with their correspondents abroad fell by LE 36.7 billion or 33.8 percent, posting LE 70.3 billion worth at end of Sept. 2008. The decline was due to the fact that a large number of banks liquidated their investments abroad, in an attempt to guard against the adverse effects of the global financial crisis.

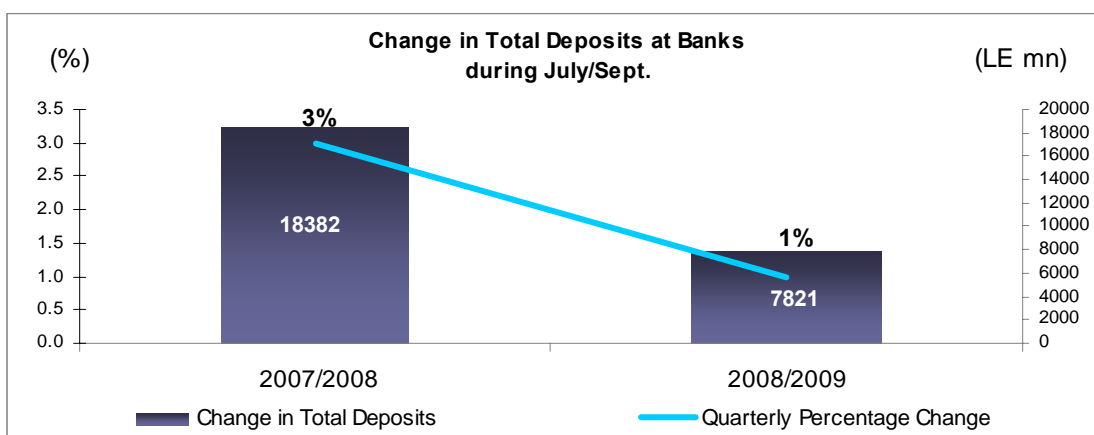
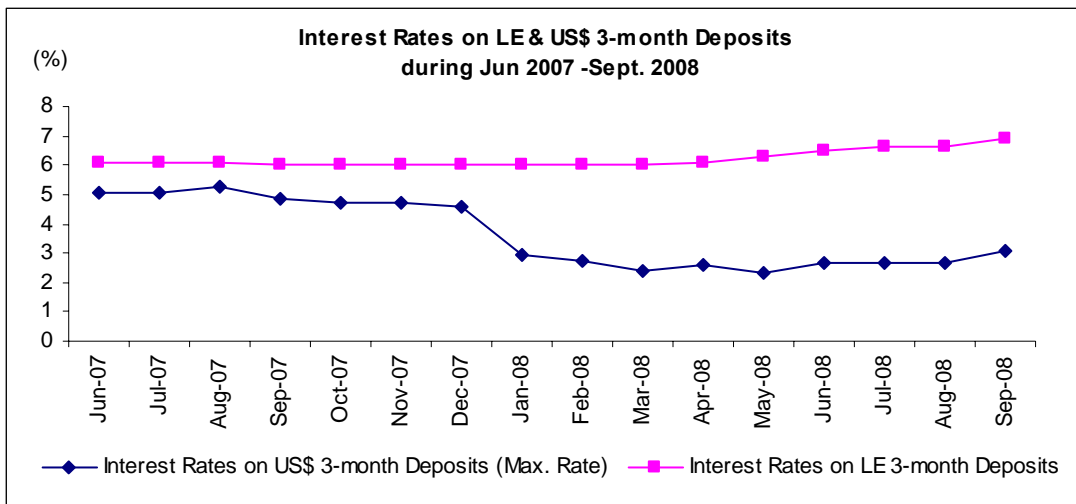


### 2/2/4: Deposits

Deposits held at banks augmented by LE 7.8 billion or one percent during the period under review, to LE 755 billion at end of Sept. 2008 against a growth of 2.8 percent during the corresponding period. Local currency deposits (representing

74 percent of total deposits) grew at a rate of 1.2 percent against 3.4 percent a year earlier. Such a lower growth rate was attributed to the fall in the private business sector's deposits by LE 10.5 billion or 8.8 percent (mainly due to the steep decline in the deposits of mutual funds by 25 percent) and in the public business sector's by 1.7 percent.

However, this decline was offset by the pick-up in the LE deposits of the household sector by LE 13.4 billion or 3.8 percent, in the light of the higher interest rates on local currency deposits, especially on the platinum certificates. Added to this was the rise in government deposits by LE 4.6 billion or 10.2 percent.



## Deposits at Banks

(LE mn)

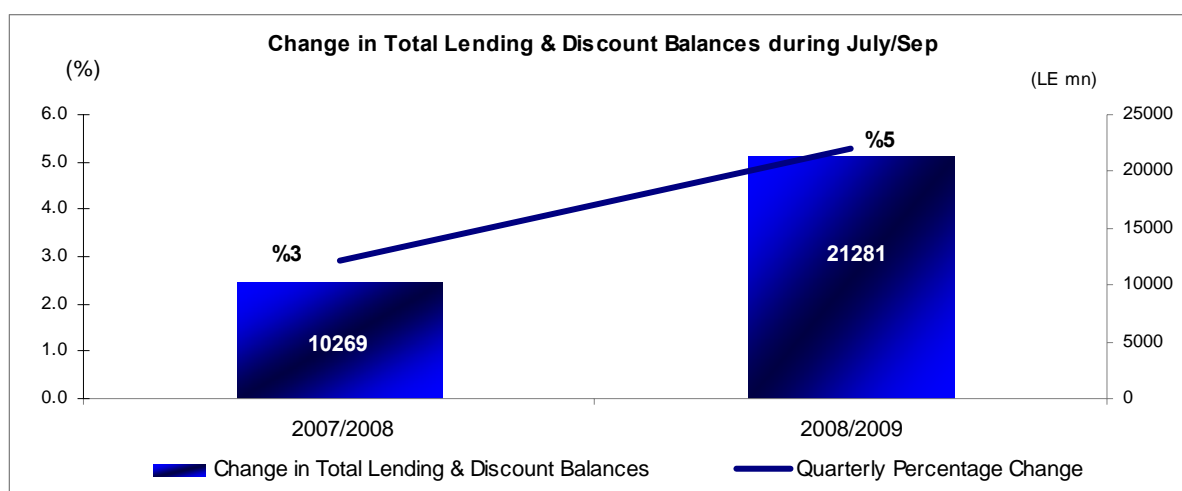
Balances at End of	Sept. 2008	Relative Importance (%)	<u>Change during July/Sept.</u> 2007/2008 (%)	<u>2008/2009</u> (%)
<b>Total Deposits</b>	<b><u>755020</u></b>	<b><u>100</u></b>	<b><u>2.8</u></b>	<b><u>1.0</u></b>
<b>In Local Currency</b>	<b><u>558475</u></b>	<b><u>74</u></b>	<b><u>3.4</u></b>	<b><u>1.2</u></b>
Government sector	49359	6.5	10.8	10.2
Public business sector*	28925	3.8	3.9	(1.7)
Private business sector	109197	14.5	5.3	(8.8)
Household sector	367516	48.7	2.1	3.8
External sector**	3478	0.5	(6.0)	(13.5)
<b>In Foreign Currencies</b>	<b><u>196545</u></b>	<b><u>26</u></b>	<b><u>1.5</u></b>	<b><u>0.7</u></b>
Government sector	34018	4.5	4.0	2.5
Public business sector*	9499	1.3	14.2	3.9
Private business sector	56802	7.5	3.8	(0.7)
Household sector	93798	12.4	(0.8)	0.2
External sector**	2428	0.3	(21.0)	26.7

\* Including all companies of the public sector (subject or not to Law 203 for 1991).

\*\*Including the counterpart deposits of the USAID.

### 2/2/5: Lending Activity

Lending and discount balances posted LE 422.7 billion at end of Sept. 2008, with a rise of LE 21.3 billion or 5.3 percent against LE 10.3 billion or 2.9 percent. The bulk of this rise (58.7 percent) was in foreign currency loans (up by 9.3 percent). The private business sector was the main recipient, receiving two thirds of the increase. Consequently, the ratio of foreign currency loans/total foreign currency deposits rose to some 75 percent at end of Sept. 2008, compared with 69 percent at end of June of the same year. This was partly ascribed to the decline in the lending cost of foreign currency loans, due to the drop in the interest rates on the US dollar, relative to the local currency; affected by the global financial crisis. Combined with this was the fall in the growth rate of foreign currency deposits.



### Banks' Lending and Discount Balances

At End of	Sept. 2008	Relative Importance (%)	Change during July/Sept. (LE mn)	
			2007/2008 (%)	2008/2009 (%)
<b><u>Total Lending and Discount Balances</u></b>				
	<b>422706</b>	<b>100</b>	<b>2.9</b>	<b>5.3</b>
<b><u>In Local Currency</u></b>				
	<b>275899</b>	<b>65.3</b>	<b>1.6</b>	<b>3.3</b>
Government sector	8783	2.1	(3.7)	(9.4)
Public business sector*	20158	4.8	2.1	3.5
Private business sector	171294	40.5	(0.1)	2.4
Household sector	74352	17.6	7.4	6.5
External sector	1312	0.3	8.8	46.3
<b><u>In Foreign Currencies</u></b>				
	<b>146807</b>	<b>34.7</b>	<b>6.0</b>	<b>9.3</b>
Government sector	22149	5.2	0.4	3.2
Public business sector*	7880	1.9	13.4	9.8
Private business sector	99276	23.5	2.4	9.3
Household sector	9026	2.1	20.3	6.3
External sector	8476	2.0	98.3	34.6

\* Including all companies of the public sector (subject or not to Law 203 for 1991).

On the other hand, local currency loans grew by LE 8.7 billion or 3.3 percent against 2.9 percent during the period of comparison. The private sector (the private business and the household sectors) accounted for 97.9 percent of such a rise.

### Ratio of Loans to Deposits

At End of	June 2007	Sept. 2007	June 2008	Sept. 2008 (%)
Loans/deposits	54.4	54.5	53.7	56.0
Local currency loans/local currency deposits	53.6	52.7	48.4	49.4
Foreign currency loans/foreign currency deposits	56.4	58.9	68.8	74.7

### **3- Stock Exchange**

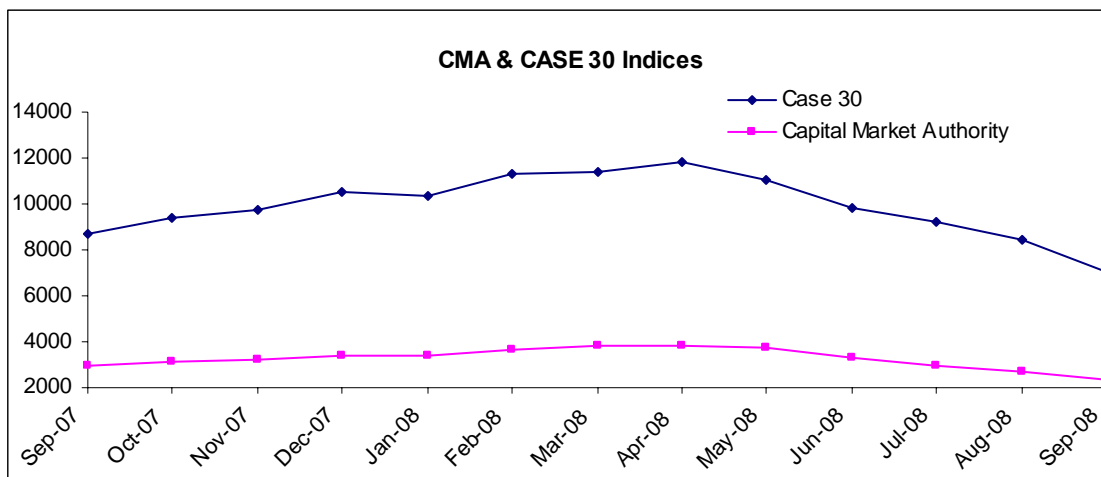
During July/September 2008-2009, the Egyptian Stock Exchange witnessed **at the domestic level**, a number of decisions to further enhance the efficiency of the stock market with a view to bringing it up to a world-class level. Primarily was the CMA's Board of Directors Decision No. 83 for 2008 regarding the conditions of listing in the CMA's 'Branches Registry'. The Decision stipulates inter alia the following conditions: (1) the minimum capital of the company, for which a branch is required to be listed, shall not be less than LE 5 million; (II) in case the number of branches of a single company is more than five, the said company shall increase its capital by LE 500 thousand for each orders-receiving branch and by LE 1 million for each executing branch; and (III) the obligation to increase capital shall vary according to the number of branches required to be listed, except in case of listing branches in governorates where the total number of listed branches is less than 10. Moreover, the CMA's Board of Directors issued Decision No. 84 for 2008 concerning the establishment of a Quality Control Unit to monitor the work of auditors registered in the CMA's register. The Decision aims at verifying compliance with professional quality standards, as well as verifying the registered auditors' compliance with applied audit standards and professional and moral rules.

In the area of combating money laundering and terrorism financing, the CMA issued Decision No. 87 for 2008 approving the issuance of AML/CFT regulations for securities firms, "receiving money for investment" and securitization companies. Moreover, the CMA issued Decision No. 102 for 2008 regarding determining the amount of deposit to be placed by securities companies at the CMA, as being one of the licensing requirements.

As for the Nile Stock Exchange (NILEX), the CMA approved the licensing of M.H. for Financial Consultancy to act as a nominated advisor for medium and small companies that desire to be listed on NILEX. Consequently, the number of nominated advisors in NILEX reached 13. Moreover, the listing committee at the Egyptian Stock Exchange approved the listing of T. N. Holdings for Investment through its nominated advisor (Naeem Financial Investments), to be the third company listed on NILEX.

**At the regional level**, the Egyptian Exchange (EGX) won the award of the most innovative African Exchange in the competition organized by New York Stock Exchange in collaboration with the Africa Investor Corporation (Ai). “Ai Index Series Awards” was launched as a set of awards that recognize Africa’s best stock market and investment bank, initial public offering (IPO) as well as the best dealers in the African capital markets. Choosing EGX as the most innovative Exchange was based on objective criterion, including the initiatives and programs implemented by the exchange in improving the Exchange’s regulatory framework and the technical and technological infrastructure, and the ability to attract investment.

Similar to many world capital markets, the Egyptian Exchange was affected by the subprime mortgage crisis that rocked the US market. As such, CASE 30 index decreased by 28.2 percent during July/September 2008-2009 compared to a rise of 11.3 percent during the corresponding period, posting 7059.2 points at the end of September 2008. Likewise, CMA index fell by 29.3 percent (against a 7.5 percent hike during the period of comparison) to record 2354.4 points at the end of Sept. 2008.

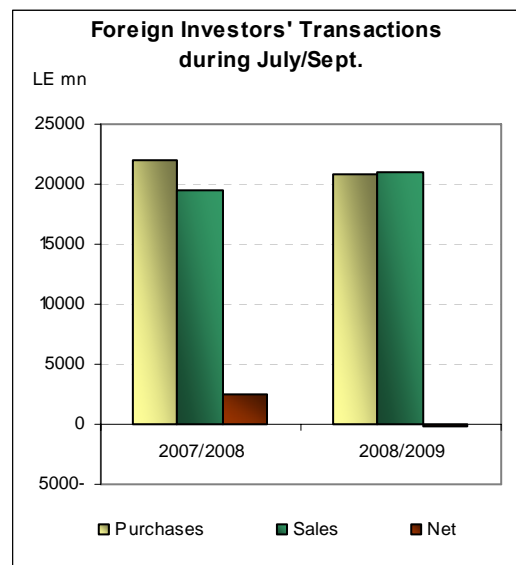




Indicators of dealing in shares and bonds revealed a pickup in the number of traded securities by 54.7 percent during July/September 2008-2009, to reach some 5 billion securities. The value of these papers went down by LE 7.5 billion or 8.9 percent, to LE 77.1 billion at the end of September 2008. Shares accounted for 95.8 percent of the total value of traded securities, compared with 89.7 percent during the period of comparison.

Retailers' transactions represented 54.8 percent of the total value of trading at the end of September 2008, compared with 56.9 percent at the end of June 2008. Moreover, institutional investors' transactions accounted for 45.2 percent at the end of September 2008, against 43.1 percent at the end of June 2008.

It was clearly noticeable during the period that the foreigners' transactions on the Egyptian Exchange were adversely affected by the intensification of the global financial crisis. As such, many investors liquidated their positions in the Egyptian stock market to cover their positions abroad. Consequently, foreigners' transactions unfolded net sales of LE 137 million during the period, against net purchases of LE 2.5 billion during the corresponding period of the preceding FY.



### 3/1: Shares Market

#### 3/1/1: Primary (Issue) Market

##### A) New Issues

During July/September 2008-2009, the CMA approved 931 new issues of which 631 went to new incorporations comprising 376 million shares at a value of LE 4.9 billion or 25.0 percent of the total value of issues. Issues to increase the capital of existing companies amounted to 300, with 1.4 billion shares at a value of LE 14.6 billion or 75 percent of the total value of issues during the period.

#### New Share Issues on the Exchange

During	July/September	
	2007/2008	2008/2009
<b>Total Number of Issues (Unit)</b>	<b>748</b>	<b>931</b>
New incorporations	508	631
Capital increase of existing companies	240	300
<b>Total Number of Shares (mn)</b>	<b>1194</b>	<b>1783</b>
New incorporations	214	376
Capital increase of existing companies	980	1407
<b>Total Value of Shares (LE mn)</b>	<b>15958</b>	<b>19438</b>
New incorporations	3391	4858
Capital increase of existing companies	12567	14580

Source: CMA

##### B) Companies Listed on the Exchange

The number of companies listed on the Stock Exchange went up from 377 companies at end of June 2008 to 380 at end of September 2008. The nominal value of the capital of listed companies also mounted to LE 143.4 billion against LE 138.0 billion. By contrast, the market value of their capital declined from

LE 813.3 billion at the end of June 2008 to LE 622.2 billion at end of September 2008. The drop in the market capital was ascribed to a fall in most share prices due to the global financial crisis.

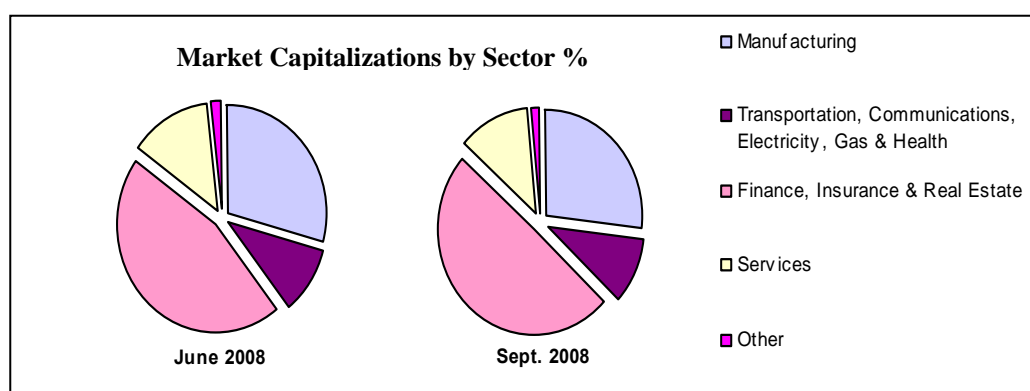
### Companies Listed on the Exchange

(LE mn)

End of	No. of Companies (Unit)	June 2008		September 2008		
		Nominal Capital	Market Capital	No. of Companies (Unit)	Nominal Capital	Market Capital
<b>Total</b>	<b>377</b>	<b>137974</b>	<b>813341</b>	<b>380</b>	<b>143351</b>	<b>622159</b>
Listed on official schedules	121	65897	644180	120	69592	268165
Listed on unofficial schedules	255	72027	169111	259	73709	353944
Listed on the temporary schedule	1	50	50	1	50	50

Source: The Egyptian Exchange

A sectoral distribution of market capital shows that the sector of finance, insurance & real estate remained in the forefront in terms of investment. As such, it accounted for 49.7 percent of the total market value at the end of September 2008, against 45.5 percent at the end of June 2008. The manufacturing sector came next, despite the decline in its relative share from 29.6 percent at the end of June 2008 to 26.8 percent at the end of September 2008.



### 3/1/2: Secondary (Trading) Market

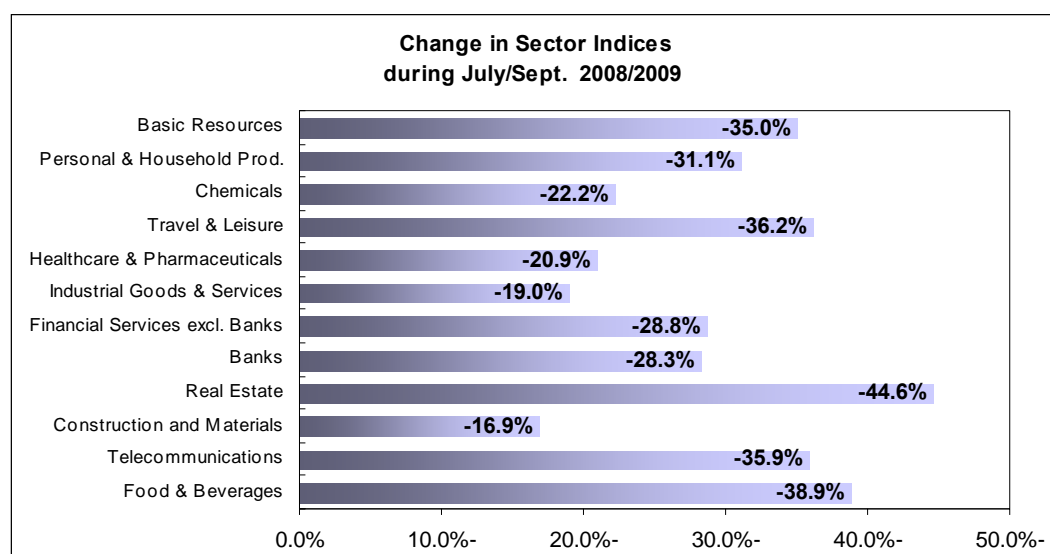
The total value of traded shares on the floor and over the counter (in LE and foreign currencies) fell from LE 75.9 billion during the corresponding period of the previous FY to LE 73.9 billion during the reporting period. Shares traded on the floor accounted for 89.9 percent of the total value of dealings. Dealing in LE shares recorded 97.0 percent of the total, with a total value of LE 64.4 billion, whereas dealings in US dollar shares reached US\$ 376 million. On the other hand, shares traded OTC posted LE 7.4 billion, of which 97.2 percent were in Egyptian pound.

#### Trading in Shares on the Exchange

During	<u>July/Sept.</u>					
	<u>2007/2008</u>			<u>2008/2009</u>		
	No. of Transactions (Unit)	Volume (000s)	Market Value (mn)	No. of Transactions (Unit)	Volume (000s)	Market Value (mn)
<b><u>Total Trading</u></b>	<b><u>2304226</u></b>	<b><u>3253634</u></b>	<b><u>75922</u></b>	<b><u>2655947</u></b>	<b><u>5043271</u></b>	<b><u>73885</u></b>
<b><u>On the Floor</u></b>	<b><u>2217497</u></b>	<b><u>2719289</u></b>	<b><u>69916</u></b>	<b><u>2496899</u></b>	<b><u>4275874</u></b>	<b><u>66440</u></b>
Shares in LE	2158800	2518574	67772	2440726	4098557	64414
Shares in US dollar	58697	200715	2144	56173	177317	2026
<b><u>Over the Counter</u></b>	<b><u>86729</u></b>	<b><u>534345</u></b>	<b><u>6006</u></b>	<b><u>159048</u></b>	<b><u>767397</u></b>	<b><u>7445</u></b>
Shares in LE	85001	505667	4699	155534	760448	7234
Shares in US dollar	1728	28678	1307	3514	6949	211

Source: CMA

In line with the downward trend of the Stock Exchange performance, the sectors' indices showed a decline. The sectors that were mostly affected were the real estate with a decline of 44.6 percent, followed by foodstuffs and beverages (38.9 percent), and tourism & recreation (36.2 percent).



## 3/2: Bonds Market

### 3/2/1: Primary (Issue) Market

Total value of issued bonds (listed) slightly decreased by LE 0.2 billion during July/September 2008-2009, to post some LE 84.4 billion at end of September 2008. The value of Egyptian TBs under the primary dealers system remained unchanged, accounting for 88.3 percent of total listed bonds at the end of September 2008.

### Bonds Listed on the Exchange

(LE mn)

At End of	June 2008		September 2008	
	Value	%	Value	%
<b>Total</b>	<b>84546</b>	<b>100.0</b>	<b>84370</b>	<b>100.0</b>
<b>Government Bonds</b>	<b>78770</b>	<b>93.2</b>	<b>78630</b>	<b>93.2</b>
- Treasury bonds	4000	4.7	4000	4.7
- Treasury bonds (primary dealers system)	74500	88.1	74500	88.3
- Housing bonds	118	0.2	117	0.2
- Dollar development bonds	153	0.2	13	0.0
<b>Corporate &amp; Bank Bonds</b>	<b>3880</b>	<b>4.6</b>	<b>3915</b>	<b>4.6</b>
<b>Securitization Bonds</b>	<b>1896</b>	<b>2.2</b>	<b>1825</b>	<b>2.2</b>

Source: The Egyptian Exchange.

### 3/2/2: Secondary (Trading) Market

The trading value of bonds decreased by LE 5.5 billion during July/September 2008-2009, compared with the corresponding period a year earlier. Dealings were only conducted on the floor, mostly in TBs (under the primary dealers system). As such, about 3.2 million bonds were traded through 134 operations at a value of LE 3.2 billion.

#### Trading in Listed Bonds on the Floor

During	<u>2007/2008</u>			<u>2008/2009</u>		
	No. of Transactions (Unit)	Quantity of dealt-in bonds (000s)	Value of dealt-in bonds (000000s)	No. of Transactions (Unit)	Quantity of dealt-in bonds (000s)	Value of dealt-in bonds (000000s)
<b>Total Bonds (LE)</b>	<b>451</b>	<b>8306.2</b>	<b>8685.3</b>	<b>136</b>	<b>3238.3</b>	<b>3223.5</b>
Treasury bonds	1	40.0	44.0	0	0.0	0.0
T. Bonds (primary dealers system)	433	8121.5	8626.2	134	3237.9	3223.5
Housing bonds	1	0.0	0.0	2	0.4	0.0
Corporate & bank bonds	16	144.7	15.1	0	0.0	0.0
<b>Total Bonds (US\$)</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Development bonds	0	0.0	0.0	0	0.0	0.0
Corporate bonds	0	0.0	0.0	0	0.0	0.0

Source: CMA

### 3/3: Mutual Funds

The CMA approved the establishment of one mutual fund during the period, thus bringing the number of mutual funds to 42 (39 are open-ended and 3 are closed) at the end of September 2008.

#### **4: Public Finance and Domestic Public Debt**

##### **4/1 - Consolidated Fiscal Operations of the General Government**

Estimates of the consolidated fiscal operations of the general government for FY 2008/2009 express the high priority accorded by the fiscal policy to ease the pressure of high domestic prices - fueled by the record increases in world oil and food prices - on low-income brackets. Total budgeted expenditure of the government reached around LE 345.4 billion for the said year, up by LE 39.6 billion or 13.0 percent above the actual figure of the preceding fiscal year. Subsidies, absorbing 13.9 percent of the rise in expenditure, went up by LE 11.7 billion over the actual figure of the previous FY, to LE 95.9 billion. This clearly mirrored the increase in budgeted subsidies for petroleum products (LE 62.7 billion) and supply commodities (LE 21.5 billion). In addition, estimated employees' compensations including wages rose by 25.6 percent over the actual figure of the period of comparison, to LE 79.8 billion (almost one quarter of the government's total estimated current expenditure). By contrast, estimated investment expenditure was 17.4 percent below the actual figure of FY 2007/2008.

On the other hand, the fiscal policy continued to work on increasing public revenues by adopting a plan for upgrading the customs and tax authorities. The objectives of this plan included streamlining the procedures of tax collection, expanding the taxpayer base, combating tax evasion, applying stringent measures for the collection of arrears and tax dues, resolving tax disputes, and expanding the use of electronic payment systems in customs duties and taxes in general. Accordingly, estimates of public revenues posted some LE 281.6 billion, up by LE 32.7 billion or 13.2 percent over the actual figure of FY 2007/2008.

Hereunder are the estimates of the consolidated fiscal operations of the general government for FY 2008/2009, and the actual follow-up results of their execution during the first quarter of the year.

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## **4/1/1: Estimates of the Consolidated Fiscal Operations of the General Government**

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### **The Budget Sector**

The budget sector's total estimated revenues for FY 2008/2009 reached nearly LE 276.8 billion or 27.5 percent of GDP. Tax revenues were estimated at nearly LE 166.6 billion or 60.2 percent of total estimated revenues. Of these revenues, taxes on income and business profits accounted for LE 83.3 billion or almost half of the total tax revenues. Taxes on the oil sector were projected to account for 42.0 percent of total tax revenues, as a reflection of the strong activity of this sector. In the meantime, taxes on goods and services were estimated at LE 61.3 billion or 36.8 percent, and customs receipts at LE 15.2 billion or 9.1 percent.

Other revenues, mainly property income, proceeds of selling goods and services, financial investments and other miscellaneous taxes were estimated at LE 104.7 billion or 37.8 percent of the total estimated revenues.

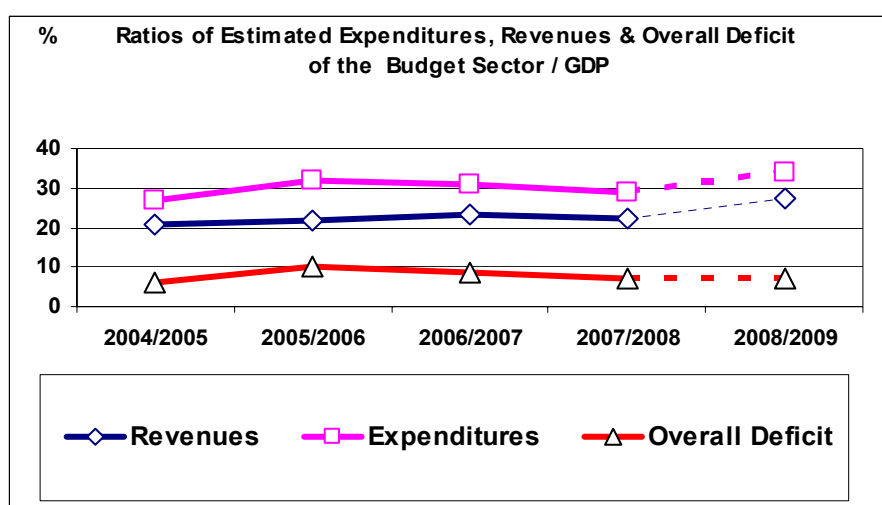
Total expenditures were estimated at LE 343.9 billion or 34.1 percent of GDP. Compensations of employees, including wages, were estimated at LE 79.0 billion or 23.0 percent of total expenditures (including all periodical allowances and incentives that were granted earlier and the costs of applying the second stage of teachers' cadre). Interest payments for external and domestic public debts were estimated at LE 52.9 billion or 15.4 percent of total expenditures. Subsidies for oil products were estimated at LE 62.7 billion or 18.2 percent of total expenditures, and for goods at LE 21.5 billion. It is noteworthy that the budgeted rise in subsidies reflected the government's high attention to the social dimension: mitigating the effects of price pressures, providing necessary goods for newborns (added to ration cards) and the additional amounts of rationed goods such as rice, sugar, oil and tea. Furthermore, around LE 11.8 billion were allocated for other subsidies represented in low-cost housing; interest on concessionary loans to farmers; water, medicine & health insurance; passenger transport; electricity; industrial zones; Upper Egypt development; pharmaceuticals; and dairy products.



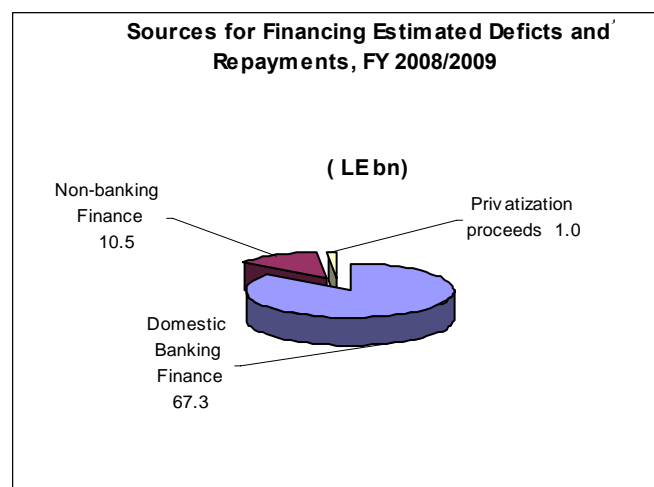
Grants and social benefits were estimated at LE 35.4 billion, while investments of the administrative system, local administration and service authorities were estimated at LE 28.3 billion. The bulk of these budgeted investments are for infrastructure projects as well as educational and health services.

	(LE mn)			
	2005/2006	2006/2007	2007/2008	2008/2009
	Actual	Actual	Actual	Budgetary
<b>Total Revenues</b>	151266	180215	221404	276795
<b>Total Expenditures</b>	207811	222029	282290	343912
<b>Cash Deficit</b>	56545	41814	60886	67117
<b>Net Acquisition of Financial Assets</b>	-6159	12883	236	2675
<b>Overall Deficit</b>	50386	54697	61122	69792
<b>Primary Deficit</b>	13571	6997	10594	16863

In light of the foregoing estimates, the budget sector's cash deficit during FY 2008/2009 was estimated at LE 67.1 billion or 6.7 percent of GDP, and net acquisition of financial assets at LE 2.7 billion. Accordingly, the overall budget deficit was projected to reach LE 69.8 billion or 6.9 percent of GDP during FY 2008/2009. On the other hand, the primary budget deficit was estimated at LE 16.9 billion or 1.5 percent only of GDP. This reflected the large burden of interest payments for public debt (domestic and external); a matter that requires 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 with a view to reducing the domestic debt.



The overall budget deficit and some miscellaneous external and domestic repayments were expected to be financed from banking and non-banking domestic sources (85.4 percent and 13.3 percent, respectively) and from net privatization proceeds (1.3 percent).



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

Adding the fiscal operations of SIFs and NIB to the budget sector, total revenues were estimated at LE 281.6 billion and total expenditures at LE 345.4 billion. Accordingly, the cash deficit would reach LE 63.9 billion or 6.3 percent of GDP. With the addition of the estimated figure of net acquisition of financial assets (LE 13.0 billion) to the cash deficit, the overall deficit would reach LE 76.9 billion or 7.6 percent of GDP.

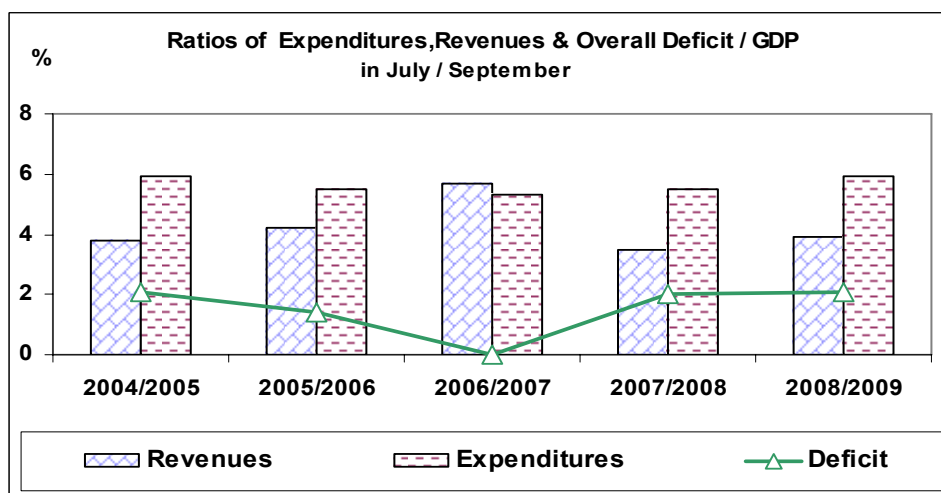
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## **4/1/2– Execution of the Consolidated Fiscal Operations of the General Government during July/September 2008**

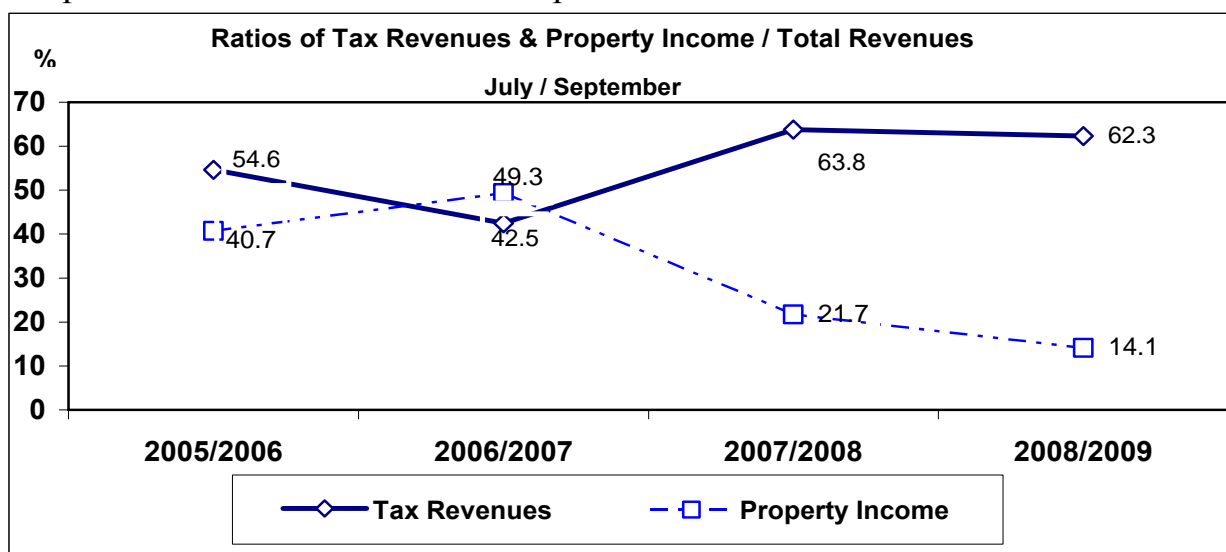
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### **Budget Sector**

According to the the Ministry of Finance, total collected revenues reached some LE 42.7 billion during July/ September 2008/2009, with an increase of LE 13.0 billion or 43.9 percent over the corresponding period of the previous FY. This was mainly ascribed to a rise in tax revenues by about LE 7.7 billion, and external grants by LE 2.1 billion. Also, total expenditures reached some LE 65.1 billion, with an increase of LE 18.3 billion or 39.2 percent over the period of comparison. Around 30.6 percent of this rise was in increasing subsidies, with a view to observing the social dimension. Accordingly, the overall budget deficit posted LE 22.8 billion or 2.1 percent of GDP during the period under review.



Tax revenues amounted to LE 26.6 billion or 62.3 percent of total revenues, up by LE 7.7 billion or 40.5 percent over the corresponding period of the previous FY. More than half of the increase in tax revenues was concentrated in taxes on goods and services. These taxes went up by LE 4.9 billion or 52.1 percent over the period of comparison, to post nearly LE 14.2 billion. Moreover, proceeds from taxes on individuals' income and business profits amounted to LE 8.1 billion or 30.3 percent of total tax revenues, up by LE 2.1 billion or 35.1 percent over the period of comparison. Taxes collected from the Suez Canal Authority accounted for a major part of the increase (LE 1.2 billion or 40.2 percent) and from companies for LE 0.3 billion or 13.5 percent.

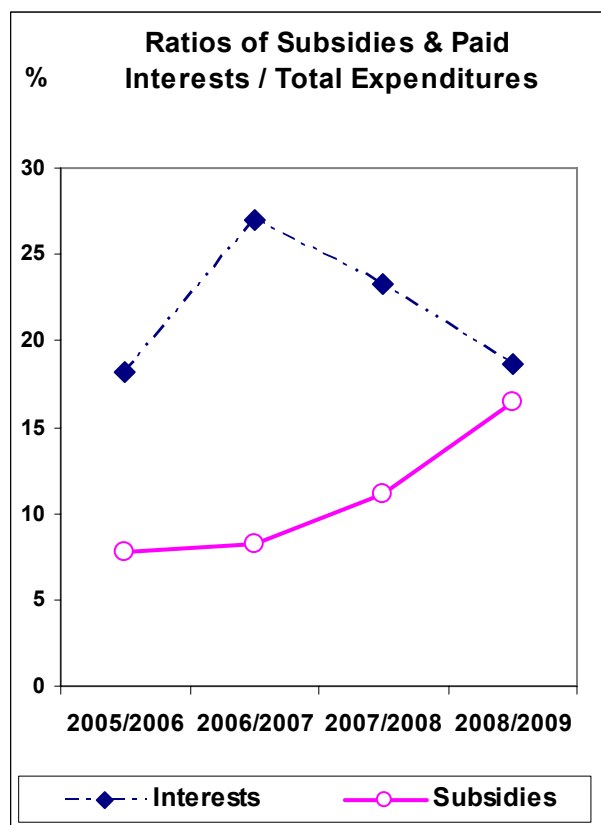


Customs receipts registered LE 3.7 billion or 13.8 percent of total tax revenues, up by LE 0.8 billion or 28.4 percent over the period of comparison, despite the reduction and abolishment of customs tariffs on a number of basic commodities (to curb price hike in the local market and improve the investment climate). Actually, the rise in customs receipts was ascribed to the buoyant commercial activity during the period under review.

Revenues from property income reached some LE 6.0 billion. Of this amount, 64.2 percent came from the Suez Canal Authority, and the remainder came from economic authorities, companies and some other miscellaneous revenues.

Total expenditures reached some LE 65.1 billion, of which LE 18.2 billion were employees' compensations including wages. These compensations absorbed 42.7 percent of total revenues and constituted 30.7 percent of total government current expenditures; a matter that limits the possibility of reducing the budget deficit through retrenchment of current expenditure.

Interest payments for public debt (domestic and external) scaled up by LE 1.2 billion, to reach some LE 12.1 billion or 18.6 percent of total expenditures. The increase was an outcome of the rise in interest payments to NIB, SIFs, and other public debt service expenditures by LE 1.0 billion and the step-up in external interest payments by LE 0.2 billion.



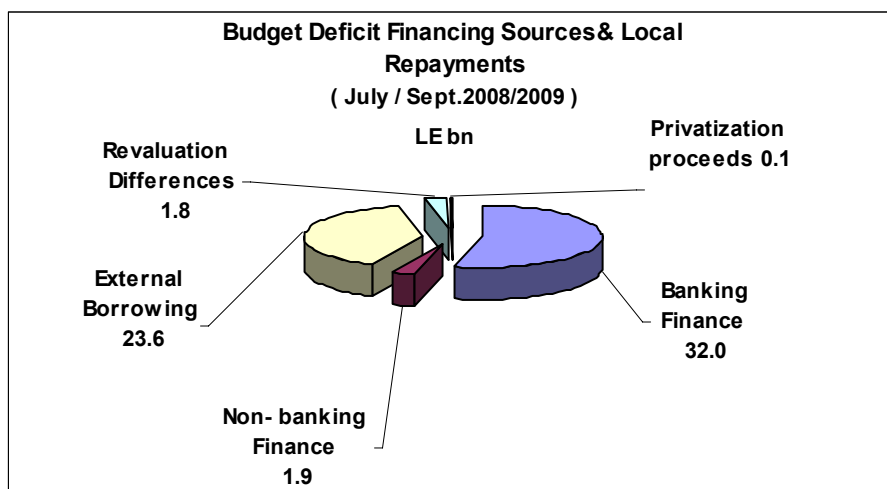
During the reporting period, subsidies surged by LE 5.6 billion or 106.8 percent above the period of comparison to reach some LE 10.8 billion, or more than twofold its level during the period of comparison.

The rise was ascribed to an increase in subsidies for supply commodities. On the other hand, other subsidy items decreased by 68.1 percent. The Public Treasury's contribution to SIFs and pension funds reached nearly LE 6.7 billion against nil during the same period of the preceding FY. Defense outlays recorded some LE 5.1 billion, with a rise of LE 0.3 billion over the period of comparison.

Likewise, investments of the projects embodied in the Economic Development Plan picked up by LE 1.9 billion or 49.2 percent over the corresponding period of the previous FY, to reach LE 5.7 billion or 8.8 percent of total expenditure.

Against this background, the budgetary cash deficit during July/September of FY 2008/2009 amounted to LE 22.4 billion or 33.4 percent of the cash deficit estimated for the whole FY. Net acquisition of financial assets reached some LE 0.4 billion. Accordingly, the overall deficit during the period under review amounted to LE 22.8 billion, representing 32.7 percent of the deficit estimated for the whole year, against an actual deficit of LE 17.0 billion during the corresponding period of the previous FY. Also, the primary deficit (excluding interest payments) posted nearly LE 10.7 billion, against LE 6.1 billion during the same period of the preceding FY.

The finance for the overall budget deficit (LE 22.8 billion) and some domestic repayments (LE 36.6 billion) were provided from banking and non-banking domestic sources (53.9 percent and 3.1 percent respectively), external borrowing (39.8 percent), privatization proceeds (0.2 percent), and revaluation differences (3.0 percent).



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

Adding the fiscal operations of SIFs and NIB to the consolidated fiscal operations of the budget sector, total revenues rise by 3.0 percent to reach some LE 44.0 billion, representing 4.0 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. 2008-2009</u>					
	Budget Sector	Relative Structure	Execution Ratio of the Total Estimated for the Year	Budget Sector, NIB and SIFs	Relative Structure	Execution Ratio of the Total Estimated for the Year
<b>Total Revenues</b>	<b><u>42.7</u></b>	<b><u>100.0</u></b>	<b><u>15.4</u></b>	<b><u>44.0</u></b>	<b><u>100.0</u></b>	<b><u>15.6</u></b>
<b>Tax Revenues</b>	<b><u>26.6</u></b>	<b><u>62.3</u></b>	<b><u>16.0</u></b>	<b><u>26.6</u></b>	<b><u>60.5</u></b>	<b><u>16.0</u></b>
Taxes on Incomes & Profits	8.1	18.9	9.7	8.1	18.3	9.7
From EGPC	0.0	0.0	0.0	0.0	0.0	0.0
From SCA	3.2	7.6	26.9	3.2	7.4	26.9
From CBE	0.0	0.0	0.0	0.0	0.0	0.0
From other units	2.4	5.6	12.3	2.4	5.4	12.3
Payable by individuals	2.4	5.7	14.5	2.4	5.5	14.5
Taxes on Property	0.4	0.9	10.5	0.4	0.8	10.5
Taxes on Goods and Services	14.2	33.2	23.1	14.2	32.3	23.1
Taxes on International Trade	3.7	8.6	24.2	3.7	8.4	24.2
Other Taxes	0.3	0.7	9.5	0.3	0.7	9.5
<b>Grants</b>	<b><u>2.7</u></b>	<b><u>6.2</u></b>	<b><u>48.0</u></b>	<b><u>2.7</u></b>	<b><u>6.1</u></b>	<b><u>48.0</u></b>
<b>Other Revenues</b>	<b><u>13.4</u></b>	<b><u>31.5</u></b>	<b><u>12.8</u></b>	<b><u>14.7</u></b>	<b><u>33.4</u></b>	<b><u>13.4</u></b>
Property Income	6.0	14.1	9.9	7.2	16.4	10.7
Sales of Goods and Services	1.6	3.8	15.5	1.6	3.6	15.5
Financing						
Investment	0.3	0.7	13.6	0.3	0.7	13.6
Others	5.5	12.9	17.6	5.6	12.7	18.8

Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

Total expenditures also increased by 2.5 percent over the corresponding period of the preceding FY, to reach around LE 66.7 billion or 6.1 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. 2008-2009</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
<b><u>Total Expenditures</u></b>	<b><u>65.1</u></b>	<b><u>100.0</u></b>	<b><u>18.9</u></b>	<b><u>66.8</u></b>	<b><u>100.0</u></b>	<b><u>19.3</u></b>
<b><u>Compensations of Employees</u></b>	<b><u>18.2</u></b>	<b><u>28.0</u></b>	<b><u>23.0</u></b>	<b><u>18.4</u></b>	<b><u>27.5</u></b>	<b><u>23.0</u></b>
<b><u>Purchases of Goods and Services</u></b>	<b><u>3.2</u></b>	<b><u>4.9</u></b>	<b><u>13.3</u></b>	<b><u>3.2</u></b>	<b><u>4.8</u></b>	<b><u>13.3</u></b>
<b><u>Interests</u></b>	<b><u>12.1</u></b>	<b><u>18.6</u></b>	<b><u>22.9</u></b>	<b><u>9.7</u></b>	<b><u>14.5</u></b>	<b><u>22.0</u></b>
<b><u>Subsidies, Grants and Social Benefits</u></b>	<b><u>20.2</u></b>	<b><u>30.9</u></b>	<b><u>15.0</u></b>	<b><u>23.7</u></b>	<b><u>35.5</u></b>	<b><u>16.5</u></b>
Subsidies	10.8	16.5	11.2	10.8	16.1	11.2
Grants	1.4	2.1	38.9	1.3	2.1	38.9
Social Benefits	8.0	12.2	25.0	11.5	17.2	27.7
Other	0.1	0.1	3.1	0.1	0.1	3.1
<b><u>Other Expenditures</u></b>	<b><u>5.7</u></b>	<b><u>8.8</u></b>	<b><u>22.2</u></b>	<b><u>6.0</u></b>	<b><u>9.1</u></b>	<b><u>23.4</u></b>
<b><u>Purchases of Non-Financial Assets (Investments)</u></b>	<b><u>5.7</u></b>	<b><u>8.8</u></b>	<b><u>20.3</u></b>	<b><u>5.8</u></b>	<b><u>8.6</u></b>	<b><u>20.3</u></b>

Source: Ministry of Finance.

Percentages are calculated in terms of LE million.

Accordingly, the overall deficit of the consolidated fiscal operations of the general government reached LE 22.8 billion during the period. By adding the net acquisition of financial assets (LE 2.3 billion) to the cash deficit, the overall deficit would post LE 25.1 billion, or 2.3 percent of GDP, representing 32.6 percent of the overall deficit estimated for the whole fiscal year.

**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. 2008-2009</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
<b><u>Total Revenues</u></b>	<b><u>42.7</u></b>		<b><u>15.4</u></b>	<b><u>44.0</u></b>		<b><u>15.6</u></b>
<b><u>Total</u></b>						
<b><u>Expenditures</u></b>	<b><u>65.1</u></b>		<b><u>18.9</u></b>	<b><u>66.8</u></b>		<b><u>19.3</u></b>
Cash Deficit	<u>22.4</u>		<u>33.4</u>	<u>22.8</u>		<u>35.7</u>
Net Acquisition of Financial Assets	0.4		13.7	2.3		17.5
<b><u>Overall Deficit</u></b>	<b><u>22.8</u></b>		<b><u>32.7</u></b>	<b><u>25.1</u></b>		<b><u>32.6</u></b>
<b><u>Financing Sources</u></b>	<b><u>22.8</u></b>	<b><u>100.0</u></b>	<b><u>32.7</u></b>	<b><u>25.1</u></b>	<b><u>100.0</u></b>	<b><u>32.6</u></b>
<b><u>Domestic</u></b>						
<b><u>Financing</u></b>	<b><u>33.9</u></b>	<b><u>148.6</u></b>	<b><u>43.5</u></b>	<b><u>35.4</u></b>	<b><u>141.1</u></b>	<b><u>42.0</u></b>
Banking Financing	32.0	140.5	47.6	32.0	127.5	47.6
Non-Banking Financing	1.8	8.1	17.6	3.4	13.6	19.9
<b><u>External</u></b>						
<b><u>Borrowing</u></b>	<b><u>23.6</u></b>	<b><u>103.6</u></b>	<b><u>-344.1</u></b>	<b><u>23.6</u></b>	<b><u>94.3</u></b>	<b><u>-344.1</u></b>
<b><u>Other</u></b>	<b><u>-13.9</u></b>	<b><u>-61.1</u></b>	<b><u>1148.4</u></b>	<b><u>-13.2</u></b>	<b><u>-52.6</u></b>	<b><u>2394.9</u></b>
<b><u>Revaluation</u></b>						
<b><u>Differences</u></b>	<b><u>1.8</u></b>	<b><u>7.8</u></b>	<b><u>0.0</u></b>	<b><u>1.8</u></b>	<b><u>7.1</u></b>	<b><u>0.0</u></b>
<b><u>Net Privatization</u></b>						
<b><u>Proceeds</u></b>	<b><u>0.1</u></b>	<b><u>0.6</u></b>	<b><u>13.3</u></b>	<b><u>0.1</u></b>	<b><u>0.5</u></b>	<b><u>13.3</u></b>
<b><u>The Difference</u></b>						
<b><u>between the TBs</u></b>						
<b><u>Face and Present</u></b>						
<b><u>Value</u></b>	<b><u>-4.2</u></b>	<b><u>-18.5</u></b>	<b><u>0.0</u></b>	<b><u>-4.2</u></b>	<b><u>-16.8</u></b>	<b><u>0.0</u></b>
<b><u>Foreign Debt</u></b>						
<b><u>Reclassification</u></b>						
<b><u>Differences and</u></b>						
<b><u>FX Differences</u></b>						
<b><u>Related to it</u></b>	<b><u>-18.3</u></b>	<b><u>-80.0</u></b>	<b><u>0.0</u></b>	<b><u>-18.3</u></b>	<b><u>-72.8</u></b>	<b><u>0.0</u></b>
<b><u>Discrepancy</u></b>	<b><u>-0.2</u></b>	<b><u>-1.0</u></b>	<b><u>-891.7</u></b>	<b><u>-0.2</u></b>	<b><u>-0.8</u></b>	<b><u>-891.7</u></b>

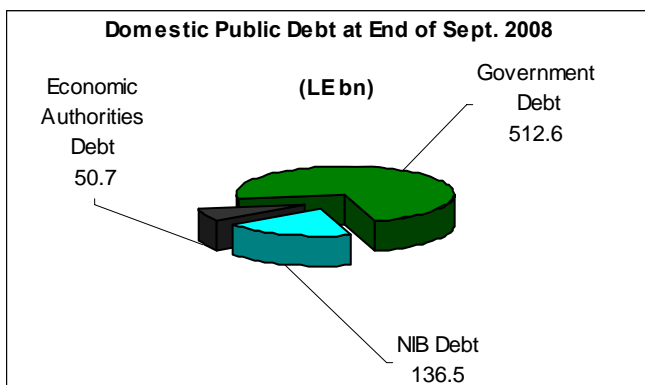
Source: Ministry of Finance.

Percentages are calculated in terms of LE million.



## 4/2: Domestic Public Debt

During July/September 2008/2009, the domestic public debt mounted by LE 33.0 billion or 4.9 percent, to reach LE 699.8 billion or 63.7 percent of GDP at the end of September 2008.



### 4/2/1: Net Domestic Debt of the Government

During July/September 2008/2009, the government's net domestic debt reached LE 512.6 billion or 46.7 percent of GDP, up by LE 33.8 billion or 7.1 percent. The rise was an outcome of the LE 19.4 billion pickup in the balances of government bills and bonds and the LE 14.4 billion decline in the net credit position of government balances with the banking system (as loans and deposits grew by LE 20.7 billion and LE 6.3 billion, respectively).

### Net Domestic Debt of the Government

Balances at End of	June 2008		Sept. 2008		Change + (-) 2008/2009
	Value	%	Value	%	
<b>Government's Net Domestic Debt</b>	<b>478.8</b>	<b>100.0</b>	<b>512.6</b>	<b>100.0</b>	<b>33.8</b>
<b>-Balances of Bonds &amp; Bills</b>	<b>569.0</b>	<b>118.8</b>	<b>588.4</b>	<b>114.8</b>	<b>19.4</b>
• Notes and bonds*, of which,	422.6	88.2	423.0	82.5	0.4
• Tradable on exchanges	82.5	17.2	82.6	16.1	0.1
• Treasury bills	146.4	30.6	165.4	32.3	19.0
<b>-Facilities from the SIFs</b>	<b>2.3</b>	<b>0.5</b>	<b>2.3</b>	<b>0.5</b>	<b>0.0</b>
<b>-Net Balances at the Banking System</b>	<b>-92.5</b>	<b>-19.3</b>	<b>-78.1</b>	<b>-15.2</b>	<b>14.4</b>
• Facilities	28.4	5.9	49.1	9.6	20.7
• Deposits	-120.9	-25.2	-127.2	-24.8	-6.3
Domestic government debt/GDP (%)	53.4		46.7		

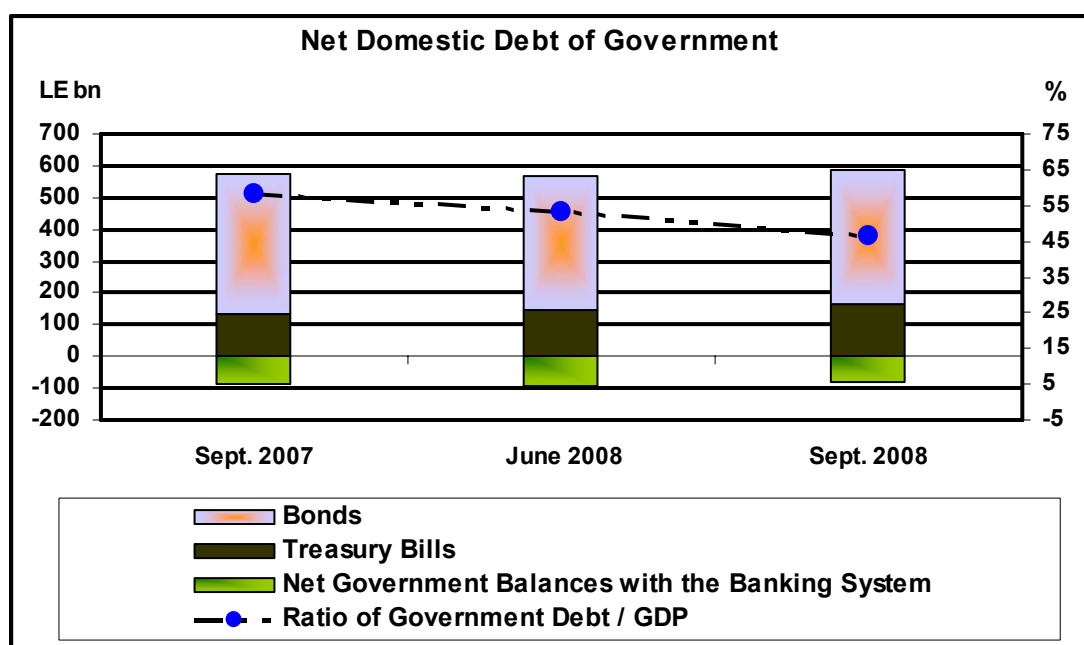
Source: Ministry of Finance, CBE and NIB

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; the holdings of resident financial institutions (banking system and insurance sector) of bonds floated abroad; and the SIFs bonds against transferring NIB debt to the Public Treasury.

The rise in the balance of bonds and bills (LE 19.4 billion) was an outcome of the following:

- The LE 19.0 billion rise in the outstanding balance of treasury bills, to LE 165.4 billion, representing 97.9 percent of the total increase at the end of September 2008.
- The LE 0.1 billion rise in dollar-denominated sovereign bonds tradable on world exchanges, and the LE 0.3 billion increase in bonds denominated in foreign currencies with public commercial banks.

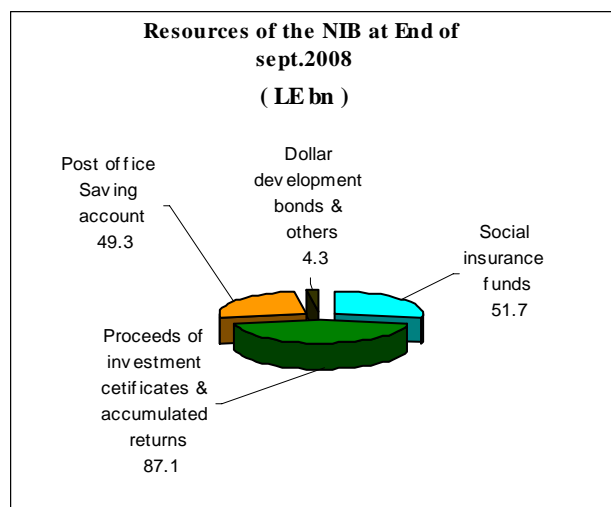
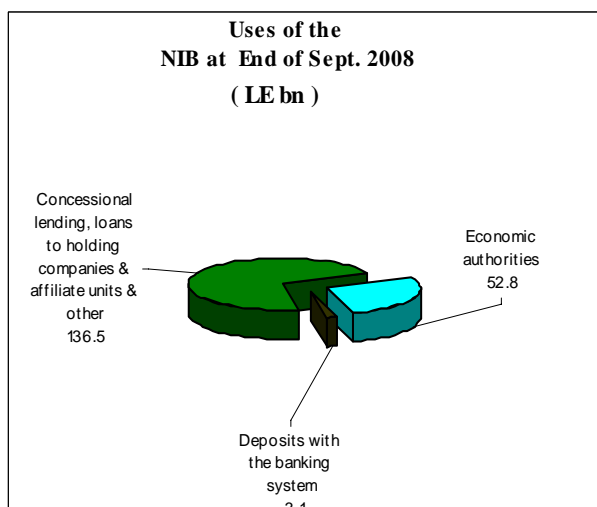


#### 4/2/2: Debt of Public Economic Authorities

Debt of public economic authorities stepped up by LE 0.6 billion during the period under review, to LE 50.7 billion at the end of September 2008. The rise resulted from the increase in these authorities' borrowing from the NIB by LE 1.5 billion. Such a rise was mitigated by the improvement in the net credit position of these authorities' accounts at the banking system by LE 0.9 billion (due to their lower loans and deposits by LE 4.7 billion and LE 3.8 billion, respectively).

### **4/2/3: Resources and Uses of the National Investment Bank (NIB)**

NIB resources declined by LE 671 million during July/September 2008/2009, to reach LE 192.4 billion at the end of September 2008. The decline was an outcome of the following: the LE 979 million fall in the resources transferred from some local entities and other resources, the LE 21 million decline in the proceeds of US dollar development bonds and the LE 329 million increase in accumulated interests on investment certificates (group A). The Bank used the bulk of its resources (LE 136.5 billion or 71.0 percent of the total) in lending to holding companies and their affiliate units; in equity participations and also in concessional lending for different projects. In addition, LE 52.8 billion or 27.4 percent of the Bank's total resources were used to finance the investments of public economic authorities. As for the remainder (LE 3.1 billion of the total), it was deposited at the banking system.



Domestic public debt service slightly rose by LE 4 million to LE 10.6 billion during the first quarter of FY 2008/2009, compared with the corresponding period of the previous FY. The increase was an outcome of a pickup of LE 1040 million in interest payments to LE 10.6 billion, and a decline of LE 1036 million in principal repayments to LE 36 million. The ratios of domestic public debt service to GDP and total revenues declined to 1.0 percent and 24.9 percent, against 1.2 percent and 35.8 percent, respectively during July/September 2007/2008.

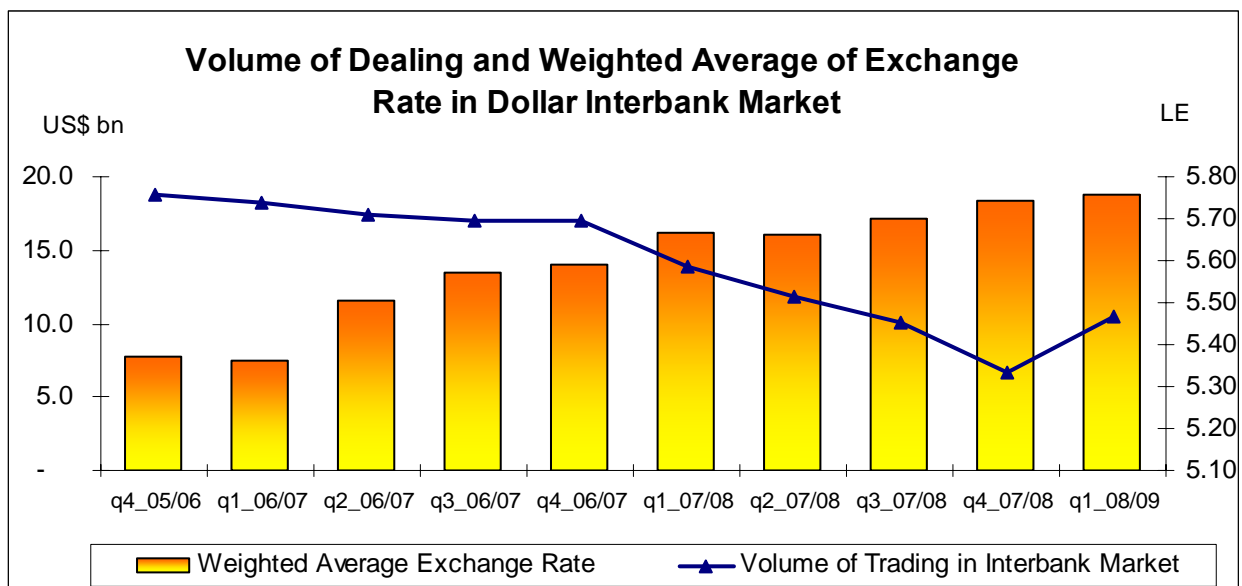
## 5- External Transactions

### 5/1- Foreign Exchange Market

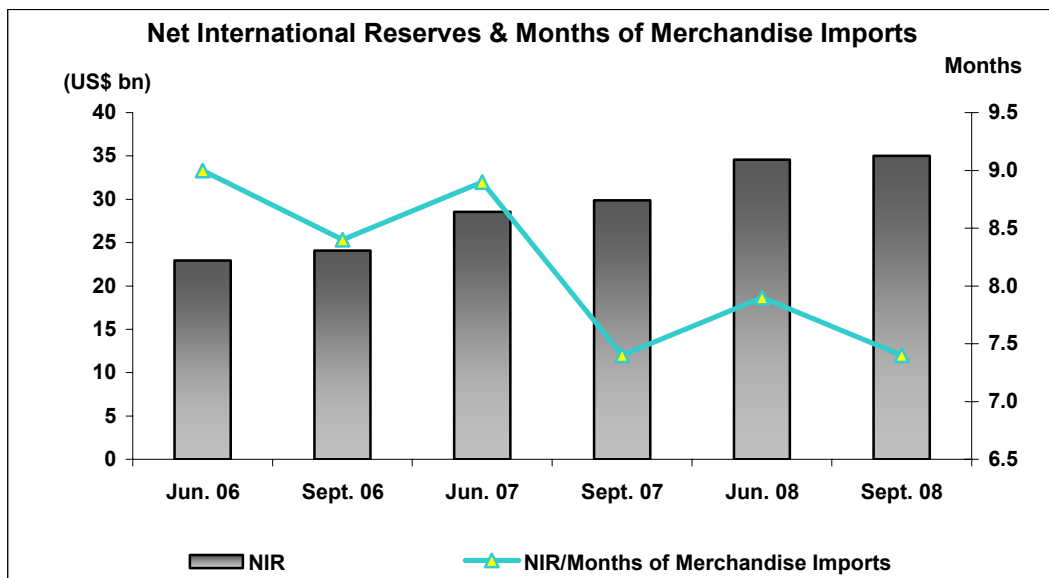
The CBE went ahead with its successful management of the foreign exchange market. This proved effective in boosting confidence in the efficiency of the market, determining exchange rates with higher flexibility and dispelling dealers' concerns about exchange rate fluctuations. However, the global financial crisis has cast its shadow on the foreign exchange market, as part of the foreign investments in TBs and securities flowed out .

This outflow of investments was addressed through banks' foreign assets and the dollar interbank market. The volume of transactions in the interbank market that was initiated on 23/12/2004, reached US\$ 18.7 billion during the reporting period, against US\$ 16.2 billion during the same period of the previous FY, up by US\$ 2.5 billion or 15.4 percent. Sales by public banks in the market represented about 11.6 percent of the total volume of transactions during the period, and their purchases 2.5 percent. Meanwhile, private banks' sales recorded 88.4 percent and their purchases 97.5 percent.

The weighted average of the US dollar interbank rate against the Egyptian pound reached LE 5.4659 on 30 September 2008 against LE 5.3331 on 30 June 2008, with a 2.5 percent decline in the value of the Egyptian pound. Yet, since the initiation of the dollar interbank market up to the end of September 2008, the Egyptian pound appreciated against the US dollar by 11.6 percent.



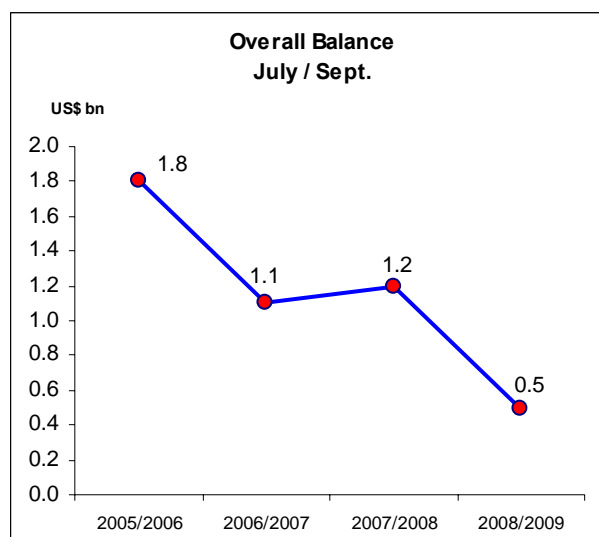
Net international reserves (NIR) with the CBE continued to improve during the reporting period, rising from US\$ 34.6 billion at the end of June 2008, to US\$ 35.0 billion at the end of September 2008 (covering 7.4 months of merchandise imports).



The CBE's investment policy aimed at distributing international reserves on other currencies alongside the US dollar, on the basis of a number of determinants; mainly the structure of Egypt's external debt and the currencies of its main trade partners. This is in addition to the distribution of NIR investments on diversified portfolios with maturities and goals that are risk/return balanced.

## 5/2: Balance of Payments\*

Egypt's BOP\* realized an overall surplus of about US\$ 0.5 billion or 0.2 percent of GDP during July/September\*\* of FY 2008/2009. This was an outcome of the net inflow of US\$ 2.2 billion in the capital and financial account, and a deficit of US\$ 1.0 billion on the current account.



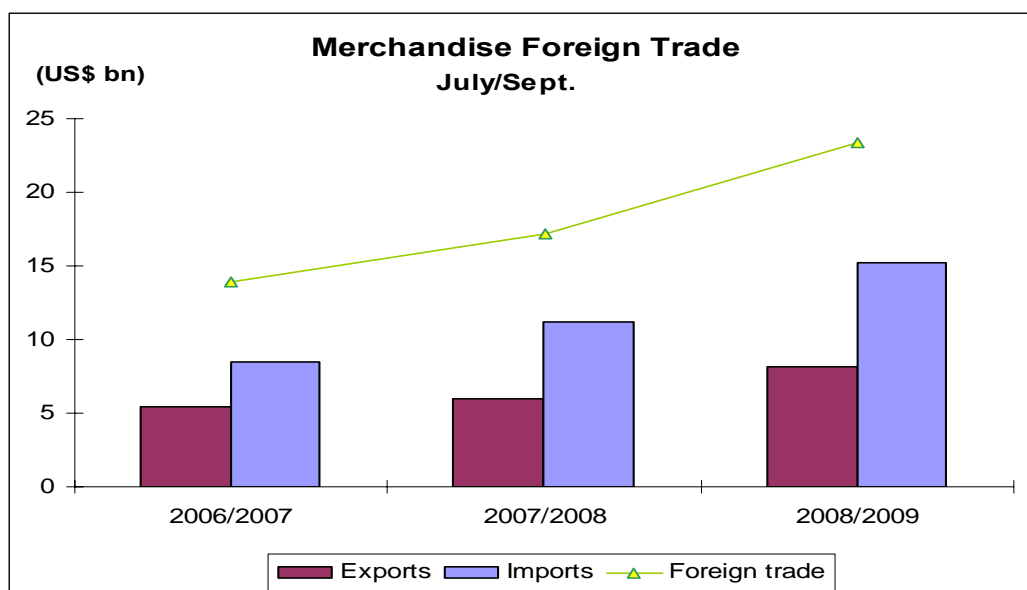
### 5/2/1: Trade Balance

In the first quarter of FY 2008/2009, the Egyptian economy continued to show an increased openness to the external world, leading to a pick-up in the volume of foreign trade to US\$ 23.3 billion, up by 35.8 percent above the period of comparison. This was a product of both the growth in exports by 36.3 percent to US\$ 8.2 billion, and imports by 35.5 percent to US\$ 15.2 billion. Hence, the trade deficit widened by 34.6 percent to US\$ 7.0 billion and the ratio of merchandise export proceeds/ import payments remained nearly at the same level of 53.5 percent against 53.8 percent.

The following chart illustrates the total exports and imports, as well as the volume of trade during the first quarter from 2006/2007 to 2008/2009:

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

\*\* Net error and omission amounted to US\$ 761.4 million (-) in the first quarter of FY 2008/2009.



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

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### **First: Merchandise Export Proceeds**

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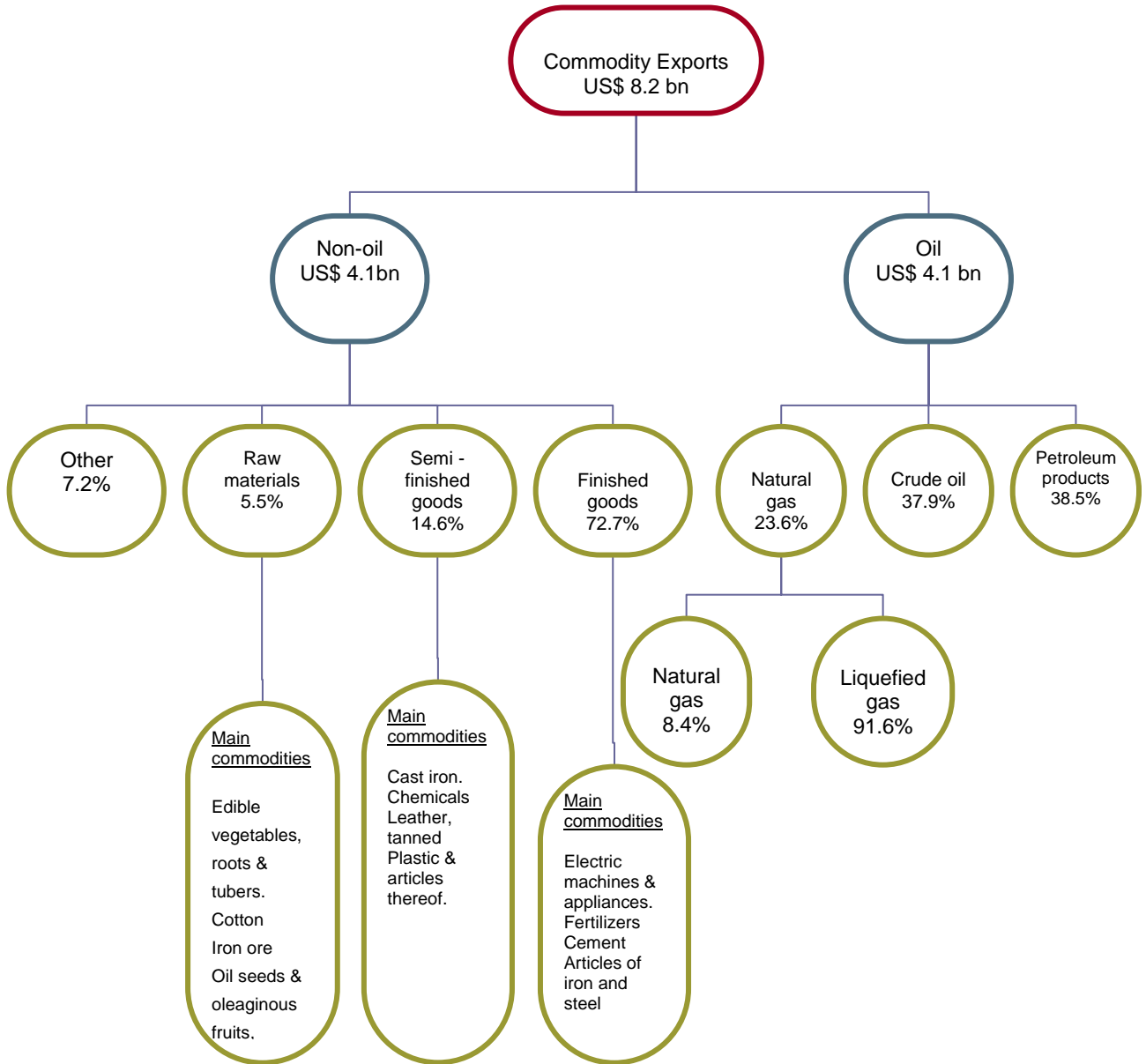
#### **A - Exports by Degree of Processing:**

Merchandise export proceeds reached some US\$ 8.2 billion, with a growth rate of 36.3 percent during July/September of FY 2008/2009, compared with the previous corresponding period. Oil exports accounted for 50.3 percent, with a surge of 62.9 percent, while non-oil exports constituted 49.7 percent, with a rise of 16.9 percent.

The following chart shows the distribution of merchandise exports\* by relative importance during the period under review:

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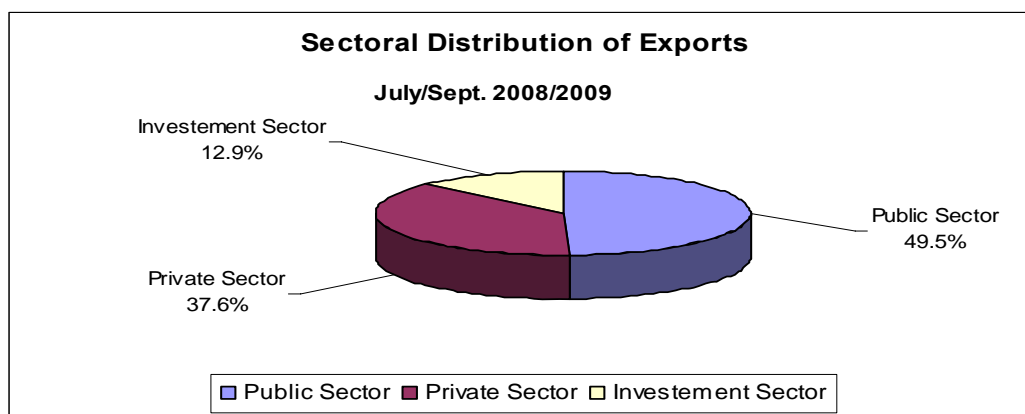
\* Calculated on FOB basis, as their value is calculated at the customs borders of the Egyptian economy, i.e. excluding the costs of shipment, freight and insurance. They include exports of the free zones to the rest of the world.





## **B- Exports by Sector:**

A breakdown of export proceeds by sector (as shown in the chart) shows that the public sector came in the forefront; contributing 49.5 percent of the total export proceeds. The group of fuel, mineral oils and their products constituted the bulk of the public sector's exports, with a share of 89.1 percent of the total. The private sector ranked second, with a share of 37.6 percent, exporting mainly finished goods, with a share of 76.5 percent of its total exports. The investment sector came next with 12.9 percent and its exports were also concentrated in the group of fuel, mineral oils and their products (51.2 percent) as well as finished goods (37.7 percent).



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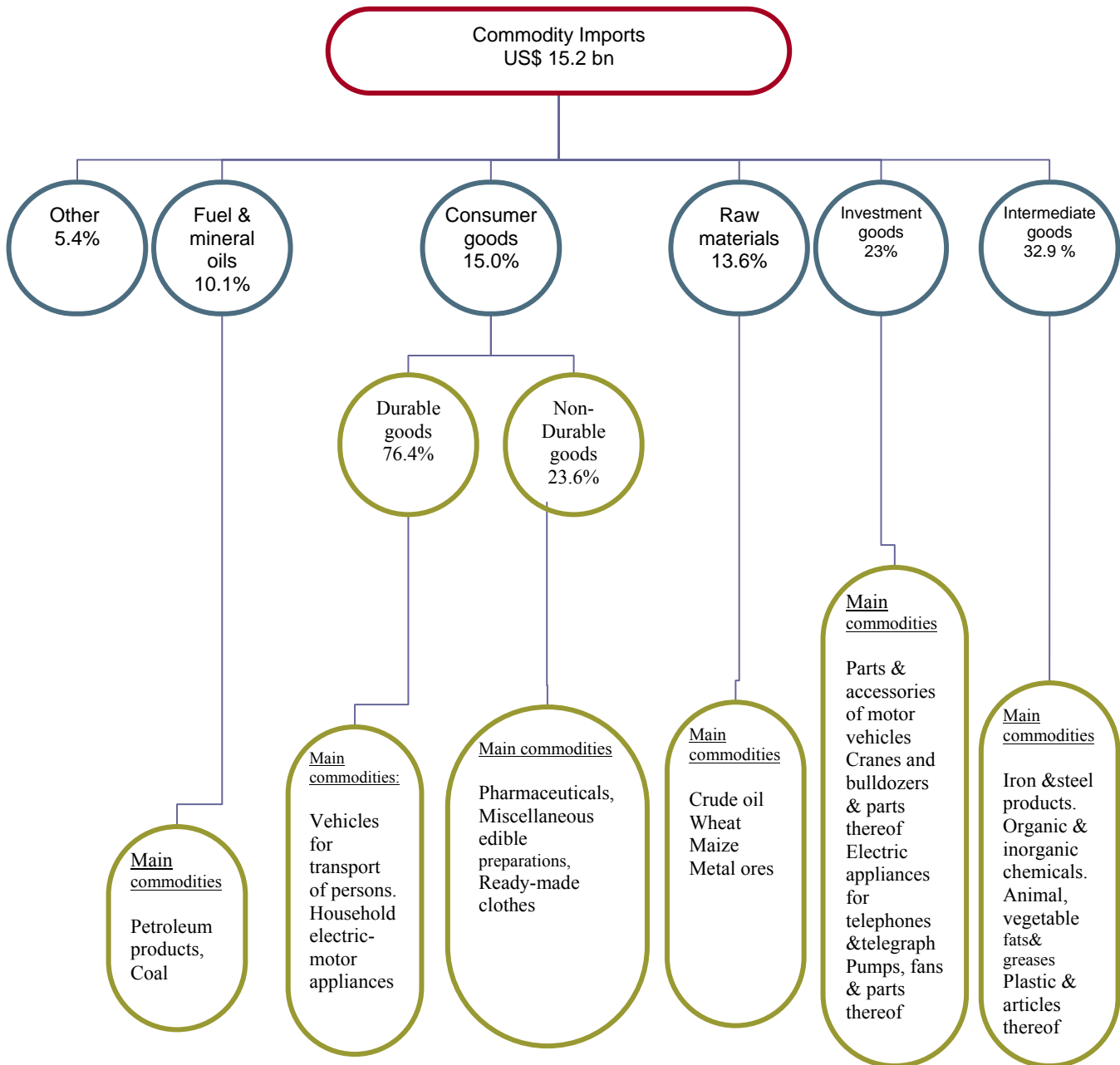
## **Second: Merchandise Import Payments**

### **A- Imports by Degree of Use:**

Merchandise import payments reached some US\$ 15.2 billion, against US\$ 11.2 billion, with a growth rate of 35.5 percent or 7.4 percent of GDP. As such, intermediate, investment goods and raw materials accounted for 69.5 percent of total merchandise import payments, owing to the key role they play in stimulating domestic production to satisfy domestic consumption and exportation needs. On the other hand, the group of consumer goods came next with 15.0 percent of total import payments. The following chart illustrates the distribution of merchandise imports\* by relative importance during July/September of FY 2008/2009.

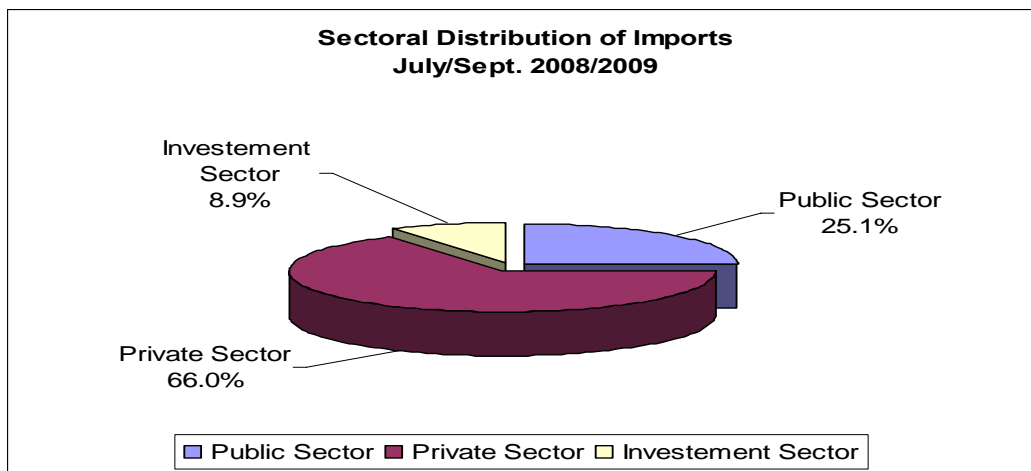
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\* Calculated on CIF basis, i.e. including the costs of shipment, freight, and insurance. They include imports of free zones from the rest of the world.



## **B- Imports by Sector:**

The sectoral distribution of import payments showed that the private sector absorbed 66.0 percent of total imports, because of the increase in all its groups, especially intermediate and investment goods. Its main imports were iron and steel products, organic and inorganic chemicals, crude oil and its products, plastics and articles thereof, car spare parts and accessories, pharmaceuticals, and passenger cars.



The public sector came second, as its relative importance retreated from 31.8 percent to 25.1 percent. Its chief imports were crude oil and its products; animal and vegetable fats, greases & oils and products, wheat and pharmaceuticals.

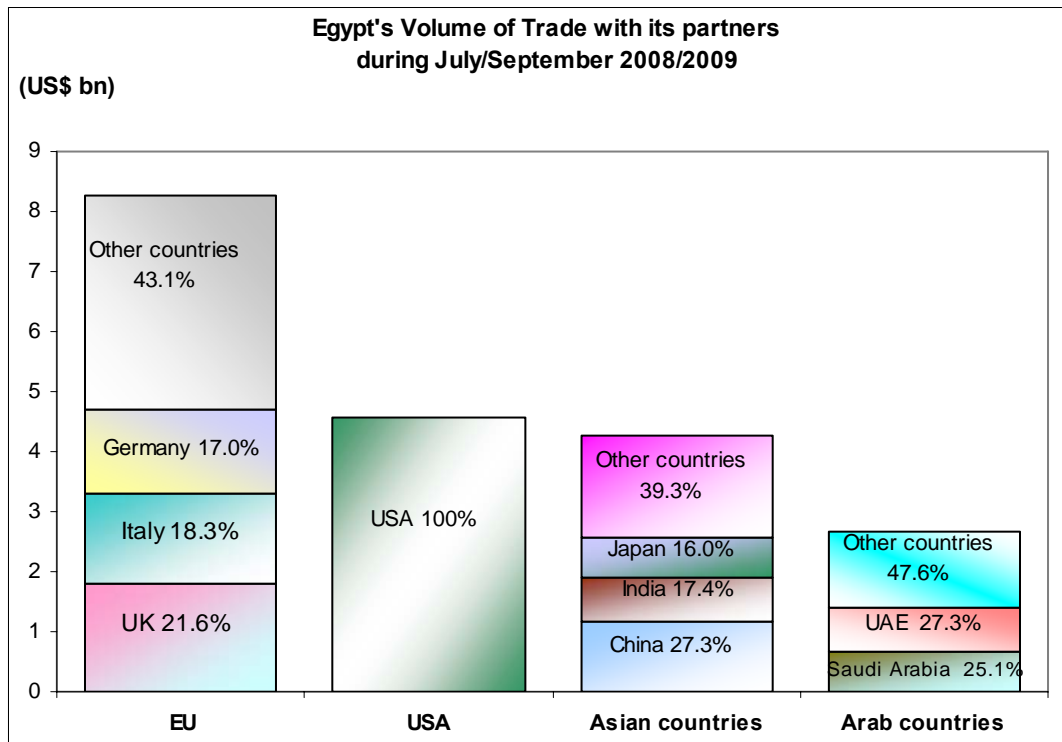
The investment sector received 8.9 percent of total imports, particularly crude oil and products; pumps, fans & parts thereof; animal and vegetable fats, greases & oils and products; car spare parts and accessories; iron and steel products and passenger cars.

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## **5/2/1/2: Geographical Distribution of the Volume of Trade**

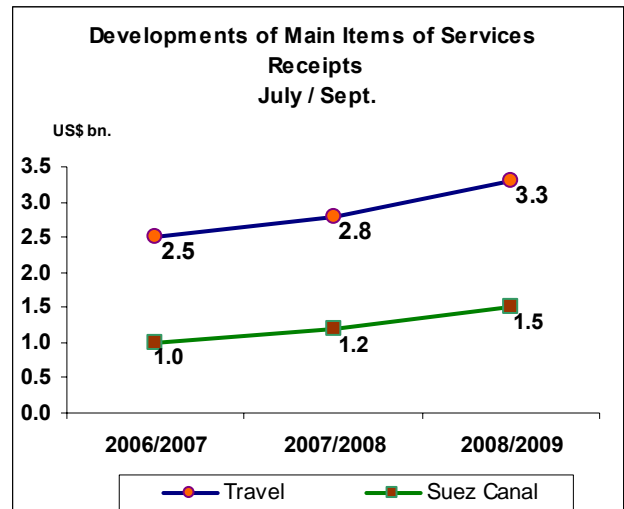
Egypt's volume of foreign trade picked up by 35.8 percent, recording some US\$ 23.3 billion, primarily due to the lowering of trade barriers since the beginning of this decade, on the one hand, and the upsurge in foreign trade with Europe, Africa and a large number of major world markets, on the other.

The following chart displays the volume of trade between Egypt and its main trade partners (groupings and countries):



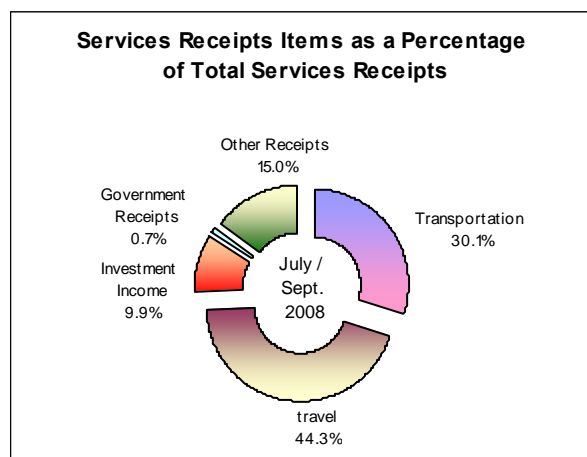
### 5/2/2: Services Balance and Transfers

The services balance ran a higher surplus of US\$ 4.1 billion, up by 34.4 percent, as a reflection of a 22.6 percent rise in the invisible receipts, to post US\$ 7.4 billion, outpacing the 10.8 percent increase in invisible payments which recorded US\$ 3.4 billion.



The rise in **services receipts** came as a consequence of the pick-up in most items, particularly travel\* (tourism revenues) which scaled up by 15.2 percent to US\$ 3.3 billion (1.6 percent of GDP). This was ascribed to the rise in the number of tourist nights to 38.6 million during the reporting period against 33.5 million during the period of comparison, while the average tourist spending per night remained almost stable at US\$ 85.

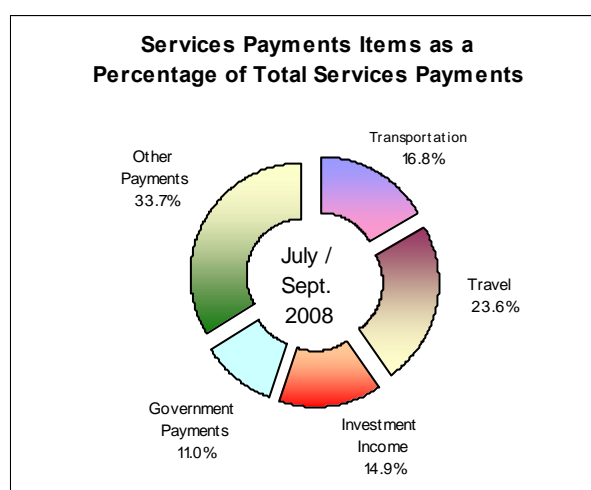
Likewise, transportation receipts rose by 29.9 percent to US\$ 2.2 billion (1.1 percent of GDP), largely due to a 20.0 percent rise in Suez Canal receipts (because of the increase in transiting ships and net tonnage), and the rise in the receipts of Egyptian navigation and aviation companies, and SUMED pipeline.



In addition, other receipts edged up by some US\$ 0.5 billion or 75.9 percent, as a result of the higher services receipts of construction and contracting; commission and agency fees; communications; and legal and consultation fees. By contrast, the receipts of investment income fell by 9.1 percent, amounting to US\$ 0.7 billion, as a consequence of the lower interest on deposits abroad.

**Services payments** stepped up by 10.8 percent, due to the rise in most items, particularly:

- Travel by 29.7 percent due to higher expenditures of outbound tourism; medical treatment abroad; pilgrimage and “omra” expenses, and the higher payments abroad by tourism companies and hotels.

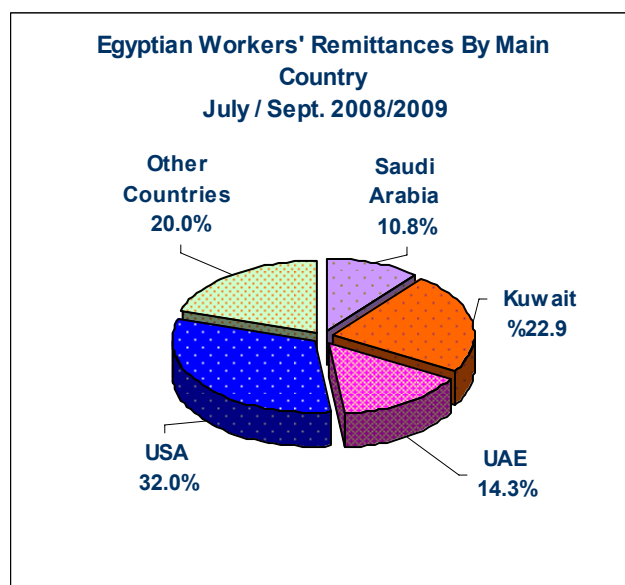


\* Calculated on the basis of the number of tourist nights multiplied by the average tourist spending per night.

- Transportation by 26.7 percent, primarily due to the increase in the transfers abroad by foreign navigation and aviation companies and the payments of SUMED pipeline.
- Government expenditures by 15.8 percent, as an outcome of the increase in the salaries and expenses of civil servants seconded abroad. Also, other payments rose by 1.5 percent on account of the increase in payments for communication services; transfers abroad by foreign companies (oil and non-oil); and payments for insurance services.
- Investment income, by contrast, fell by 7.3 percent, due to the decline in profit transfers of foreign companies (oil and non-oil) operating in Egypt and in the interest on deposits at Egyptian banks paid to non-residents.

**Net unrequited transfers** recorded a slight decline of US\$ 75.0 million or 3.7 percent in the first quarter of FY 2008/2009, amounting to around US\$ 2.0 billion or 1.0 percent of GDP, in the light of the following factors:

- The decline in the private transfers by 2.1 percent, primarily due to the fall in the remittances of the Egyptians working abroad by 1.2 percent.
- The fall in the official transfers by 31.2 percent, as a result of the decline in grants and donations (cash and commodity) to the government.



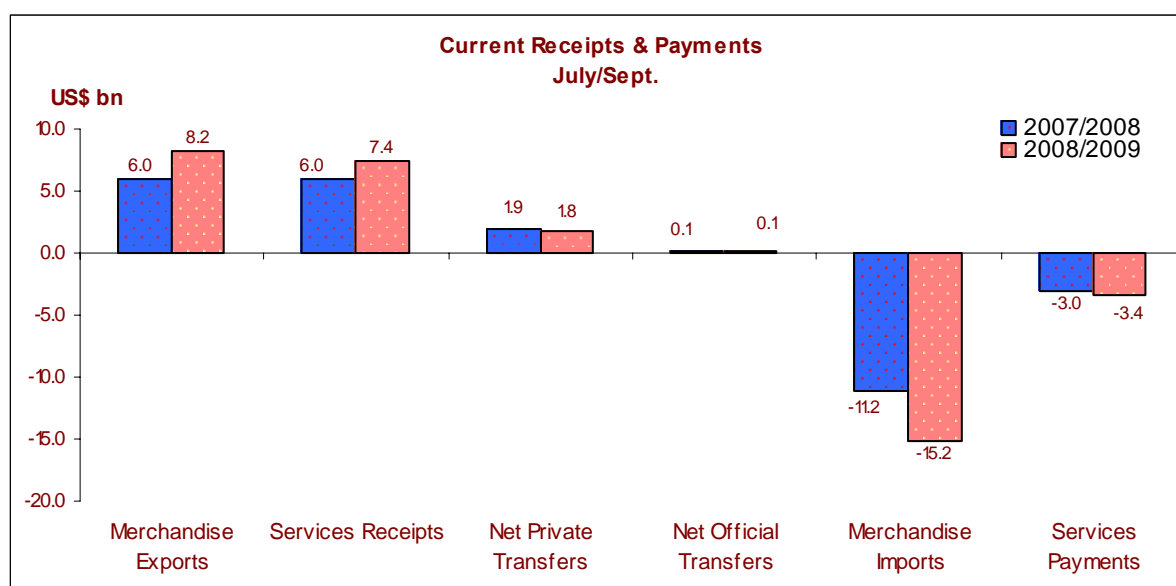
## Unrequited Transfers

(US\$ mn)

	<u>July/September</u>		<u>Change</u>	
	2007/2008	2008/2009	Value	%
<b><u>Net Current Transfers</u></b>	<b><u>2049.0</u></b>	<b><u>1974.0</u></b>	<b><u>75.0</u></b>	<b><u>-3.7</u></b>
<b><u>1- Official Transfers (Net)</u></b>	<b><u>112.6</u></b>	<b><u>77.5</u></b>	<b><u>-35.1</u></b>	<b><u>-31.2</u></b>
- Inward cash grants	43.0	2.9	40.1	-93.3
- Other inward grants	88.1	85.2	-2.9	-3.3
- Outward grants	-18.5	-10.6	7.9	-42.7
<b><u>2- Private Transfers (Net)</u></b>	<b><u>1936.4</u></b>	<b><u>1896.5</u></b>	<b><u>-39.9</u></b>	<b><u>-2.1</u></b>
- Workers' remittances	1974.5	1950.7	-23.8	-1.2
- Other transfers	10.6	13.6	3.0	28.3
- Foreigners' transfers to abroad (-)	-48.7	-67.8	-19.1	39.2

Against this background, the current account revealed a deficit of US\$ 1.0 billion during the first quarter of FY 2008/2009. The deficit was an outcome of the rise in current payments by US\$ 4.3 billion or 30.2 percent to some US\$ 18.5 billion, outpacing the increase in current receipts by US\$ 3.5 billion or 24.6 percent to reach some US\$ 17.5 billion.

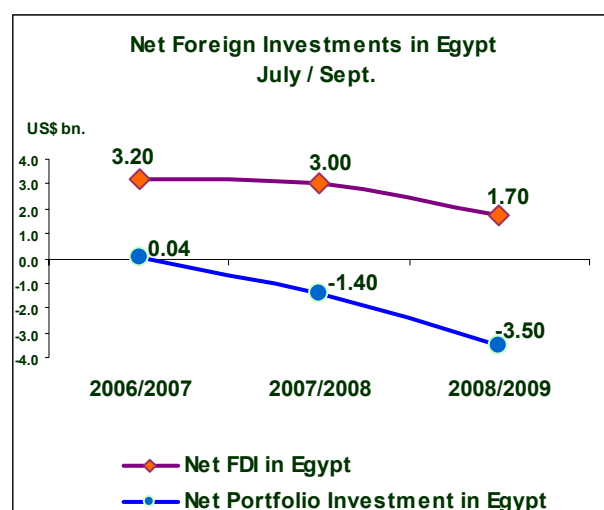
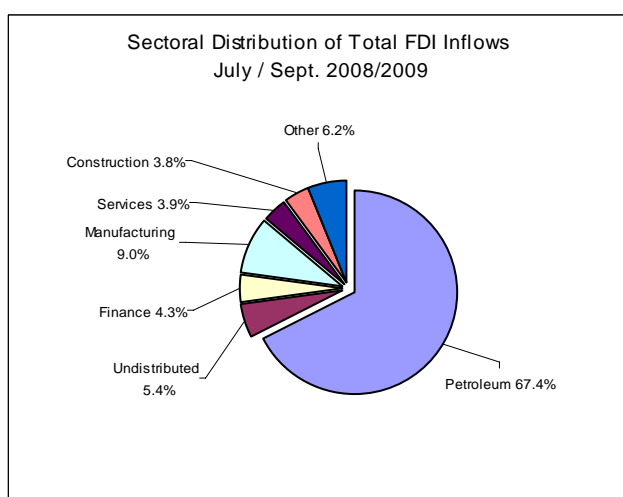
The following chart displays the developments in current receipts and payments in the reporting period and the period of comparison:



### 5/2/3: Capital and Financial Account

The capital and financial account revealed a net inflow of US\$ 2.2 billion during the first quarter of FY 2008/2009, against US\$ 1.7 billion during the same period of the previous FY, due to the interaction of the following factors:

1. Foreign direct investment (FDI) in Egypt\* realized a net inflow of US\$ 1.7 billion, against US\$ 3.0 billion, with a 44.3 percent decrease. This was a main result of the decline of US\$ 1.3 billion or 75.5 percent in green-field investments or capital raises, to reach only US\$ 0.4 billion, against US\$ 1.7 billion.
  - Net investments in the oil sector declined by 7.7 percent to around US\$ 955.6 million.
  - Privatization proceeds from selling local companies and productive assets to foreign investors remained almost unchanged at US\$ 0.3 billion.
  - Direct real estate investments of non-residents recorded US\$ 26.8 million, against US\$ 23.9 million.



\* FDI represents foreign investors who own 10 percent or more of the capital of any resident economic entity, or have an effective voice in its management. In Egypt, a foreign investor's equity participation shall be at least 10 percent of the capital of any enterprise.



The following table shows the sectoral distribution of total flows of FDI to Egypt:

Sector	(US\$ mn)	
	<b>July/September</b>	
	<b>2007/2008</b>	<b>2008/2009</b>
Manufacturing	280.6	264.6
Agriculture	2.2	64.2
Construction	251.1	111.2
Finance	115.5	125.7
Services	27.6	114.0
Tourism	9.4	92.7
Communications and Information Technology	0.6	1.4
Real Estate	23.9	26.8
Petroleum	1712.2	1983.6
Undistributed	1236.7	158.9
<b>FDI Total Inflows</b>	<b>3659.8</b>	<b>2943.1</b>

2- Portfolio investments in Egypt\* achieved a net outflow of US\$ 3.5 billion against US\$ 1.4 billion, due to the following:

- The net outflow of foreigners' transactions in Egyptian TBs increased to US\$ 3.0 billion (against US\$ 2.0 billion in the period of comparison). The reason behind this is that foreign investors tended to liquidate their portfolios in emerging markets to face the liquidity crisis in major economies.
- Foreigners' transactions on the Egyptian Exchange shifted from net purchases to net sales of US\$ 0.4 billion (outflows) during the period under review.

3- Other assets and liabilities (representing the change in banks' foreign assets and liabilities and the CBE's non-reserve foreign assets and the counterpart of some items included in the current account) posted a net inflow of US\$ 4.9 billion, against US\$ 0.6 billion.

4- Medium- and long-term loans and facilities resulted in a net repayment of US\$ 0.5 billion during the reporting period, against US\$ 0.4 billion, as an outcome of the following:

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\* Representing foreigners' net portfolio (according to the CMA statement), and their dealings in Egyptian bonds and notes.

- Total repayments reached US\$ 0.7 billion (against US\$ 0.6 billion), due to the increase in the repayments of international organizations' loans, and bilateral loans by 42.2 percent and 17.5 percent, in order.
- Total disbursements reached about US\$ 0.2 billion (against US\$ 0.1 billion), due to the rise in the disbursements of international organizations' loans by 7.8 percent and bilateral loans by 56.7 percent.

### 5/3: International Finance

International finance data on net flows of resources in Egypt shows that there was a net outflow of US\$ 2.6 billion during July/Sept. 2008/2009 compared to a net inflow of US\$ 1.2 billion during the comparison period. This was attributed to the following developments: (1) foreign direct and portfolio investment in Egypt declined by about US\$ 3.4 billion as the net inflows of FDI fell by US\$ 1.3 billion and net outflows of portfolio investment increased by US\$ 2.1 billion; (2) transactions on medium- and long-term loans and facilities scaled down revealing net repayments of US\$ 0.5 billion against US\$ 0.4 billion in the corresponding period; and (3) official grants dropped by US\$ 35.1 million (inflow) and portfolio investment abroad by US\$ 228.2 million.

#### Net Flows of Resources

(US\$ mn)

	July/September		Change
	2007/2008	2008/2009*	
<b>Total Net Flows</b>	<b>1190.8</b>	<b>-2612.1</b>	<b>(3802.9)</b>
<b>-External Debt</b>	<b>30.4</b>	<b>-28.0</b>	<b>(58.4)</b>
• <b>Bilateral Loans</b>	<b>-391.2</b>	<b>-441.7</b>	<b>(50.5)</b>
Disbursements	45.5	71.3	25.8
Principal repayments	-436.7	-513.0	(76.3)
• <b>International Organizations' Loans</b>	<b>-21.7</b>	<b>-57.2</b>	<b>(35.5)</b>
Disbursements	76.6	82.6	6.0
Principal repayments	-98.3	-139.8	(41.5)
• <b>Medium- and Long-term Suppliers' &amp; Buyers' Credit</b>	<b>-17.6</b>	<b>-11.4</b>	<b>6.2</b>
Disbursements	4.1	0.3	(3.8)
Principal repayments	-21.7	-11.7	10.0
• <b>Short-Term Suppliers' &amp; Buyers' Credit (Net)</b>	<b>460.9</b>	<b>482.3</b>	<b>21.4</b>
<b>-Official Grants (Net)</b>	<b>112.6</b>	<b>77.5</b>	<b>(35.1)</b>
<b>-Direct Investment in Egypt (Net)</b>	<b>2969.1</b>	<b>1655.0</b>	<b>(1314.1)</b>
<b>-Direct Investment Abroad</b>	<b>-131.0</b>	<b>-700.0</b>	<b>(569.0)</b>
<b>-Portfolio Investment in Egypt (Net), of Which:</b>	<b>-1430.4</b>	<b>-3484.9</b>	<b>(2054.5)</b>
• Bonds	996.7	-92.1	(1088.8)
<b>-Portfolio Investment Abroad</b>	<b>-359.9</b>	<b>-131.7</b>	<b>228.2</b>

\* Provisional

During July/Sept. of FY 2008/2009, net resource transfers (net inflows less interest payments and profit transfers) from abroad revealed an outflow of US\$ 2.1 billion, a reversal from an inflow of US\$ 1.7 billion. This was largely the result of the decline in net resource inflows by US\$ 3.8 billion, to shift into outflows of US\$ 2.6 billion as mentioned above, coupled with a retreat in total flows of repayments abroad by US\$ 39.3 million to US\$ 0.5 billion.

### Net Resource Transfers from Abroad

	(US\$ mn)		
	<u>July/September</u>		
	2007/2008	2008/2009	Change
<b><u>Net Resources from Abroad</u></b>	<b><u>1730.7</u></b>	<b><u>-2111.5</u></b>	<b><u>-3842.2</u></b>
<b><u>- Net Inflows</u></b>	<b><u>1190.8</u></b>	<b><u>-2612.1</u></b>	<b><u>-3802.9</u></b>
<b><u>- Outflows (Interest Payments and Profit Transfers)</u></b>	<b><u>539.9</u></b>	<b><u>500.6</u></b>	<b><u>-39.3</u></b>
<b>1- External Loans and Facilities</b>	<b><u>213.6</u></b>	<b><u>213.3</u></b>	<b><u>-0.3</u></b>
Bilateral loans	142.7	148.9	6.2
International organizations' loans	69.0	63.4	-5.6
Suppliers' and buyers' credit	1.9	1.0	-0.9
<b>2- Deposits at Local Banks</b>	<b><u>16.6</u></b>	<b><u>7.0</u></b>	<b><u>-9.6</u></b>
<b>3- Profit Transfers of FDI</b>	<b><u>248.3</u></b>	<b><u>157.7</u></b>	<b><u>-90.6</u></b>
<b>4- Profit Transfers of Portfolio Investment</b>	<b><u>61.4</u></b>	<b><u>122.6</u></b>	<b><u>61.2</u></b>

### 5/3/1- Foreign Direct Investment (FDI) in Egypt\*

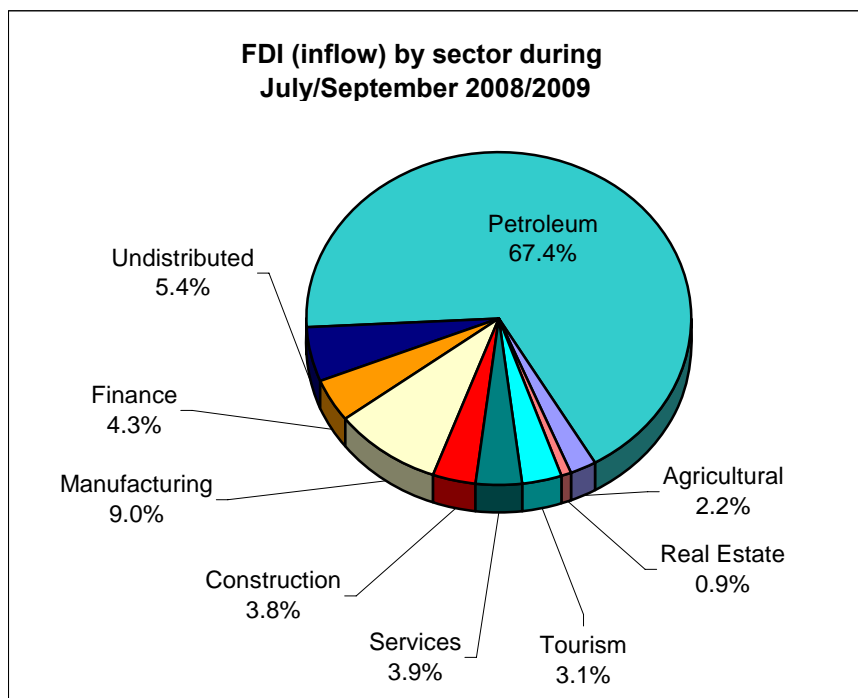
During July/Sept. 2008/2009, net FDI in Egypt decreased by US\$ 1.3 billion, standing at US\$ 1.7 billion (against US\$ 3.0 billion during the previous corresponding period). This was an outcome of the decline in total investment inflows by US\$ 0.7 billion or 19.6 percent to US\$ 2.9 billion (against US\$ 3.7 billion) and also in capital repatriation by US\$ 0.6 billion to US\$ 1.3 billion.

The decline in net FDI in Egypt was brought about by the drop in flows from the USA by US\$ 0.4 billion to US\$ 1.3 billion, the EU by US\$ 0.1 billion to US\$ 1.0 billion and from the rest of the world by US\$ 0.4 billion to US\$ 0.4 billion. In contrast, flows from the Arab countries went up by US\$ 0.2 billion, to about US\$ 0.3 billion. This was primarily

\* FDI is the category of international investment that implies the existence of a long-term relationship, in which a direct investor owns 10 percent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise). Source: BOP Manual fifth edition.

due to the US\$ 0.1 billion increase of flows from Saudi Arabia during July/September 2008/2009.

The sectoral distribution of total FDI in Egypt (inflows) during July/Sept. 2008/2009 showed that the petroleum sector was the major recipient, with 67.4 percent of total investment inflows, mostly from the USA (38.4 percent) and the EU (21.8 percent); mainly from Belgium (10.7 percent) and the UK (8.0 percent). Ranking second, the manufacturing sector received (9.0 percent) of the investment inflows, followed by finance (4.3 percent).



Breakdown of FDI (inflows) in Egypt by investment purpose\*, revealed that petroleum investments ranked first, representing US\$ 2.0 billion during the reporting period. Capital increases came next with US\$ 0.5 billion or 17.0 percent of the total, followed by investments under the privatization program (US\$ 0.3 billion or 9.1 percent of the total) and inflows for real estate purchases (US\$ 26.8 million or 0.9 percent of the total).

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\* Source: Banking system (data from banks).

## FDI in Egypt

(US\$ mn)

	July/September		Change (-)
	2007/2008	2008/2009*	
<b>FDI in Egypt (Net)</b>	<b>2969.1</b>	<b>1655.0</b>	<b>-1314.1</b>
<b>Inflows</b>	<b>3659.8</b>	<b>2943.1</b>	<b>-716.7</b>
<b>USA</b>	<b>1633.9</b>	<b>1276.6</b>	<b>-357.3</b>
<b>EU</b>	<b>1114.8</b>	<b>994.3</b>	<b>-120.8</b>
Germany	53.7	40.6	-13.1
France	86.2	41.9	-44.3
UK	949.4	361.4	-588.0
Italy	2.6	2.0	-0.6
Greece	11.1	23.5	12.4
Spain	0.0	0.5	0.5
The Netherlands	9.6	22.0	12.4
Belgium	0.0	457.7	457.7
Luxemburg	0.2	23.6	23.4
Denmark	0.0	1.1	1.1
Austria	0.0	10.2	10.2
Cyprus	0.7	1.7	1.0
Poland	0.0	5.9	5.9
Others	1.3	2.2	0.5
<b>Arab Countries</b>	<b>125.1</b>	<b>277.0</b>	<b>151.9</b>
Saudi Arabia	36.5	137.5	101.0
UAE	63.3	51.2	-12.1
Tunisia	1.3	0.2	-1.1
Kuwait	13.8	47.9	34.1
Lebanon	0.3	15.0	14.7
Libya	1.2	1.3	0.1
Jordan	1.8	2.9	1.1
Bahrain	2.7	5.8	3.1
Qatar	1.3	2.8	1.5
Oman	0.3	0.8	0.5
Yemen	0.0	8.2	8.2
Sudan	0.1	0.6	0.5
Others	2.5	2.8	0.3
<b>Other Countries</b>	<b>786.0</b>	<b>395.2</b>	<b>-390.8</b>
Switzerland	32.1	48.2	16.1
Japan	0.1	25.4	25.3
Canada	0.2	1.0	0.8
China	0.7	16.6	15.9
Australia	0.1	1.7	1.6
India	0.1	9.4	9.3
Turkey	5.9	2.0	-3.9
Bermuda	0.4	0.0	-0.4
Others	746.4	290.9	-455.5
<b>Capital Repatriation<sup>+</sup></b>	<b>-690.7</b>	<b>-1288.1</b>	<b>-597.4</b>

\* Provisional.

+ Capital repatriation (outflows) means that a direct investor recovers his share in the capital of an investment enterprise - in case of partial or full disposal - and transfers part or all of it abroad

### 5/3/2: Official Grants

Net transfers of official grants (cash and in-kind) reached US\$ 77.5 million during July/September 2008/2009 against US\$ 112.6 million in the previous corresponding period, denoting a decrease of US\$ 35.1 million or 31.2 percent. This was attributed to the decline in the actual inward official grants by US\$ 43.0 million to US\$ 88.1 million. Most of this decline was in grants from the USA, Germany and Belgium. On the other hand, outward grants scaled up by US\$ 7.9 million, reaching US\$ 10.6 million.

#### Transfers of Official Grants

	(US\$ mn)		
	<u>July/September</u>		
	2007/2008	2008/2009	Change
<b><u>Official Grant Transfers (Net)</u></b>	<b><u>112.6</u></b>	<b><u>77.5</u></b>	<b><u>-35.1</u></b>
Inward grants	131.1	88.1	-43.0
- Cash	43.0	2.9	-40.1
- In-kind	88.1	85.2	-2.9
Outward grants	-18.5	-10.6	-7.9

According to the Ministry of International Cooperation, total grant commitments in the period under review rolled back by US\$ 226.4 million, standing at US\$ 137.6 million. This resulted from the fall in commitments with the USA and EU.

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

	(US\$ mn)			
	<u>New Commitments</u>		<u>Actual Flows</u>	
	2007/2008	2008/2009	2007/2008	2008/2009*
<b><u>Net Inflows</u></b>			<b><u>112.6</u></b>	<b><u>77.5</u></b>
<b><u>Inflows</u></b>	<b><u>364.0</u></b>	<b><u>137.6</u></b>	<b><u>131.1</u></b>	<b><u>88.1</u></b>
USA	319.4	124.5	78.9	73.2
EU	27.3			
Japan	2.5		4.6	6.1
Germany	13.5		26.0	6.3
Italy		11.6		
China		1.5		
Canada			1.1	0.9
UAE				1.4
Kuwait	1.0			
Belgium			20.4	
Austria			0.1	
Islamic Development Bank	0.3			
<b><u>Outflows</u></b>			<b><u>-18.5</u></b>	<b><u>-10.6</u></b>

\* Provisional.

The sectoral breakdown of grant commitments shows that grants to the services sector retreated by US\$ 0.2 billion to US\$ 0.1 billion during July/Sept. 2008/2009, against US\$ 0.3 billion in the previous corresponding period. This was ascribed to the decline in the grant commitments made with the general government and education and health. In addition, the productive sectors received none of these commitments.

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

(US\$ mn)

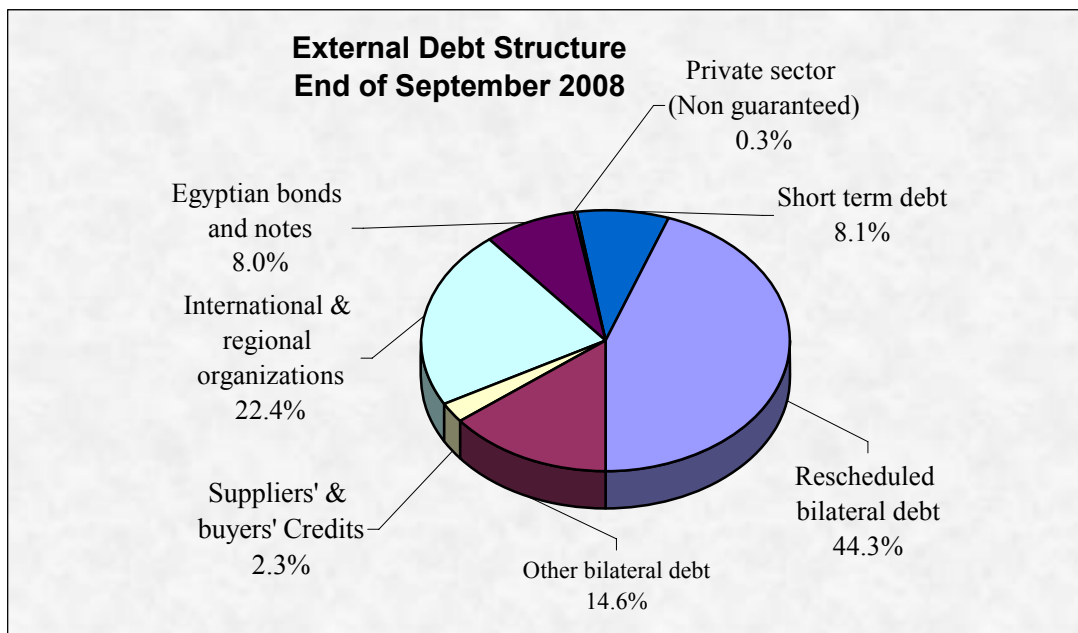
	<u>July/September</u>			
	2007/2008	%	2008/2009	%
<b><u>Total</u></b>	<b><u>364.0</u></b>	<b><u>100.0</u></b>	<b><u>137.6</u></b>	<b><u>100.0</u></b>
<b><u>Productive Sectors</u></b>	<b><u>24.3</u></b>	<b><u>6.7</u></b>	<b><u>0.0</u></b>	<b><u>0.0</u></b>
Agriculture and irrigation	10.5	2.9		
Energy and electricity	13.5	3.7		
Potable water & sanitary sewage	0.3	0.1		
<b><u>Services Sectors</u></b>	<b><u>339.7</u></b>	<b><u>93.3</u></b>	<b><u>137.6</u></b>	<b><u>100.0</u></b>
Transportation, communications & information		-	11.6	8.4
Financial intermediaries	26.3	7.2	14.3	10.4
Insurance & social solidarity	27.3	7.5		
General government	196.4	54.0	30.7	22.3
Education & health	89.7	24.6	79.6	57.9
Others			1.4	1.0

**5/3/3: External Debt**

The outstanding balance of external debt (public and private) at all maturities (denominated in US dollar), fell by about US\$ 1.4 billion, reaching US\$ 32.5 billion, in comparison to its balance at the end of June 2008. The decline was an outcome of two factors. Firstly, most currencies of borrowing depreciated against the US dollar, resulting in a decrease of US\$ 1.3 billion in the debt balance. Secondly, net repayments of loans and facilities amounted to US\$ 0.1 billion (as an outcome of disbursements of US\$ 0.6 billion and principal repayments of US\$ 0.7 billion).



Breakdown of external debt by maturity indicates that medium- and long-term debt amounted to US\$ 29.8 billion or 91.9 percent of the gross debt at the end of Sept. 2008. The bulk of this debt was owed to Paris Club member countries; in the form of bilateral loans (rescheduled and non-rescheduled) and net suppliers' and buyers' credits of about US\$ 19.0 billion or 58.6 percent of the total. Debts to non-Paris Club members reached merely US\$ 0.8 billion or 2.6 percent.

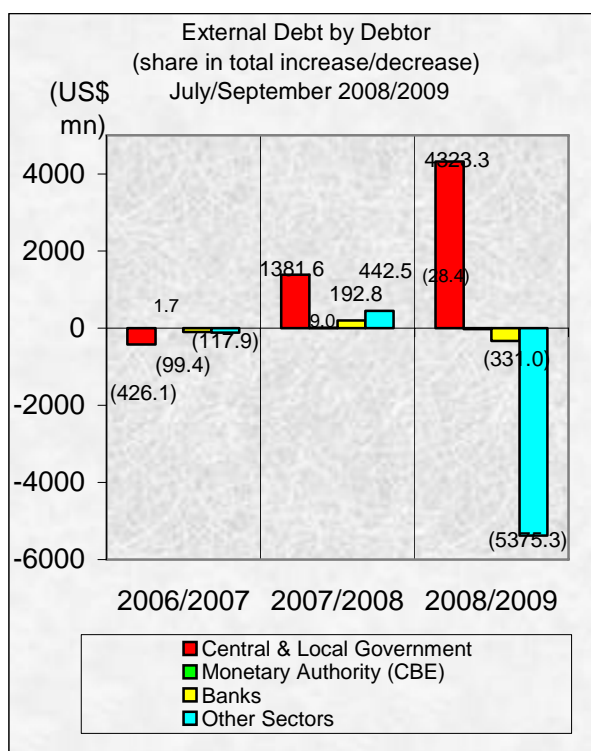


At end of September 2008, debts to international and regional organizations reached about US\$ 7.3 billion or 22.4 percent of the total (96.2 percent is owed by the public sector). The balance of Egyptian notes and bonds (holdings of non-residents) reached US\$ 2.6 billion or 8.0 percent of the gross external debt, (comprising US\$ 1.2 billion of guaranteed government securities, US\$ 0.3 billion worth of sovereign US dollar bonds and US\$ 1.1 billion of LE bonds). The private sector's non-guaranteed debts posted US\$ 82.9 million or 0.3 percent of the total at the end of Sept. 2008.

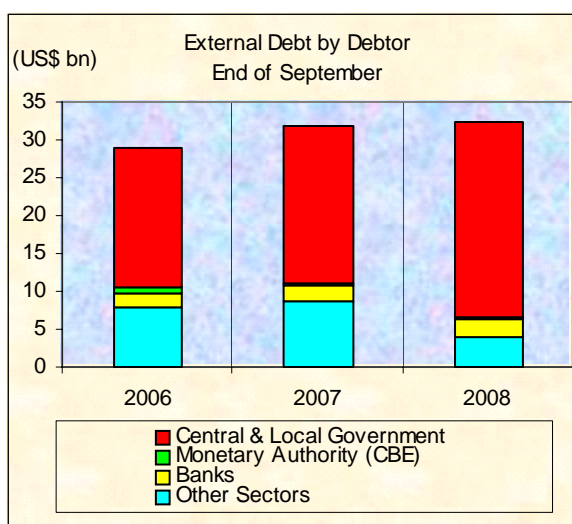
On the other hand, the share of short-term debts was as tiny as US\$ 2.7 billion or 8.1 percent (54.4 percent was owed by the private sector).

The public sector was the main obligor, with a share of US\$ 30.7 billion or 94.4 percent of the gross external debt at the end of Sept. 2008. Meanwhile, the private sector accounted for the remaining US\$ 1.8 billion or 5.6 percent.

Breakdown of external debt by debtor at the end of Sept. 2008\* showed a retreat in the debt balance owed by the other sectors by US\$ 5.4 billion to post US\$ 4.0 billion. Moreover, banks' debt balance rolled back by US\$ 0.3 billion to US\$ 2.2 billion and CBE by US\$ 28.4 million to US\$ 0.3 billion. On the other hand, the debts of the central government rose by US\$ 4.3 billion, registering US\$ 26.0 billion (part of this rise represents debt restructuring that involved the central government and other sectors during the period under review).

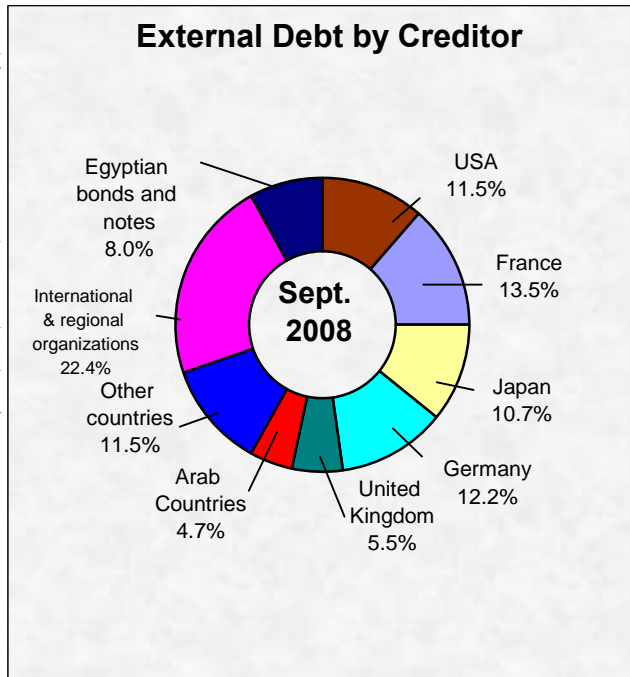


However, the structure of external debt by debtor showed no significant change; for the central government remained the major obligor, with a share of 80.0 percent, followed by the other sectors with 12.4 percent, banks 6.8 percent and the CBE 0.8 percent of the gross external debt.

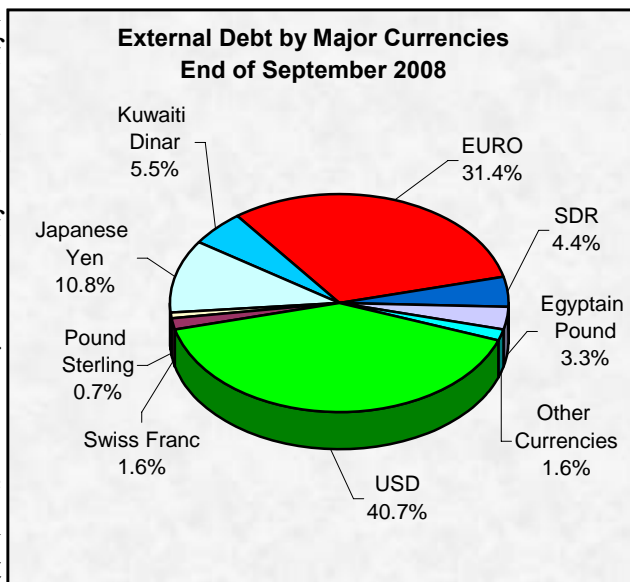


\* As of September 2008, the items of “central and local government”, and “other sectors” were reclassified.

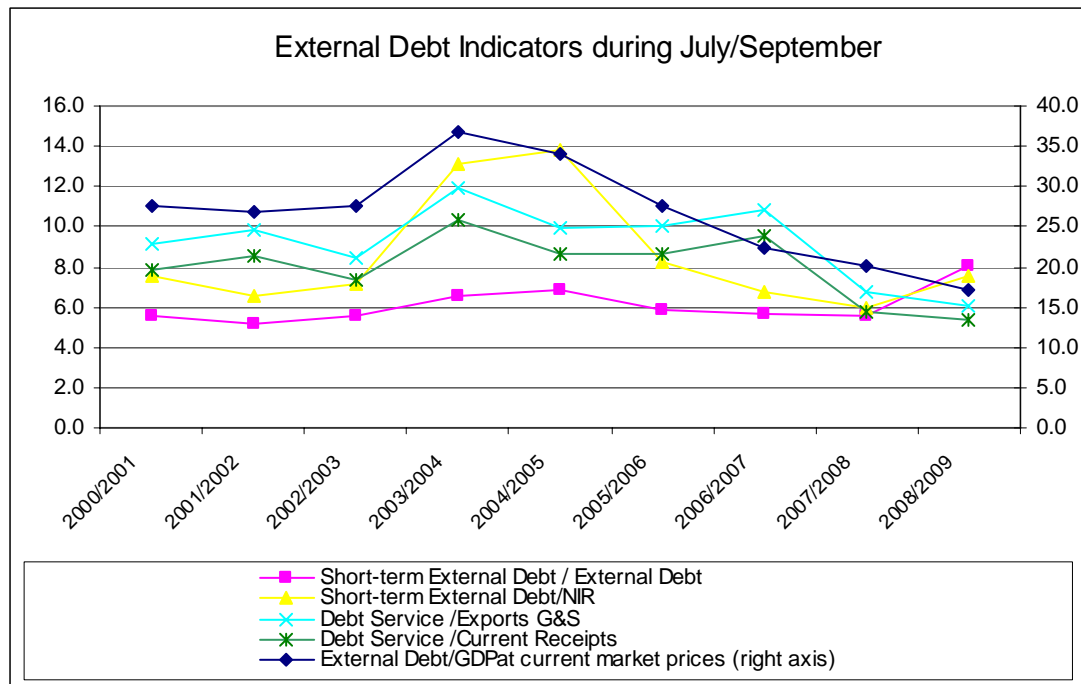
Distribution of external debt by creditor indicated that the debt to the EU countries constituted 38.8 percent of the gross debt, primarily owed to France and Germany with shares of 13.5 percent and 12.2 percent, respectively. In addition, the USA and Japan accounted for 11.5 percent and 10.7 percent, respectively. The debt due to the Arab countries combined amounted to 4.7 percent. Meanwhile, debt to international and regional organizations represented 22.4 percent, mainly due to the European Investment Bank (5.8 percent).



External debt by main component currency at end of Sept. 2008 indicates that the US dollar was the major borrowing currency with a relative importance of 40.7 percent of the gross debt, because Egypt's outstanding obligations in US dollar are owed to other creditors alongside the USA. The euro came next with 31.4 percent, followed by the Japanese yen 10.8 percent, and the Kuwaiti dinar 5.5 percent (see the chart).



External debt service rose by US\$ 135.9 million to US\$ 0.9 billion during July/Sept. 2008/2009, in comparison to the previous FY. It was an outcome of the pick-up in principal repayments by US\$ 0.2 billion to US\$ 0.6 billion and the rise in interest payments by US\$ 27.5 million to US\$ 0.3 billion.



The following table shows a continued improvement during the reporting period for the third consecutive year. This reflected the fall of the external debt /GDP ratio to 16.1 percent from 20.2 percent. Furthermore, with the 24.6 percent rise in the receipts of exports of goods and services as well as transfers during July/Sept. 2008/2009, the ratio of debt service to current receipts (including transfers) improved to 5.4 percent from 5.8 percent and its ratio to the exports of goods and services to 6.1 percent from 6.7 percent. Likewise, the ratio of external debt /exports of goods and services retreated to 208.6 percent from 265.3 percent.

### Main Indicators of External Debt

	(%)		
	<u>July/September</u>		
	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009+</u>
Debt balance*/GDP	22.3	20.2	16.1
Debt balance*/exports of goods and services	271.1	265.3	208.6
Debt service/exports of goods and services	10.8	6.7	6.1
Debt service/current receipts (including transfers)	9.5	5.8	5.4
Interest**/exports of goods and services	2.2	2.1	1.8
Interest**/current receipts (including transfers)	1.9	1.8	1.6
Short-term debt/gross debt	5.7	5.6	8.1
Short-term debt/net international reserves	6.8	5.9	7.6
External debt per capita (US\$)	385.9	425.5	431.2

+ Provisional

\* External debt balance was evaluated in LE according to the US\$ exchange rate at the end of the period.

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

In spite of the fall in the balance of external debt, the per capita share rose to US\$ 431.2 at the end of Sept. 2008 from US\$ 425.5 during the period of comparison.

During July/September 2008/2009, new commitments on loans and facilities reached US\$ 260.3 million. International and regional organizations accounted for the majority of these commitments, for an agreement on two loans of US\$ 185.0 million was concluded with the International Bank for Reconstruction and Development (IBRD). Also, a commitment was made with the Kuwaiti Fund for Arab Economic Development on a loan of US\$ 75.3 million (the equivalent of 20.0 million Kuwaiti dinars).

## **Annex**

## Statistical Section

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### **(1) Indicators of Development and Economic Growth**

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- (1/1) GDP at Factor Cost by Economic Sector (at 2006/2007 Prices)
- (1/2) GDP by Expenditure
- (1/3) Consumer Price Index (Urban) (January 2007=100)
- (1/4) Producer Price Index (2004/2005=100)

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### **(2) Monetary Aggregates**

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

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### **Financial Sector**

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- (2/2/1) Structure of the Egyptian Banking System as at 30/9/2008
- (2/2/2) Local Mutual Funds Authorized and Operating as at 30/9/2008

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### **Activity of the Banking System**

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### **Central Bank of Egypt**

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

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## **Banks**

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

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## **Interest Rates**

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

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## **(3) Non-Banking Financial Sector**

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



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**(4) Public Finance & Domestic Public Debt**

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

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**(5) External Transactions**

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

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

At 2006/2007 prices

(LE mn)

Sectors	.July / Sept						Growth Rate %		
	2007/2008			2008/2009			2008/2009		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
<b>Total GDP</b>	<b>68468.0</b>	<b>121022.0</b>	<b>189490.0</b>	<b>72613.4</b>	<b>128037.2</b>	<b>200650.6</b>	<b>6.1</b>	<b>5.8</b>	<b>5.9</b>
Agriculture, Irrigation & Fishing	3.8	31332.4	31336.2	3.9	32443.7	32447.6	2.6	3.5	3.5
<b>Extractions</b>	<b>21050.0</b>	<b>4290.4</b>	<b>25340.4</b>	<b>22897.5</b>	<b>4691.4</b>	<b>27588.9</b>	<b>8.8</b>	<b>9.3</b>	<b>8.9</b>
Oil	9196.0	1535.0	10731.0	10083.0	1707.0	11790.0	9.6	11.2	9.9
Natural gas	11767.0	2108.0	13875.0	12726.0	2324.0	15050.0	8.1	10.2	8.5
Others	87.0	647.4	734.4	88.5	660.4	748.9	1.7	2.0	2.0
<b>Manufacturing Industries</b>	<b>3855.7</b>	<b>25450.3</b>	<b>29306.0</b>	<b>4019.3</b>	<b>26828.6</b>	<b>30847.9</b>	<b>4.2</b>	<b>5.4</b>	<b>5.3</b>
Oil refining	899.0	662.0	1561.0	900.0	677.0	1577.0	0.1	2.3	1.0
Others	2956.7	24788.3	27745.0	3119.3	26151.6	29270.9	5.5	5.5	5.5
<b>Electricity</b>	<b>2184.0</b>	<b>397.0</b>	<b>2581.0</b>	<b>2361.0</b>	<b>410.0</b>	<b>2771.0</b>	<b>8.1</b>	<b>3.3</b>	<b>7.4</b>
<b>Water</b>	<b>589.0</b>	<b>0.0</b>	<b>589.0</b>	<b>625.0</b>	<b>0.0</b>	<b>625.0</b>	<b>6.1</b>	<b>0.0</b>	<b>6.1</b>
<b>Construction &amp; Building</b>	<b>927.0</b>	<b>6877.0</b>	<b>7804.0</b>	<b>1015.1</b>	<b>7530.3</b>	<b>8545.4</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>
<b>Transportation &amp; Storage</b>	<b>1293.0</b>	<b>6630.0</b>	<b>7923.0</b>	<b>1379.6</b>	<b>7074.2</b>	<b>8453.8</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>
<b>Communications</b>	<b>2085.0</b>	<b>3832.0</b>	<b>5917.0</b>	<b>2100.0</b>	<b>4463.0</b>	<b>6563.0</b>	<b>0.7</b>	<b>16.5</b>	<b>10.9</b>
<b>Suez Canal</b>	<b>6711.0</b>	<b>0.0</b>	<b>6711.0</b>	<b>7415.7</b>	<b>0.0</b>	<b>7415.7</b>	<b>10.5</b>	<b>0.0</b>	<b>10.5</b>
<b>Wholesale &amp; Retail Trade</b>	<b>726.3</b>	<b>20912.6</b>	<b>21638.9</b>	<b>765.0</b>	<b>21895.0</b>	<b>22660.0</b>	<b>5.3</b>	<b>4.7</b>	<b>4.7</b>
<b>Financial Intermediaries &amp; Supporting Services</b>	<b>4830.0</b>	<b>2689.0</b>	<b>7519.0</b>	<b>5001.0</b>	<b>2785.0</b>	<b>7786.0</b>	<b>3.5</b>	<b>3.6</b>	<b>3.6</b>
<b>Insurance</b>	<b>367.0</b>	<b>113.4</b>	<b>480.4</b>	<b>373.2</b>	<b>116.2</b>	<b>489.4</b>	<b>1.7</b>	<b>2.5</b>	<b>1.9</b>
<b>Social Solidarity</b>	<b>6569.4</b>	<b>0.0</b>	<b>6569.4</b>	<b>6963.6</b>	<b>0.0</b>	<b>6963.6</b>	<b>6.0</b>	<b>0.0</b>	<b>6.0</b>
<b>Restaurants &amp; Hotels</b>	<b>70.6</b>	<b>5654.4</b>	<b>5725.0</b>	<b>80.5</b>	<b>6457.3</b>	<b>6537.8</b>	<b>14.0</b>	<b>14.2</b>	<b>14.2</b>
<b>Real Estate</b>	<b>131.1</b>	<b>4873.1</b>	<b>5004.2</b>	<b>135.5</b>	<b>5035.7</b>	<b>5171.2</b>	<b>3.4</b>	<b>3.3</b>	<b>3.3</b>
Real Estate Ownership	85.0	2562.1	2647.1	88.2	2641.5	2729.7	3.8	3.1	3.1
Business Services	46.1	2311.0	2357.1	47.3	2394.2	2441.5	2.6	3.6	3.6
<b>General Government</b>	<b>16840.0</b>	<b>0.0</b>	<b>16840.0</b>	<b>17235.1</b>	<b>0.0</b>	<b>17235.1</b>	<b>2.3</b>	<b>0.0</b>	<b>2.3</b>
<b>Education, Health &amp; Personal Services</b>	<b>235.1</b>	<b>7970.4</b>	<b>8205.5</b>	<b>242.4</b>	<b>8306.8</b>	<b>8549.2</b>	<b>3.1</b>	<b>4.2</b>	<b>4.2</b>
Education	0.0	2056.9	2056.9	0.0	2130.9	2130.9	0.0	3.6	3.6
Health	235.1	2302.2	2537.3	242.4	2373.5	2615.9	3.1	3.1	3.1
Others	0.0	3611.3	3611.3	0.0	3802.4	3802.4	0.0	5.3	5.3

Source : Ministry of Economic Development.

**(1/2) GDP by Expenditure**  
**July/September**

	<u>Value at LE bn</u>		<u>Structure %</u>		<u>Growth Rate %</u>	
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
<b><u>1-GDP at Market Price(2+3+4-5)</u></b>	<b><u>218.3</u></b>	<b><u>274.6</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>17.4</u></b>	<b><u>25.8</u></b>
<b><u>2- Final Consumption</u></b>	<b><u>195.4</u></b>	<b><u>248.1</u></b>	<b><u>89.5</u></b>	<b><u>90.3</u></b>	<b><u>16.7</u></b>	<b><u>27.0</u></b>
Final private consumption	169.8	218.4	77.8	79.5	16.7	28.6
Final government consumption	25.6	29.7	11.7	10.8	16.4	16.0
<b><u>3- Gross Capital Formation</u></b>	<b><u>33.5</u></b>	<b><u>43.5</u></b>	<b><u>15.3</u></b>	<b><u>15.9</u></b>	<b><u>35.6</u></b>	<b><u>29.9</u></b>
Investments	33.5	43.5	15.3	15.9	35.6	29.9
Change in stock	0.0	0.0	0.0	0.0	0.0	0.0
<b><u>4- Exports of Goods &amp; Services</u></b>	<b><u>64.8</u></b>	<b><u>79.7</u></b>	<b><u>29.7</u></b>	<b><u>29.0</u></b>	<b><u>19.6</u></b>	<b><u>23.0</u></b>
<b><u>5- Imports of Goods &amp; Services</u></b>	<b><u>75.4</u></b>	<b><u>96.7</u></b>	<b><u>34.5</u></b>	<b><u>35.2</u></b>	<b><u>24.6</u></b>	<b><u>28.2</u></b>
<b><u>6- Gross Domestic Saving (1-2)</u></b>	<b><u>22.9</u></b>	<b><u>26.5</u></b>	<b><u>10.5</u></b>	<b><u>9.7</u></b>	<b><u>24.5</u></b>	<b><u>15.7</u></b>

Source : Ministry of Economic Development.

**(1/3) Consumer Price Index (Urban) (Jan. 2007=100)\***

	Relative Weights	<u>2007</u>		<u>2008</u>		<u>Inflation Rate %</u>	
		June	Sept.	June	Sept.	July/Sept. 2007/2008	2008/2009
<b><u>General Index</u></b>	<b><u>100.0</u></b>	<b><u>101.1</u></b>	<b><u>105.0</u></b>	<b><u>121.5</u></b>	<b><u>127.6</u></b>	<b><u>3.9</u></b>	<b><u>5.0</u></b>
Food & Non-Alcoholic Beverages	43.9	102.5	110.7	130.3	138.8	8.0	6.5
Tobacco	2.5	100.0	100.0	112.1	121.0	0.0	7.9
Clothing & Footwear	7.9	100.2	101.2	104.3	114.4	1.0	9.7
Housing , Water, Electricity, Gas & Fuel	13.5	100.0	100.0	107.6	109.4	0.0	1.7
Furnishings, Household Equipment & Routine Maintenance of the House	4.2	100.4	103.1	110.7	119.6	2.7	8.0
Health Care	3.6	100.0	100.0	112.1	112.1	0.0	0.0
Transportation	5.2	100.0	100.5	120.1	122.1	0.5	1.7
Communications	3.6	100.0	100.0	104.0	109.5	0.0	5.3
Recreation & Culture	3.4	100.0	101.0	121.7	132.3	1.0	8.7
Education	4.4	100.0	100.0	137.7	137.7	0.0	0.0
Hotels & Restaurants	3.6	100.0	101.2	146.1	146.5	1.2	0.3
Miscellaneous	4.2	100.2	101.3	111.5	110.7	1.1	-0.7

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.

**(1/4) Producer Price Index (2004/2005 = 100)**

Groups	Relative Weights	<u>2007</u>		<u>2008</u>		<u>Inflation Rate %</u>	
		June	Sept.	June	Sept.	July/Sept. 2007/2008	2008/2009
<b><u>All Items</u></b>	<b><u>100.0</u></b>	<b><u>126.0</u></b>	<b><u>133.1</u></b>	<b><u>168.5</u></b>	<b><u>163.3</u></b>	<b><u>5.6</u></b>	<b><u>-3.1</u></b>
Agriculture, Forestry and Fishing	25.1	143.0	159.8	179.5	196.5	11.7	9.5
Mining and Quarrying	21.8	136.8	146.2	232.3	176.2	6.9	-24.1
Manufacturing Industries	38.9	115.7	117.5	144.4	151.1	1.6	4.6
Electricity, Gas, Steam and Air Conditioning Supply	2.3	100.0	100.0	114.0	114.0	0.0	0.0
Water Supply, Sewerage, Waste Management and Remediation Activities	2.0	128.0	128.0	138.7	138.7	0.0	0.0
Transportation and Storage	2.8	101.7	102.9	110.9	110.9	1.2	0.0
Accommodation and Food Service Activities	5.0	105.2	108.9	117.5	117.5	3.5	0.0
Information and Communication Activities	2.1	107.8	107.8	107.8	112.5	0.0	4.4

Source: Central Agency for Public Mobilization and Statistics (CAPMAS), the PPI Bulletin issued as of Sept. 2007 to replace the WPI Bulletin, as the publication of the latter was stopped as of January 2008.

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

	(LE mn)							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Reserve Money</u></b>	<b><u>108083</u></b>	<b><u>116050</u></b>	<b><u>120875</u></b>	<b><u>134126</u></b>	<b><u>142261</u></b>	<b><u>169911</u></b>	<b><u>178091</u></b>	
Currency in circulation outside CBE	70133	78604	83101	92174	98166	111412	120913	
Banks' deposits in local currency	37950	37446	37774	41952	44095	58499	57178	
<b><u>Counterpart Assets</u></b>	<b><u>108083</u></b>	<b><u>116050</u></b>	<b><u>120875</u></b>	<b><u>134126</u></b>	<b><u>142261</u></b>	<b><u>169911</u></b>	<b><u>178091</u></b>	
<b><u>Net Foreign Assets</u></b>	<b><u>49050</u></b>	<b><u>61302</u></b>	<b><u>68945</u></b>	<b><u>95372</u></b>	<b><u>100365</u></b>	<b><u>180333</u></b>	<b><u>187077</u></b>	
<b><u>Foreign Assets</u></b>	<b><u>118636</u></b>	<b><u>129477</u></b>	<b><u>135543</u></b>	<b><u>160197</u></b>	<b><u>164579</u></b>	<b><u>182021</u></b>	<b><u>188652</u></b>	
Gold	4500	6429	6429	6744	6744	8695	8695	
Foreign securities	16035	48353	48402	108606	118972	151175	172955	
Foreign currencies	98101	74695	80712	44847	38863	22151	7002	
<b><u>Foreign Liabilities*</u></b>	<b><u>69586</u></b>	<b><u>68175</u></b>	<b><u>66598</u></b>	<b><u>64825</u></b>	<b><u>64214</u></b>	<b><u>1688</u></b>	<b><u>1575</u></b>	
<b><u>Net Domestic Assets</u></b>	<b><u>59033</u></b>	<b><u>54748</u></b>	<b><u>51930</u></b>	<b><u>38754</u></b>	<b><u>41896</u></b>	<b><u>-10422</u></b>	<b><u>-8986</u></b>	
<b><u>Net Claims on Government</u></b>	<b><u>112160</u></b>	<b><u>114055</u></b>	<b><u>116386</u></b>	<b><u>117254</u></b>	<b><u>121187</u></b>	<b><u>81872</u></b>	<b><u>101571</u></b>	
Claims; of which:	189135	171808	172790	192192	196529	159697	175828	
Government securities*	174898	164761	164762	166724	165688	123123	123123	
Deposits	76975	57753	56404	74938	75342	77825	74257	
<b><u>Net Claims on Banks</u></b>	<b><u>-8078</u></b>	<b><u>1018</u></b>	<b><u>13685</u></b>	<b><u>59512</u></b>	<b><u>51898</u></b>	<b><u>77581</u></b>	<b><u>42437</u></b>	
Claims	17000	17412	31042	77270	70061	97828	62458	
Deposits in foreign currencies	25078	16394	17357	17758	18163	20247	20021	
<b><u>Other Items (Net)</u></b>	<b><u>-45049</u></b>	<b><u>-60325</u></b>	<b><u>-78141</u></b>	<b><u>-138012</u></b>	<b><u>-131189</u></b>	<b><u>-169875</u></b>	<b><u>-152994</u></b>	
Assets*	48014	41743	44506	39141	42504	25233	33196	
Liabilities	93063	102068	122647	177153	173693	195108	186190	

Source : Central Bank of Egypt.

\* At the end of June 2008, the CBE and the government agreed on using part of the rescheduled debts -under Paris Club agreement- which are not yet due, to settle part of the government debt to the CBE.

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

(LE mn)

End of	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
	<u>Sept.</u>	<u>June</u>	<u>Sept.</u>	<u>June</u>	<u>Sept.</u>	<u>June</u>	<u>Sept.</u>	
<b><u>1- Domestic Liquidity</u></b>	<b><u>514822</u></b>	<b><u>560356</u></b>	<b><u>582225</u></b>	<b><u>662688</u></b>	<b><u>681900</u></b>	<b><u>766664</u></b>	<b><u>777871</u></b>	
<b><u>A- Money Supply</u></b>	<b><u>99928</u></b>	<b><u>109274</u></b>	<b><u>117291</u></b>	<b><u>131290</u></b>	<b><u>141922</u></b>	<b><u>170579</u></b>	<b><u>177641</u></b>	
Currency in circulation outside the banking system	66335	74239	78481	86860	92244	104656	112984	
Demand deposits in local currency	33593	35035	38810	44430	49678	65923	64657	
<b><u>B- Quasi-Money</u></b>	<b><u>414894</u></b>	<b><u>451082</u></b>	<b><u>464934</u></b>	<b><u>531398</u></b>	<b><u>539978</u></b>	<b><u>596085</u></b>	<b><u>600230</u></b>	
Time & saving deposits in local currency	290467	314188	323374	377424	384004	436268	440268	
Demand and time & saving deposits in foreign currencies	124427	136894	141560	153974	155974	159817	159962	
<b><u>2- Counterpart Assets</u></b>								
Net foreign assets *	103913	133385	152467	218629	215080	303680	274385	
Domestic credit *	470017	509532	513367	531314	552226	570953	621486	
Other items (net)	-59108	-82561	-83609	-87255	-85406	-107969	-118000	

Source : Central Bank of Egypt.

\* Due to the agreement between the CBE and the government, as mentioned in the footnote of table (2/1/1).

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

	(LE mn)							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total Deposits in Local Currency</u></b>	<b><u>324060</u></b>	<b><u>349223</u></b>	<b><u>362184</u></b>	<b><u>421854</u></b>	<b><u>433682</u></b>	<b><u>502191</u></b>	<b><u>504925</u></b>	
<b><u>1- Demand Deposits</u></b>	<b><u>33593</u></b>	<b><u>35035</u></b>	<b><u>38810</u></b>	<b><u>44430</u></b>	<b><u>49678</u></b>	<b><u>65923</u></b>	<b><u>64657</u></b>	
Public business sector *	3162	4934	4903	6278	5600	8698	6068	
Private business sector	18022	15863	17643	20681	23697	34301	33735	
Household sector	13214	14831	16551	18378	21243	24003	25636	
Minus: Purchased cheques & drafts	805	593	287	907	862	1079	782	
<b><u>2- Time and Saving Deposits</u></b>	<b><u>290467</u></b>	<b><u>314188</u></b>	<b><u>323374</u></b>	<b><u>377424</u></b>	<b><u>384004</u></b>	<b><u>436268</u></b>	<b><u>440268</u></b>	
Public business sector *	14386	15465	16557	17186	18772	20736	22856	
Private business sector	27583	25580	28474	56823	57889	85415	75532	
Household sector	248498	273143	278343	303415	307343	330117	341880	

Source : Central Bank of Egypt

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



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

	(LE mn)						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>			
<b>End of</b>	<b>Sept.</b>	<b>June</b>	<b>Sept.</b>	<b>June</b>	<b>Sept.</b>	<b>June</b>	<b>Sept.</b>
<b><u>Total Deposits in Foreign Currencies</u></b>	<b><u>124427</u></b>	<b><u>136894</u></b>	<b><u>141560</u></b>	<b><u>153974</u></b>	<b><u>155974</u></b>	<b><u>159817</u></b>	<b><u>159962</u></b>
<b><u>1- Demand Deposits</u></b>	<b><u>19125</u></b>	<b><u>18533</u></b>	<b><u>22847</u></b>	<b><u>26917</u></b>	<b><u>25030</u></b>	<b><u>26581</u></b>	<b><u>27896</u></b>
Public business sector *	885	935	967	947	1385	943	1507
Private business sector	11742	10417	14922	18453	15987	17417	18158
Household sector	6658	7392	7190	7689	7847	8404	8369
Minus: Purchased cheques & drafts	160	211	232	172	189	183	138
<b><u>2- Time and Saving Deposits</u></b>	<b><u>105302</u></b>	<b><u>118361</u></b>	<b><u>118713</u></b>	<b><u>127057</u></b>	<b><u>130944</u></b>	<b><u>133236</u></b>	<b><u>132066</u></b>
Public business sector *	4202	4734	4801	5774	6290	8202	7993
Private business sector	22333	28845	29259	30641	34947	39785	38644
Household sector	78767	84782	84653	90642	89707	85249	85429

Source: Central Bank of Egypt

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

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

	(LE mn)							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Net Foreign Assets</u></b>	<b><u>103913</u></b>	<b><u>133385</u></b>	<b><u>152467</u></b>	<b><u>218629</u></b>	<b><u>215080</u></b>	<b><u>303680</u></b>	<b><u>274385</u></b>	
<b><u>Foreign Assets</u></b>	<b><u>192803</u></b>	<b><u>218982</u></b>	<b><u>234888</u></b>	<b><u>304968</u></b>	<b><u>305398</u></b>	<b><u>330770</u></b>	<b><u>303411</u></b>	
Central Bank of Egypt	118636	129477	135543	160197	164579	182021	188652	
Banks	74167	89505	99345	144771	140819	148749	114759	
<b><u>Foreign Liabilities</u></b>	<b><u>88890</u></b>	<b><u>85597</u></b>	<b><u>82421</u></b>	<b><u>86339</u></b>	<b><u>90318</u></b>	<b><u>27090</u></b>	<b><u>29026</u></b>	
Central Bank of Egypt *	69586	68176	66598	64825	64214	1688	1575	
Banks	19304	17421	15823	21514	26104	25402	27451	

Source: Central Bank of Egypt

\* Due to the agreement between the CBE and the government, as mentioned in the footnote of table (2/1/1).

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

	(LE mn)						
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>
End of	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>1-Domestic Credit</u></b>	<b><u>470017</u></b>	<b><u>509532</u></b>	<b><u>513367</u></b>	<b><u>531314</u></b>	<b><u>552226</u></b>	<b><u>570953</u></b>	<b><u>621486</u></b>
Net claims on the government (A+B-C)	157095	184131	183932	178323	188857	174005	207687
A-Securities*	283492	295974	293343	278011	288980	271788	291217
B-Credit facilities	36515	28044	30397	52151	57192	67732	83637
C-Government deposits	162912	139887	139808	151839	157315	165515	167167
Claims on public business sector **	38253	32888	33468	24446	25729	26897	28251
Claims on private business sector	231589	239338	241483	268607	272675	291719	302170
Claims on household sector	43080	53175	54484	59938	64965	78332	83378
<b><u>Other Items (Net)</u></b>	<b><u>-59108</u></b>	<b><u>-82561</u></b>	<b><u>-83609</u></b>	<b><u>-87255</u></b>	<b><u>-85406</u></b>	<b><u>-107969</u></b>	<b><u>-118000</u></b>
Capital accounts	-99152	-102139	-105205	-114534	-119183	-135401	-141450
Net unclassified assets and liabilities	40044	19578	21596	27279	33777	27432	23450

Source: Central Bank of Egypt

\* Due to the agreement between the CBE and the government, as mentioned in the footnote of table (2/1/1)

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

## (2/1/7) Total Saving Vessels

	(LE mn)							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total Saving Vessels</u></b>	<b><u>509068</u></b>	<b><u>560229</u></b>	<b><u>576527</u></b>	<b><u>655376</u></b>	<b><u>666056</u></b>	<b><u>742177</u></b>	<b><u>743760</u></b>	
<b><u>Savings at the Banking System</u></b>	<b><u>414894</u></b>	<b><u>451082</u></b>	<b><u>464934</u></b>	<b><u>531398</u></b>	<b><u>539978</u></b>	<b><u>596085</u></b>	<b><u>600230</u></b>	
Time & saving deposits in local currency	290467	314188	323374	377424	384004	436268	440268	
Demand and time & saving deposits in foreign currencies	124427	136894	141560	153974	155974	159817	159962	
<b><u>Net Sales of Investment Certificates</u></b>	<b><u>58493</u></b>	<b><u>63697</u></b>	<b><u>65216</u></b>	<b><u>68311</u></b>	<b><u>70072</u></b>	<b><u>79354</u></b>	<b><u>78630</u></b>	
<b><u>Post Office Saving Deposits</u></b>	<b><u>35681</u></b>	<b><u>45450</u></b>	<b><u>46377</u></b>	<b><u>55667</u></b>	<b><u>56006</u></b>	<b><u>66738</u></b>	<b><u>64900</u></b>	

Source: Central Bank of Egypt

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

Public Business Sector \*

(LE mn)

End of	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>			
	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Total</u></b>	<b><u>38073</u></b>	<b><u>32642</u></b>	<b><u>33224</u></b>	<b><u>24188</u></b>	<b><u>25395</u></b>	<b><u>26653</u></b>	<b><u>28038</u></b>
<b><u>In Local Currency</u></b>	<b><u>31498</u></b>	<b><u>26269</u></b>	<b><u>26373</u></b>	<b><u>18097</u></b>	<b><u>18486</u></b>	<b><u>19475</u></b>	<b><u>20158</u></b>
Agriculture	7	59	65	7	7	11	9
Manufacturing	18754	16215	16315	9071	8857	9066	9300
Trade	6036	4318	4548	3986	3980	4114	4332
Services	6701	5677	5445	5033	5642	6284	6517
<b><u>In Foreign Currencies</u></b>	<b><u>6575</u></b>	<b><u>6373</u></b>	<b><u>6851</u></b>	<b><u>6091</u></b>	<b><u>6909</u></b>	<b><u>7178</u></b>	<b><u>7880</u></b>
Agriculture	-	-	-	-	-	-	-
Manufacturing	4983	3752	3807	2611	3269	3440	3676
Trade	514	1555	578	880	689	710	772
Services	1078	1066	2466	2600	2951	3028	3432

Source: Central Bank of Egypt

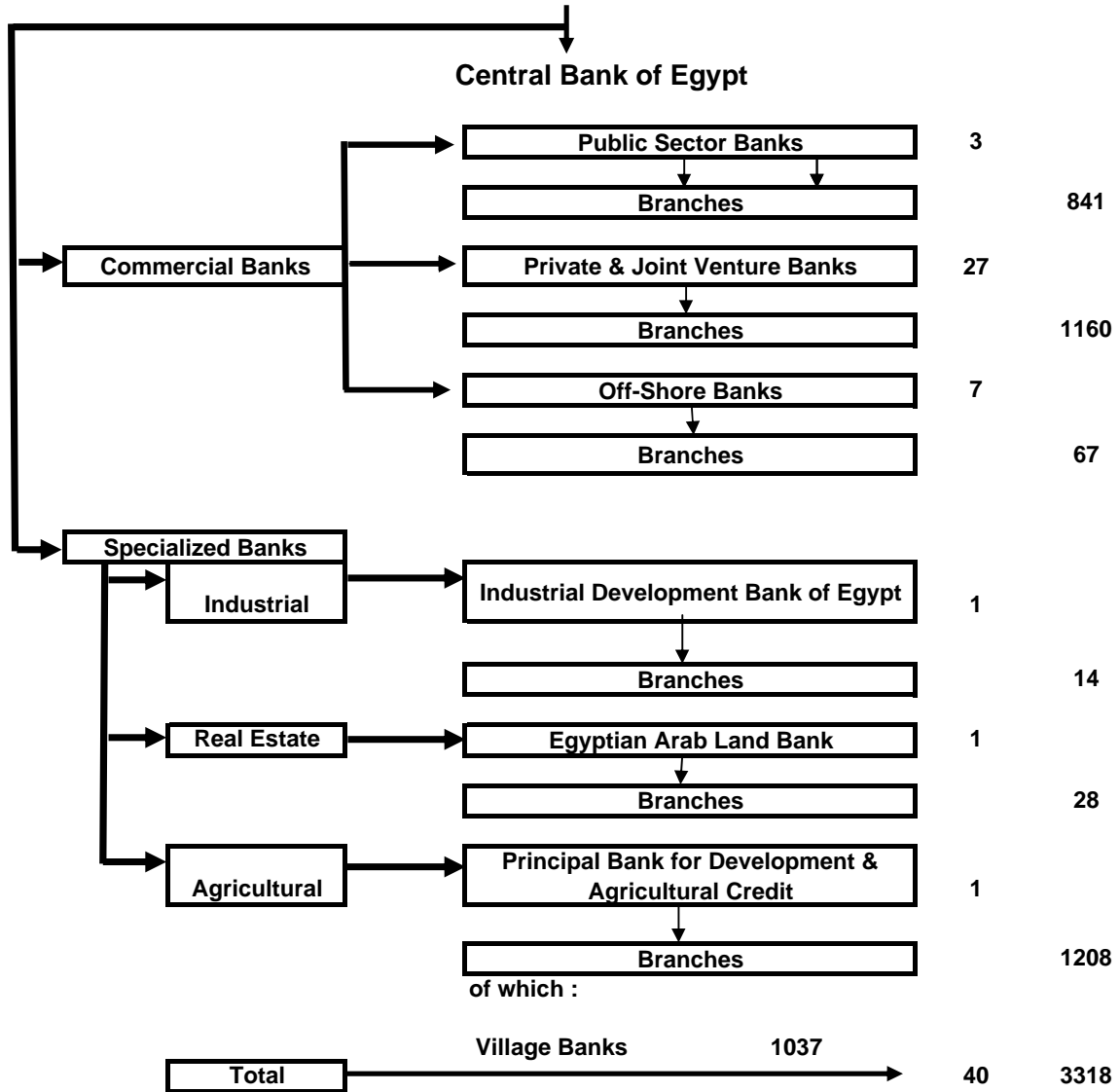
\* Including all public sector companies subject or not to Law No. 203 for 1991.

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

	(LE mn)							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>204465</u></b>	<b><u>214665</u></b>	<b><u>216539</u></b>	<b><u>239312</u></b>	<b><u>240935</u></b>	<b><u>258087</u></b>	<b><u>270569</u></b>	
<b><u>In Local Currency</u></b>	<b><u>149240</u></b>	<b><u>150485</u></b>	<b><u>149786</u></b>	<b><u>163292</u></b>	<b><u>163101</u></b>	<b><u>167258</u></b>	<b><u>171293</u></b>	
Agriculture	5627	4794	4853	6922	6180	5326	5186	
Manufacturing	57776	55827	54887	65453	61922	62693	64709	
Trade	38476	39110	38328	33487	35816	38342	39555	
Services	47361	50754	51718	57430	59183	60897	61843	
<b><u>In Foreign Currencies</u></b>	<b><u>55225</u></b>	<b><u>64180</u></b>	<b><u>66753</u></b>	<b><u>76020</u></b>	<b><u>77834</u></b>	<b><u>90829</u></b>	<b><u>99276</u></b>	
Agriculture	874	829	905	929	899	843	1833	
Manufacturing	20720	26072	27650	34199	34428	43349	45801	
Trade	11564	12337	12165	10944	13106	14599	17562	
Services	22067	24942	26033	29948	29401	32038	34080	

Source: Central Bank of Egypt

(2/2/1) Structure of the Egyptian Banking System  
As at 30 September 2008\*



\* 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.

## (2/2/2) Local Mutual Funds Authorized and Operating as at 30/9/2008

Fund Name	Fund Manager	Inception Date	Par Value (LE)	Size (LE Million)	Document Value (LE) at End of Sept. 2007	Document Value (LE) at End of Sept. 2008	Cash Distributions since Date of Inception	Total Return since Inception (%)
<b>Open-end Balance Funds</b>								
National Bank of Egypt I	EI Ahly Fund Management	Sept-94	10	200	2244.25	37.83	3.60	314.30
Banque Misr I	Concord International Investments	Feb-95	100	500	113.42	101.9	103.80	105.70
National Bank of Egypt II	EI Ahly Fund Management	Oct-95	100	300	98.5	86.33	125.25	111.58
Export Development Bank I (Al-Khabeer)	Cairo Fund Management	Oct-96	100	100	113.71	83.21	33.00	16.21
Suez Canal Bank	HC Securities	Dec-96	500	100	429.69	342.69	20.00	-27.46
National Bank of Egypt III	HC Securities	Aug-05	100	200	130.51	93.93	22.75	16.68
EI Watany Bank of Egypt	Hermes Fund Management	Aug-06	100	135	118.73	110.78	7.00	17.78
National Bank of Egypt V	EI Ahly Fund Management	May-07	10	100	10.63	9.49	0.00	-5.10
Al-Masi	Hermes Fund Management	Apr-08	100	100	-	83.45	0.00	-16.55
<b>Open-end Equity Funds</b>								
Credit Agricole Egypt I ***	Hermes Fund Management	Oct-94	100	300	373.54	257.87	220.25	378.12
Bank of Alexandria I	Hermes Fund Management	Nov-94	100	200	496.29	329.56	266.00	495.56
Banque Misr II	Concord International Investment	Sept-95	66.67	300	88.75	73.18	58.15	96.99
Banque de Caire	Hermes Fund Management	Nov-95	10	200	122.96	86.25	0.00	762.50
Credit Agricole Egypt II ***	Hermes Fund Management	Apr-97	100	300	204.4	123.63	82.50	106.13
Egyptian Gulf Bank	Hermes Fund Management	May-97	100	100	435.81	269.03	197.00	366.03
Banque Misr III*	HC Securities	Dec-97	100	138.97	600.49	453.72	70.00	423.72
Shield Fund **	Concord International Investment	Feb-98	50	280	131.23	112.24	46.50	217.48
Misr Iran Development Bank I	HC Securities	Aug-98	100	100	578.69	431.6	110.00	441.60
Commercial International Bank II (Istethmar)	CI Asset Management	Apr-06	100	600	127.88	93.44	0.00	-6.56
Piraeus Bank-Egypt I	Phoneix Kato Asset Management	Apr-08	100	100	-	83.86	0.00	-16.14
Housing & Development Bank (Al-Taameer)	Prime Investments Fund Management	Jun-08	100	100	-	94.59	0.00	-5.41
ABC Bank	Rasmala Fund Management	Aug-08	100	250	-	89.38	0.00	-10.62
<b>Open-end Fixed Income Funds</b>								
Al Rabeh Fund ++	Prime Investment Fund Management	Feb-99	100	50	102.37	101.93	81.35	83.28
Credit Agricole Egypt III ***	Egyptian Fund Management Group	Jun-99	1000	150	1066.25	1059.57	869.98	92.96
Commercial International Bank I (Osoul)	CI Asset Management	Apr-05	100	1000	123.89	133.76	0.00	33.76
Misr Iran Development Bank II	HC Securities	Jul-05	1000	500	1020.27	1021.09	246.51	26.76
Bank of Alexandria II	Egyptian Fund Management Group	May-06	10	200	11.25	12.16	0.00	21.60
National Bank of Egypt IV	EI Ahly Fund Management	Jun-06	100	145	111.87	120.55	0.00	20.55
National Societe Generale Bank (Themar)	Egyptian Fund Management Group	Oct-06	100	100	108.87	117.33	0.00	17.33
Export Development Bank II	ABN-Amro-Delta Fund Management	Nov-06	100	100	107.81	116.46	0.00	16.46
<b>Open-end Islamic Funds</b>								
Faisal Islamic Bank	Hermes Fund Management	Dec-04	100	50	164.56	123.48	52.00	75.48
Egyptian Saudi Finance Bank	Hermes Fund Management	May-06	100	50	124.94	89.47	39.32	28.79
Faisal Islamic Bank - CIB (Al Amman)	CI Asset Management	Oct-06	100	100	113.68	84.34	0.00	-15.66
Banque Misr IV	HC Securities	Oct-06	100	200	129.39	100.03	14.00	14.03
Sanabel Fund	Prime Investment Fund Management	Feb-07	100	100	109.05	81.81	10.00	-8.19
Egyptian Saudi Finance -National Bank of Egypt (Bashaer)	EI-Ahly Fund Management	Feb-08	100	200	-	80.7	0.00	-19.30
<b>Closed-end Funds</b>								
Orient Trust	Egyptian Investment & Finance Co.	Feb-97	1000	50	1290.31	1167.51	300.00	46.75
Misr Direct Investment Fund	AI Ahly Development & Investment	Jul-99	1000	35	1113.50	1107.3	0.00	10.73
Arab Land Direct	Prime Investment Fund Management	Feb-00	1000	70	895.92	730.47	113.75	-15.58
<b>Asset Allocator Funds</b>								
Arab Misr Insurance Group	Prime Investment Fund Management	Aug-95	500	100	1024.63	760.67	237.00	99.53
Societe Arab Int'l Banque I +	Prime Investment Fund Management	Jun-96	100	100	556.19	427.96	88.00	415.96
Societe Arab Int'l Banque II	Prime Investment Fund Management	Oct-97	100	200	346.54	287.51	90.00	277.51

Source: Monthly Bulletin of Egyptian Stock Exchange

\* The name of 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 price of issuing the document has also changed from LE 1000 to LE100 after the amendment of Article (5) of the fund's prospectus as of 27/8/2006.

\*\* The name of Misr International Bank fund has changed to Shield Fund starting from 2/4/2006 and the document has been split into a ratio of 1:2 on the same date. The price of issuing the document has also changed from LE 100 to LE 50.

\*\*\* The name of Egyptian American Bank Fund has changed to Credit Agricole Egypt starting from 3/9/2006.

+ The fund's document has been split into ratio of 1: 5 and the par value has also changed from LE 500 to LE100 as of 29/3/2007.

++ The fund's name has changed to Al 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>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>
End of	Sept.	June	Sept.	June	Sept.	June	Sept.
<b><u>Currency By Denomination</u></b>	<b><u>70992</u></b>	<b><u>79017</u></b>	<b><u>83842</u></b>	<b><u>93240</u></b>	<b><u>99353</u></b>	<b><u>112430</u></b>	<b><u>121919</u></b>
PT 25	119	136	136	144	147	147	185
PT 50	219	241	225	240	242	252	356
LE 1	502	545	520	565	577	608	905
LE 5	1280	1121	1092	1071	1043	1169	1489
LE 10	4889	4274	4111	3470	3165	2938	3433
LE 20	10087	9226	9102	8796	8325	7394	7880
LE 50	26218	27959	28666	28152	27936	25646	25120
LE 100	27678	35515	39990	47552	49274	54987	57494
LE 200 *	-	-	-	3250	8644	19289	25057

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)							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>70132</u></b>	<b><u>78604</u></b>	<b><u>83105</u></b>	<b><u>92175</u></b>	<b><u>98168</u></b>	<b><u>111412</u></b>	<b><u>120913</u></b>	
Subsidiary Coins & Notes*	228	236	247	259	269	275	281	
PT 25	113	135	131	142	143	145	182	
PT 50	209	239	221	234	235	242	347	
LE 1	483	540	506	550	566	591	896	
LE 5	1149	1095	1034	987	968	1105	1424	
LE 10	4646	4215	3987	3323	3038	2845	3286	
LE 20	9843	9128	8861	8553	8102	7194	7628	
LE 50	26003	27737	28426	27967	27723	25422	24932	
LE 100	27458	35279	39692	47136	48785	54529	57100	
LE 200+	-	-	-	3024	8339	19064	24837	

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\***

<b>During</b>	<b><u>Fiscal Year</u></b>					<b><u>July/September</u></b>	
	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>	<b>2006/2007</b>	<b>2007/2008</b>	<b>2007/2008</b>	<b>2008/2009</b>
<b><u>Cairo Branch</u></b>							
Number of cheques (thousands)	8856	8618					
Value of cheques (LEmn)	215091	231942					
<b><u>Alexandria Branch</u></b>							
Number of cheques (thousands)	626	593					
Value of cheques (LEmn)	30652	27875					
<b><u>Port-Said Branch</u></b>							
Number of cheques (thousands)	109	110					
Value of cheques (LEmn)	2481	2606					
<b><u>All Branches</u></b>							
Number of cheques (thousands)	9591	9321	9508	10480	11724	2802	2860
Value of cheques (LEmn)	248224	262423	288715	356900	483113	106399	138377

Source: Central Bank of Egypt

\* As of 1/ 1/2006, the manual Clearing Houses of 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 )							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Assets</u></b>								
Cash	6026	6813	7113	7705	8671	10261	11485	
Securities & investments in TBs; of which:	183800	193965	208325	176098	180406	201858	219146	
CBE notes	24837	21563	38160	17617	6259	0	0	
Balances with banks in Egypt	125389	121695	125078	217363	234428	278185	250323	
Balances with banks abroad	59657	72554	81797	124366	116980	122792	86038	
Loan and discount balances	309843	324041	329302	353746	364015	401425	422706	
Other assets	59090	42494	62732	58645	74264	68790	87404	
<b>Assets =Liabilities</b>	<b>743805</b>	<b>761562</b>	<b>814347</b>	<b>937923</b>	<b>978764</b>	<b>1083311</b>	<b>1077102</b>	
<b><u>Liabilities</u></b>								
Capital	24444	27112	28822	33037	33556	37295	38620	
Reserves	12141	13418	12641	12552	12461	16141	15487	
Provisions	50326	54950	59665	53469	63336	62314	71281	
Bonds & Long-term loans	14928	17526	19350	26351	21542	22285	22644	
Obligations to banks in Egypt	30838	21488	31770	82619	75533	98699	59423	
Obligations to banks abroad	9814	8770	7624	10006	14645	13327	14982	
Total deposits	534810	568841	587703	649953	668335	747199	755020	
Other liabilities	66504	49457	66772	69936	89356	86051	99645	

Source : Central Bank of Egypt

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

( LE mn )

End of	2005		2006		2007		2008	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total Deposits</u></b>	<b><u>534810</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>	<b><u>649953</u></b>	<b><u>668335</u></b>	<b><u>747199</u></b>	<b><u>755020</u></b>	
Demand deposits	59984	62431	70765	78758	81866	100569	103240	
Time & saving deposits and saving accounts	452692	479805	490501	542983	555357	612737	619641	
Blocked or retained deposits	22134	26605	26437	28212	31112	33893	32139	
<b><u>Local Currency Deposits</u></b>	<b><u>382944</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>	<b><u>463320</u></b>	<b><u>478937</u></b>	<b><u>552079</u></b>	<b><u>558475</u></b>	
Demand deposits	39034	41793	45668	50365	55141	71971	73184	
Time & saving deposits and saving accounts	331586	345953	355095	396352	406947	460285	466468	
Blocked or retained deposits	12324	13397	13836	16603	16849	19823	18823	
<b><u>Foreign Currency Deposits</u></b>	<b><u>151866</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>	<b><u>186633</u></b>	<b><u>189398</u></b>	<b><u>195120</u></b>	<b><u>196545</u></b>	
Demand deposits	20950	20638	25097	28393	26725	28598	30056	
Time & saving deposits and saving accounts	121106	133852	135406	146631	148410	152452	153172	
Blocked or retained deposits	9810	13208	12601	11609	14263	14070	13317	

Source : Central Bank of Egypt

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

( LE mn )

End of	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total Deposits</u></b>	<b><u>534810</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>	<b><u>649953</u></b>	<b><u>668335</u></b>	<b><u>747199</u></b>	<b><u>755020</u></b>	
<b><u>Local Currency Deposits</u></b>	<b><u>382944</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>	<b><u>463320</u></b>	<b><u>478937</u></b>	<b><u>552079</u></b>	<b><u>558475</u></b>	
Government sector	56693	49422	49985	37233	41265	44789	49359	
Public business sector *	17548	20399	21461	23464	24372	29434	28925	
Private business sector	45605	41444	46117	77504	81587	119716	109197	
Household sector	261712	287973	294894	321793	328585	354119	367516	
Foreign sector **	1386	1905	2142	3326	3128	4021	3478	
<b><u>Foreign Currency Deposits</u></b>	<b><u>151866</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>	<b><u>186633</u></b>	<b><u>189398</u></b>	<b><u>195120</u></b>	<b><u>196545</u></b>	
Government sector	26286	29290	30099	30329	31530	33203	34018	
Public business sector *	5087	5668	5768	6721	7675	9146	9499	
Private business sector	34075	39263	44181	49093	50934	57202	56802	
Household sector	85425	92174	91843	98331	97554	93653	93798	
Foreign sector**	993	1303	1213	2159	1705	1916	2428	

Source : Central Bank of Egypt

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

\*\*Including counterpart deposits of USAID .

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

	( LE mn )							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total Deposits</u></b>	<b><u>534810</u></b>	<b><u>568841</u></b>	<b><u>587703</u></b>	<b><u>649953</u></b>	<b><u>668335</u></b>	<b><u>747199</u></b>	<b><u>755020</u></b>	
<b><u>Local Currency Deposits</u></b>	<b><u>382944</u></b>	<b><u>401143</u></b>	<b><u>414599</u></b>	<b><u>463320</u></b>	<b><u>478937</u></b>	<b><u>552079</u></b>	<b><u>558475</u></b>	
Agriculture	2427	2215	2964	2531	2831	5673	5055	
Manufacturing	20590	19903	20294	23819	26149	36169	36271	
Trade	12746	12793	14972	18354	18102	23928	23050	
Services	37751	38245	42336	40530	42809	59337	55784	
Unclassified sectors	309430	327987	334033	378086	389046	426972	438315	
<b><u>Foreign Currency Deposits</u></b>	<b><u>151866</u></b>	<b><u>167698</u></b>	<b><u>173104</u></b>	<b><u>186633</u></b>	<b><u>189398</u></b>	<b><u>195120</u></b>	<b><u>196545</u></b>	
Agriculture	847	855	579	467	608	1002	1099	
Manufacturing	17167	18159	22700	21208	25623	26223	24668	
Trade	6668	8250	8221	11824	7682	10263	12185	
Services	18110	21602	22735	23216	25982	30202	28659	
Unclassified sectors	109074	118832	118869	129918	129503	127430	129934	

Source : Central Bank of Egypt

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

( LE mn )

End of	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>158963</u></b>	<b><u>172402</u></b>	<b><u>170165</u></b>	<b><u>158481</u></b>	<b><u>174147</u></b>	<b><u>201858</u></b>	<b><u>219146</u></b>	
<b><u>In Local Currency</u></b>	<b><u>127562</u></b>	<b><u>140840</u></b>	<b><u>139493</u></b>	<b><u>125981</u></b>	<b><u>139833</u></b>	<b><u>168182</u></b>	<b><u>185305</u></b>	
Government sector	102099	115146	113802	96652	108854	135129	154317	
Public business sector *	668	859	657	761	1577	1414	1381	
Private business sector	24795	24835	25034	28568	29402	31609	29577	
Household sector	-	-	-	-	-	-	-	
Foreign sector	-	-	-	-	-	30	30	
<b><u>In Foreign Currencies</u></b>	<b><u>31401</u></b>	<b><u>31562</u></b>	<b><u>30672</u></b>	<b><u>32500</u></b>	<b><u>34314</u></b>	<b><u>33676</u></b>	<b><u>33841</u></b>	
Government sector	16487	16067	14780	14636	14438	13536	13777	
Public business sector *	-	-	-	-	-	-	-	
Private business sector	4571	3545	3519	3474	5153	4914	4717	
Household sector	-	-	-	-	-	-	-	
Foreign sector	10343	11950	12373	14390	14723	15226	15347	

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 )							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>309843</u></b>	<b><u>324041</u></b>	<b><u>329302</u></b>	<b><u>353746</u></b>	<b><u>364015</u></b>	<b><u>401425</u></b>	<b><u>422706</u></b>	
<b><u>In Local Currency</u></b>	<b><u>233098</u></b>	<b><u>238926</u></b>	<b><u>239719</u></b>	<b><u>248544</u></b>	<b><u>252543</u></b>	<b><u>267166</u></b>	<b><u>275899</u></b>	
Government sector	10705	11285	11692	10788	10392	9698	8783	
Public business sector *	31498	26269	26374	18097	18486	19475	20158	
Private business sector	149247	150491	149793	163292	163101	167258	171294	
Household sector	41092	50158	51124	55453	59570	69838	74352	
Foreign sector	556	723	736	914	994	897	1312	
<b><u>In Foreign Currencies</u></b>	<b><u>76745</u></b>	<b><u>85115</u></b>	<b><u>89583</u></b>	<b><u>105202</u></b>	<b><u>111472</u></b>	<b><u>134259</u></b>	<b><u>146807</u></b>	
Government sector	11575	9712	10675	15896	15960	21460	22149	
Public business sector *	6575	6373	6850	6091	6909	7177	7880	
Private business sector	55225	64184	66753	76020	77834	90829	99276	
Household sector	1988	3017	3361	4485	5395	8494	9026	
Foreign sector	1382	1829	1944	2710	5374	6299	8476	

Source : Central Bank of Egypt

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

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

( LE mn )

End of	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>468806</u></b>	<b><u>496443</u></b>	<b><u>499467</u></b>	<b><u>512227</u></b>	<b><u>538158</u></b>	<b><u>603283</u></b>	<b><u>641852</u></b>	
<b><u>In Local Currency</u></b>	<b><u>360660</u></b>	<b><u>379766</u></b>	<b><u>379212</u></b>	<b><u>374525</u></b>	<b><u>392372</u></b>	<b><u>435348</u></b>	<b><u>461204</u></b>	
Government sector	112804	126431	125494	107440	119246	144828	163100	
Public business sector *	32166	27128	27031	18858	20059	20889	21539	
Private business sector	174042	175326	174827	191860	192503	198866	200871	
Household sector	41092	50158	51124	55453	59570	69838	74352	
Foreign sector	556	723	736	914	994	927	1342	
<b><u>In Foreign Currencies</u></b>	<b><u>108146</u></b>	<b><u>116677</u></b>	<b><u>120255</u></b>	<b><u>137702</u></b>	<b><u>145786</u></b>	<b><u>167935</u></b>	<b><u>180648</u></b>	
Government sector	28062	25779	25455	30532	30398	34996	35926	
Public business sector *	6575	6373	6850	6091	6909	7177	7880	
Private business sector	59796	67729	70272	79494	82987	95743	103993	
Household sector	1988	3017	3361	4485	5395	8494	9026	
Foreign sector	11725	13779	14317	17100	20097	21525	23823	

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 )							
	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
End of	Sept.	June	Sept.	June	Sept.	June	Sept.	
<b><u>Total</u></b>	<b><u>309843</u></b>	<b><u>324041</u></b>	<b><u>329302</u></b>	<b><u>353746</u></b>	<b><u>364015</u></b>	<b><u>401425</u></b>	<b><u>422706</u></b>	
<b><u>In Local Currency</u></b>	<b><u>233098</u></b>	<b><u>238926</u></b>	<b><u>239719</u></b>	<b><u>248544</u></b>	<b><u>252543</u></b>	<b><u>267166</u></b>	<b><u>275899</u></b>	
Agriculture	5686	4902	4976	6986	6250	5758	5626	
Manufacturing	81183	77734	77412	80497	76384	76793	78203	
Trade	44512	43564	42876	37477	39796	42456	43888	
Services	59930	61679	62403	67060	69300	71233	72325	
Unclassified sectors	41787	51047	52052	56524	60813	70926	75857	
<b><u>In Foreign Currencies</u></b>	<b><u>76745</u></b>	<b><u>85115</u></b>	<b><u>89583</u></b>	<b><u>105202</u></b>	<b><u>111472</u></b>	<b><u>134259</u></b>	<b><u>146807</u></b>	
Agriculture	874	829	905	929	899	863	1853	
Manufacturing	35582	38517	41215	51399	52423	67690	71000	
Trade	12093	13930	12756	11837	13807	15319	18344	
Services	24824	26983	29401	33842	33574	35594	38102	
Unclassified sectors	3372	4856	5306	7195	10769	14793	17508	

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 in 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	
<b>January 2006</b>	9.00	6.40	7.40	7.60	12.60	10.50	10.00	10.50
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	..	..	..
<b>January 2007</b>	..	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	6.80	6.90	12.30	..	..	..
October	..	6.00	6.70	6.90	12.20	..	..	..
November	..	6.00	6.70	7.00	12.20	..	..	..
December	..	6.00	6.60	6.90	12.20	..	..	..
<b>January 2008</b>	..	6.00	6.50	6.80	12.10	..	..	..
February	..	6.00	6.50	6.80	12.10	..	..	..
March	..	6.00	6.50	6.90	12.20	..	..	..
April	..	6.10	6.50	6.90	12.10	..	..	..
May	..	6.30	6.60	7.10	12.00	..	..	..
June	10.00	6.50	6.70	7.10	12.00	..	..	..
July	10.00	6.60	6.80	7.20	12.20	..	..	..
August	11.00	6.80	7.00	7.30	12.30	..	..	..
September	11.50	6.90	7.10	7.40	12.40	..	..	..

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.
<b>January 2006</b>	4.25	4.44	3.44	4.19	1.75	2.00
February	4.38	4.56	3.44	4.19	1.88	2.13
March	4.44	4.63	3.44	4.19	2.00	2.25
April	4.63	4.81	3.56	4.31	2.06	2.31
May	4.69	4.88	3.56	4.31	2.13	2.38
June	5.00	5.19	3.63	4.38	2.31	2.56
July	5.00	5.19	3.63	4.38	2.38	2.63
August	4.88	5.06	3.88	4.63	2.50	2.75
September	4.88	5.06	3.94	4.69	2.63	2.88
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
<b>January 2007</b>	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	3.5
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
October	4.56	4.75	5.13	5.88	3.88	4.13
November	4.56	4.75	5.44	6.19	4.00	4.25
December	4.38	4.56	5.00	5.75	4.00	4.25
<b>January 2008</b>	2.75	2.94	4.44	5.19	3.63	3.88
February	2.56	2.75	4.56	5.31	3.63	3.88
March	2.19	2.38	4.88	5.63	3.94	4.19
April	2.42	2.62	4.63	4.88	3.82	4.07
May	2.14	2.34	4.61	4.86	3.86	4.11
June	2.46	2.66	4.70	4.95	3.96	4.21
July	2.45	2.65	4.54	4.79	3.96	4.21
August	2.46	2.66	4.50	4.75	3.96	4.21
September	2.86	3.06	4.81	5.06	4.05	4.30

Source: National Bank of Egypt

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

			(%)
	91 days	182 days	364 days
<b><u>July 2008</u></b>			
<b>The:</b>			
First week (1/7)	10.077	11.106	11.394
Second week (8/7)	10.106	11.295	11.770
Third week (15/7)	10.012	11.248	11.849
Fourth week (22/7)	9.862	10.970	11.692
(29/7)	10.306	11.451	11.594
<b>Monthly Average</b>	<b>10.073</b>	<b>11.214</b>	<b>11.660</b>
<b><u>August 2008</u></b>			
<b>The:</b>			
First week (5/8)	10.877	11.712	11.919
Second week (12/8)	11.343	12.107	11.961
Third week (19/8)	11.587	12.470	12.411
Fourth week (26/8)	12.115	12.992	12.839
<b>Monthly Average</b>	<b>11.481</b>	<b>12.320</b>	<b>12.283</b>
<b><u>September 2008</u></b>			
<b>The:</b>			
First week (2/9)	..	13.292	13.763
Second week (9/9)	12.871	13.589	13.892
Third week (16/9)	13.223	13.979	14.062
Fourth week (23/9)	14.030	..	14.799
<b>Monthly Average</b>	<b>13.375</b>	<b>13.620</b>	<b>14.129</b>

Source : Central Bank of Egypt.

.. No issuance during the week.

### (3/1) Companies Listed on the Stock Exchange

End of	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>	
	Sept.	Jun.	Sept.	Jun.	Sept.	Jun.	Sept.	
<b><u>First :Companies Listed on the Official Schedules</u></b>								
- Number of companies (in unit)	138	141	142	147	143	121	120	
- Number of shares (mn)	4630	7881	8873	11450	11645	12484	13252	
- Nominal value of capital (LE mn)	52100	58432	65649	73403	66777	65897	69592	
- Market value of capital (LE mn)	304977	298478	405779	497319	518692	644180	268165	
<b><u>Second :Companies Listed on the Unofficial Schedules</u></b>								
- Number of companies (in unit)	602	503	485	394	371	255	259	
- Number of shares (mn)	2566	2560	2538	3534	3766	7320	7693	
- Nominal value of capital (LE mn)	53077	50354	49788	47387	53065	72027	73709	
- Market value of capital (LE mn)	81623	78013	80336	104055	126876	169111	353944	
<b><u>Third :Companies Listed on the Temporary Schedule*</u></b>								
- Number of companies (in unit)	25	12	5	3	1	1	1	
- Number of shares (mn)	73	16	11	9	5	5	5	
- Nominal value of capital (LE mn)	1269	379	316	282	50	50	50	
- Market value of capital (LE mn)	1450	579	486	452	50	50	50	
<b><u>Fourth : All Companies</u></b>								
- Number of companies (in unit)	765	656	632	544	515	377	380	
- Number of shares (mn)	7269	10457	11422	14993	15416	19809	20950	
- Nominal value of capital (LE mn)	106446	109165	115753	121072	119892	137974	143351	
- Market value of capital (LE mn)	388050	377070	486601	601826	645618	813341	622159	

Source: Monthly Bulletin of the Egyptian Stock Exchange.

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

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

	<u>During July/September</u>					
	<u>2007/2008</u>			<u>2008/2009</u>		
	Number of Transactions (Unit)	Amount (Thousand)	Market Value (mn)	Number of Transactions (Unit)	Amount (Thousand)	Market Value (mn)
<b><u>In Egyptian Pound</u></b>	<b><u>2243801</u></b>	<b><u>3024241</u></b>	<b><u>72471</u></b>	<b><u>2596260</u></b>	<b><u>4859005</u></b>	<b><u>71648</u></b>
Floor Transactions	2158800	2518574	67772	2440726	4098557	64414
Over the Counter Trading	85001	505667	4699	155534	760448	7234
<b><u>Foreign Currencies</u></b>	<b><u>60425</u></b>	<b><u>229393</u></b>	<b><u>606</u></b>	<b><u>59687</u></b>	<b><u>184266</u></b>	<b><u>415</u></b>
Floor Transactions	58697	200715	376	56173	177317	376
Over the Counter Trading	1728	28678	230	3514	6949	39

Source : Capital Market Authority.



**(3/3) Trading in Bonds & Mutual Funds' Documents on the Stock Exchange**

	<u>During July/September</u>					
	<u>2007/2008</u>			<u>2008/2009</u>		
	Number of Transactions (Unit)	Amount	Market Value (Thousand)	Number of Transactions (Unit)	Amount	Market Value (Thousand)
<b><u>In Egyptian Pound</u></b>	<b><u>451</u></b>	<b><u>8306293</u></b>	<b><u>8685266</u></b>	<b><u>136</u></b>	<b><u>3238318</u></b>	<b><u>3223490</u></b>
Floor Transactions	451	8306293	8685266	136	3238318	3223490
Over the Counter Trading	0	0	0	0	0	0
<b><u>In US Dollar</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
Floor Transactions	0	0	0	0	0	0
Over the Counter Trading	0	0	0	0	0	0

Source : Capital Market Authority.

### (3/4) Foreign Transactions on the Stock Exchange

	<u>During July/September</u>			
	<u>2007/2008</u>		<u>2008/2009</u>	
	Egyptian Pound	US Dollar	Egyptian Pound	US Dollar
<b><u>Net Number of Transactions (unit)</u></b>	<b><u>59189</u></b>	<b><u>4877</u></b>	<b><u>-17469</u></b>	<b><u>-3650</u></b>
Purchases	247936	13711	215591	7598
Sales	188747	8834	233060	11248
<b><u>Net Volume of Securities (mn)</u></b>	<b><u>113</u></b>	<b><u>-62</u></b>	<b><u>-115</u></b>	<b><u>-40</u></b>
Purchases	519	51	750	35
Sales	406	113	865	75
<b><u>Net Value of Securities (mn)</u></b>	<b><u>3207</u></b>	<b><u>-128</u></b>	<b><u>222</u></b>	<b><u>-66</u></b>
Purchases	21245	121	20323	89
Sales	18038	249	20101	155

Source : Monthly Report of the Capital Market Authority.

**(3/5) Global Depository Receipts (GDRs)**

Company	Order & Date of Offering	GDRs Listed on Global Exchanges				Corporate Stocks Issued on Egyptian Exchange			
		Depository Bank	Sub Custodian Bank	Conversion Ratio	Volume on Offering Date (000s)	Price (\$) at end of		Price (LE) at end of	
						June-08	Sept.-08	June-08	Sept.-08
Comercial International Bank/Egypt (CIB)	July-96	Bank of New York	CIB	1.00	9999	15.51	6.35	81.81	39.79
Suez Cement	July-96	Bank of New York	CIB	1.00	7310	8.70	5.25	49.25	31.22
			NBE						
Paints & Chemicals Industries (Pachin)	Oct.-97	Bank of New York	CIB	3.00	6297	2.80	2.80	57.45	45.00
EFG-Hermes	Aug.-98	Bank of New York	HSBC	0.50	4324	18.00	11.50	48.00	33.92
El Ezz Steel Rebars	June-99	Bank of New York	CIB	0.33	573	32.50	32.50	80.47	18.65
Holding Company for Financial Investments (Lakah Group)*	July-99	Bank of New York	CIB	0.33	35000	0.44	0.44		
Orascom Telecom Holding (OT)**	July-00	Bank of New York	CIB	0.20	11713	64.00	35.31	68.56	40.25
Orascom Construction Industries (OCI)	Aug.-02	Bank of New York	CIB	0.50	50	137.00	102.75	360.66	317.20
Egypt Lebanon Ceramics (Lecico)	Nov.-04	Bank of New York	CIB	1.00	8796	14.00	5.25	70.30	22.28
Telecom Egypt	Dec.-05	Bank of New York	CIB	0.20	8522	15.75	15.75	16.07	14.81
Naeem Holding	Feb.-08	Bank of New York	CIB	0.25	5625	-	-	9.72	4.16
Palm Hills Development	May-08	Bank of New York	CIB	0.20	5436	-	-	17.65	14.46

Source: Monthly Bulletin of Egyptian Stock Exchange

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

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

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

	(LE mn)				
<b>End of</b>	<b>91 days</b>	<b>182 days</b>	<b>89 days</b>	<b>364 days</b>	<b>Total</b>
<b><u>2001</u></b>					
March	6195.9	8271.3	-	14457.4	28924.6
June	5762.5	9113.9	-	14457.4	29333.8
Sept.	7687.7	8564.1	-	14457.4	30709.2
Dec.	11451.6	9502.5	-	14457.4	35411.5
<b><u>2002</u></b>					
March	10864.0	10240.5	-	14457.4	35561.9
June	11183.2	14366.7	-	14457.4	40007.3
Sept.	14575.7	18411.5	-	14457.4	47444.6
Dec.	15897.1	22908.0	-	14457.4	53262.5
<b><u>2003</u></b>					
March	15250.8	24259.7	-	14457.4	53967.9
June	16235.7	24625.2	-	14457.4	55318.3
Sept.	14975.2	26776.5	-	14457.4	56209.1
Dec.	6272.9	28066.3	13001.4	14457.4	61798.0
<b><u>2004</u></b>					
March	15294.0	30476.8	4081.4	14457.4	64309.6
June	18462.7	38852.7	-	26458.2	83773.6
Sept.	11000.0	48196.3	-	48958.2	108154.5
Dec.	8600.0	45466.8	-	66558.2	120625.0
<b><u>2005</u></b>					
March	0.0	34550.0	-	82358.2	116908.2
June	2750.0	23900.0	-	98257.4	124907.4
Sept.	8900.0	22350.0	-	71725.6	102975.6
Dec.	5500.0	22600.0	-	67815.6	95915.6
<b><u>2006</u></b>					
March	6000.0	24100.0	-	69015.6	99115.6
June	7100.0	26500.0	-	69543.6	103143.6
Sept.	9900.0	27500.0	-	69957.4	107357.4
Dec.	8200.0	27000.0	-	71157.4	106357.4
<b><u>2007</u></b>					
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
Dec.	12000.0	33000.0	-	100957.4	145957.4
<b><u>2008</u></b>					
March	10500.0	32500.0	-	106457.0	149457.0
June	6800.0	33000.0	-	106639.1	146439.1
Sept.	17000.0	42500.0	-	105939.8	165439.9

Source: Central Bank of Egypt.

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

(LE mn)

	91 days	182 days	364 days	Total
<b><u>July 2008</u></b>				
<b>The:</b>				
First week (1/7)	7300.0	33000.0	106639.1	146939.1
Second week (8/7)	7300.0	33000.0	106139.1	146439.1
Third week (15/7)	7800.0	33500.0	104889.1	146189.1
Fourth week (22/7)	8300.0	35000.0	104889.1	148189.1
<b>End of month</b>	<b>9800.0</b>	<b>35500.0</b>	<b>104889.1</b>	<b>150189.2</b>
<b><u>August 2008</u></b>				
<b>The:</b>				
First week (5/8)	11300.0	36000.0	105189.1	152489.2
Second week (12/8)	13300.0	37500.0	105189.1	155989.2
Third week (19/8)	14300.0	40000.0	105689.1	159989.2
Fourth week (26/8)	15300.0	41000.0	106189.1	162489.2
<b>End of month</b>	<b>15300.0</b>	<b>41000.0</b>	<b>106189.1</b>	<b>162489.2</b>
<b><u>September 2008</u></b>				
<b>The:</b>				
First week (2/9)	14300.0	41000.0	105439.8	160739.9
Second week (9/9)	14800.0	42500.0	104939.8	162239.9
Third week (16/9)	15400.0	42500.0	104939.8	162839.9
Fourth week (23/9)	16000.0	41500.0	105939.8	163439.9
<b>End of month</b>	<b>17000.0</b>	<b>42500.0</b>	<b>105939.8</b>	<b>165439.9</b>

Source: Central Bank of Egypt.

**(3/8) Outstanding Balance of Treasury Bonds\***

End of Sept. 2008

	<b>Date of Issue</b>	<b>Value (LE mn)</b>	<b>Interest Rate</b>	<b>Maturity &amp; Due Date</b>
Seventh Tranche	3/1/1999	2000	9.500%	10 years, 01/03/2009
Eighth Tranche	16/4/1999	2000	10.000%	10 years, 16/04/2009
<b><u>Bonds under the Primary Dealers System **</u></b>				
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	12/7/2004	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 <sup>(1)</sup>	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 <sup>(2)</sup>	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 <sup>(3)</sup>	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 <sup>(4)</sup>	24/1/2006	6000	8.850%	7 years 24/01/2013
Twenty Fifth Tranche <sup>(5)</sup>	28/2/2006	4000	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
Twenty Ninth Tranche	23/10/2007	2000	8.600%	8 years, 25/10/2015
Thirtieth Tranche <sup>(6)</sup>	13/11/2007	5000	8.550%	6 years, 13/11/2013
Thirty First Tranche	22/01/2008	3000	8.700%	8 years, 22/01/2016
Thirty Second Tranche	12/02/2008	1500	9.150%	10 years, 12/02/2018
Thirty Third Tranche	19/02/2008	3000	9.200%	6 years, 19/02/2014
Thirty Fourth Tranche	27/05/2008	3000	10.650%	7 years, 27/05/2015
Thirty Fifth Tranche	10/06/2008	2000	10.950%	8 years, 10/06/2016
<b>Total</b>		<b>78500</b>		

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.

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

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

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

<sup>(4)</sup> 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.

<sup>(5)</sup> Increased by LE 2.0 billion, due to their re-opening on 11/12/2007 on the same conditions.

<sup>(6)</sup> Increased by LE 3.0 billion, due to their re-opening on 4/3/2008 on the same conditions.

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

**( The Budget Sector, NIB and SIFs )**

**(Total Expenditures)**

( LE mn )

	<b>2008/2009</b>			
	<b>Estimates</b>		<b>3 Months (Actual)</b>	
	<b>The Budget Sector</b>	<b>The Budget Sector, NIB &amp; SIFs</b>	<b>The Budget Sector</b>	<b>The Budget Sector, NIB &amp; SIFs</b>
<b><u>Total Expenditures</u></b>	<b><u>343912</u></b>	<b><u>345437</u></b>	<b><u>65130</u></b>	<b><u>66748</u></b>
<b><u>Compensation of Employees</u></b>	<b><u>79039</u></b>	<b><u>79822</u></b>	<b><u>18218</u></b>	<b><u>18384</u></b>
Salaries and wages	54616	55330	15555	15707
Social contributions	7271	7341	1915	1928
Other	17152	17151	748	749
<b><u>Purchases of Goods and Services</u></b>	<b><u>23833</u></b>	<b><u>23952</u></b>	<b><u>3159</u></b>	<b><u>3185</u></b>
Goods	12325	12341	1358	1360
Services	8254	8322	1575	1586
Other	3254	3289	226	239
<b><u>Interests</u></b>	<b><u>52929</u></b>	<b><u>43919</u></b>	<b><u>12123</u></b>	<b><u>9683</u></b>
Foreign interests	4452	4452	1528	1528
Domestic interests:	48477	39467	10595	8155
To NIB& SIFs	2087	0	4502	2062
To others	46390	39467	6093	6093
<b><u>Subsidies, Grants and Social Benefits</u></b>	<b><u>134062</u></b>	<b><u>143587</u></b>	<b><u>20169</u></b>	<b><u>23700</u></b>
<b><u>Subsidies</u></b>	<b><u>95931</u></b>	<b><u>95931</u></b>	<b><u>10763</u></b>	<b><u>10763</u></b>
To GASC	21477	21477	9981	9981
To petroleum	62703	62703	0	0
To others	11751	11751	782	782
<b><u>Grants</u></b>	<b><u>3494</u></b>	<b><u>3494</u></b>	<b><u>1359</u></b>	<b><u>1359</u></b>
<b><u>Social Benefits</u></b>	<b><u>31892</u></b>	<b><u>41417</u></b>	<b><u>7961</u></b>	<b><u>11492</u></b>
Contribution to SIFs	30277	0	6715	0
Other	1615	41417	1246	11492
<b><u>Other</u></b>	<b><u>2745</u></b>	<b><u>2745</u></b>	<b><u>86</u></b>	<b><u>86</u></b>
<b><u>Other Expenditures</u></b>	<b><u>25788</u></b>	<b><u>25823</u></b>	<b><u>5719</u></b>	<b><u>6045</u></b>
Defense	21549	21549	5069	5069
Other	4239	4274	650	976
<b><u>Purchases of Non-Financial Assets (Investments)</u></b>	<b><u>28261</u></b>	<b><u>28334</u></b>	<b><u>5742</u></b>	<b><u>5751</u></b>
Fixed assets	24612	24685	5334	5334
Others	3649	3649	408	417

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

(Total Revenues)

( LE mn )

	2008/2009			
	Estimates		3 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<b><u>Total Revenues</u></b>	<b><u>276795</u></b>	<b><u>281560</u></b>	<b><u>42690</u></b>	<b><u>43955</u></b>
<b><u>Tax Revenues</u></b>	<b><u>166569</u></b>	<b><u>166569</u></b>	<b><u>26589</u></b>	<b><u>26589</u></b>
<b><u>Taxes on income, Profits</u></b>	<b><u>83321</u></b>	<b><u>83321</u></b>	<b><u>8065</u></b>	<b><u>8065</u></b>
From EGPC	34934	34934	0	0
From SCA	12060	12060	3240	3240
From CBE	135	135	0	0
From other units	19400	19400	2387	2387
Payable by individuals	16792	16792	2438	2438
<b><u>Taxes on Property</u></b>	<b><u>3517</u></b>	<b><u>3517</u></b>	<b><u>368</u></b>	<b><u>368</u></b>
<b><u>Taxes on Goods and Services</u></b>	<b><u>61349</u></b>	<b><u>61349</u></b>	<b><u>14182</u></b>	<b><u>14182</u></b>
<b><u>Taxes on International Trade</u></b>	<b><u>15150</u></b>	<b><u>15150</u></b>	<b><u>3667</u></b>	<b><u>3667</u></b>
<b><u>Other Taxes</u></b>	<b><u>3232</u></b>	<b><u>3232</u></b>	<b><u>307</u></b>	<b><u>307</u></b>
<b><u>Grants</u></b>	<b><u>5557</u></b>	<b><u>5557</u></b>	<b><u>2670</u></b>	<b><u>2670</u></b>
Current	4329	4329	2660	2660
Capital	1228	1228	10	10
<b><u>Other Revenues</u></b>	<b><u>104669</u></b>	<b><u>109434</u></b>	<b><u>13431</u></b>	<b><u>14696</u></b>
<b><u>Property Income</u></b>	<b><u>60782</u></b>	<b><u>67229</u></b>	<b><u>6007</u></b>	<b><u>7218</u></b>
From EGPC	22169	22169	0	0
From SCA	15996	15996	3860	3860
From CBE	1200	1200	0	0
From economic authorities	2179	2179	393	393
From companies	4531	4671	355	424
Other (TML)*	3237	3237	0	0
Other	11470	17777	1399	2541
<b><u>Sales of Goods and Services</u></b>	<b><u>10326</u></b>	<b><u>10326</u></b>	<b><u>1598</u></b>	<b><u>1598</u></b>
<b><u>Financing Investment</u></b>	<b><u>2221</u></b>	<b><u>2221</u></b>	<b><u>301</u></b>	<b><u>301</u></b>
<b><u>Other</u></b>	<b><u>31340</u></b>	<b><u>29658</u></b>	<b><u>5525</u></b>	<b><u>5579</u></b>

Source : The Ministry of Finance .

\* third mobile license



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

( LE mn )

	2008/2009			
	Estimates		3 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<b>Total Revenues</b>	<b>276795</b>	<b>281560</b>	<b>42690</b>	<b>43955</b>
<b>Total Expenditures</b>	<b>343912</b>	<b>345437</b>	<b>65130</b>	<b>66748</b>
<b>Cash Deficit</b>	<b>67117</b>	<b>63877</b>	<b>22440</b>	<b>22793</b>
Net Acquisition of Financial Assets	2675	13005	367	2272
<b>Overall Fiscal Balance Finance</b>	<b>69792</b>	<b>76882</b>	<b>22807</b>	<b>25065</b>
<b><u>Financing Sources</u></b>	<b><u>69792</u></b>	<b><u>76882</u></b>	<b><u>22807</u></b>	<b><u>25065</u></b>
<b><u>Domestic Financing</u></b>	<b><u>77847</u></b>	<b><u>84273</u></b>	<b><u>33881</u></b>	<b><u>35369</u></b>
<b><u>Banking Financing</u></b>	<b><u>67347</u></b>	<b><u>67097</u></b>	<b><u>32038</u></b>	<b><u>31953</u></b>
Central Bank	26347	26347	17448	17448
Other Banks	41000	40750	14590	14505
<b><u>Non-Banking Financing</u></b>	<b><u>10500</u></b>	<b><u>17176</u></b>	<b><u>1843</u></b>	<b><u>3416</u></b>
NIB	200	0	170	0
SIFs	2500	0	208	0
Other	7800	7800	-293	-293
NIB Borrowing	0	9376	0	1951
Special Accounts for Economic Authorities	0	0	1758	1758
<b><u>Foreign Borrowing</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>23625</u></b>	<b><u>23625</u></b>
<b><u>Arrears</u></b>	<b><u>-6865</u></b>	<b><u>-6865</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Others, of which:</u></b>	<b><u>-1000</u></b>	<b><u>-1000</u></b>	<b><u>-13942</u></b>	<b><u>-13172</u></b>
Special Accounts for Budget Entities	-1214	-550	0	0
<b><u>Financing Effects for Eliminations</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Exchange Rate Revaluation</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>1789</u></b>	<b><u>1789</u></b>
<b><u>Net Privatization Proceeds</u></b>	<b><u>1000</u></b>	<b><u>1000</u></b>	<b><u>133</u></b>	<b><u>133</u></b>
Privatization Proceeds	10000	10000	133	133
Treasury Contribution to the Fund	9000	9000	0	0
<b><u>Difference between Treasury Bills Face Value &amp; Present Value</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>-4214</u></b>	<b><u>-4214</u></b>
<b><u>Foreign Debt Reclassification diff. &amp; FX diff. Related to it</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>-18251</u></b>	<b><u>-18251</u></b>
<b><u>Discrepancy</u></b>	<b><u>24</u></b>	<b><u>24</u></b>	<b><u>-214</u></b>	<b><u>-214</u></b>
<b>Cash Deficit (surplus) as a percentage of GDP</b>	<b>6.7%</b>	<b>6.3%</b>	<b>2.0%</b>	<b>2.1%</b>
<b>Overall fiscal balance as a percentage of GDP</b>	<b>6.9%</b>	<b>7.6%</b>	<b>2.1%</b>	<b>2.3%</b>
<b>Revenues as a percentage of GDP</b>	<b>27.5%</b>	<b>27.9%</b>	<b>3.9%</b>	<b>4.0%</b>
<b>Expenditures as a percentage of GDP</b>	<b>34.1%</b>	<b>34.3%</b>	<b>5.9%</b>	<b>6.1%</b>

Source : The Ministry of Finance .

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

(LE mn)

End of	<u>June 2008</u>		<u>Sept. 2008</u>		<u>Change +(-)</u>
	Value	%	Value	%	2008/2009
<b><u>Total Domestic Debt</u></b>	<b><u>666835</u></b>		<b><u>699820</u></b>		<b><u>32985</u></b>
<b><u>Government Domestic Debt</u></b>	<b><u>478811</u></b>	<b><u>100.0</u></b>	<b><u>512582</u></b>	<b><u>100.0</u></b>	<b><u>33771</u></b>
<b><u>- Balances of Bonds &amp; Bills</u></b>	<b><u>568960</u></b>	<b><u>118.8</u></b>	<b><u>588368</u></b>	<b><u>114.7</u></b>	<b><u>19408</u></b>
- Treasury bonds*, of which :	208740	43.6	208856	40.7	116
Local currency bonds with public sector banks	4000	0.8	4000	0.8	-
bonds offered abroad :					
US\$	3750	0.8	3866	0.8	116
LE	112	0.0	112	0.0	0
- Government notes to compensate for the actuarial deficit in social insurance funds	2000	0.4	2000	0.4	-
- Housing bonds	117	0.0	120	0.0	3
- Treasury bills	146439	30.6	165440	32.3	19001
- Foreign currency bonds with public sector commercial banks	11126	2.3	11404	2.2	278
- The equivalent of the retained 5% of corporate profits to purchase government bonds	1636	0.3	1646	0.3	10
- Bonds of the insurance funds (against the transfer of NIB debt to the Treasury)	198902	41.6	198902	38.8	0
<b><u>- Credit Facilities from the Social Insurance Funds</u></b>	<b><u>2343</u></b>	<b><u>0.5</u></b>	<b><u>2343</u></b>	<b><u>0.5</u></b>	<b><u>0</u></b>
<b><u>- Net Government Balances with the Banking System</u></b>	<b><u>-92492</u></b>	<b><u>-19.3</u></b>	<b><u>-78129</u></b>	<b><u>-15.2</u></b>	<b><u>14363</u></b>
<b><u>Economic Authorities Debt</u></b>	<b><u>50123</u></b>	<b><u>100.0</u></b>	<b><u>50727</u></b>	<b><u>100.0</u></b>	<b><u>604</u></b>
- Net balances of economic authorities with the banking system	-1156	-2.3	-2096	-4.1	(940)
- Borrowing of economic authorities from NIB	51279	102.3	52823	104.1	1544

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

\* Including public treasury bonds with the CBE, Egyptian treasury bonds, LE treasury bonds with public sector banks and bonds floated abroad in US\$ and Egyptian pound (holdings of resident financial institutions in Egypt represented in the banking system and the insurance sector).

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

(LE mn)

End of	<u>June 2008</u>		<u>Sept. 2008</u>		<u>Change +(-)</u>
	Value	%	Value	%	2008/2009
<b><u>Resources:</u></b>	<b><u>193071</u></b>	<b><u>100.0</u></b>	<b><u>192400</u></b>	<b><u>100.0</u></b>	<b><u>(671)</u></b>
. Social Insurance Fund for Gov. Employees	29076	15.1	29076	15.1	0
. Social Insurance Fund for Pub. & Priv. Business Sectors Employees	22632	11.8	22632	11.8	0
. Proceeds from investment certificates	79232	40.9	79232	41.2	0
. Accumulated interest on investment certificates (category A)	7509	3.9	7838	4.1	329
. Proceeds from US dollar development bonds	152	0.1	131	0.1	(21)
. Post office savings	49255	25.5	49255	25.6	0
. Others *	5215	2.7	4236	2.2	(979)
<b><u>Uses:</u></b>	<b><u>193071</u></b>	<b><u>100.0</u></b>	<b><u>192400</u></b>	<b><u>100.0</u></b>	<b><u>(671)</u></b>
. Government	0	0.0	0	0.0	0
. Economic authorities	51279	26.6	52823	27.5	1544
. Holding companies, entities & concessional loans, and others	137901	71.4	136511	71.0	(1390)
. NIB balances with the banking system	3891	2.0	3066	1.6	(825)

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

(5/1) Balance of Payments

	(US\$ mn)				
	July/Sept.				
	2007/2008*		2008/2009*		Change
	Value	%	Value	%	(-)
<b><u>Balance of Current Account</u></b>	<b><u>(131.4)</u></b>		<b><u>(966.0)</u></b>		<b><u>(834.6)</u></b>
<b><u>Balance of Current Account (Excluding Transfers)</u></b>	<b><u>(2180.4)</u></b>		<b><u>(2940.0)</u></b>		<b><u>(759.6)</u></b>
<b><u>Receipts</u></b>	<b><u>12033.1</u></b>	<b><u>100.0</u></b>	<b><u>15573.0</u></b>	<b><u>100.0</u></b>	<b><u>3539.9</u></b>
Export proceeds**	5989.8	49.8	8162.9	52.4	2173.1
Transportation, of which	1716.2	14.3	2230.1	14.3	513.9
Suez Canal dues	(1213.2)	(10.1)	(1455.5)	(9.3)	(242.3)
Travel	2848.4	23.7	3281.0	21.1	432.6
Investment income	807.1	6.7	734.0	4.7	(73.1)
Government receipts	40.7	0.3	55.5	0.4	14.8
Others	630.9	5.2	1109.5	7.1	478.6
<b><u>Payments</u></b>	<b><u>14213.5</u></b>	<b><u>100.0</u></b>	<b><u>18513.0</u></b>	<b><u>100.0</u></b>	<b><u>4299.5</u></b>
Import payments**	11190.7	78.7	15162.9	81.9	3972.2
Transportation	443.9	3.1	562.2	3.0	118.3
Travel	610.0	4.3	791.3	4.3	181.3
Investment income, of which	539.9	3.8	500.6	2.7	(39.3)
Interest paid	(230.2)	(1.6)	(220.3)	(1.2)	(9.9)
Government expenditures	317.2	2.2	367.4	2.0	50.2
Others	1111.8	7.9	1128.6	6.1	16.8
<b><u>Transfers</u></b>	<b><u>2049.0</u></b>	<b><u>100.0</u></b>	<b><u>1974.0</u></b>	<b><u>100.0</u></b>	<b><u>(75.0)</u></b>
Private (net)	1936.4	94.5	1896.5	96.1	(39.9)
Official (net)	112.6	5.5	77.5	3.9	(35.1)

\*Preliminary figures.

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

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

	(US\$mn)	
	July/Sept.	
	2007/2008*	2008/2009*
	Value	Value
<b><u>Capital &amp; Financial Account</u></b>	<b><u>1655.9</u></b>	<b><u>2186.4</u></b>
<b><u>Capital Account</u></b>	<b><u>1.4</u></b>	<b><u>0.7</u></b>
<b><u>Financial Account</u></b>	<b><u>1654.5</u></b>	<b><u>2185.7</u></b>
Direct Investment Abroad	-131.0	-700.0
Direct Investment in Egypt (net)	2969.1	1655.0
Portfolio Investments Abroad (net)	-359.9	-131.7
Portfolio Investments in Egypt (net), of which :	-1430.4	-3484.9
Bonds	996.7	-92.1
<b>Other Investments (Net)</b>	<b>606.7</b>	<b>4847.3</b>
<b><u>Net Borrowing</u></b>	<b><u>30.4</u></b>	<b><u>-28.0</u></b>
Medium - and Long -Term Loans	-412.9	-498.9
Drawings	122.1	153.9
Repayments	-535.0	-652.8
Medium-Term Suppliers' and Buyers' Credit	-17.6	-11.4
Drawings	4.1	0.3
Repayments	-21.7	-11.7
Short-Term Suppliers' and Buyers' Credit (net)	460.9	482.3
<b><u>Other Assets</u></b>	<b><u>-280.5</u></b>	<b><u>4604.0</u></b>
CBE	-8.7	27.9
Banks	423.9	6875.7
Other	-695.7	-2299.6
<b><u>Other Liabilities</u></b>	<b><u>856.8</u></b>	<b><u>271.3</u></b>
CBE	-0.6	1.8
Banks	857.4	269.5
<b><u>Net Errors &amp; Omissions</u></b>	<b><u>-374.1</u></b>	<b><u>-761.4</u></b>
<b><u>Overall Balance</u></b>	<b><u>1150.4</u></b>	<b><u>459.0</u></b>
<b><u>Change in Reserve Assets, Increase (-)</u></b>	<b><u>-1150.4</u></b>	<b><u>-459.0</u></b>

\* Preliminary figures.

(5/2) Exports by Degree of Processing \*

	July/Sept.				(US\$ mn)
	2007/2008		2008/2009**		Change(-)
	value	%	value	%	
<b>Total ***</b>	<b>5989.8</b>	<b>100.0</b>	<b>8162.9</b>	<b>100.0</b>	<b>2173.1</b>
<b>Fuels , Mineral Oils &amp; Products</b>	<b>2574.1</b>	<b>43.0</b>	<b>4236.7</b>	<b>51.9</b>	<b>1662.6</b>
Crude oil	964.2	16.1	1556.0	19.1	591.8
Petroleum products ****	1558.7	26.0	2553.4	31.3	994.7
Coal & types thereof	23.4	0.4	49.4	0.6	26.0
Other	27.8	0.5	77.9	0.9	50.1
<b>Raw Materials</b>	<b>286.7</b>	<b>4.8</b>	<b>223.6</b>	<b>2.8</b>	<b>(63.1)</b>
Cotton	34.4	0.6	35.5	0.4	1.1
Potatoes	19.6	0.3	1.5	0.0	(18.1)
Edible fruits & nuts	21.6	0.4	9.2	0.1	(12.4)
Oil seeds & oleaginous fruits, medicinal plants & plants for	14.6	0.2	9.8	0.1	(4.8)
Iron, ore	3.5	0.1	16.4	0.2	12.9
Citrus fruits	7.6	0.1	3.7	0.1	(3.9)
Raw hides & tanned leather	10.6	0.2	5.6	0.1	(5.0)
Flax, raw	0.6	0.0	0.4	0.0	(0.2)
Edible vegetables roots & tubers	82.2	1.4	36.0	0.5	(46.2)
Other	92.0	1.5	105.5	1.3	13.5
<b>Semi-finished Goods</b>	<b>383.3</b>	<b>6.4</b>	<b>590.4</b>	<b>7.2</b>	<b>207.1</b>
Carbon	9.7	0.2	18.1	0.2	8.4
Essential oils & resins	0.5	0.0	0.7	0.0	0.2

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

	(US\$ mn)				
	July/Sept.				Change(-)
	2007/2008		2008/2009**		
	value	%	value	%	
Cotton yarn	25.3	0.4	19.2	0.2	(6.1)
Aluminium, unalloyed	20.4	0.3	35.4	0.4	15.0
Animal & vegetable fats, greases & oils & products	5.8	0.1	31.6	0.4	25.8
Molasses	5.5	0.1	0.8	0.0	(4.7)
Organic & inorganic chemicals	87.4	1.5	161.2	2.0	73.8
Cast iron & semi-finished products & rolled iron	166.9	2.8	219.6	2.7	52.7
Leather, tanned	12.2	0.2	44.2	0.5	32.0
Tanning or dyeing extracts	20.8	0.3	15.0	0.2	(5.8)
Plastic & articles thereof	27.4	0.5	41.3	0.5	13.9
Other	1.4	0.0	3.3	0.1	1.9
<b><u>Finished Goods</u></b>	<b><u>2504.9</u></b>	<b><u>41.8</u></b>	<b><u>2947.4</u></b>	<b><u>36.1</u></b>	<b><u>442.5</u></b>
Milk & condensed cream	6.1	0.1	20.5	0.3	14.4
Dried onion	2.5	0.0	0.9	0.0	(1.6)
Rice	50.8	0.8	14.4	0.2	(36.4)
Vegetable & fruit preparations	9.0	0.2	7.7	0.1	(1.3)
Miscellaneous edible preparations	142.0	2.4	167.3	2.0	25.3
Manufactured tobacco and tobacco substitutes	14.9	0.3	14.2	0.2	(0.7)
Sugar and its products	6.0	0.1	32.1	0.4	26.1
Pharmaceuticals	179.1	3.0	106.1	1.3	(73.0)
Fertilizers	94.7	1.6	278.9	3.4	184.2
Cement	161.0	2.7	274.6	3.4	113.6

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

					(US\$ mn)
	July/Sept.				Change(-)
	2007/2008		2008/2009 **		
value	%	value	%		
Extracts of essential oils & resins	23.1	0.4	13.1	0.2	(10.0)
Leather products	2.3	0.0	0.7	0.0	(1.6)
Rubber & articles	16.3	0.3	2.0	0.0	(14.3)
Paper, cardboard paper & articles thereof	41.7	0.7	47.7	0.6	6.0
Ceramic products	41.0	0.7	42.4	0.5	1.4
Cars, bicycles & tractors	87.5	1.5	57.7	0.7	(29.8)
Cotton textiles	77.7	1.3	159.6	2.0	81.9
Carpets & other floor coverings	27.8	0.5	25.0	0.3	(2.8)
Shoes & accessories	0.1	0.0	0.1	0.0	0.0
Ready-made clothes	115.8	1.9	135.1	1.7	19.3
Glass & glassware	55.1	0.9	77.3	0.8	22.2
Copper & articles	17.7	0.3	41.8	0.5	24.1
Aluminium articles	89.8	1.5	85.0	1.0	(4.8)
Articles of iron and steel	157.5	2.6	170.1	2.1	12.6
Wood & articles thereof and charcoal	4.3	0.1	4.1	0.1	(0.2)
Marble & granite	20.8	0.3	22.2	0.3	1.4
Articles of base metals	158.3	2.6	69.8	0.9	(88.5)
Optical appliances	2.9	0.0	11.3	0.1	8.4
Electric machines & appliances, recorders & T.V sets and their accessories	159.7	2.7	297.4	3.6	137.7
Other	739.4	12.3	768.3	9.4	28.9
<b>Miscellaneous Goods (Undistributed)</b>	<b>240.8</b>	<b>4.0</b>	<b>164.8</b>	<b>2.0</b>	<b>(76.0)</b>

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/Sept.				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
<b>Total ***</b>	<b>11190.7</b>	<b>100.0</b>	<b>15162.9</b>	<b>100.0</b>	<b>3972.2</b>
<b>Fuels, Mineral Oils &amp; Products</b>	<b>1275.9</b>	<b>11.4</b>	<b>1538.3</b>	<b>10.2</b>	<b>262.4</b>
Petroleum products ****	1062.0	9.5	1452.2	9.6	390.2
Coal & types thereof	5.5	0.0	85.7	0.6	80.2
Other	208.4	1.9	0.4	0.0	(208.0)
<b>Raw Materials</b>	<b>1823.8</b>	<b>16.3</b>	<b>2061.3</b>	<b>13.6</b>	<b>237.5</b>
Crude oil	746.7	6.7	815.6	5.4	68.9
Wheat	347.5	3.1	332.4	2.2	(15.1)
Maize	174.0	1.6	203.2	1.3	29.2
Tobacco	71.7	0.6	87.9	0.6	16.2
Metal ores	189.1	1.7	82.7	0.5	(106.4)
Iron, ore	34.3	0.3	197.9	1.3	163.6
Seeds & oleaginous seeds	71.6	0.6	59.9	0.4	(11.7)
Cotton	20.7	0.2	44.8	0.3	24.1
Other	168.2	1.5	236.9	1.6	68.7
<b>Intermediate Goods</b>	<b>3189.5</b>	<b>28.5</b>	<b>4987.5</b>	<b>32.9</b>	<b>1798.0</b>
Sugar, raw	64.1	0.6	64.2	0.4	0.1
Animal and vegetable fats, greases & oils and products	214.3	1.9	506.5	3.3	292.2
Cement	91.7	0.8	88.7	0.6	(3.0)
Organic & inorganic chemicals	494.7	4.4	739.3	4.9	244.6
Fertilizers	11.8	0.1	49.0	0.3	37.2
Tanning & dyeing extracts	48.1	0.4	84.4	0.6	36.3
Essential oils & resinoids	11.7	0.1	18.4	0.1	6.7
Plastic & articles thereof	294.0	2.6	348.4	2.3	54.4

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

	July/Sept.				(US\$ mn)
	2007/2008		2008/2009**		Change(-)
	Value	%	Value	%	
Wood & articles thereof	212.0	1.9	236.4	1.6	24.4
Paper, cardboard paper & articles thereof	207.1	1.9	222.8	1.5	15.7
Cotton textiles	39.7	0.4	61.0	0.4	21.3
Synthetic fibers	72.7	0.7	122.0	0.8	49.3
Ceramic products	70.7	0.6	112.7	0.7	42.0
Glass & articles	38.0	0.3	41.7	0.3	3.7
Iron & steel products	769.2	6.9	1296.2	8.6	527.0
Copper & articles	62.5	0.6	97.7	0.6	35.2
Rubber & articles	67.8	0.6	112.4	0.7	44.6
Aluminium & articles	104.4	0.9	91.5	0.6	(12.9)
Articles of base metals	49.7	0.4	71.5	0.5	21.8
Other	265.3	2.4	622.7	4.1	357.4
<b><u>Investment Goods</u></b>	<b><u>2372.7</u></b>	<b><u>21.2</u></b>	<b><u>3485.8</u></b>	<b><u>23.0</u></b>	<b><u>1113.1</u></b>
Pumps, fans & parts thereof	102.7	0.9	213.1	1.4	110.4
Machines and apparatus for ginning and spinning & parts thereof	11.8	0.1	13.6	0.1	1.8
Computers	155.6	1.4	170.3	1.1	14.7
Motors, generators, transformers & parts thereof	88.3	0.8	68.3	0.5	(20.0)
Parts of railway and tramway locomotives or rolling stock equipment	11.4	0.1	23.5	0.1	12.1
Tractors	16.3	0.1	20.5	0.1	4.2
Vehicles for transport of passengers	5.9	0.1	1.3	0.0	(4.6)
Vehicles for transport of goods	10.5	0.1	24.3	0.2	13.8
Parts & accessories of motor vehicles	333.5	3.0	390.6	2.6	57.1

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

(US\$ mn)

	July/Sept.				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
Tools, implements, cutlery & spoons	50.2	0.4	55.8	0.4	5.6
Air conditioners	43.1	0.4	69.0	0.4	25.9
Cranes and bulldozers & parts thereof	190.8	1.7	225.2	1.5	34.4
Agricultural machinery	15.3	0.1	115.0	0.8	99.7
Printing machinery & parts	13.6	0.1	24.1	0.2	10.5
Electric appliances for telephones & telegraph	154.7	1.4	228.3	1.5	73.6
Optical appliances	74.8	0.7	92.3	0.6	17.5
Other	1094.2	9.8	1750.6	11.5	656.4
<b>Consumer Goods</b>	<b>1876.6</b>	<b>16.8</b>	<b>2270.4</b>	<b>14.9</b>	<b>393.8</b>
<b>A - Durable Goods</b>	<b>467.0</b>	<b>4.2</b>	<b>535.2</b>	<b>3.5</b>	<b>68.2</b>
Household refrigerators & electric freezers	25.5	0.2	39.9	0.3	14.4
Televisions & parts thereof	21.3	0.2	9.5	0.1	(11.8)
Vehicles for transport of persons	217.0	1.9	292.5	1.8	75.5
Household electric-motor appliances	73.9	0.7	87.5	0.6	13.6
Other	129.3	1.2	105.8	0.7	(23.5)
<b>B - Non-durable Goods</b>	<b>1409.6</b>	<b>12.6</b>	<b>1735.2</b>	<b>11.4</b>	<b>325.6</b>
Meat and edible offals	137.4	1.2	135.8	0.9	(1.6)
Fish, crustaceans, molluscs and others	34.8	0.3	56.1	0.4	21.3
Dairy products, eggs, poultry and honey	54.0	0.5	92.6	0.6	38.6
Edible vegetables roots & tubers	44.6	0.4	40.7	0.3	(3.9)
Tea	41.6	0.4	40.9	0.3	(0.7)

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

	(US\$ mn)				
	July/Sept.				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
Miscellaneous edible preparations	166.5	1.5	166.5	1.1	0.0
Pharmaceuticals	297.3	2.7	369.5	2.3	72.2
Insecticides	6.8	0.1	5.6	0.0	(1.2)
Residues of foodstuff industries & animal fodder	66.9	0.6	58.8	0.4	(8.1)
Live animals	15.0	0.1	7.2	0.0	(7.8)
Ready-made clothes	183.9	1.7	155.2	1.0	(28.7)
Cotton textiles	36.9	0.3	59.9	0.4	23.0
Sugar, refined and products	15.1	0.1	27.7	0.2	12.6
Lentils	10.9	0.1	8.4	0.1	(2.5)
Soap, detergents & artificial wax	26.5	0.2	59.5	0.4	33.0
Other	271.4	2.4	450.8	3.0	179.4
<b>Miscellaneous Goods (Undistributed)</b>	<b>652.2</b>	<b>5.8</b>	<b>819.6</b>	<b>5.4</b>	<b>167.4</b>

Source: Central Bank of Egypt.

\* According to the Harmonized System.

\*\* Provisional.

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

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

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

(US\$ mn)

	July/Sept.					
	Proceeds of Exports		Payments for Imports*		Trade Balance	
	2007/2008	2008/2009 **	2007/2008	2008/2009 **	2007/2008	2008/2009 **
<b>Total ***</b>	<b>5989.8</b>	<b>8162.9</b>	<b>11190.7</b>	<b>15162.9</b>	<b>(5200.9)</b>	<b>(7000.0)</b>
EU	1957.6	2774.4	3581.4	5479.6	(1623.8)	(2705.2)
Other European countries	328.8	248.6	879.2	1489.0	(550.4)	(1240.4)
Russian Federation & C.I.S	53.1	37.6	260.3	480.9	(207.2)	(443.3)
USA	1755.8	2312.3	2234.1	2240.8	(478.3)	71.5
Arab countries	920.0	998.6	900.8	1657.5	19.2	(658.9)
Asian countries (excluding Arab countries)	764.2	1230.2	2362.5	3022.4	(1598.3)	(1792.2)
African countries (excluding Arab countries)	82.9	279.3	74.4	113.2	8.5	166.1
Australia	5.8	8.4	31.3	62.2	(25.5)	(53.8)
Other countries & regions	121.6	273.5	866.7	617.3	(745.1)	(343.8)

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)

<b>End of</b>	<b>June 2008</b>		<b>September 2008</b>	
<b>First: Interbank US\$ Rates</b>				
Minimum	533.00		545.60	
Maximum	533.61		547.30	
Weighted average	533.31		546.59	
<b>Second: Market Rates</b>	<b>Buy</b>	<b>Sell</b>	<b>Buy</b>	<b>Sell</b>
US Dollar	532.36	534.92	545.30	548.11
Euro	838.74	842.82	782.40	786.60
Pound Sterling	1059.99	1065.19	983.02	988.30
Swiss Franc	521.87	524.59	493.75	496.48
100 Japanese Yens	504.04	506.65	513.52	516.26
Saudi Riyal	141.96	142.66	145.18	146.06
Kuwaiti Dinar	2008.84	2020.02	2041.19	2054.01
UAE Dirham	144.92	145.64	148.44	149.23
Chinese Yuan	77.67	78.04	79.64	80.10

Source : Central Bank of Egypt

The interbank System started at 23/12/2004.

## (5/6) External Debt

End of	(US\$ mn)					
	June 2008		September 2008 *		Change (-)	
	Value	%	Value	%	Value (-)	%
<b>Total External Debt **</b>	<u>33892.8</u>	<u>100.0</u>	<u>32481.4</u>	<u>100.0</u>	<u>(1411.4)</u>	<u>(4.2)</u>
<b>1- Medium &amp; Long term debt :</b>	<b>31373.5</b>	<b>92.6</b>	<b>29830.7</b>	<b>91.9</b>	<b>(1542.8)</b>	<b>(4.9)</b>
Rescheduled bilateral debt +	15606.4	46.1	14385.8	44.3	(1220.6)	(7.8)
ODA	7787.8	23.0	7410.1	22.8	(377.7)	(4.8)
Non-ODA	7818.6	23.1	6975.7	21.5	(842.9)	(10.8)
Other bilateral debt	4972.1	14.7	4719.8	14.6	(252.3)	(5.1)
Paris club countries	4130.4	12.2	3890.6	12.0	(239.8)	(5.8)
Other countries	841.7	2.5	829.2	2.6	(12.5)	(1.5)
Suppliers' & buyers' credit	763.5	2.2	750.9	2.3	(12.6)	(1.7)
International & regional organizations	7361.5	21.7	7270.7	22.4	(90.8)	(1.2)
Egyptian bonds and notes	2651.8	7.8	2620.6	8.0	(31.2)	(1.2)
Private sector (Non guaranteed)	18.2	0.1	82.9	0.3	64.7	355.5
<b>2- Short- term debt :</b>	<b>2519.3</b>	<b>7.4</b>	<b>2650.7</b>	<b>8.1</b>	<b>131.4</b>	<b>5.2</b>
Deposits	1048.3	3.1	983.5	3.0	(64.8)	(6.2)
Other facilities	1471.0	4.3	1667.2	5.1	196.2	13.3

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 2008		September 2008 *		Change (-)
	Value	%	Value	%	
<b>Total</b>	<b>33892.8</b>	<b>100.0</b>	<b>32481.4</b>	<b>100.0</b>	<b>(1411.4)</b>
US dollar **	13100.8	38.7	13223.4	40.7	122.6
Canadian dollar	169.0	0.5	159.0	0.5	(10.0)
Australian dollar	148.0	0.4	119.0	0.4	(29.0)
Swiss franc	596.0	1.8	530.0	1.6	(66.0)
Sterling pound	246.0	0.7	216.0	0.7	(30.0)
Japanese yen	3601.0	10.6	3517.0	10.8	(84.0)
Danish krone	162.0	0.5	144.0	0.4	(18.0)
Norwegian krone	1.0	0.0	1.0	0.0	0.0
Swedish krona	39.0	0.1	33.0	0.1	(6.0)
Kuwaiti dinar	1810.0	5.3	1779.0	5.5	(31.0)
Saudi riyal	29.0	0.1	29.0	0.1	0.0
UAE dirham	37.0	0.1	37.0	0.1	0.0
Euro	11376.0	33.6	10180.0	31.4	(1196.0)
Egyptain Pound	1106.0	3.3	1079.0	3.3	(27.0)
SDRs	1472.0	4.3	1435.0	4.4	(37.0)

Source: Loans & External Debt Department- CBE

\* Provisional.

\*\* Including other liabilities in US dollar.



## Periodical Publications of the Central Bank of Egypt

<b>Name of Publication</b>	<b>Language</b>	<b>Periodicity</b>
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

**Note:**

- All publications of the Central Bank of Egypt are available on the CBE's website: [www.cbe.org.eg](http://www.cbe.org.eg)