



CENTRAL BANK OF EGYPT

ECONOMIC REVIEW

Vol. 49 No. 3

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.

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Main Macroeconomic Indicators

GDP (LE bn)	July/March	
	2007-2008	2008-2009
GDP at Market and Current Prices	660.7	777.3
Annual Growth Rate (%)	19.6	17.6
Real GDP at Factor Cost	565.0	591.6
Annual Growth Rate (%)	7.0	4.7

GDP Growth Rate by Sector at Factor Cost (%)

A) Productive Sectors

Of which:

Construction and Building	15.0	11.6
Extractions	1.7	6.5
Manufacturing (Oil Refining & Others)	8.0	4.0
Water	7.2	6.7
Electricity	7.8	5.6

B) Services Sectors

Of which:

Communications	14.6	15.0
Transportation and Storage	8.0	6.3
Restaurants and Hotels	21.0	5.6
Financial Intermediaries & Supporting Services	7.4	4.2

Price Index

Change in Consumer Price Index (Urban) (January 2007 = 100) (%)	14.0	6.4
Change in Producer Price Index (2004/2005 = 100) (%)	22.8	-17.7

Monetary Survey (LE bn)	July/March	
	2007-2008	2008-2009
	(End of Period)	
Domestic Liquidity (M2)	756.6	808.6
Growth Rate (%)	14.2	5.5
Reserve Money	159.8	174.0
Growth Rate (%)	19.1	2.4

Money Supply (M1)	158.1	173.2
Growth Rate (%)	20.4	1.6
Currency in Circulation/Money Supply (%)	62.3	65.2
Banking System Foreign Assets, of which:	354.6	277.7
CBE Foreign Assets	181.6	178.7
Banking System Foreign Liabilities, of which:	101.1	31.4
CBE Foreign Liabilities	67.0	1.4
Total Deposits with Banks (Excl. CBE)	743.8	790.5
In Local Currency	537.5	578.1
In Foreign Currencies	206.3	212.4
Foreign Currency Deposits/Total Deposits (%)	27.7	26.9
Total Lending and Discount Balances Extended by Banks, (Excl. CBE) of which:	394.5	430.6
To Government and Public Economic Authorities	30.7	31.8
To Business Sector (Public and Private)	283.4	303.2
Portfolio of Securities and TBs with Banks (Excl. CBE) of which:	198.7	296.2
Government Bonds and TBs	145.6	248.4
Loans/Deposits with Banks (%)	53.0	54.5
Investment in Securities, TBs and Equity Participations/Deposits (%)	26.7	37.5
	July/March	
Annual Discount and Interest Rates (%)	<u>2007-2008</u>	<u>2008/2009</u>
	(End of Period)	
CBE Lending and Discount Rate	9.0	10.0
<u>CBE Overnight Deposit and Lending Rates</u>		
Deposit	9.5	10.0
Lending	11.5	12.0
Interest Rate on:		
Less than 3-Month Deposits	6.0	7.1
Less than One Year Loans	12.2	12.4

Average US Dollar Exchange Rate Announced by the CBE	PT Per US Dollar	
- Buy and Sell Rates (Average of the Period)	555.9	549.5
- End of the Period (Buy Rate)	544.2	563.0
Consolidated Fiscal Operations of the General Government (Budget Sector)	2008-2009	
	<u>Estimates</u>	<u>Actual</u>
	<u>for the FY</u>	<u>July/March</u>
	<u>LE bn</u>	
- Total Revenues	276.8	189.6
- Total Expenditures	343.9	243.6
Cash Deficit/Surplus	67.1	54.0
Net Acquisition of Financial Assets	2.7	2.2
Overall Deficit/Surplus	69.8	56.2
Total Financing	69.8	56.2
- Domestic Financing	77.8	73.7
Banking	67.3	74.5
Non-banking	10.5	-0.8
- Foreign Borrowing	-6.8	-6.7
- Arrears	-1.0	-
- Others	-1.2	-0.3
- Revaluation Differences	-	-
- Net Privatization Proceeds	1.0	0.1
- Difference between Treasury Bills Face Value and Present Value	-	-1.8
- External Debt Reclassification Differences and Related FX Differences	-	-
- Discrepancy	-	-8.8
- Cash Deficit (Surplus)/GDP (%)	6.7%	5.2%
- Overall Deficit/GDP (%)	6.9%	5.4%
- Expenditure/GDP (%)	34.1%	23.4%
- Revenues/GDP (%)	27.5%	18.2%
Domestic Public Debt	End of	
	June 2008	March 2009
	<u>LE bn</u>	
- Government Debt	478.8	553.2
- Public Economic Authorities Debt	50.1	55.2
- NIB Debt	137.9	136.6

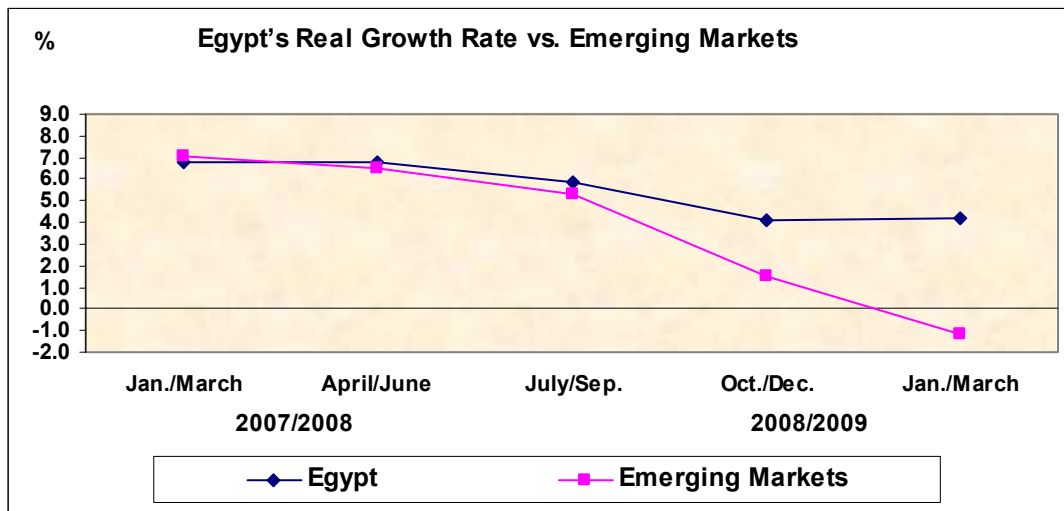
Balance of Payments	US\$ bn	
	July/ March	
	2007-2008	2008-2009
Current Account & Transfers	0.4	(3.4)
Trade Balance	(16.8)	(19.5)
Merchandise Exports	20.8	19.2
Oil and its Products %	47.6	44.6
Others %	52.4	55.4
Merchandise Imports	(37.6)	(38.7)
Intermediate Goods %	31.2	33.6
Investment Goods %	19.8	20.8
Consumer Goods %	16.4	18.0
Fuel, Raw Materials and Others %	32.6	27.6
Services Balance	10.8	9.6
Receipts, of which:	19.9	18.4
Transportation %	27.4	31.6
Travel %	41.4	43.0
Investment Income %	12.4	9.3
Payments, of which:	9.1	8.8
Transportation %	13.2	13.7
Travel %	23.8	24.8
Investment Income %	16.1	15.9
Transfers	6.4	6.4
Official %	5.7	9.1
Private %	94.3	90.9
Capital and Financial Account	3.6	0.7
Overall Surplus/(Deficit)	4.9	(2.3)
Outstanding External Debt at End of March	34.5	30.9

1- Development and Growth

1/1: Gross Domestic Product (GDP)

Hit by the repercussions of the global financial crisis, Egypt's economic performance slackened during July/March 2008/2009; even though this downturn was less intense in the third quarter (Jan./March) of the said FY, compared with the preceding quarter. Real GDP growth at factor cost fell to 4.7 percent during the reporting period, from 7.0 percent a year earlier. The decline was particularly conspicuous in the first half of FY 2008/2009 (July/Dec.), as real GDP improved during the third quarter, in comparison to the preceding quarter (4.2 percent against 4.1 percent).

Despite the sluggish growth during the period under review, real GDP has still exceeded its counterpart average in the emerging economies as a whole. Specifically, in Egypt, real GDP growth rate recorded 4.2 percent in the third quarter of FY 2008/2009, against a negative 1.2 percent on average in the emerging economies.



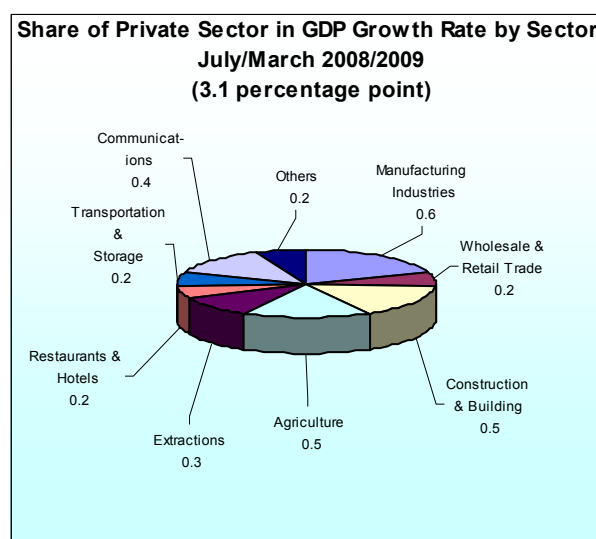
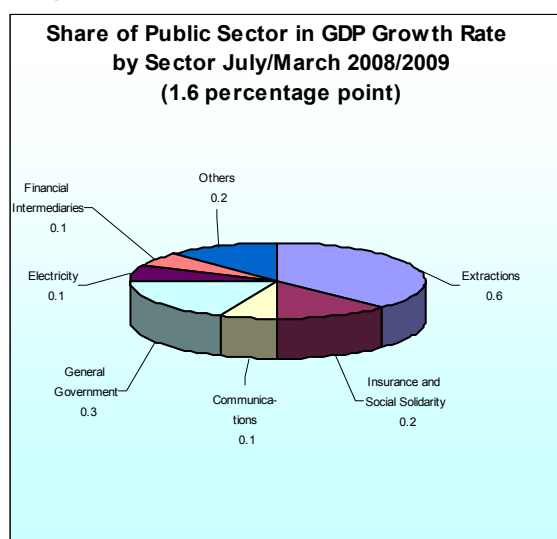
Source: Ministry of Economic Development.
J.P. Morgan, World Financial Markets, June 12,2009.

On the **supply side**, the fall in real GDP at factor cost was ascribed to the decline in real growth of some economic sectors, especially tourism, manufacturing, and the Suez Canal. However, despite the spillovers of the economic crisis, some other sectors, chiefly construction and building, have managed to perform fairly well during Jan. /March 2008/2009, alleviating to some extent the weak performance of the

said sectors. All in all, construction and building remained the driving force, achieving a high growth rate of 16.1 percent (against 15.1 percent), followed by communications and IT (13.6 percent against 12.8 percent) and oil, gas and other extractions (6.0 percent against 0.7 percent), as many of the discovered fields have entered the stage of production. Also, the performance of the agriculture sector slightly picked up (3.2 percent against 3.0 percent).

Commodity sectors contributed 2.6 percentage points to GDP growth, productive services sectors 1.5 percentage points, and social services 0.6 percentage point. The commodity sectors were led by oil, gas and other extractions (0.9 percentage point); manufacturing (0.6 percentage point); agriculture & irrigation; and construction & building (0.5 percentage point each). At the level of the productive services sectors, the main contributors to the overall GDP growth were communications (0.5 percentage point) and financial intermediaries (0.2 percentage point).

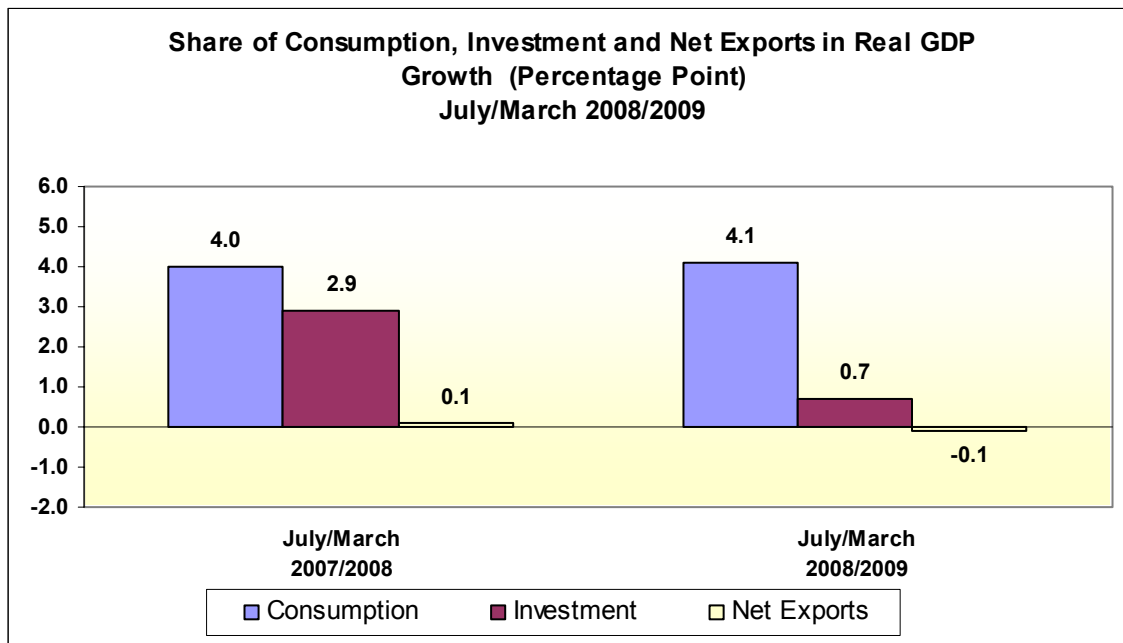
As a contributor to the overall GDP growth, the private sector was far ahead of the public sector, accounting for almost two-thirds of the growth rate.



On the **demand side**, real GDP at market prices slowed down to 4.7 percent, from 7.0 percent. This was ascribed in part to the low contribution of the gross capital formation to GDP growth (0.7 percentage point, against 2.9 percentage points). Another reason was the weak contribution of net external demand (exports of goods and services less imports of goods and services), recording a negative 0.1 percentage point in the relevant period (against a positive 0.1 percentage point).

On the other hand, the slowdown in real GDP was offset by **the high contribution of final consumption** (4.1 percentage points, against 4.0 percentage points). This was attributed to the fact that despite its lower share of 3.5 percentage points against 3.8 points, **private consumption** remained the main contributor to real GDP growth (about 74% of GDP). In addition, **public consumption** contributed 0.6 percentage point (against 0.2 point).

Given **the noticeable slowdown of the real growth of total investment (1.7 percent against 15.4 percent)**, gross capital formation share in economic growth stepped down. This came about as a result of the fall in real growth rate of private investment, partly due to soft foreign direct investments (FDI) in green field investments or capital increases. Yet, the private sector continued to play a key role in the development process, with a lion's share of 66.1 percent of total investments, and a substantial contribution of about 63.7 percent to the GDP. **In parallel, aiming to invigorate growth, the government pumped nearly LE 15 billion of new investments in the market to stimulate domestic demand and to make up for the slackened external demand triggered by the global financial crisis.**

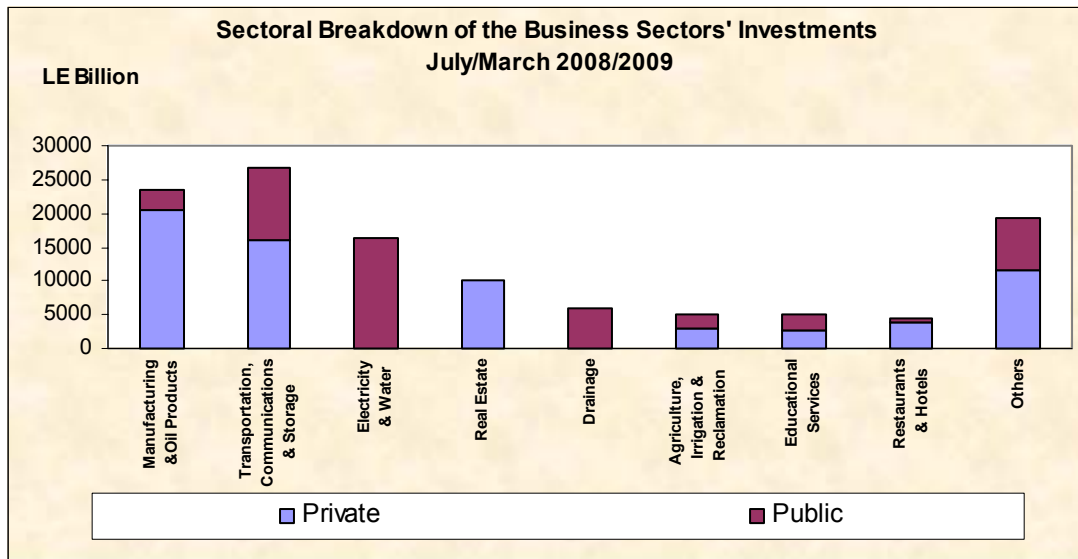


On the other hand, **private consumption kept up its high real growth (4.8 percent, against 5.0 percent)**. Moreover, **the real growth rate of government consumption** rose to 5.2 percent from 1.9 percent.

**Share of Demand Components in Real GDP Growth
(Percentage point)**

July/March	2007/2008	2008/2009
<u>Real GDP Growth Rate (1+2)</u>	<u>7.0</u>	<u>4.7</u>
<u>1-Domestic Demand</u>	<u>6.9</u>	<u>4.8</u>
- <u>Final Consumption:</u>	<u>4.0</u>	<u>4.1</u>
Private	3.8	3.5
Public	0.2	0.6
- <u>Capital Formation</u>	<u>2.9</u>	<u>0.7</u>
<u>2- Net External Demand</u>	<u>0.1</u>	<u>-0.1</u>
- Exports of goods and services	8.7	-3.7
- Imports of goods and services	-8.6	3.6

During July/March 2008/2009, the breakdown of total implemented investments by economic sector ran as follows: 23.7 percent in oil, gas and other extractions; 15.4 percent in manufacturing; 10.7 percent in electricity and water; 3.2 percent in agriculture and irrigation; 1.8 percent in construction and building; 23.6 percent in productive services and 21.6 percent in other services.

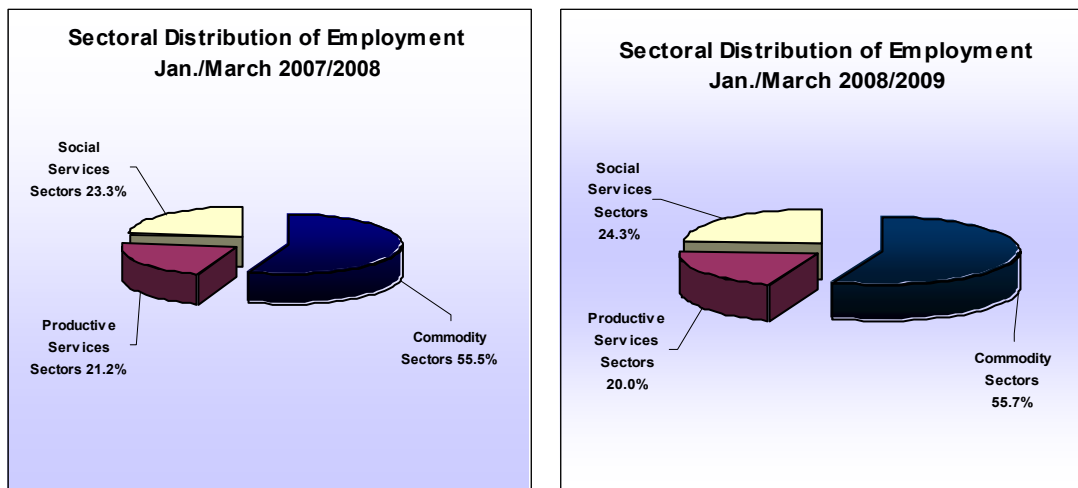


1/2: Employment and Unemployment

According to the labor force survey of the CAPMAS, unemployment accelerated to some 9.4 percent in March 2009, from about 9 percent in March 2008. To elaborate, the labor force reached 25

million persons in March 2009, up by 3.5 percent above the corresponding month a year earlier. This reflected the rise in employment by 3 percent above the level of March 2008, to reach 22.6 million employees; on the one hand, and on the other hand, the acceleration of unemployment to about 2.4 million persons compared to 2.2 million persons in the same month a year earlier.

Distribution of employment among economic sectors during Jan./March 2008/2009 was as follows: around 55.7 percent in the commodity sectors; 20.0 percent in productive services and 24.3 percent in social services.

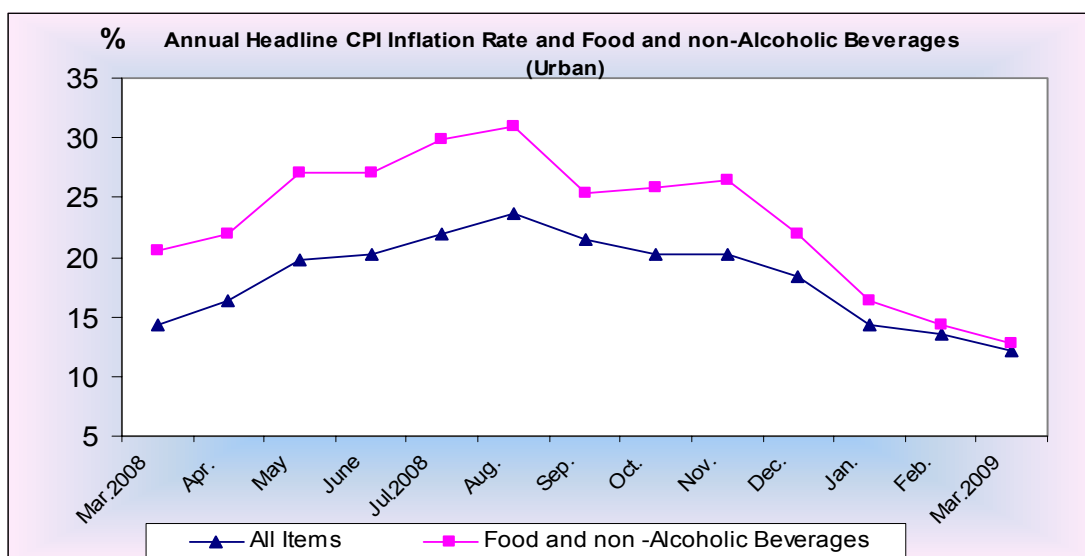


Source: CAPMAS (labor survey by sample).

1/3: Inflation

First: Consumer Price Index (CPI)

CPI Inflation (urban) notably declined to 6.4 percent during July/March 2008/2009, from 14.0 percent in the period of comparison. This decline was particularly concentrated in July/Dec. 2008/2009, and was accompanied by a deceleration of the annual inflation to 12.1 percent at end of March 2009, from 14.4 percent and 20.2 percent at end of March and June 2008, respectively.



Source: CAPMAS.

During the period under review, the deceleration of headline CPI inflation came on the back of the decline in the group of food and non-alcoholic beverages to 2.9 percentage points, from 8.8 percentage points in the period of comparison. The prices of most components of the said group went down, with the result that bread and cereals accounted for a negative 0.4 percentage point (against a positive 1.8 point during the corresponding period); oils and fats -0.2 percentage point (against 1.4 point); vegetables 0.5 point (against 1.2 point); milk, cheese and eggs 0.7 percentage point (against 1.1 point); and meat 1.1 percentage point (against 1.8 point).

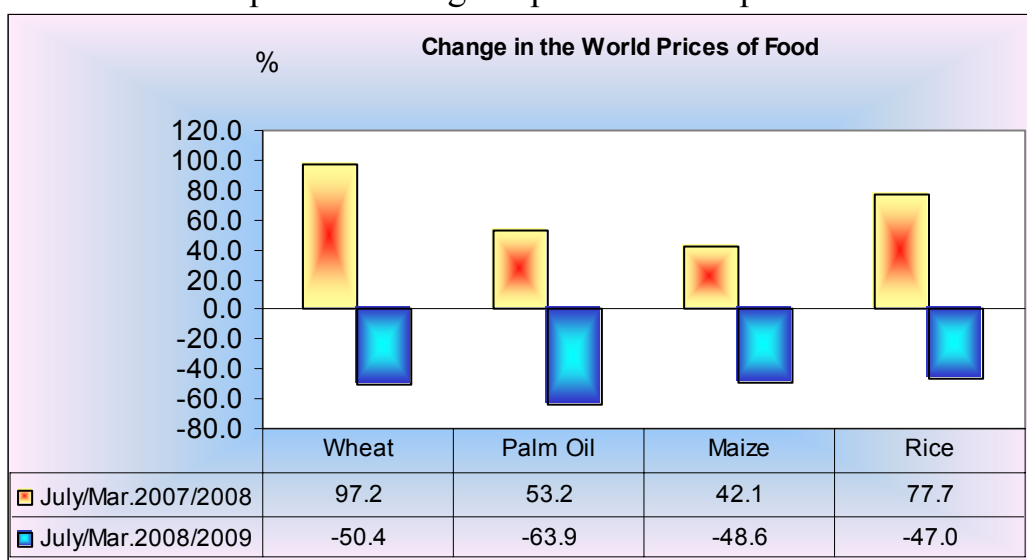
The following tables show the contribution of CPI groups (urban) to the annual inflation at end of March 2009, and to inflation during July/March 2008/2009:

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

Main CPI Groups	Weights	<u>Inflation during the Year Ending March</u>		<u>Share in Headline Inflation during the Year Ending March</u>	
		2008	2009	2008	2009
		<u>General Index</u>	<u>100.0</u>	<u>14.4</u>	<u>12.1</u>	14.4	12.1
Food & non-alcoholic beverages	43.9	20.5	12.7	9.1	5.9
Alcoholic beverages, tobacco and narcotics	2.5	0.0	21.0	0.0	0.5
Clothing and footwear	7.9	4.1	12.2	0.3	0.9
Housing, water, electricity, gas & fuel	13.5	3.7	8.1	0.5	1.0
Furnishings, household equipment and routine maintenance of the house	4.2	7.9	13.0	0.3	0.5
Health care	3.6	5.5	11.1	0.2	0.4
Transportation	5.2	4.9	18.9	0.3	0.9
Communications	3.6	4.0	5.2	0.1	0.2
Culture & recreation	3.4	4.1	28.4	0.1	0.9
Education	4.4	37.7	4.6	1.7	0.2
Restaurants & hotels	3.6	37.3	13.0	1.3	0.5
Miscellaneous goods & services	4.2	11.0	6.5	0.5	0.2

Main CPI Groups	<u>Inflation (%) July/ March</u>		<u>Share in Headline Inflation July/March</u>	
	2007/2008	2008/2009	2007/2008	2008/2009
	<u>General Index</u>	<u>14.0</u>	<u>6.4</u>	<u>14.0</u>	6.4
Food & non-alcoholic beverages	19.8	6.2	8.8	2.9
Alcoholic beverages, tobacco and narcotics	0.0	7.9	0.0	0.2
Clothing and footwear	3.9	12.0	0.3	0.7
Housing, water, electricity, gas & fuel	3.7	4.2	0.5	0.5
Furnishings, household equipment and routine maintenance of the house	7.5	10.1	0.3	0.4
Health care	5.5	4.5	0.2	0.2
Transportation	4.9	3.8	0.3	0.2
Communications	4.0	5.2	0.1	0.2
Culture & recreation	4.1	9.9	0.1	0.4
Education	37.7	4.6	1.6	0.2
Restaurants & hotels	37.3	6.2	1.3	0.3
Miscellaneous goods & services	10.8	6.0	0.5	0.2

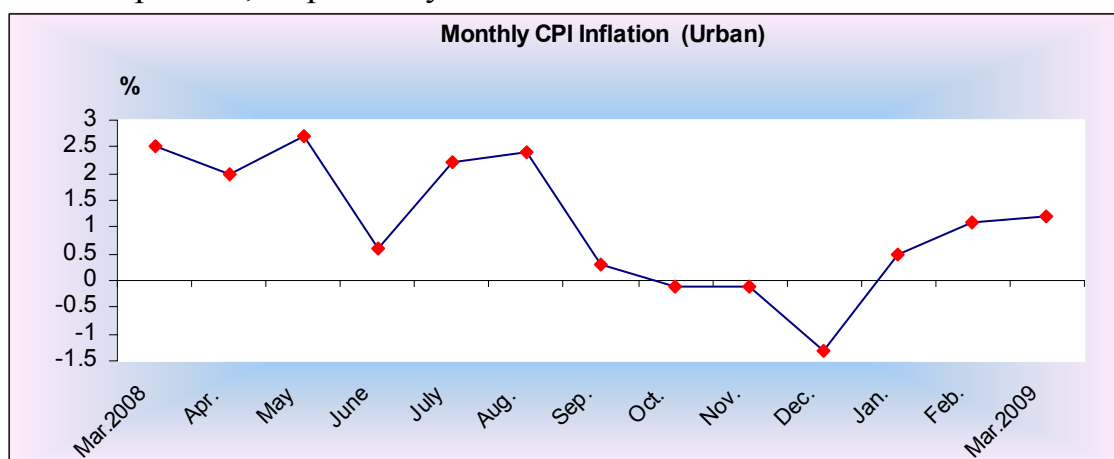
The retreat in the share of most items of food & non-alcoholic beverages in the headline inflation came as a result of the steep drop in their domestic prices on the back of the sharp decline in the world prices of several foodstuffs. In addition, inflation of food & non-alcoholic beverages noticeably moderated during the period under review to 6.2 percent from 19.8 percent during the period of comparison.



Source: IFS, IMF (various issues).

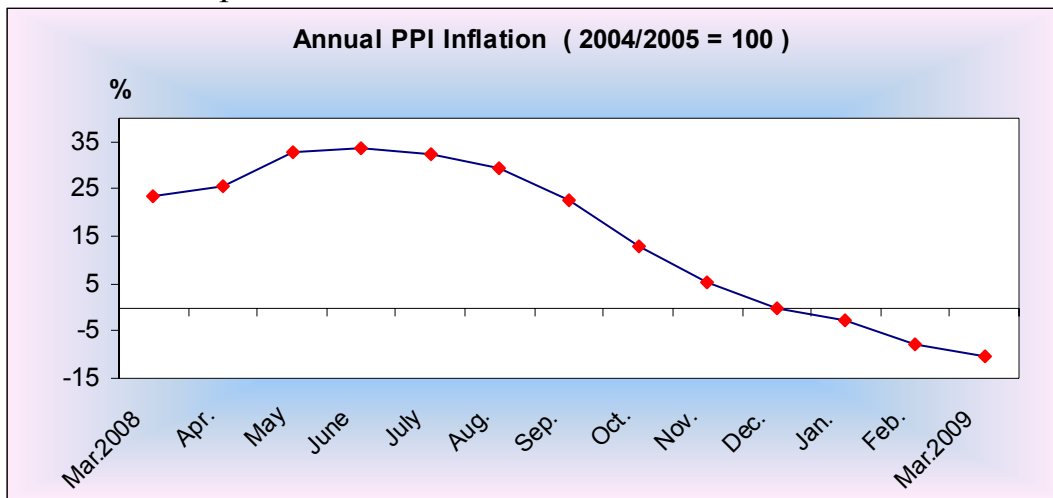
The decline in inflation was also attributed to the slowdown in domestic economy, hit by the repercussions of the global financial crisis. Other contributing factors are the measures taken by the government in this respect; specifically imposing temporary restrictions on rice exports, cutting down customs tariffs on staple foodstuffs, developing cooperative societies where certain foodstuffs are offered at subsidized prices.

According to the CPI (urban), the monthly inflation moved upwards during the first three months (Jan. - March) of 2009, posting a positive 0.5 percent, 1.1 percent, and 1.2 percent, in order, against a negative 1.3 percent in Dec. 2008. This was ascribed to price hikes of food and non-alcoholic beverages in Feb. and March 2009, by 2.3 percent and 2.6 percent, respectively.

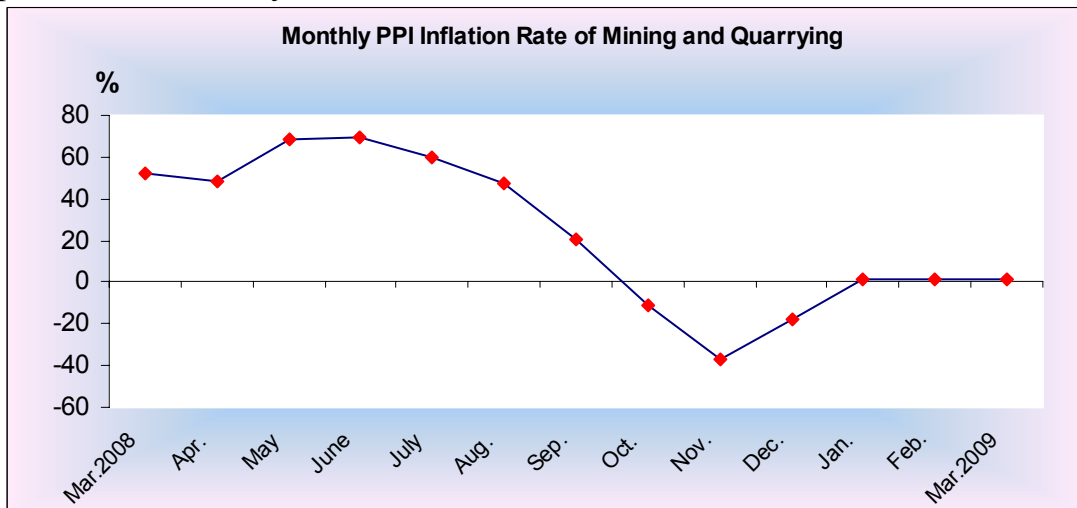


Second: Producer Price Index (PPI)

Following suit of the CPI, the PPI-based inflation softened during the reporting period, recording a decline of 17.7 percent, contrasted with a rise of 22.8 percent during the corresponding period of the previous FY. This was largely caused by the weak contribution of mining and quarrying group to the headline inflation, reversing to a negative 17.1 percentage points from a positive 8.4 points during the period of comparison. The decline was ascribed to the low contribution of crude oil, in the wake of the steep drop in its prices by 67.5 percent against an increase of 47.8 percent.



According to the PPI, the monthly inflation rate increased to 1.1 percent in March 2009, against a negative 0.7 percent in February. The noticeable rise in inflation was mainly fanned by the share of mining and quarrying (up by 0.8 percentage point in March 2009 from a negative 0.1 percentage point in February). The rise was mostly in crude oil prices, which accelerated by 9.1 percent in March 2009, against a negative 1.3 percent in February.



The following table illustrates the contribution of PPI groups to headline inflation:

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

Main PPI Groups	Inflation (%)		Share in	Share in
	<u>July/March</u>		Headline	Headline
	2007/2008	2008/2009	Inflation (percentage point)	Inflation (percentage point)
			<u>July/March</u>	<u>July/March</u>
			2007/2008	2008/2009
<u>General Index</u>	<u>22.8</u>	<u>-17.7</u>	<u>22.8</u>	<u>-17.7</u>
<u>1-Agriculture, Forestry and Fishing, of which:</u>	<u>30.5</u>	<u>-0.4</u>	<u>8.7</u>	<u>-0.1</u>
Cereals and legumes	62.6	-23.8	2.4	-1.1
Rice	59.9	-48.9	0.9	-0.8
Poultry and eggs	28.5	7.2	0.8	0.2
<u>2-Mining and Quarrying, of which:</u>	<u>35.3</u>	<u>-56.8</u>	<u>8.4</u>	<u>-17.1</u>
Crude oil	47.8	-67.5	12.9	-26.5
Sand and stone	29.6	3.7	0.0	0.0
<u>3-Manufacturing, of which:</u>	<u>13.7</u>	<u>-3.4</u>	<u>4.9</u>	<u>-1.1</u>
Processed food products, of which:	8.4	5.8	0.7	0.4
-Oils and fats	48.1	5.4	0.4	0.1
-Dairy products	12.2	7.6	0.1	0.1
Fertilizers	58.9	17.8	0.3	0.1
Wood & products	10.8	-3.8	0.0	0.0
Cement	21.1	7.3	0.2	0.1
Iron and steel	47.0	-37.9	2.0	-2.2
<u>4-Electricity and Gas, of which:</u>	<u>14.0</u>	<u>0.9</u>	<u>0.2</u>	<u>0.0</u>
Electric power generation and distribution	19.7	1.1	0.3	0.0
<u>5-Water Supply Activities</u>	<u>8.4</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>
<u>6-Transportation and Storage, of which:</u>	<u>7.9</u>	<u>12.0</u>	<u>0.2</u>	<u>0.2</u>
Land transport	8.2	0.0	0.0	0.0
<u>7-Food Services, of which:</u>	<u>7.4</u>	<u>6.6</u>	<u>0.3</u>	<u>0.3</u>
Meal serving services in limited service facilities	48.5	7.4	0.2	0.0
<u>8-Information and Communications</u>	<u>0.0</u>	<u>4.4</u>	<u>0.0</u>	<u>0.1</u>

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

2- Monetary and Banking Developments

2/1: Monetary Policy and Monetary Aggregates

2/1/1: Monetary Policy

As price stability is the overriding objective of the monetary policy, the CBE seeks to bring inflation to a stable and comfortable level, conducive to fostering confidence and sustaining adequate levels of investment and economic growth. To this end, the Central Bank uses its key instrument of overnight deposit and lending rates to manage the monetary policy. In its meetings during the period under review, the Monetary Policy Committee (MPC) made a number of widely divergent decisions. Initially, in the first half of FY 2008/2009, interest rates were raised in response to the rise in the annual headline CPI inflation (urban - on a monthly basis), which recorded 22.0 percent in July, 23.6 percent in August and 21.5 percent in September.

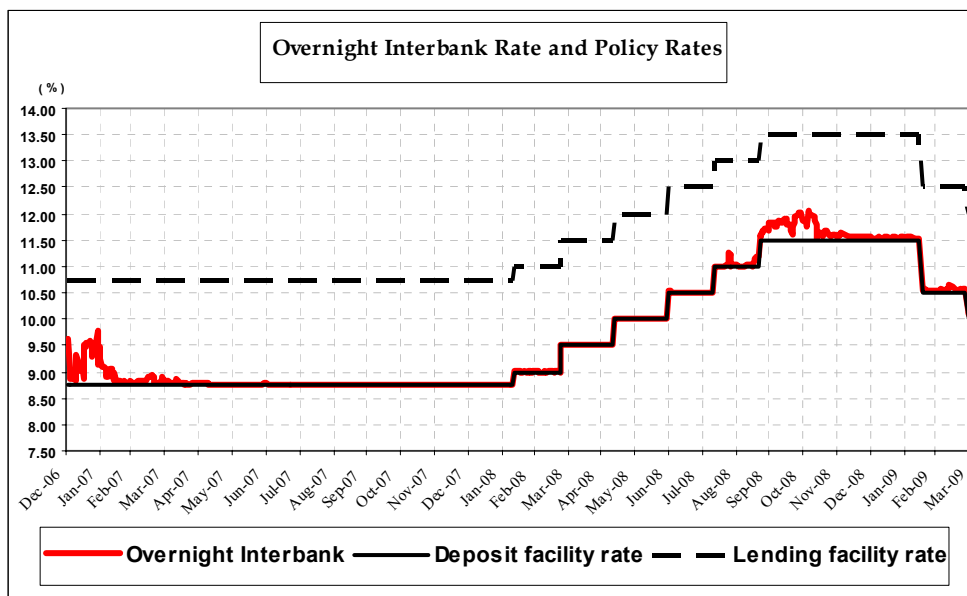
However, in the first quarter of 2009, the MPC decisions took the opposite direction, cutting the key policy rates at the CBE (overnight deposit and lending rates) and the lending and discount rate, with a cumulative drop of 1.5 percentage points for each (in its meetings in February and March 2009). On 14 May and 18 June, 2009 (at the time of preparing this review), the MPC decided to further reduce the overnight deposit and lending rates by 100 bps and 150 bps, respectively, to become 9.0 percent and 10.5 percent, in order. Accordingly, the width of the corridor has been narrowed from 2 percent to 1.5 percent. The discount rate was also cut to 9 percent. These cuts were prompted by the decline in the annual headline CPI inflation to 11.7 percent at end of April 2009 and the Committee's expectations of further declines. These decisions were aimed at containing the adverse effects of the global economic turmoil on the domestic economy, provided that they do not conflict with the price stability objective.

The following are the key interest rates at the Central Bank, according to the MPC decisions made during the period under review:

	Overnight Deposit Rate	Overnight Lending Rate	Credit and Discount Rate
June 2008	10.50	12.50	10.00
August 2008	11.00	13.00	11.00
Sept./Dec. 2008	11.50	13.50	11.50
February 2009	10.50	12.50	10.50
March 2009	10.00	12.00	10.00

The aforementioned MPC decisions were reflected on the overnight interbank interest rates, as their weighted monthly average wavered between 10.5 percent and 11.87 percent during July/December 2008. Thereafter, this monthly average took a downtrend, reaching 11.55 percent, 10.96 percent and 10.49 percent at end of January, February and March 2009, in order, following the cuts in the Central Bank's key policy rates.

Given the excess liquidity at the banking system, the weighted average of the overnight interbank interest rates was close to the CBE overnight deposit rate during the period under review. (See the following chart)



Moreover, the MPC decisions also affected market interest rates on loans and deposits. As such, the average interest rate on three-month deposits reached 7.3 percent in March 2009, against 6.8 percent in June 2008, while those on one-year-or-less loans averaged 12.2 percent, against 11.6 percent.

Endeavoring to absorb excess liquidity from the market, mainly by increasing its foreign exchange sales to banks, the CBE drove down the outstanding balance of liquidity from LE 182.7 billion at end of June 2008 to LE 102.7 billion at end of March 2009.

2/1/2: Reserve Money

Reserve money increased by LE 4.1 billion or 2.4 percent during July/March 2008/2009 (against a comparatively sharp increase of LE 25.6 billion or 19.1 percent during the corresponding period a year earlier) reaching LE 174.0 billion at end of March 2009. Such a rise was an outcome of the pick-up in the currency in circulation outside the CBE by LE 9.1 billion and the decrease in banks' local currency deposits at the CBE by LE 5.0 billion.

Reserve Money and Counterpart Assets

(LE mn)

	<u>Balances at</u>	<u>Change during July/March + (-)</u>			
	<u>End of</u> <u>March</u> <u>2009</u>	<u>2007/2008</u>		<u>2008/2009</u>	
		<u>Value</u>	<u>%</u>	<u>Value</u>	<u>%</u>
<u>A- Reserve Money</u>	<u>174016</u>	<u>25641</u>	<u>19.1</u>	<u>4105</u>	<u>2.4</u>
Currency in circulation outside the CBE	120552	12176	13.2	9140	8.2
Banks' local currency deposits	53464	13465	32.1	(5035)	(8.6)
<u>B- Counterpart Assets</u>	<u>174016</u>	<u>25641</u>	<u>19.1</u>	<u>4105</u>	<u>2.4</u>
<u>Net Foreign Assets</u>	<u>177300</u>	<u>19194</u>	<u>20.1</u>	<u>(3033)</u>	<u>(1.7)</u>
<u>Foreign Assets</u>	<u>178733</u>	<u>21404</u>	<u>13.4</u>	<u>(3288)</u>	<u>(1.8)</u>
Gold	8695	0	0.0	0	0.0
Foreign securities	157191	55504	51.1	6016	4.0
Foreign currencies	12847	(34100)	(76.0)	(9304)	(42.0)
<u>Foreign Liabilities</u>	<u>1433</u>	<u>2210</u>	<u>3.4</u>	<u>(255)</u>	<u>(15.1)</u>
<u>Net Domestic Assets</u>	<u>-3284</u>	<u>6447</u>	<u>16.6</u>	<u>7138</u>	<u>(68.5)</u>
<u>Claims on the Government</u>					
<u>(Net)</u>	<u>88056</u>	<u>2300</u>	<u>2.0</u>	<u>6184</u>	<u>7.6</u>
Claims, of which:	162880	316	0.2	3183	2.0
Government securities	122473	(1286)	(0.8)	(650)	(0.5)
Deposits	74824	(1984)	(2.6)	(3001)	(3.9)
<u>Claims on Banks (Net)</u>	<u>-2022</u>	<u>15505</u>	<u>26.1</u>	<u>(79603)</u>	<u>(102.6)</u>
Claims	19012	16852	21.8	(78816)	(80.6)
Foreign currency deposits	21034	1347	7.6	787	3.9
<u>Net Balancing Items</u>	<u>-89318</u>	<u>(11359)</u>	<u>8.2</u>	<u>80557</u>	<u>(47.4)</u>

Net domestic assets increased by LE 7.1 billion or 68.5 percent, leading to a rise in the reserve money, whereas net foreign assets decreased by LE 3.0 billion worth or 1.7 percent, thus exerting a contractional effect on reserve money. The rise in net domestic assets was attributed to an increase of LE 6.2 billion in the Central Bank's net claims on the government (owing to the rise in the CBE claims thereon by LE 3.2 billion and the decline in the government's deposits at the CBE by LE 3.0 billion). Another affecting factor was the drop in the negative balance of other items (net) by LE 80.5 billion, mainly because of the LE 80.1 billion drop in the deposits accepted with the CBE under open market operations. This, in turn, was ascribed to the shrinkage of excess liquidity at the banking system, due to the rise in the CBE sales of foreign currencies to banks. On the other hand, net claims on banks fell by LE 79.6 billion, (owing to the decline in the Central Bank's claims thereon by LE 78.8 billion and the rise of banks' deposits in foreign currencies at the CBE by an amount equivalent to LE 0.8 billion). Net foreign assets at the Central Bank declined because of the decrease in the CBE's foreign assets and liabilities by LE 3.3 billion and LE 0.3 billion worth, respectively.

2/1/3: Banknote Issue

Banknote issue (including subsidiary coins) increased by LE 9.0 billion or 8.0 percent during July/March 2008/2009, compared with LE 12.8 billion and 13.7 percent during the period of comparison, bringing its balance to LE 121.7 billion at end of March 2009.

Banknote Issue and Rates of Change *

(LE mn)

At End of	Balance of Banknote Issue	Annual Change		Change during July/March	
		Value	%	Value	%
June 2007	93499	14246	18.0		
March 2008	106322	16981	19.0	12823	13.7
June 2008	112705	19206	20.5		
March 2009	121741	15419	14.5	9036	8.0

* Including subsidiary coins issued by the Ministry of Finance.

The increase in banknote issue led to a rise in the currency in circulation outside the CBE by LE 9.1 billion or 8.2 percent, to register LE 120.6 billion at end of March 2009. Large notes of LE 200, LE 100 and LE 50 accounted for approximately 90 percent of the total currency in circulation outside the CBE at end of March 2009. This is indicative of the continued preference for large notes, to cope with the high prices and the increasing value of transactions.

Changes in the relative structure of the currency in circulation brought down the average value per note from LE 30.29 at end of June 2008 to LE 28.69 at end of March 2009.

Currency in Circulation outside the CBE*

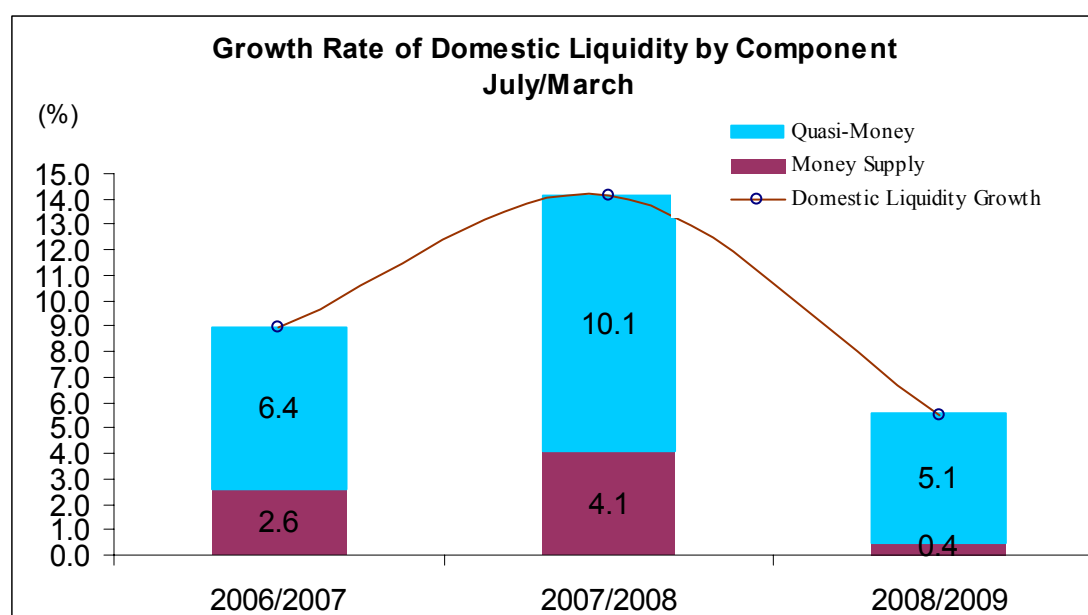
(LE mn)

Denominations	June 2008		March 2009		Change (%) July/March	
	Value	Relative Importance	Value	Relative Importance	2007/08	2008/09
Total	111412	100.0	120553	100.0	13.2	8.2
Subsidiary Denominations (Notes - Coins)	275	0.2	284	0.2	5.4	3.3
Banknote in Circulation	111137	99.8	120269	99.8	13.2	8.2
Pt 25	145	0.1	166	0.1	10.6	14.5
Pt 50	242	0.2	316	0.3	10.3	30.6
LE 1	591	0.5	820	0.7	12.9	38.7
LE 5	1105	1.0	1311	1.1	14.7	18.6
LE 10	2845	2.6	3018	2.5	(9.8)	6.1
LE 20	7194	6.5	6622	5.5	(12.8)	(8.0)
LE 50	25422	22.8	23701	19.7	(7.0)	(6.8)
LE 100	54529	49.0	57067	47.3	9.5	4.7
LE 200	19064	17.1	27248	22.6	357.1	42.9

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

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

Notwithstanding its rise during the course of July/March 2008/2009, M2 recorded less than half the growth rate of the previous corresponding period. In figures, it rose by LE 41.9 billion or 5.5 percent (against LE 93.9 billion and 14.2 percent) to post LE 808.6 billion at end of March 2009.



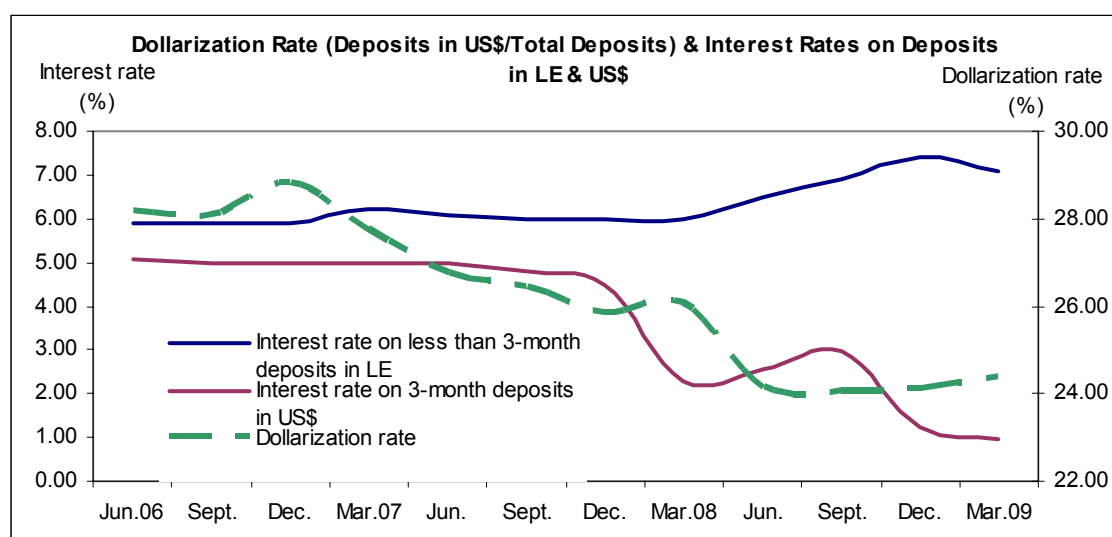
The pick-up in domestic liquidity during the period stemmed from the increase in money supply (M1) and quasi-money. M1 scaled up by LE 2.6 billion or 1.6 percent (against LE 26.8 billion and 20.4 percent) reaching LE 173.2 billion or 21.4 percent of domestic liquidity at end of March 2009. The slight increase in M1 was an outcome of the LE 8.3 billion rise in the money in circulation outside the banking system and the LE 5.7 billion drop in demand deposits in local currency, under weak deposits of most sectors.

Domestic Liquidity Structure

(LE mn)

	<u>End of March 2009</u>		<u>Change during July/March</u>			
	Balances	Relative Importance	Value	%	Value	%
<u>Domestic Liquidity (M2)</u>	<u>808603</u>	<u>100.0</u>	<u>93865</u>	<u>14.2</u>	<u>41939</u>	<u>5.5</u>
<u>Money Supply (M1)</u>	<u>173228</u>	<u>21.4</u>	<u>26844</u>	<u>20.4</u>	<u>2649</u>	<u>1.6</u>
Currency in circulation outside the banking system	112986	14.0	11736	13.5	8330	8.0
Demand deposits in local currency	60242	7.4	15108	34.0	(5681)	(8.6)
<u>Quasi-Money</u>	<u>635375</u>	<u>78.6</u>	<u>67021</u>	<u>12.6</u>	<u>39290</u>	<u>6.6</u>
<u>Time and Saving Deposits in Local Currency</u>	<u>465758</u>	<u>57.6</u>	<u>49528</u>	<u>13.1</u>	<u>29490</u>	<u>6.8</u>
<u>Foreign Currency Deposits</u>	<u>169617</u>	<u>21.0</u>	<u>17493</u>	<u>11.4</u>	<u>9800</u>	<u>6.1</u>
- Demand	30340	3.8	8104	30.1	3759	14.1
- Time and saving	139277	17.2	9389	7.4	6041	4.5

Quasi-money went up by LE 39.3 billion or 6.6 percent, reaching LE 635.4 billion or 78.6 percent of the total M2 at end of March 2009. The bulk of the increase in quasi-money (75.1 percent) emanated from the rise of LE 29.5 billion or 6.8 percent in time and saving deposits in local currency, while foreign currency deposits realized a modest rise of LE 9.8 billion worth or 6.1 percent. This signifies the continued confidence in the local currency as a saving vessel. It is important to note that more than 40 percent of the rise in time and saving deposits in local currency occurred in the last three months of the period under review (January/March), although the MPC decided - on 12/2/2009 - to cut interest rates. This indicates that local currency deposits have remained a safe haven for many individuals, in view of the weak and unstable performance of the stock market and the decelerated interest rates on deposits in main foreign currencies.



Rising by LE 40.8 billion or 12.4 percent, local currency deposits of the household sector contributed about 9.4 percentage points to the growth of total LE time and saving deposits during the period under review. Those of the public business sector contributed some 0.6 percentage points. In contrast, the contribution of the private business sector was negative (by about 3.2 percentage points), as a reflection of the drop in its deposits by LE 14.2 billion or 16.6 percent, mainly due to the decreased deposits of mutual funds at banks. This may give evidence to the mounting trend among the public to liquidate their documents at those funds and in the stock market, preferring instead to replace them with saving deposits at banks, particularly in view of the weak performance of the stock market.

**Domestic Liquidity Growth Rate
By Counterpart Assets**

(%)

	July/March + (-)	
	2007/2008	2008/2009
Domestic liquidity growth rate	14.2	5.5
- Net foreign assets	5.3	(7.5)
- Net domestic assets	8.9	13.0
Domestic credit assets	9.7	15.6
Net balancing items (unclassified)	(0.8)	(2.6)

As for the domestic liquidity growth rate by counterpart assets, net domestic assets showed a positive contribution (13 percentage points) to M2 growth. It is worthy to note that this growth could have been larger but for the negative contribution of net foreign assets (7.5 percentage points). To elaborate, net domestic assets mounted by LE 99.2 billion or 21.4 percent, whereas net foreign assets at the banking system declined by LE 57.3 billion worth or 18.9 percent.

Domestic Liquidity Counterpart Assets

(LE mn)

	End of March 2009		Change during July/March			
	Balances	Relative Importance	2007/2008		2008/2009	
			Value	%	Value	%
<u>Domestic Liquidity</u>						
<u>Counterpart Assets</u>	808603	100.0	93865	14.2	41939	5.5
<u>Net Foreign Assets</u>	246338	30.5	34877	16.0	(57342)	(18.9)
At the CBE	177300	21.9	19194	20.1	(3033)	(1.7)
At banks	69038	8.5	15683	12.7	(54309)	(44.0)
<u>Domestic Credit</u>	690179	85.4	64020	12.0	119226	20.9
Government (net)	269438	33.3	28485	16.0	95433	54.8
Public business sector	30859	3.8	2604	10.7	3962	14.7
Private business sector	301592	37.3	20885	7.8	9873	3.4
Household sector	88290	10.9	12046	20.1	9958	12.7
<u>Other Items (Net)</u>	-127914	-15.8	(5032)	5.8	(19945)	18.5

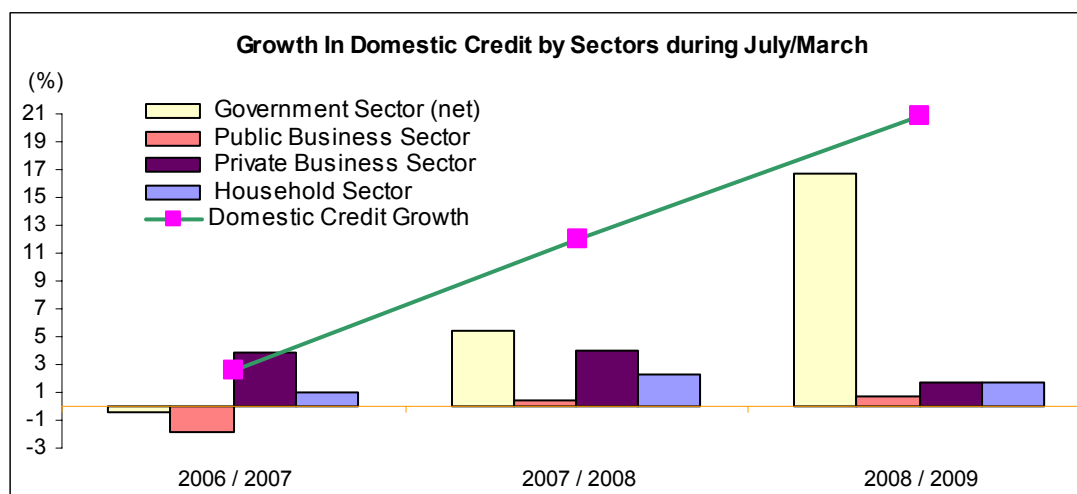
Total domestic credit extended by the banking system substantially rose by LE 119.2 billion or 20.9 percent during the period under review, against LE 64.0 billion or 12.0 percent in the period of comparison, reaching LE 690.2 billion at end of March 2009. More than three quarters of the rise in total credit (80.0 percent) was attributed to the surge of LE

95.4 billion or 54.8 percent in the banking system's net claims on the government (total credit to the government less its deposits at the banking system) to stand at LE 269.4 billion or 39.0 percent of total domestic credit. The surge was an outcome of the increase in banks' holdings of government securities and treasury bills by LE 99.3 billion, the rise in loans to the government by LE 4.5 billion and in the government's deposits by LE 8.4 billion.

Credit to the private business sector rose by LE 9.9 billion or 8.3 percent of the increase in total credit, reaching LE 301.6 billion or 43.7 percent of total credit at end of March 2009.

Credit to the household sector edged up by LE 9.9 billion or 12.7 percent, against LE 12.0 billion and 20.1 percent, reaching LE 88.3 billion or 12.8 percent of total domestic credit at end of March 2009. The rise was mainly ascribed to the expansion by some banks in retail business.

On the other hand, the share of the public business sector was as modest as LE 4.0 billion or 3.3 percent of the increase in domestic credit during the period under review, bringing its outstanding balance to LE 30.9 billion at end of March 2009.



Banks resorted to their foreign assets to meet the rush in cash outflows, entailed by the global financial crisis. This, in turn, led to a decline of LE 57.3 billion worth or 18.9 percent in net foreign assets at the banking system during the period. This was an outcome of the decline in net foreign assets at banks by the equivalent of LE 54.3 billion and at the Central Bank by LE 3.0 billion worth.

**Change in Foreign Assets and Liabilities
At the Banking System**

(LE mn)

	<u>July/March + (-)</u>			
	<u>2007/2008</u>		<u>2008/2009</u>	
	Value	Growth Rate (%)	Value	Growth Rate (%)
<u>Net Foreign Assets at the Banking System</u>	<u>34877</u>	<u>16.0</u>	<u>(57342)</u>	<u>(18.9)</u>
<u>Net Foreign Assets at the CBE</u>	<u>19194</u>	<u>20.1</u>	<u>(3033)</u>	<u>(1.7)</u>
- Foreign assets	21404	13.4	(3288)	(1.8)
- Foreign liabilities	2210	3.4	(255)	(15.1)
<u>Net Foreign Assets at Banks</u>	<u>15683</u>	<u>12.7</u>	<u>(54309)</u>	<u>(44.0)</u>
- Foreign assets	28244	19.5	(49735)	(33.4)
- Foreign liabilities	12561	58.4	4573	18.0

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

Aiming ultimately to enhance the soundness and stability of the financial system, the CBE pressed forward with its efforts to develop its payment systems and IT sector; so as to reduce credit and settlement risks and speed up, and enhance the reliability of, payment settlements. This was also intended to make payment services available to the majority of Egyptians and to progressively move towards a cashless society, besides upgrading the efficiency, and cutting down the cost, of government financial transactions. In this respect, the following achievements were made during the period under review:

- Initiating the actual operation of the real time gross settlement system (RTGS) in mid-March 2009, in cooperation with one of the leading international companies in this field, in consistency with the regulations of the European Commission. This step was taken after having completed the final arrangements for the application of this system, with participation by all Egyptian banks and a group of foreign expertise. Moreover, tests of the Disaster Recovery site have already been conducted.

To adapt the working systems to the RTGS, the following preparations have been made:

- Furnishing the CBE branches in Alexandria and Port-Said with more advanced PCs, while linking these branches to the newly applied RTGS system and making the necessary tests.
- Finalizing the process of raising the efficiency of the interface with both the SWIFT and banks to meet the requirements of the RTGS system. For this purpose, a dial-up connection back-up was installed for the primary CBE website, together with another connection for the disaster recovery site.

In addition:

- A project was implemented, in coordination with the National Bank of Egypt, to apply the ATM system to electronically disburse the salaries of the CBE employees.
- The CBE is in the process of preparing a study - in collaboration with the Ministry of Finance - on the use of ATM cards, instead of cash payment, to disburse salaries of 6 million government employees.
- A special study is being conducted on the purchase of a new Financial System for the CBE, to meet the requirements of its financial sector.
- The CBE's Automated Clearing House (ACH) was transferred from Banque Misr building to the Central Bank building in El-Gomhoria Street. Sessions convened officially at the new domicile as of 8/3/2009.

2/1/6: SWIFT Local Service and Performance of the ACH

Regardless of the fact the RTGS system - as mentioned above - has been in operation since mid-March 2009, the developments occurring in July/March 2008/2009 and the corresponding period (July/March 2007/2008) are presented in this context according to the former Fin-Copy system. As such, the number of executed messages in the Egyptian pound –under the former system- rose to 575.3 thousand transactions, from 501.9 thousand during the period of comparison. Nevertheless, their value dropped to LE 1975.6 billion during the period under review, from LE 2335.9 billion a year earlier. On the other hand, transactions executed in foreign currencies via the same system declined in terms of number and value. Their number contracted to 10 thousand transactions at a value of US\$ 70.8 billion (from 10.3 thousand transactions and a value of US\$ 80.8 billion).

SWIFT Local Service Activity

	<u>July/March</u>			<u>Change</u>	
	<u>2006/2007</u> (1)	<u>2007/2008</u> (2)	<u>2008/2009</u> (3)	(2) - (1)	(3) - (2)
<u>First: in Local Currency</u>					
Number of messages (unit)	377598	501915	575310	124317	73395
Value of executed transfers (LE mn)	1572606	2335903	1975558	763297	(360345)
<u>Second: in Foreign Currencies</u>					
Number of messages (unit)	8354	10276	9999	1922	(277)
Value of executed transfers (US\$ mn)	47047	80799	70777	33752	(10022)

According to the figures of the CBE Automated Clearing House (ACH), the number and value of exchanged cheques rose during the reporting period, relative to the period of comparison. Their number reached 8.8 million, with a total value of LE 400.0 billion (against 8.6 million cheques and a total value of LE 342.2 billion). Consequently, the average value per cheque went up to LE 45.5 thousand, from LE 39.7 thousand.

CBE Automated Clearing House

	Number of Cheques (000s)	Value of Cheques (LE mn)	Change (%)	
			Number	Value
July/March 2007/2008	8627	342241	12.5	35.1
July/March 2008/2009	8786	399905	1.8	16.8

2/2- Banking and Credit Developments

2/2/1: Banking Reform

Pressing forward with its banking reform plan, launched in September 2004, the Central Bank is currently making the final preparations for the second stage. One of the pillars of the plan focuses on the application of Basel II standards in the banking sector by the Bank's Supervision Sector. This second stage aims mainly at strengthening risk management and internal control at banks, while urging them to enhance disclosure and transparency, and establishing good governance rules. Within this context, a protocol was signed with the European Central Bank and seven European central banks to provide a three-year technical assistance program to be initiated on 1 January 2009, to apply Basel II standards in the banking sector.

Preparations for **the second stage** of the banking reform began after the first stage was successfully implemented. The first stage was centered on four pillars: (1) consolidation and privatization of the banking sector, (2) financial and managerial restructuring of State-owned banks, (3) addressing of the problem of non-performing loans, (4) upgrading of the Supervision Sector at the CBE.

As for **the first pillar**, some voluntary and State-forced mergers took place, leading to a decrease in the number of banks operating in Egypt from 57 at end of December 2004 to 39 banks at end of March 2009. Under this plan, 80 percent of the stake of the Bank of Alexandria was sold to Italy's Sanpaolo Bank, besides the divestiture of the shareholdings of State-owned banks in a number of joint venture and private banks.

Under **the second pillar**, State-owned banks were restructured under a comprehensive and time-lined plan, designed by the Banking Reform Unit at the CBE. The plan was intended to reform the practices of all departments and technological systems, while establishing new departments, particularly for risk management, information technology (IT) & management information systems (MIS) and human resources. Meanwhile, a project for applying the international best practices was carried out within the scheduled time, with the assistance of foreign

consultants. In addition, a full audit of State-owned banks was conducted according to the international accounting standards, covering the years from 2004 to 2007. Finally, the recruitment of highly qualified banking cadres and leaderships at State-owned banks (with finance from the Banking Reform Fund) enabled those banks to push ahead with reform and development.

Concerning the **third pillar**, to address the problem of non-performing loans, the CBE's NPL Management Unit worked out a variety of methods and programs that helped to settle more than 90 percent of NPLs (excluding debts of the public business sector). With regard to irregular debts of public business sector enterprises to public banks, an amount of LE 16 billion was repaid in cash to those banks. In addition, the ministries of Finance and Investment pledged to repay the remaining debts (around LE 10 billion) from future privatizations.

A program for the reform of **the Supervision Sector** was devised to achieve the following targets: enhance the efficiency of this sector by benefiting from the best international practices, and apply the concept of risk-based supervision to ensure its robustness and soundness. Furthermore, efforts were exerted to recruit highly qualified banking staff acquainted with new technology, raise the efficiency of human cadres to be capable of managing and reforming this key sector, and upgrade the management information system (MIS) to ensure timely access to accurate data. In this context, a technical assistance program was completed - in collaboration with the European Central Bank (ECB) and four European central banks - in the last quarter of 2007.

It is worthy to note that the successful and timely implementation of the first stage of the CBE's banking reform plan has started to yield fruit, helping this sector to weather the adverse effects of the world financial crisis.

2/2/2: Activity of the Supervision Sector

The CBE conducts supervision over banks in Egypt to ensure the soundness of their financial positions and to evaluate their performance from the perspective of risk-based supervision. In addition, it checks that banks comply with the CBE regulatory standards, including the minimum

reserve and liquidity ratios, the maximum limits of a bank's exposure to a single customer, his connected parties, and exposure to abroad, as well as the asset-liability matching in terms of maturity and currency. Add to this a number of qualitative standards that ensure – besides the above-mentioned standards – the sound performance of banks and the safety of depositors' funds. Those standards include good governance rules, information system efficiency and the appropriate competency standards for officials and managers of banks' key sectors.

In response to the implications of the financial crisis that hit the world markets, the Central Bank instructed banks to study the exposure limits in each country according to the scale of its economy and its sovereign credit rating. Moreover, banks are to study and determine the maximum limits of foreign financial institutions they deal with, given that these limits are to be periodically reviewed. Banks should also reconsider their investments with those institutions. The implications of the financial crisis showed that the instructions given by the Central Bank and the reform policies it adopted earlier to restructure banks, raise their capital and strengthen their risk management have tangibly helped contain the effects of this crisis.

Seeking to ensure that financial statements of registered banks are prepared according to the Egyptian Accounting Standards, in conformity with the international accounting standards and the International Financial Reporting Standards (IFRS), the CBE's Board of Directors approved on its session of 16/12/2008 the rules entitled “preparation and presentation of banks' financial statements and the principles of recognition and measurement”. The new rules are to replace those regarding the preparation and presentation of banks' financial statements and the principles of evaluation formerly approved by the Board of Directors on 20 February 1997 and 27 June 2002. The aim is to enhance disclosure of banks' financial statements and transparency of both their financial positions and the outcomes of their operations. These rules shall be effective from the fiscal year starting on, or after, January 1st, 2010. In this context, banks are required in 2009 to provide data and information regarding the comparison periods.

Recognizing the key role played by the banking sector in enhancing the national economy and in developing and promoting different companies and enterprises, particularly small and medium-sized ones, the Board of Directors decided, on its session on 16 December 2008, to exempt banks – extending loans and credit facilities to those companies – from the reserve requirement ratio (14 percent). Exemption shall be made, proportional to the volume of credit granted by banks to those companies as of January 1st, 2009. This is meant to encourage banking credit to the said companies.

Pursuant to the provisions of Article (14) of Law No. 88 of 2003 of the Central Bank, the Banking Sector and Money, the CBE Board of Directors is responsible for setting regulatory and supervisory standards that guarantee the sound financial positions of banks, and their efficient performance, as well as issuing the necessary decisions for their implementation. The Board is also responsible for evaluating the efforts exerted in connection with supervising bank credit, and ensuring the application of the standards of credit quality and financial soundness. Within this context, the CBE Board of Directors decided on January 6, 2009 to:

- Set the regulations governing the assessment of goodwill when determining the companies' net assets for the purpose of granting credit.
- Set the regulations and rules of the banking finance granted for whole or partial acquisition of companies, and assign risk weights within a range of 150 to 200 percent when calculating capital adequacy ratio.

According to Article (6) of the above Law, regarding the role played by the CBE in supervising national payments system, the Central Bank applied, on March 15, 2009, the first real-time gross settlement (RTGS) system for settling payment orders in local currency of banks operating in Egypt on their current accounts at the CBE, as a basis of the national payments system. The system aims at reducing inter-bank credit risks, as well as minimizing the risks of liquidity management in participant banks, through queue management of payment orders and the provision of an intraday credit facility by the Central Bank. This system is considered the principal payment system in Egypt, and is a part of the second stage of the banking reform plan initiated by the CBE.

Moreover, it was decided on March 15, 2009 to confine the sales of banks' saving systems with a 3-year or more maturity to only natural persons as of March 16, 2009. This was intended to enhance the key role played by legal persons in launching new investments which stimulate growth and create new job opportunities, as well as reduce the burdens of finance.

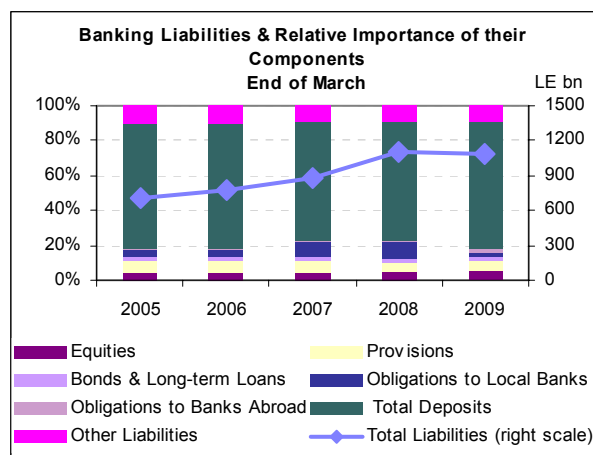
As regards on-site supervision, the Central Bank launched its 2009 plan for inspecting banks and exchange dealer companies. According to this plan, the inspection will cover a large number of banks, and each bank will be inspected annually on a comprehensive or limited basis. Within this context, preparations are being made to increase the inspection capacity, whether in quantitative or qualitative terms.

On the other hand, the Supervision Sector continued to cooperate with the supervisory authorities in settling a number of money and banking issues, and examining complaints filed by banks' customers. Besides, it endeavored to provide the required banking expertise in this respect.

2/2/3: Overview of Banks' Aggregate Financial Position

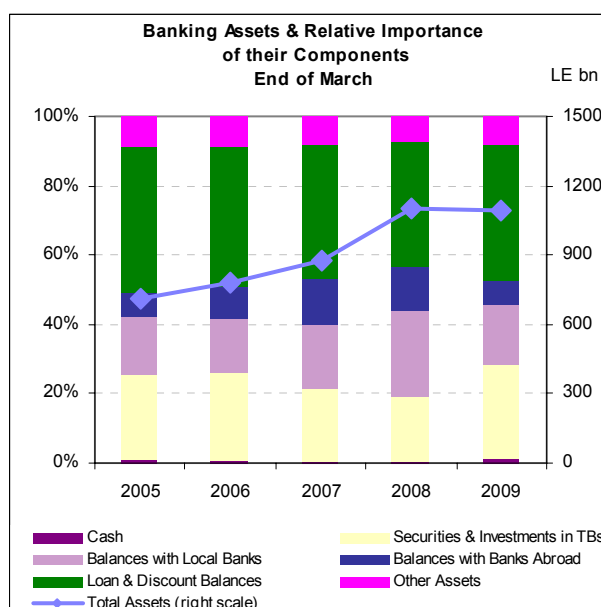
The aggregate financial position of registered banks operating in Egypt (39 banks at end of March 2009) posted LE 1.1 trillion at end of March 2009, increasing by LE 8.3 billion or 0.8 percent during July/March 2008/2009, against an increase of LE 165.4 billion and 17.6 percent during the corresponding period of the previous FY.

On the liabilities side, the increase was due to a rise in total deposits at banks by LE 43.3 billion or 5.8 percent, reaching LE 790.5 billion, and in provisions by LE 9.3 billion or 14.8 percent. In this respect, for provisions to be augmented or to cover any shortage therein, their balances were raised to LE 71.6 billion or 16.6 percent of the total lending and discount balances at end of



March 2009. Furthermore, obligations to banks abroad went up by LE 8.3 billion worth or 62.2 percent, equities by LE 4.4 billion, and other liabilities by LE 19.5 billion. In contrast, obligations to local banks declined by LE 73.8 billion or 74.7 percent. This was due to lower obligations to the CBE by LE 78.8 billion (of which, LE 75.9 billion were a decrease in CBE foreign currency deposits at banks) on the one hand, and higher obligations to other banks by LE 5.0 billion, on the other. Bonds and long-term loans scaled down by LE 2.7 billion (mainly long-term loans from foreign entities).

On the assets side, the increase was ascribed to a pick-up in the balances of portfolio investment (including treasury bills) by LE 94.4 billion, in lending and discount balances by LE 29.2 billion, and in other assets by LE 16.5 billion. However, the increase was held back by a decrease of LE 83.1 billion in the balances with local banks. This was an outcome of the drop in the balances with the CBE by LE 87.4 billion, the rise in the balances with other banks by LE 4.3 billion, and the fall in those with banks abroad by LE 48.7 billion worth.

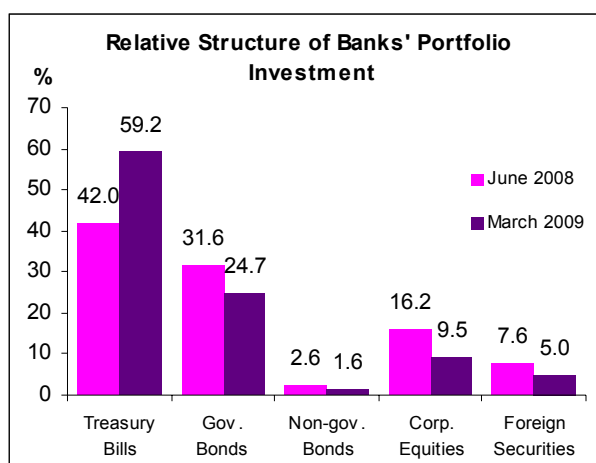


Banks' Aggregate Financial Position

(LE mn)

At End of	March 2009	Change during July/March		Change during July/March	
		2007/2008	2008/2009	2007/2008 (%)	2008/2009 (%)
Cash	10324	1604	63	20.8	0.6
Securities and investments	296210	22647	94352	12.9	46.7
Balances with banks abroad	74116	21088	(48676)	17.0	(39.6)
Balances with the CBE	174910	55240	(87376)	27.7	(33.3)
Balances with local banks	20192	1049	4293	5.9	27.0
Loan and discount balances	430622	40748	29197	11.5	7.3
Other assets	85257	23067	16467	39.3	23.9
(Assets = Liabilities)	1091631	165443	8320	17.6	0.8
Capital	40363	2242	3068	6.8	8.2
Reserves	17491	1962	1350	15.6	8.4
Provisions	71556	10624	9242	19.9	14.8
Bonds & long-term loans	19579	(4060)	(2706)	(15.4)	(12.1)
Obligations to banks abroad	21617	12779	8290	127.7	62.2
Obligations to the CBE	5416	14804	(78750)	22.3	(93.6)
Obligations to local banks	19524	1806	4991	11.2	34.3
Deposits	790521	93890	43322	14.4	5.8
Other liabilities	105564	31396	19513	44.9	22.7

The rise in banks' investments in securities and treasury bills during the period was an outcome of the pick-up in their investments in treasury bills and government bonds by LE 90.6 billion and LE 9.4 billion, respectively, and the decline in their corporate equity participations by LE 4.7 billion, in non-government bonds by LE 0.5 billion, and in foreign securities by the equivalent of LE 0.4 billion.



Banks' Transactions with Correspondents Abroad

Transactions of Egyptian banks with correspondents abroad showed a decline in banks' credit balance by the equivalent of LE 57.0 billion or 52.0 percent, bringing their net transactions to LE 52.5 billion worth at end of March 2009. The decline was an outcome of a decrease in banks' balances with their correspondents abroad by the equivalent of LE 48.7 billion, and a pick-up in their obligations thereto by the equivalent of LE 8.3 billion.

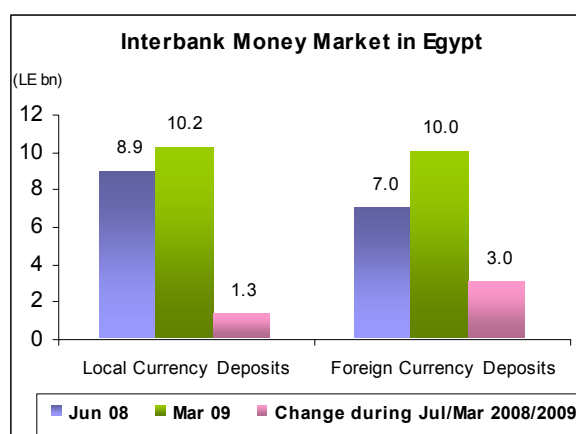
Transactions with Banks Abroad

(LE mn)

At End of	<u>June 2008</u>	<u>March 2009</u>	<u>Change during July/March</u>			
			<u>2007/2008</u>		<u>2008/2009</u>	
			Value	%	Value	%
<u>Net Position</u>	<u>109465</u>	<u>52499</u>	<u>8308</u>	<u>7.3</u>	<u>(56966)</u>	<u>(52.0)</u>
Balances at banks abroad	122792	74116	21088	17.0	(48676)	(39.6)
Obligations to banks abroad	13327	21617	12780	127.7	8290	62.2

2/2/4: Interbank Money Market in Egypt

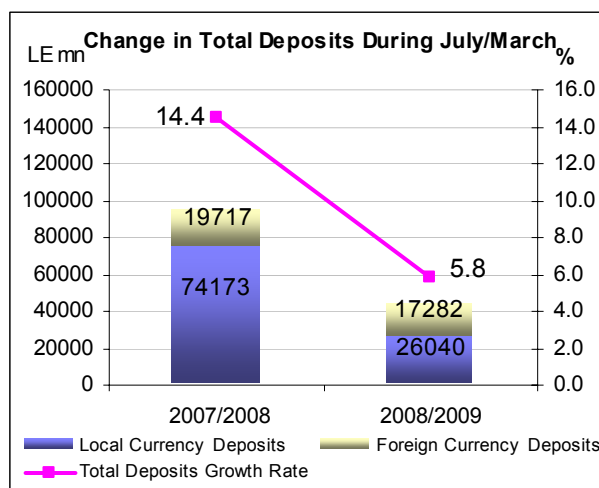
The volume of transactions in the interbank money market in Egypt (in terms of deposits) picked up by LE 4.3 billion, totaling LE 20.2 billion. This was due to the surge in both local and foreign currency deposits by LE 1.3 billion and LE 3.0 billion worth, respectively.



2/2/5: Deposits

Deposits at banks grew by LE 43.3 billion or 5.8 percent during the period under review, (against LE 93.9 billion and 14.4 percent during the corresponding period of the previous FY), to reach LE 790.5 billion or 72.4 percent of banks' aggregate financial position at end of March 2009.

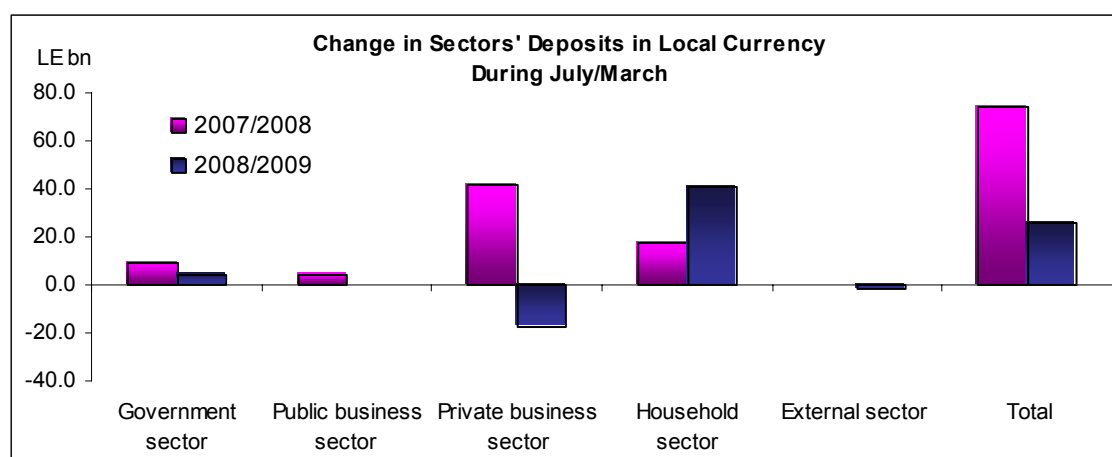
In view of the propensity to save in the local currency, the bulk of the increase in deposits (60.0 percent) was in LE deposits which scaled up by LE 26.0 billion or 4.7 percent to LE 578.1 billion, representing 73.1 percent of total deposits at banks at end of March 2009.



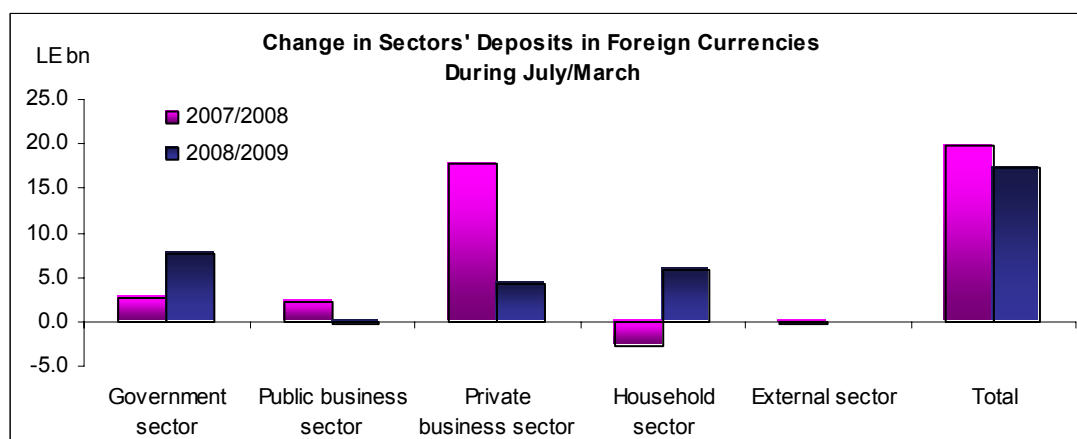
Deposits at Banks

Balances at End of	March 2009	Relative Importance (%)	Change during July/March (LE mn)	
			2007/2008 (%)	2008/2009 (%)
<u>Total Deposits</u>	<u>790521</u>	<u>100.0</u>	<u>14.4</u>	<u>5.8</u>
<u>In Local Currency</u>	<u>578120</u>	<u>73.1</u>	<u>16.0</u>	<u>4.7</u>
Government sector	48821	6.2	25.0	9.0
Public business sector	29108	3.7	19.3	(1.1)
Private business sector	102385	12.9	54.3	(14.5)
Household sector	395137	50.0	5.6	11.6
External sector	2669	0.3	11.2	(33.6)
<u>In Foreign Currencies</u>	<u>212401</u>	<u>26.9</u>	<u>10.6</u>	<u>8.9</u>
Government sector	40862	5.2	8.6	23.1
Public business sector	8936	1.1	34.1	(2.3)
Private business sector	61389	7.8	36.3	7.3
Household sector	99402	12.6	(2.8)	6.1
External sector	1812	0.2	(12.7)	(5.4)

Outpacing the rise in LE deposits, the household sector's deposits in local currency grew by 11.6 percent or LE 41.0 billion, to LE 395.1 billion, accounting for 68.3 percent of total local currency deposits at end of March 2009. Comparatively, the rise in government deposits was as modest as LE 4.0 billion or 9.0 percent. Those of the private business sector, by contrast, retreated by LE 17.3 billion, or 14.5 percent, as a main result of the decline of LE 11.2 billion in mutual funds' deposits. Likewise, deposits of the external and public business sectors fell by LE 1.4 billion worth and LE 0.3 billion, respectively.

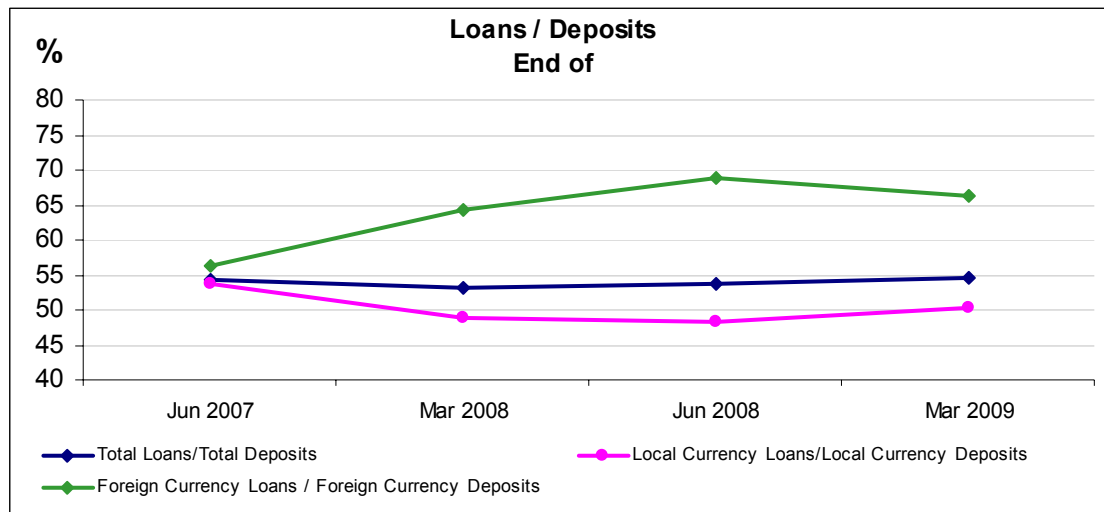


Foreign currency deposits at banks edged up by LE 17.3 billion worth or 8.9 percent, to total an equivalent of LE 212.4 billion at end of March 2009. The following sectors were the main contributors: the government sector (LE 7.7 billion worth or 23.1 percent), the household sector (LE 5.7 billion,) and the private business sector (LE 4.2 billion). Deposits of the public business and external sectors declined by the equivalent of LE 0.2 billion and LE 0.1 billion, in order.



2/2/6: Lending Activity

Banks' lending and discount balances increased by LE 29.2 billion or 7.3 percent during the reporting period (against LE 40.7 billion and 11.5 percent during the previous corresponding period), to reach a total of LE 430.6 billion, and to represent 39.4 percent of total assets and 54.5 percent of total deposits at end of March 2009.

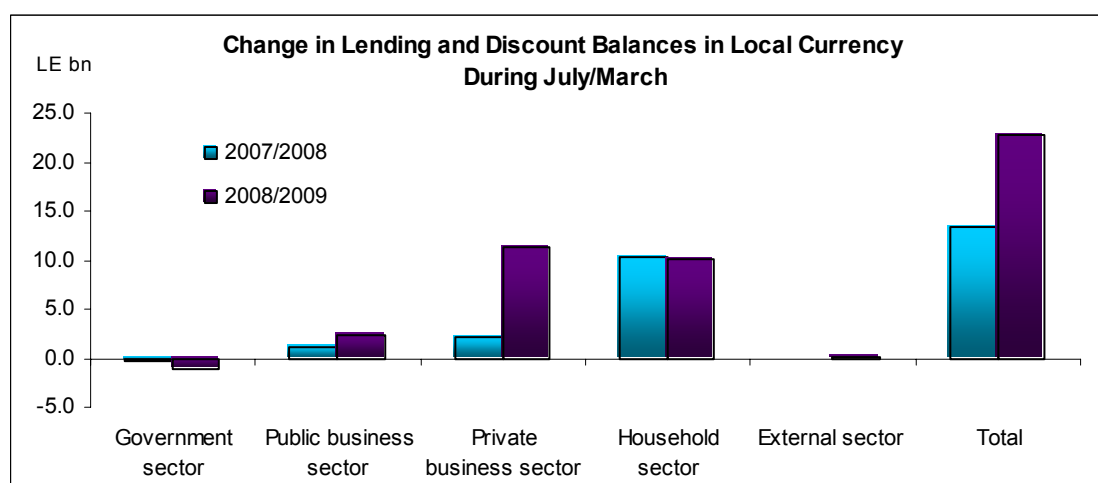


Around 77.9 percent of the increase in lending and discount balances was in local currency, which rose by LE 22.7 billion or 8.5 percent (against LE 13.4 billion and 5.4 percent), reaching LE 289.9 billion at end of March 2009. The private business sector's loans climbed by LE 11.4 billion or 6.8 percent, bringing its debt to LE 178.6 billion or 61.6 percent of banks' total lending and discount balances in local currency at end of March 2009. The manufacturing units obtained the lion's share of these loans, accounting for 73.8 percent of this rise. The household sector accounted for LE 10.1 billion or 14.5 percent, and the public business sector for LE 2.3 billion. On the other hand, loans to the government sector decreased by LE 1.1 billion.

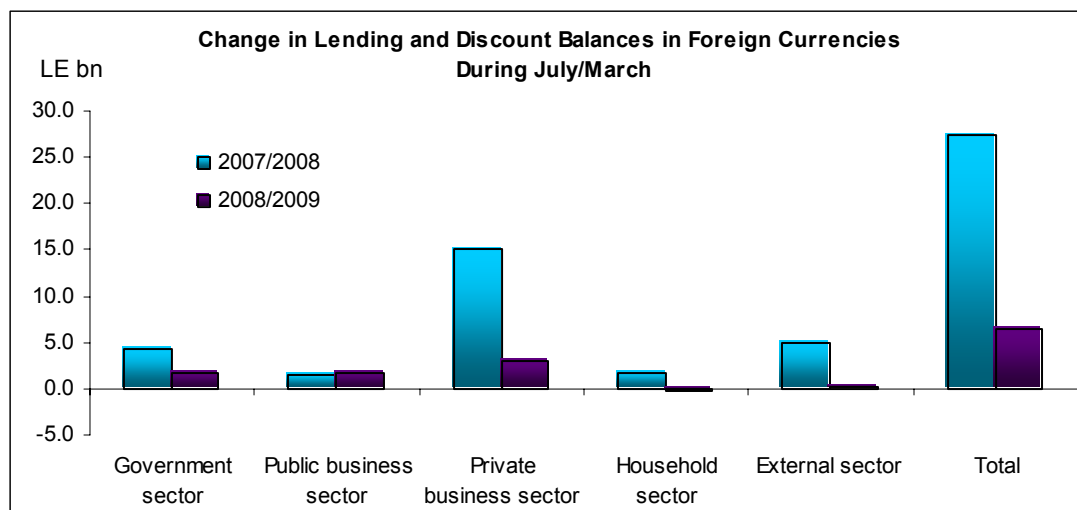
Lending and Discount Balances by Sector

(LE mn)

Balances at End of	March 2009	Relative Importance (%)	<u>Change during July/March</u>	
			<u>2007/2008</u> (%)	<u>2008/2009</u> (%)
<u>Total</u>	<u>430622</u>	<u>100.0</u>	<u>11.5</u>	<u>7.3</u>
<u>In Local Currency</u>	<u>289912</u>	<u>67.3</u>	<u>5.4</u>	<u>8.5</u>
Government sector	8645	2.0	(2.5)	(10.9)
Public business sector	21757	5.0	6.4	11.7
Private business sector	178626	41.5	1.3	6.8
Household sector	79954	18.6	18.6	14.5
External sector	930	0.2	(0.8)	3.7
<u>In Foreign Currencies</u>	<u>140710</u>	<u>32.7</u>	<u>26.0</u>	<u>4.8</u>
Government sector	23194	5.4	26.8	8.1
Public business sector	8957	2.1	23.7	24.8
Private business sector	93818	21.8	19.8	3.3
Household sector	8336	1.9	38.7	(1.9)
External sector	6405	1.5	179.7	1.7



Loan and discount balances extended in foreign currencies went up by LE 6.5 billion worth or 4.8 percent, posting LE 140.7 billion worth at end of March 2009. The increase reflects higher loans to the private business sector (by the equivalent of LE 3.0 billion, of which 56.8 percent went to the units engaged in trade). In addition to this, loans to the public business sector went up by LE 1.8 billion worth, to the government sector by the equivalent of LE 1.7 billion, and to the external sector by LE 0.1 billion worth. In the meantime, loans to the household sector retreated by LE 0.1 billion worth.



3-Stock Exchange

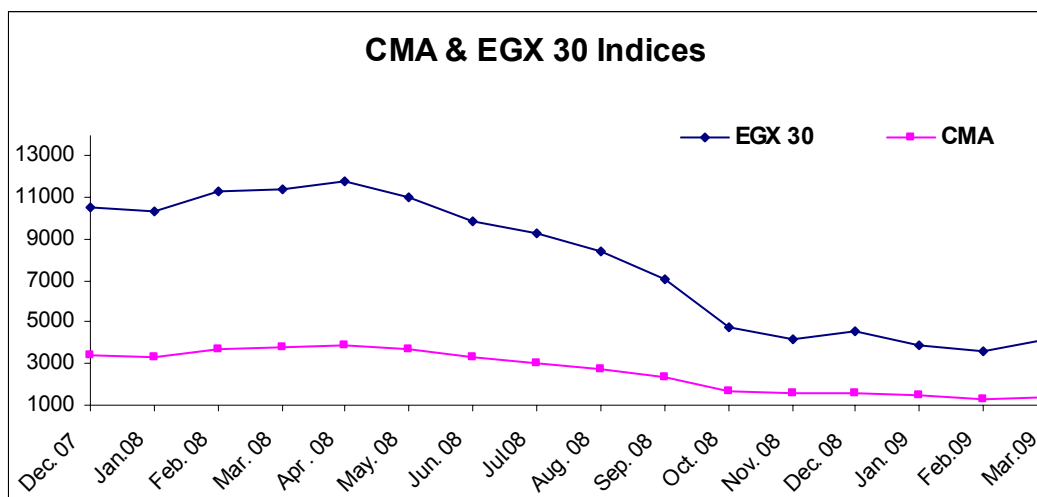
During the period under review, coordination continued between the Capital Market Authority (CMA) and Egyptian Exchange (EGX) with the aim of developing and regulating the activity of the stock market. To regulate trading of unlisted securities in the OTC market, the CMA's Board of Directors issued Decision no. 54 of 2009 to restore discipline to this market (for which Decision no 32 of 2002 was issued concerning the rules governing trading therein). The Decision was made after observing that some companies took decisions to amend the data of de-listed issuances. These data were the basis for the EGX's decision to accept dealing in issuances in the OTC market. Hence, Decision no. 54 of 2009 obliged the Egyptian Exchange to stop dealing in de-listed securities registered in the OTC market, if there are any amendments to the elements or data of registered issuance, at the time of issuing the delisting decision. Moreover, EGX is required to de-list these issuances from the database of OTC market before the beginning of the working day following its notification of those amendments. The EGX is also required to announce that these securities are no longer tradable and that transferring the ownership of these securities is to be made through the transactions market (transfer of ownership). This is to be done without prejudice to the legal positions of the issuances listed on the OTC market. Moreover, the Decision obliged companies whose securities are traded in the OTC market, together with Misr for Central Clearing, Depository and Registry to immediately notify the EGX of any decisions resulting in amending the issuance data of the securities listed on OTC market, as well as the date of making these amendments.

The CMA's Board of Directors also issued Decisions no. 51 and 52 of 2009. The decisions granted companies listed on the Exchange, as well as medium and small-sized companies listed on NILEX a six-month grace period ending on 31/12/2009 to adjust their positions, pursuant to the amendments made to the rules of listing, continuing listing, and de-listing of securities. In addition, the CMA approved the licensing of a new company (ALG Financial Consultants and Securities) to act as a nominated advisor for medium and small-sized companies that desire to be listed on NILEX. Consequently, the number of nominated advisors reached nineteen.

To enhance the State's role in supporting small and medium-sized enterprises, the CMA approved the establishment of the first direct investment fund, with a capital of LE 250 million to finance small and medium-sized enterprises in Egypt, which have annual sales ranging between LE 15 and LE 120 million.

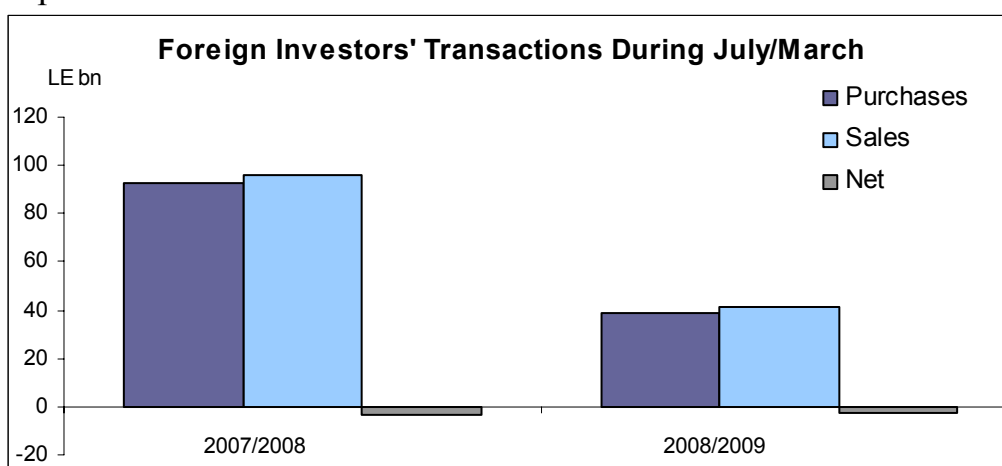
As of the 1st of March 2009, the EGX launched a new price index (EGX 70) to measure the performance of the most 70 active companies, after excluding the 30 companies that constitute EGX 30 Index. Moreover, the EGX changed the name of CASE 30 Index to EGX 30 to match the new legal name of the Exchange, namely "the Egyptian Exchange (EGX)" replacing the former one (Cairo and Alexandria Stock Exchanges). In addition, EGX started to calculate EGX 30 index in terms of US dollar along with the local currency to neutralize the effect of exchange rate fluctuations, and to provide investors with a more clear vision of the Egyptian market performance.

The global financial crisis continued to cast its shadow on the performance of the Egyptian Exchange. As such, EGX 30 index kept declining by 57.3 percent during July/March 2008/2009, to post 4193.9 points at end of March 2009, and EGX 70 index, launched on 1st of March 2009, registered 524.7 points. Moreover, the CMA's index retreated by 58.4 percent during the period, to reach 1384.6 points at end of March 2009.



Indicators of overall dealing in shares and bonds on the floor and over the counter revealed a pickup of 9.4 percent in the number of traded securities during July/March 2008/2009, to reach some 17.6 billion. The value of these securities went down by LE 249.4 billion or 56.9 percent, to LE 189.2 billion at end of March 2009. Shares accounted for 92.0 percent of the total trading value of securities during the period. Retailers' transactions represented 60.3 percent of the total trading value at end of March 2009, compared with 56.9 percent at end of June 2009. Transactions of institutions accounted for 39.7 percent, against 43.1 percent.

The following chart demonstrates a drop in foreigners' transactions, affected by the volatilities in global capital markets. As such, many investors fled the Egyptian Exchange to cover their financial positions abroad. Consequently, foreigners' transactions unfolded net sales of LE 2.4 billion during the period, against LE 3.7 billion during the period of comparison.



3/1: Shares Market

3/1/1: Primary (Issue) Market

A- New Issues

During July/March 2008/2009, CMA approved 2417 new issues, 1621 of which went to new incorporations, with 862 million shares, at a value of LE 11.5 billion, or 18.8 percent of the total value of issues. Issues for capital increase of existing companies amounted to 796, with 3.3 billion shares, at a value of LE 49.7 billion, or 81.2 percent of the total value of issues during the period.

New Share Issues on the EGX

During July/March	2007/2008	2008/2009
<u>Total Number of Issues (Unit)</u>	<u>2348</u>	<u>2417</u>
New incorporations	1624	1621
Capital increase	724	796
<u>Total Number of Shares (mn)</u>	<u>7676</u>	<u>4140</u>
New incorporations	1767	862
Capital increase	5909	3278
<u>Total Value of Shares (LE mn)</u>	<u>78860</u>	<u>61250</u>
New incorporations	13760	11534
Capital increase	65100	49716

Source: CMA

B- Companies Listed on the EGX

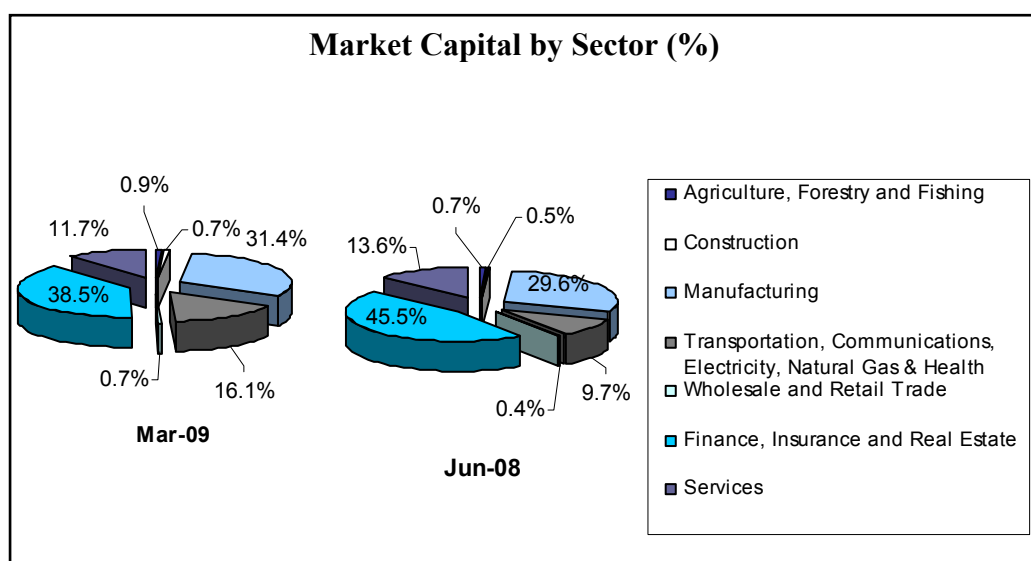
The number of companies listed on the Egyptian Exchange went down from 377 at end of June 2008 to 351 at end of March 2009. By contrast, the nominal capital of listed companies mounted to LE 150.2 billion, from LE 138.0 billion. However, their market capital decreased from LE 813.3 billion at end of June 2008 to LE 393.7 billion at end of March 2009. The decline in the market capital was ascribed to a fall in most share prices on the EGX as its performance recently slackened on the back of the global financial crisis.

Companies Listed on the EGX

End of	No. of Companies (Unit)	June 2008		No. of Companies (Unit)	March 2009	
		Nominal Capital	Market Capital		Nominal Capital	Market Capital
<u>Total</u>	<u>377</u>	<u>137974</u>	<u>813341</u>	<u>351</u>	<u>150172</u>	<u>393735</u>
Official schedules	121	65897	644180	120	75405	256943
Unofficial schedules	255	72027	169111	230	74717	136742
Temporary schedule	1	50	50	1	50	50

Source: The Egyptian Exchange

The sectoral distribution of market capital shows that investors continued to be chiefly attracted to the sector of finance, insurance & real estate, despite the decline in its relative share from 45.5 percent at end of June 2008 to 38.5 percent at end of March 2009. The manufacturing sector came next with a relative share of 31.4 percent against 29.6 percent, followed by transportation and communications (including electricity, gas and health) with a relative share of 16.1 percent against 9.7 percent.



3/1/2: Secondary (Trading) Market

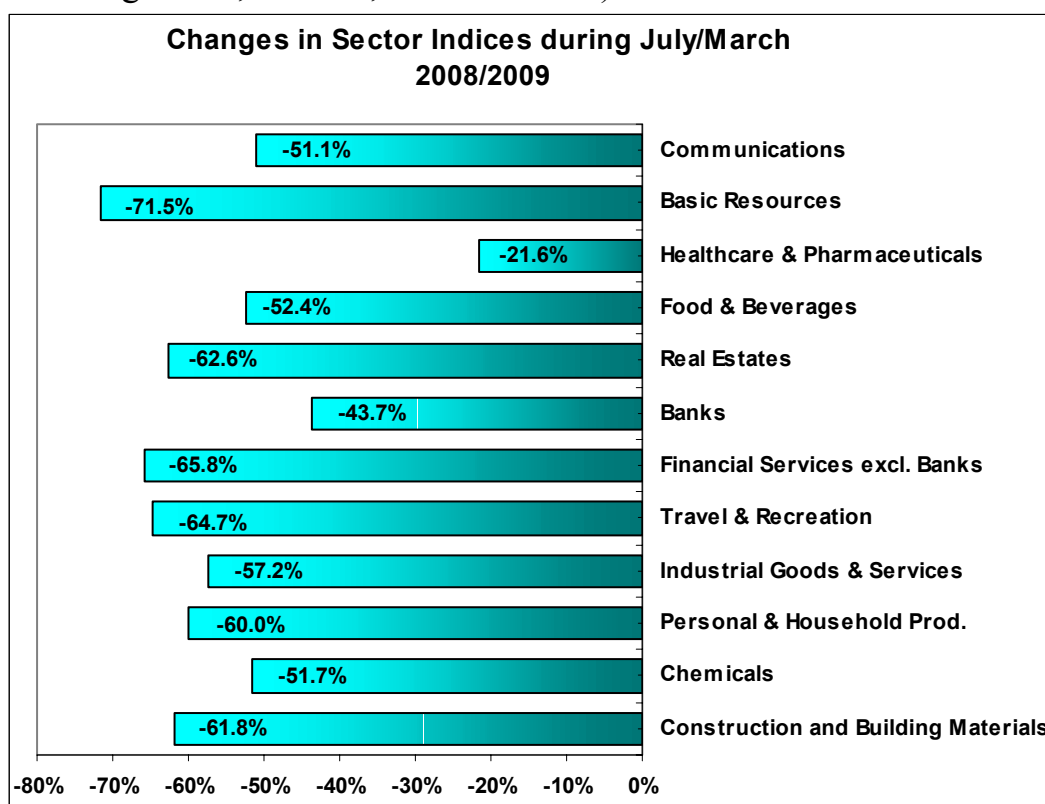
The total value of traded shares on the floor and over the counter (in local and foreign currencies) significantly declined to LE 174.1 billion during the period, from LE 422.4 billion during the corresponding period of the preceding FY. Shares traded on the floor accounted for 82.0 percent of the total trading value. Transactions on LE shares recorded 97.0 percent of total trades, with a total value of LE 138.5 billion, whereas trades in US dollar shares on the floor reached US\$ 768.3 million. On the other hand, shares traded OTC posted LE 31.3 billion, of which 74.0 percent were in Egyptian pound.

Trading in Shares on the EGX

During	<u>July/March</u>					
	<u>2007/2008</u>			<u>2008/2009</u>		
	No. of Transactions (Unit)	Volume (000s)	Market Value (LE mn)	No. of Transactions (Unit)	Volume (000s)	Market Value (LE mn)
Total Trading	8834170	16096153	422387	8114122	17539924	174073
On the Floor	8472971	12893106	374020	7501293	13775312	142729
Shares in LE	8253015	11936994	355369	7326121	13258686	138515
Shares in foreign currencies	219956	956112	18651	175172	516626	4214
Over the Counter	361199	3203047	48367	612829	3764612	31344
Shares in LE	355428	2666296	40362	604205	3737771	23182
Shares in foreign currencies	5771	536751	8005	8624	26840	8162

Source: CMA

The following chart shows a decline in all sector indices during the period, mainly the sector of main resources and financial services (excluding banks, tourism, and recreation).



3/2: Bonds Market

3/2/1: Primary (Issue) Market

Total value of issued bonds (listed) increased by LE 1.6 billion during July/March of FY 2008/2009 to LE 86.1 billion at end of March 2009 as a result of the rise in both government and securitization bonds. The pickup in government bonds was ascribed to a surge in treasury bonds (under primary dealers system) by LE 4.0 billion to LE 78.5 billion or 91.2 percent of total listed bonds at end of March 2009.

Bonds Listed on the Exchange

At End of	(LE mn)			
	June 2008		March 2009	
	Value	%	Value	%
<u>Total</u>	<u>84547</u>	<u>100</u>	<u>86132</u>	<u>100.0</u>
<u>Government Bonds</u>	<u>78771</u>	<u>93.2</u>	<u>80626</u>	<u>93.6</u>
- Treasury bonds	4000	4.7	2000	2.3
- Treasury bonds (primary dealers system)	74500	88.2	78500	91.2
- Housing bonds	118	0.1	116	0.1
- Dollar development bonds	153	0.2	10	0.0
<u>Corporate & Bank Bonds</u>	<u>3880</u>	<u>4.6</u>	<u>3507</u>	<u>4.1</u>
<u>Securitization Bonds</u>	<u>1896</u>	<u>2.2</u>	<u>1999</u>	<u>2.3</u>

Source: The Egyptian Exchange

3/2/2: Secondary (Trading) Market

Relative to the period of comparison, bonds declined in value terms by LE 1.1 billion during the reporting period, to reach LE 15.1 billion at end of March 2009. Transactions were only conducted on the floor, mostly in treasury bonds (under primary dealers system). About 14.6 million bonds were traded, through 559 transactions at a value of LE 14.9 billion. In the meantime, 1.2 million corporate bonds were traded at a value of LE 57.3 million, through five transactions.

Trading in Listed Bonds on the Floor

During	No. of Transactions (Unit)	July/March		No. of Transactions (Unit)	2008/2009	
		2007/2008	Value of Traded Bonds (mn)		Volume of Traded Bonds (000s)	Volume of Traded Bonds (000s)	Value of Traded Bonds (mn)
Total Bonds (LE)	850	15585	16169	23771	90371	15118
Treasury bonds	9	126	139	23201	74597	199
Treasury bonds (primary dealers)	810	15235	16006	559	14615	14862
Housing bonds	7	0.0	0.0	6	1	0.0
Corporate bonds	23	222	24	5	1158	57
Bank bonds	1	2	0.0	—	—	—
Total Bonds (US\$)	=	=	=	$\frac{9}{9}$	$\frac{1}{1}$	$\frac{0.0}{0.0}$
Development bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—

Source: CMA

3/3: Mutual Funds

CMA approved seven new mutual funds during the period, thus bringing the number of mutual funds up to 48 (45 are open-ended and 3 are closed) at end of March 2009.

4- Public Finance and Domestic Public Debt

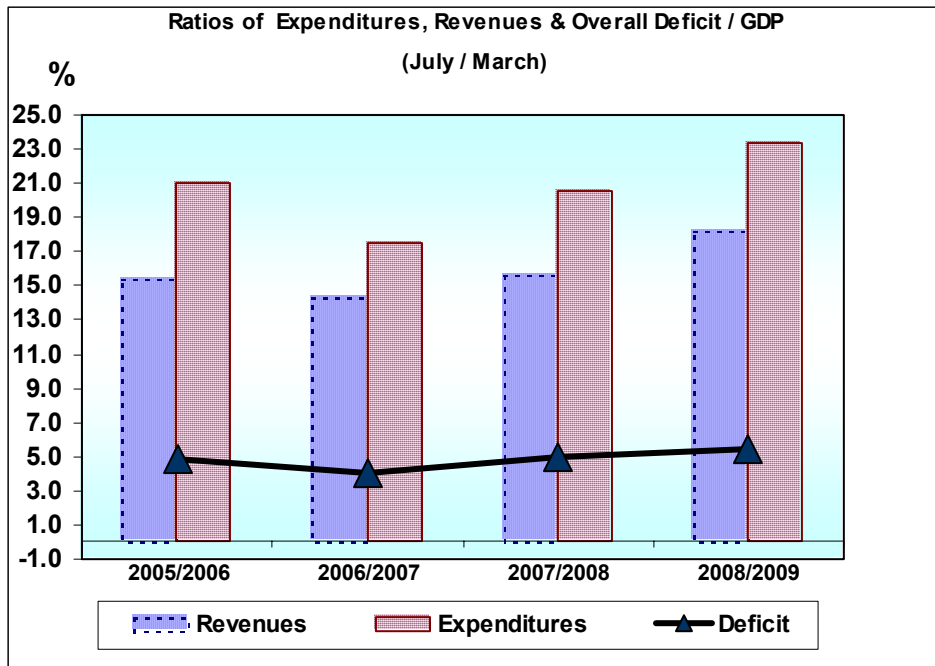
4/1: Consolidated Fiscal Operations of the General Government

During July/March 2008/2009, the fiscal policy moved to cushion the adverse effects of the global economic crisis, mainly through expanding expenditures to spur domestic demand. Within this context, investment expenditure remained on the rise to offset the sluggish growth of private investment and low merchandise and services exports. Customs tariffs were cut for a number of capital goods and production inputs, which were also exempted from the sales tax for one year. Besides, the government intended to defer outstanding tax dues on tourism companies that were badly affected by the crisis. In the meantime, it continued its efforts to alleviate the burden of price hikes on low-income brackets, by increasing subsidies.

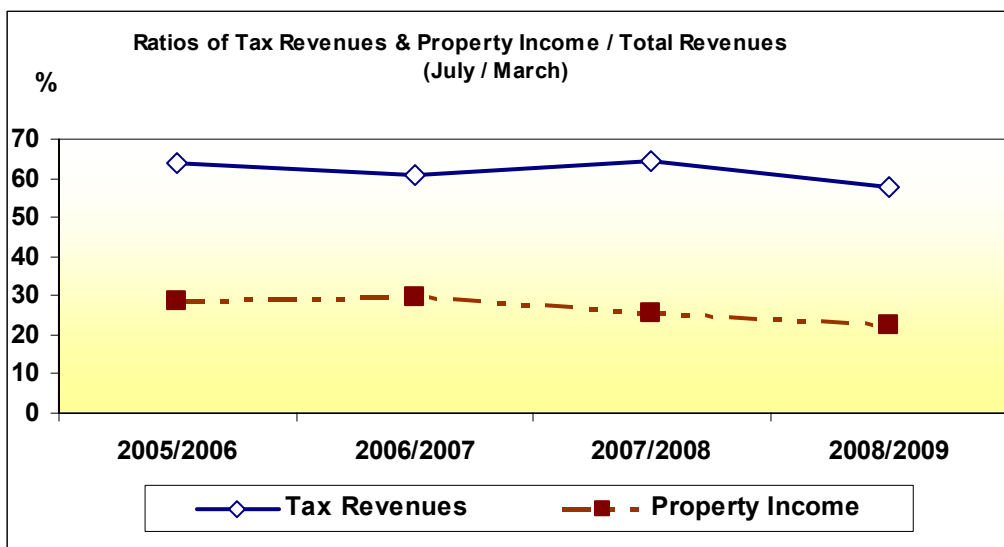
Hereunder is a follow-up of the data released by the Ministry of Finance on the execution of the state budget for the first nine months of FY 2008/2009, as compared with the actual figures of the previous corresponding period.

Budget Sector

According to the budget's actual figures in July/March 2008/2009, public revenues totaled LE 189.6 billion or 18.2 percent of GDP, with a rise of LE 53.9 billion above the previous corresponding period. Total expenditures reached about LE 243.6 billion or 23.4 percent of GDP, up by LE 64.2 billion or 35.8 percent above the period of comparison level. Consequently, the cash deficit registered some LE 54.0 billion. When adding the net acquisition of financial assets (about LE 2.2 billion), the overall deficit rises to some LE 56.2 billion, representing 5.4 percent of GDP, against 5.0 percent during the period of comparison.

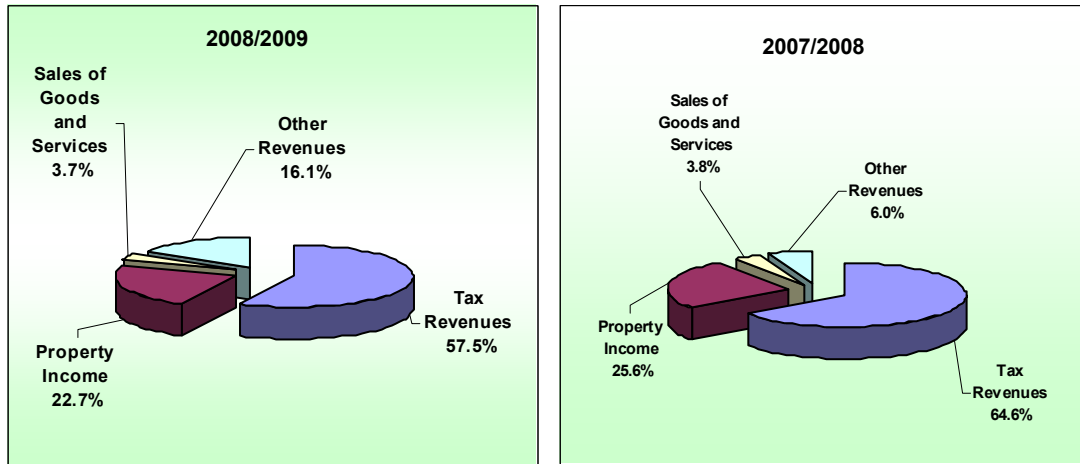


Contributing 39.7 percent to the rise in total public revenues, tax revenues surged by LE 21.4 billion or 24.4 percent, to post LE 109.1 billion or 57.5 percent of total public revenues during the period under review. Around 55 percent of the increase in tax revenues came from taxes on goods and services (up by 35.6 percent to LE 44.9 billion). Revenues from taxes on individual income and business profits (almost half of which is from the EGPC) picked up by LE 8.8 billion. In addition, customs duties increased by 2.5 percent to LE 10.2 billion. Grant inflows jumped to LE 6.6 billion in the reporting period, registering nearly nine-fold their value in the period of comparison.



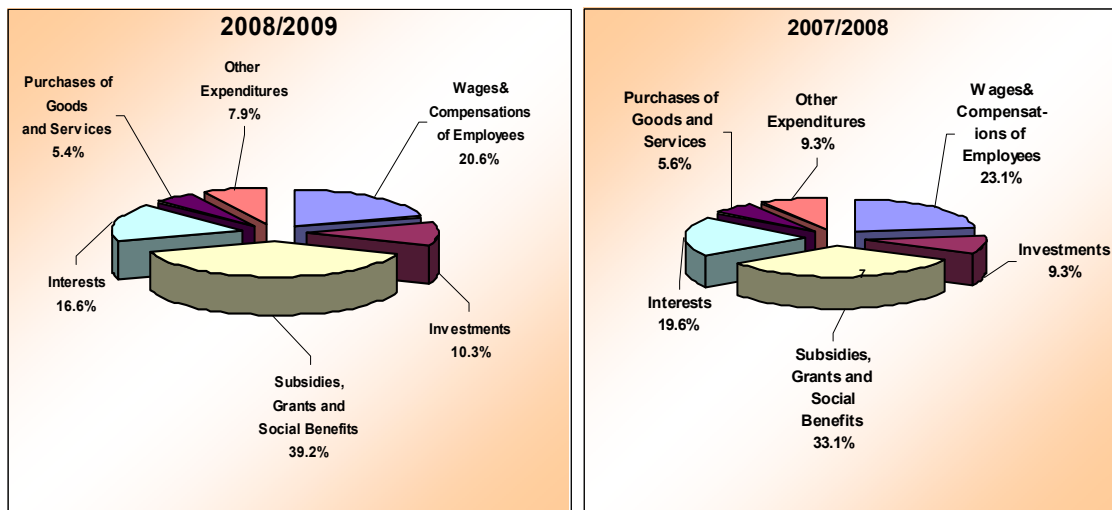
Non-tax revenues edged up by LE 26.6 billion to LE 73.9 billion, mainly due to the one-time revenues collected during the period under review. The rise in non-tax revenues was also attributed to a pick-up in the profit surpluses transferred by the EGPC, as well as some other miscellaneous sources.

**Structure of Public Revenues
during the First Nine Months of FYs 2007/2008 and 2008/2009**



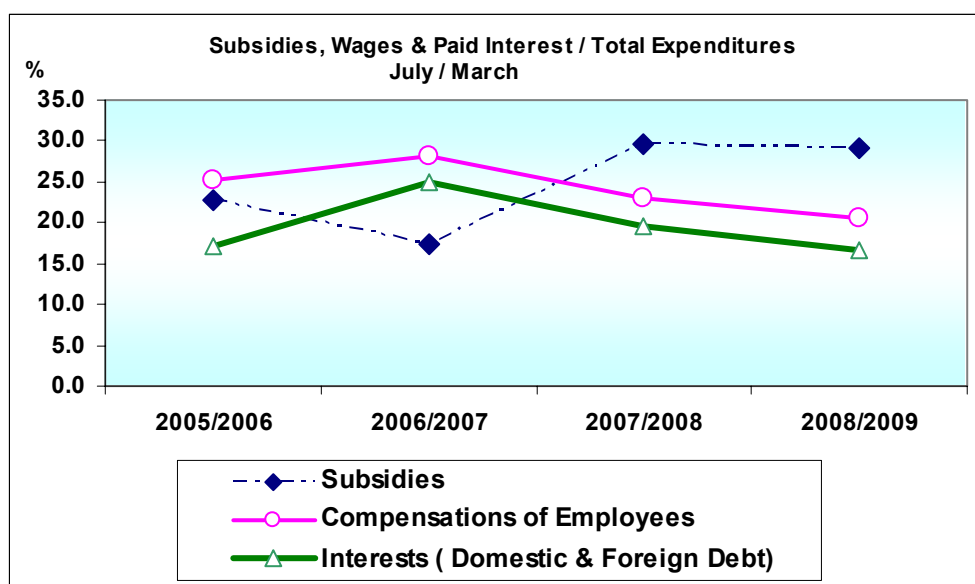
Expenditures rose by LE 64.2 billion or 35.8 percent above the corresponding period, to reach a total of some LE 243.6 billion.

**Structure of Public Expenditures
during the First Nine Months of FYs 2007/2008 and 2008/2009**



Around 28.1 percent of the increase in expenditures was evidenced in subsidies (up by LE 18.1 billion, to post LE 71.0 billion). This reflected the increase in appropriations for the EGPC subsidies by LE 11.1 billion, for GASC subsidies by LE 6.0 billion (due to a continued hike in foodstuff prices), and for some other subsidies by LE 0.9 billion.

The rise in expenditures was also owed to the increase in fringe benefits during the period by some LE 18.1 billion to LE 20.1 billion. Add to this the rise in investment spending by some LE 8.4 billion or 50.1 percent to LE 25.1 billion, particularly for infrastructure projects, health and educational services. Another factor behind the surge in expenditures was the rise in the amounts absorbed by wages and compensations of employees by 21.5 percent to LE 50.3 billion, accounting for 26.5 percent of total revenues and 20.6 percent of total current government spending. This sum included all raises: basic pays for government employees (up by 30 percent), pensions (20 percent), the minimum incentive payments for local government employees (to 75 percent) and adjustments to the salaries of teachers and doctors. Interest payments also rose by 15.5 percent to some LE 40.5 billion.



The above-mentioned developments gave rise to a cash fiscal deficit of LE 54.0 billion during July/March 2008/2009. By adding the net acquisition of financial assets (LE 2.2 billion) to the cash deficit, the overall deficit would post LE 56.2 billion or 5.4 percent of GDP, against LE 43.6 billion and 5.0 percent of GDP during the corresponding period.

Local financing sources (mainly banks' subscriptions for TBs) were chiefly used to finance the overall budget deficit (LE 56.2 billion) and to make some external repayments of LE 6.7 billion.

Budget Sector, NIB and SIFs

Adding the fiscal operations of the NIB and SIFs to those of the budget sector, collected revenues would reach LE 192.8 billion or 18.5 percent of GDP.

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

(LE bn)

	July/March 2008/2009					
	Budget Sector	Relative Structure	Execution Ratio of the Total Estimate for the Year	Budget Sector, NIB & SIFs	Relative Structure	Execution Ratio of the Total Estimate for the Year
Total Revenues	<u>189.6</u>	<u>100.0</u>	<u>68.5</u>	<u>192.8</u>	<u>100.0</u>	<u>68.5</u>
Tax Revenues	<u>109.1</u>	<u>57.5</u>	<u>65.5</u>	<u>109.1</u>	<u>56.6</u>	<u>65.5</u>
Taxes on income and profits	49.7	26.2	59.7	49.7	25.8	59.7
The EGPC	22.2	11.7	63.5	22.2	11.5	63.5
The SCA	7.8	4.1	65.1	7.8	4.1	65.1
The CBE	0.0	0.0	0.0	0.0	0.0	0.0
Other entities	9.3	4.9	48.1	9.3	4.8	48.1
Payable by individuals	10.4	5.5	61.7	10.4	5.4	61.7
Taxes on property	2.1	1.1	60.4	2.1	1.1	60.4
Taxes on goods and services	44.9	23.6	73.1	44.9	23.3	73.1
Taxes on international trade (customs)	10.2	5.4	67.4	10.2	5.3	67.4
Other taxes	2.2	1.2	67.9	2.2	1.1	67.9
Grants	<u>6.6</u>	<u>3.5</u>	<u>118.2</u>	<u>6.6</u>	<u>3.4</u>	<u>118.2</u>
Other Revenues	<u>73.9</u>	<u>39.0</u>	<u>70.6</u>	<u>77.1</u>	<u>40.0</u>	<u>70.5</u>
Property income	43.0	22.7	70.7	46.9	24.3	69.8
Selling proceeds of goods and services	7.0	3.7	68.3	7.0	3.7	68.3
Financial investments	2.7	1.4	808.2	2.7	1.4	808.2
Others	21.2	11.2	63.9	20.5	10.6	65.0

Source: Ministry of Finance
Percentages are calculated in terms of LE million

On the other hand, total expenditures would reach LE 247.0 billion or 23.8 percent of GDP.

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

(LE bn)

	July/March 2008/2009					
	Budget Sector	Relative Structure	Execution Ratio of the Total Estimate for the Year	Budget Sector, NIB & SIFs	Relative Structure	Execution Ratio of the Total Estimate for the Year
<u>Total Expenditures</u>	<u>243.6</u>	<u>100.0</u>	<u>70.8</u>	<u>247.0</u>	<u>100.0</u>	<u>71.5</u>
<u>Wages & Compensations of Employees</u>	<u>50.3</u>	<u>20.6</u>	<u>63.6</u>	<u>50.8</u>	<u>20.6</u>	<u>63.7</u>
<u>Purchases of Goods & Services</u>	<u>13.1</u>	<u>5.4</u>	<u>54.8</u>	<u>13.2</u>	<u>5.3</u>	<u>55.0</u>
<u>Interest</u>	<u>40.5</u>	<u>16.6</u>	<u>76.6</u>	<u>33.4</u>	<u>13.5</u>	<u>76.1</u>
<u>Subsidies, Grants and Social Benefits</u>	<u>95.5</u>	<u>39.3</u>	<u>71.3</u>	<u>105.3</u>	<u>42.6</u>	<u>73.3</u>
Subsidies	71.0	29.1	74.0	71.0	21.7	74.0
Grants	2.8	1.2	80.8	2.8	1.1	80.8
Social Benefits	21.6	8.9	67.7	31.4	12.7	75.7
Others	0.1	0.1	5.5	0.1	0.1	5.5
<u>Other Expenditures</u>	<u>19.1</u>	<u>7.8</u>	<u>74.1</u>	<u>19.2</u>	<u>7.8</u>	<u>74.4</u>
<u>Purchases of Non- Financial Assets (Investments)</u>	<u>25.1</u>	<u>10.3</u>	<u>88.8</u>	<u>25.1</u>	<u>10.2</u>	<u>88.7</u>

Source: Ministry of Finance

Percentages are calculated in terms of LE million

Accordingly, the consolidated fiscal operations of the general government brought about a cash deficit of LE 54.3 billion during the period. By adding the net acquisition of financial assets (LE 5.0 billion) to the cash deficit, the overall deficit reaches LE 59.3 billion or 5.7 percent of GDP, representing 77.1 percent of the overall deficit estimated for the whole FY.

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

(LE bn)

	July/March 2008/2009					
	Budget Sector	Relative Structure	Execution Ratio of the Total Estimate for the Year	Budget Sector, NIB & SIFs	Relative Structure	Execution Ratio of the Total Estimate for the Year
<u>Total Revenues</u>	<u>189.6</u>		<u>68.5</u>	<u>192.8</u>		<u>68.5</u>
<u>Total Expenditures</u>	<u>243.6</u>		<u>70.8</u>	<u>247.0</u>		<u>71.5</u>
Cash deficit	54.0		80.4	54.3		85.0
Net acquisition of financial assets	2.2		84.2	5.0		38.6
<u>Overall Deficit</u>	<u>56.2</u>		<u>80.6</u>	<u>59.3</u>		<u>68.0</u>
<u>Finance Sources</u>	<u>56.2</u>	<u>100.0</u>	<u>80.6</u>	<u>59.3</u>	<u>100.0</u>	<u>77.1</u>
<u>Domestic Finance</u>	<u>73.7</u>	<u>131.1</u>	<u>94.7</u>	<u>75.0</u>	<u>126.4</u>	<u>89.0</u>
Banking	74.5	132.5	110.6	75.9	127.9	113.1
Non-banking	-0.8	-1.4	-7.5	-0.9	-1.5	-5.2
<u>External Borrowing</u>	<u>-6.7</u>	<u>-11.9</u>	<u>97.9</u>	<u>-6.7</u>	<u>-11.3</u>	<u>97.9</u>
<u>Arrears</u>	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.2</u>
<u>Others</u>	<u>-0.3</u>	<u>-0.6</u>	<u>26.2</u>	<u>1.5</u>	<u>2.5</u>	<u>-270.0</u>
<u>Net Privatization Proceeds</u>	<u>0.1</u>	<u>0.2</u>	<u>12.2</u>	<u>0.1</u>	<u>0.2</u>	<u>12.2</u>
<u>Difference between Treasury Bills Face Value & Present Value</u>	<u>-1.8</u>	<u>-3.2</u>		<u>-1.8</u>	<u>-3.0</u>	
<u>Unclassified</u>	<u>-8.8</u>	<u>-15.6</u>	<u>-36520.8</u>	<u>-8.8</u>	<u>-14.8</u>	<u>-36525.0</u>

Source: Ministry of Finance

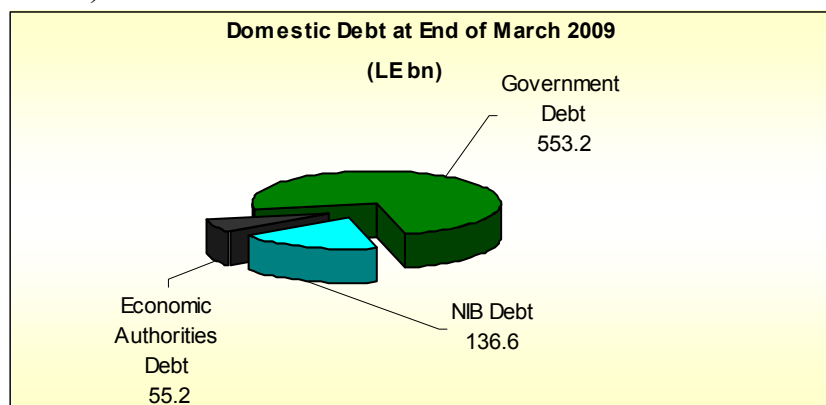
Percentages are calculated in terms of LE million

.. Less than LE 1 million

Local banking sources (mainly banks' subscriptions for TBs) were drawn upon to finance the overall deficit (LE 59.3 billion) of the consolidated fiscal operations of the general government, along with some external repayments of about LE 6.7 billion.

4/2: Domestic Public Debt

During July/March 2008/2009, gross domestic public debt rose by LE 78.2 billion or 11.7 percent, standing at LE 745.0 billion (71.6 percent of GDP) at the end of March 2009.



4/2/1: Government Debt (Net)

Government domestic debt (net) reached about LE 553.2 billion (more than half of GDP), up by LE 74.4 billion or 15.5 percent during the period under review. The rise was an outcome of the LE 83.2 billion pickup in the balances of government bonds and bills and LE 8.8 billion increase in the net credit position of government balances with the banking system (as government deposits rose by LE 13.7 billion and loans by LE 4.9 billion).

Net Domestic Debt of the Government

Balances at End of	June 2008		March 2009		Change
	Value	%	Value	%	+ (-) 2008/2009
Government Domestic Debt (Net)	478.8	100.0	553.2	100.0	74.4
-Balances of Bonds & Bills	569.0	118.8	652.2	117.9	83.2
• Notes and bonds*	422.6	88.2	431.8	78.5	9.2
Of which, tradable on exchanges	82.5	17.2	90.9	16.4	8.4
• Treasury bills	146.4	30.6	220.4	39.9	74.0
- SIFs Credit Facilities	2.3	0.5	2.3	0.4	00
-Net Balances at the Banking System	-92.5	-19.3	-101.3	-18.3	(8.8)
• Facilities	28.4	5.9	33.3	6.0	4.9
• Deposits	-120.9	-25.2	-134.6	-24.3	-13.7
Net debt/GDP (%)		53.4		53.2	

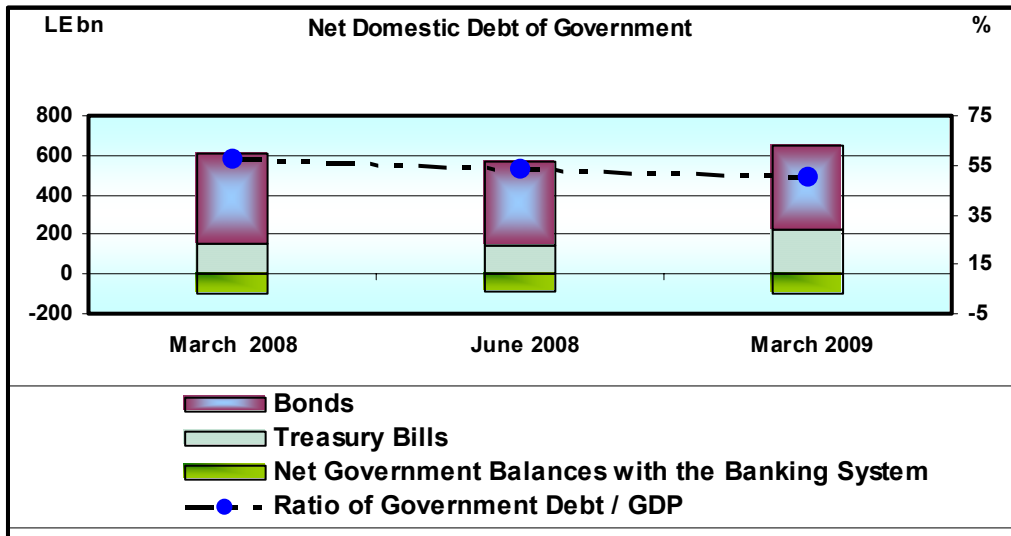
Source: Ministry of Finance, CBE and NIB

Ratios are calculated in terms of LE million.

* Including treasury bonds; housing bonds; bonds denominated in foreign currencies with public commercial banks; the 5 percent ratio retained from profits of corporations subject to Law No. 97 of 1983 for the purchase of government bonds; and holdings of resident financial institutions (banking system and insurance sector) of bonds floated abroad in US dollar and in Egyptian pound; and the SIFs bonds, against transferring NIB debt to the Treasury.

The rise in the balance of bonds and bills (LE 83.2 billion) was an outcome of the following:

- The LE 74.0 billion rise in the outstanding balance of treasury bills due to the expansion in the issues of 91-day bills by about LE 2.7 billion and 182-day bills by about LE 18.5 billion. The issuance of the new 273-day bills for the first time in October 2008, whose balance reached LE 55.5 billion at end of March 2009. Similarly, the 350-day bills were introduced in January 2009, with a total value of LE 6.0 billion in the said date. On the other hand, the 364-day bills retreated by some LE 8.7 billion. Overall, the balance of Treasury bills posted LE 220.4 billion at end of March 2009.
- Treasury bonds increased by LE 5.0 billion due to:
 - The issuance of two treasury bonds, the first on 13/1/2009 at a value of LE 3.0 billion, with a maturity of three years and an annual interest rate of 12.0 percent, and the second on 10/2/2009, with a maturity of five years and the same value and interest rate of the first bond.
 - Raising the value of two treasury bonds issued on 13/1/2009 and 10/2/2009 at a value of LE 3.0 billion each, and falling due in 2012 and 2014, respectively. For this purpose, auction was reopened on 24/2/2009 and 31/3/2009 (on the same conditions of issuance), with the result that their value leaped to LE 6.0 billion each.
 - The redemption of the nineteenth tranche of treasury bonds on 4/10/2008 at a value of LE 2.0 billion, the thirteenth tranche on 7/12/2008 at a value of LE 3.0 billion, and the seventh tranche on 1/3/2009 at a value of LE 2.0 billion.
- The LE 0.3 billion worth rise in dollar-denominated bonds floated abroad; and the LE 3.2 billion increase in the bonds floated in the Egyptian pound.
- The rise of LE 0.7 billion worth in foreign currency bonds at public commercial banks, due to revaluation differences.



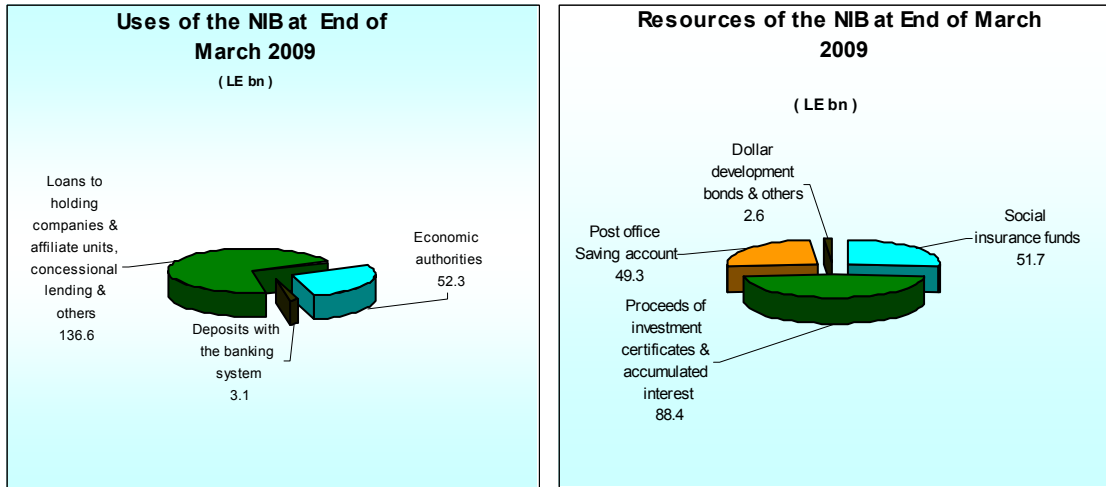
4/2/2: Debt of Public Economic Authorities

Debt of public economic authorities stepped up by LE 5.1 billion, to register LE 55.2 billion at end of March 2009. The rise resulted from the increase in their borrowing from the NIB by LE 1.0 billion, and the rise in their net borrowing from the banking system by LE 4.1 billion (due to the retreat in their deposits by LE 4.4 billion and the decline in their loans by only LE 0.3 billion).

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

NIB resources shrank by LE 1.0 billion during July/March 2008/2009, to LE 192.0 billion at end of March 2009. The decline was an outcome of the decrease in the resources from other domestic entities by LE 2.6 billion, and in the proceeds from US dollar development bonds by LE 0.1 billion worth, on one hand; and the increase in the earnings of investment certificates and the accumulated interest on investment certificates (group A) by LE 1.7 billion, on the other hand.

Resource uses ran as follows: LE 136.6 billion or 71.2 percent for lending to holding companies and their affiliate units, equity participations and concessional lending to different projects; LE 52.3 billion or 27.2 percent for financing the investments of public economic authorities; and the remainder (LE 3.1 billion) as deposits at the banking system.



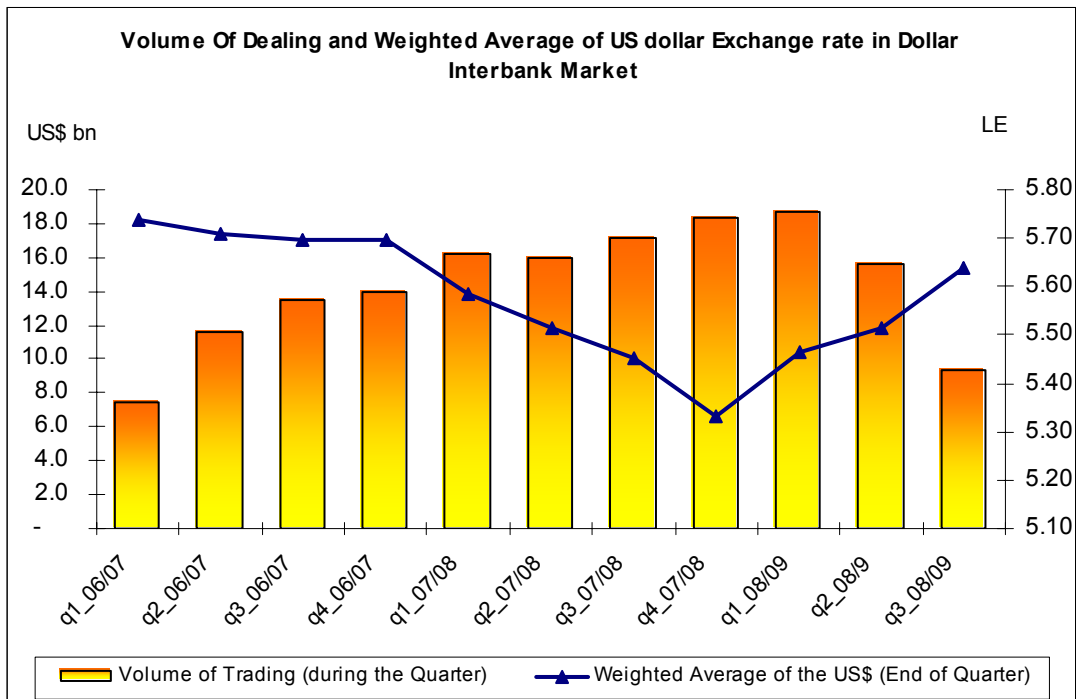
Domestic public debt service posted LE 44.6 billion during the period under review, up by LE 11.2 billion, compared with the corresponding period a year earlier. The increase was an outcome of a pickup of LE 5.6 billion in interest payments to LE 37.2 billion, and of LE 5.6 billion in principal repayments to LE 7.4 billion. The ratio of debt service to GDP - according to the budget - increased to 4.3 percent during July/March 2008/2009, from 3.7 percent. By contrast, the ratio of debt service to total revenues declined to 23.5 percent, from 24.7 percent.

5- External Transactions 5/1: Foreign Exchange Market

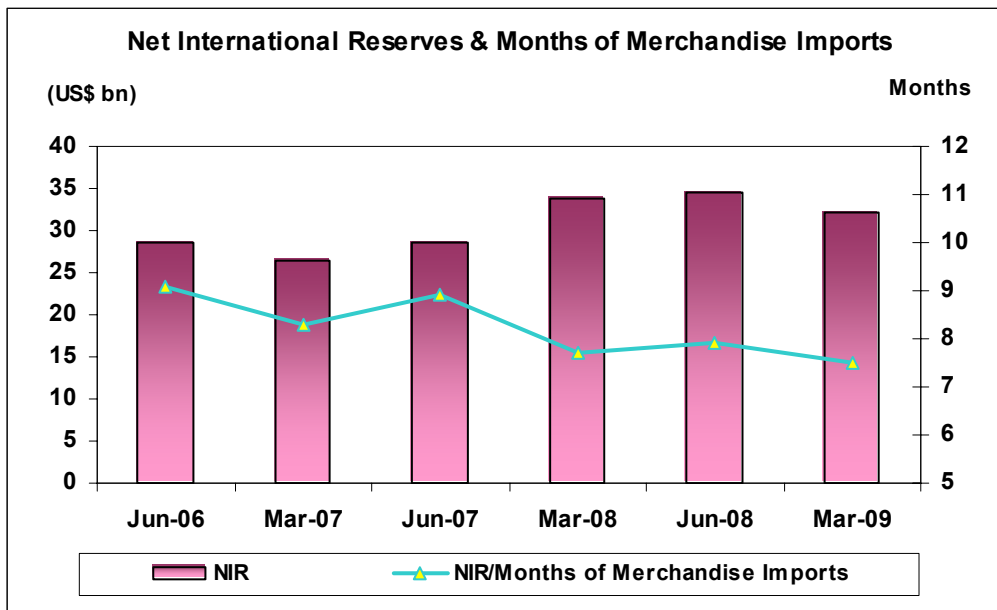
The CBE's prudent management of the foreign exchange market helped in dispelling dealers' concerns about exchange rate fluctuations, after large foreign investments in Egyptian TBs and securities were liquidated, in the wake of the global financial crisis.

Relying on the interbank market (launched on 23/12/2004), the banking system managed to meet all foreign currency needs. The volume of transactions in the dollar interbank market reached US\$ 43.8 billion during the period, down by US\$ 5.5 billion or 11.2 percent relative to the same period a year earlier. Sales by public banks in the market reached 13.6 percent of the total volume of transactions, and their purchases 3.6 percent. Private banks' sales recorded 86.4 percent and purchases 96.4 percent.

In the interbank market, the weighted average rate of the Egyptian pound versus the US dollar reached LE 5.6396 on 31 March 2009 (against LE 5.3331 on 30 June 2008), with a decline of 5.4 percent during the period under review. Yet, the value of the Egyptian pound has appreciated by 8.2 percent since the initiation of the dollar interbank market till the end of March 2009.



NIR with the CBE declined by US\$ 2.4 billion or 6.9 percent during the period under review, to stand at US\$ 32.2 billion at end of March 2009 (covering 7.5 months of merchandise imports). The decline was due to the repercussions of the global financial crisis. However, such a decline is considered one of the lowest rates in emerging economies; (32.5 percent in Russia, 30.2 percent in Malaysia and 25.8 percent in Poland)*. It is noteworthy that at the time of preparing and printing this Review, NIR in Egypt increased to US\$ 31.2 billion at end of May 2009, up by US\$ 19.0 million above April 2009.



The CBE's investment policy aims at distributing international reserves among other currencies, alongside the US dollar, based on a number of determinants, such as the structure of Egypt's external debt and the currencies of its main trade partners.

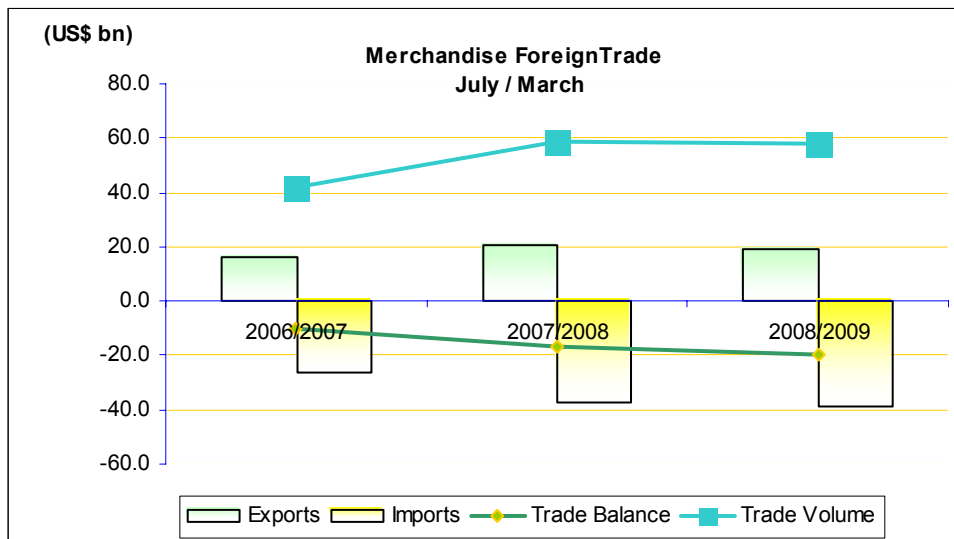
* Source: Central banks (SDDS at the IMF)

5/2: Balance of Payments*

The BOP ran an overall deficit of about US\$ 2.3 billion in the reporting period, under the global financial crisis, in contrast to a surplus of about US\$ 4.9 billion in the period of comparison. Current transactions recorded a deficit of US\$ 3.4 billion, while the capital and financial account unfolded a net inflow of about US\$ 0.7 billion.

5/2/1: Trade Balance

Influenced by the global financial crisis that weighed heavily on the world, the volume of Egypt's external trade decreased slightly by 0.8 percent during the period, to post US\$ 57.9 billion compared to the previous corresponding period. Export proceeds amounted to US\$ 19.2 billion and import payments to US\$ 38.7 billion. Consequently, the trade deficit widened by 16.1 percent to US\$ 19.5 billion (against US\$ 16.8 billion). Moreover, the ratio of merchandise export proceeds to merchandise import payments narrowed from 55.4 percent to 49.7 percent.



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

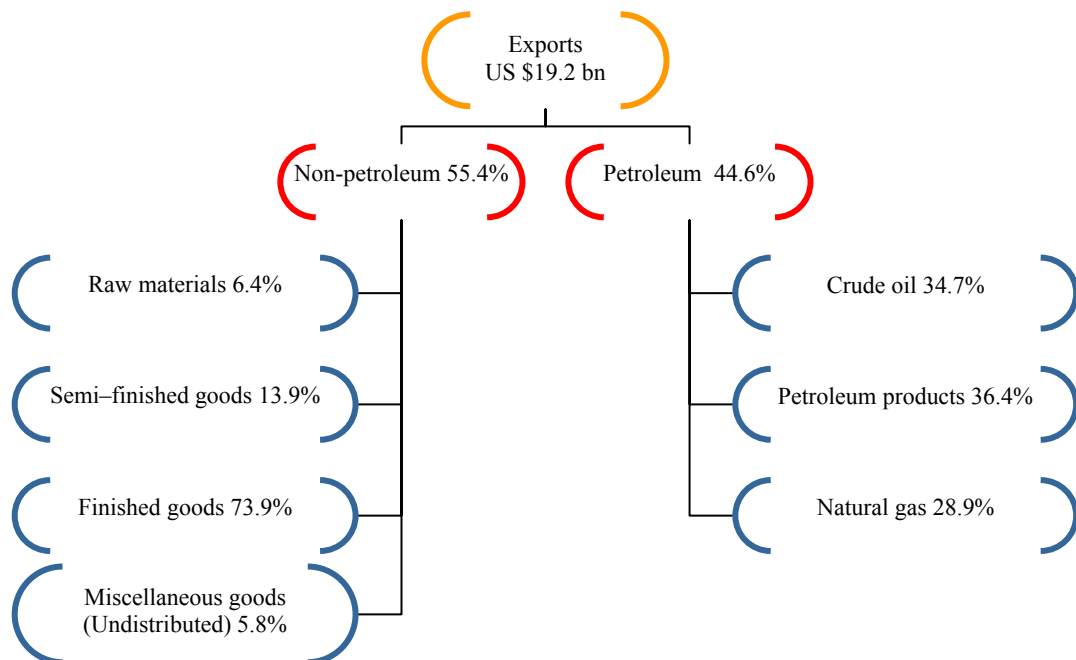
5/2/1/1: Different Structures of Exports and Imports

First: Merchandise Export Proceeds by Degree of Processing

During the period under review, export earnings declined by 7.6 percent to US\$ 19.2 billion. This was ascribed to a 13.4 percent contraction in oil exports, to stand at US\$ 8.6 billion, due to the steep fall in world oil prices and slackened world demand on oil because of the economic recession.

Likewise, non-oil exports decreased by 2.3 percent to US\$ 10.6 billion, because of the decline in the exports of raw materials and finished goods by 10.1 percent and 2.7 percent, respectively, though those of semi-finished goods expanded by 11.5 percent.

The following chart demonstrates the distribution of merchandise export proceeds* by degree of processing:



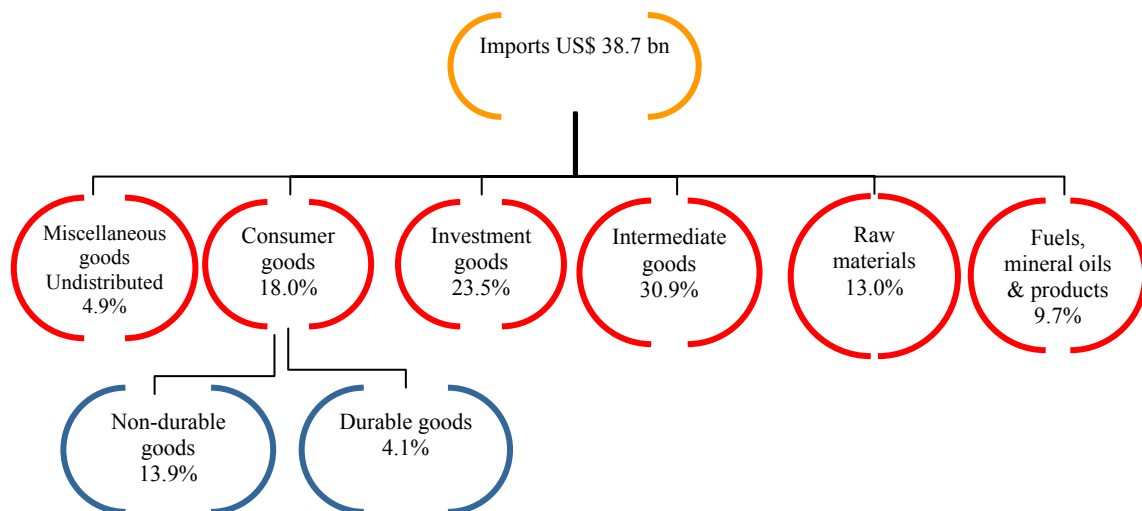
* Calculated on FOB basis, as their value is calculated at the customs borders of the Egyptian economy, i.e. excluding the costs of shipment, freight and insurance. They include exports of the free zones to the rest of the world .

Second: Merchandise Import Payments by Degree of Use

Merchandise import payments increased by 3.0 percent to US\$ 38.7 billion. This was an outcome of the increase in non-oil imports by 7.8 percent to US\$ 33.2 billion, and the decline in oil imports by 18.8 percent to US\$ 5.5 billion, in the wake of the drop in world oil prices.

Turning to the merchandise distribution of non-oil payments, all groups increased (raw materials were an exception, as they decreased by 29.2 percent). Intermediate goods came first, accounting for 30.9 percent of total merchandise import payments, followed by investment goods with a share of 23.5 percent and consumer goods with 18.0 percent.

The following chart illustrates merchandise import payments* by degree of use:



* 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.

Third: Sectoral Distribution of Merchandise Transactions

A- Private Sector

Export earnings of the private sector registered US\$ 8.4 billion or 43.6 percent of the total (against US\$ 8.9 billion), down by 5.7 percent, compared to the corresponding period of the previous FY. Its key exports were electric machines and appliances, recorders and T.V sets and their accessories; cast iron and semi-finished products and rolled iron; miscellaneous edible preparations; cement; ready-made clothes and articles of iron and steel.

On the other hand, import payments scaled up by 15.2 percent to US\$ 26.1 billion, representing 67.2 percent of total imports during the period, against US\$ 22.6 billion during the corresponding period a year earlier. The main imports of this sector were articles of iron and steel; organic and inorganic chemicals; pharmaceuticals; car spare parts and accessories; plastics and articles thereof and wood and articles thereof.

B- Public Sector

The public sector contributed US\$ 8.6 billion (44.7 percent) to the total export proceeds (against US\$ 9.4 billion), down by 8.4 percent compared to the previous corresponding period. Its chief exports were crude oil and products; fertilizers; aluminum products; unalloyed aluminum; cast iron; semi-finished goods and rolled iron.

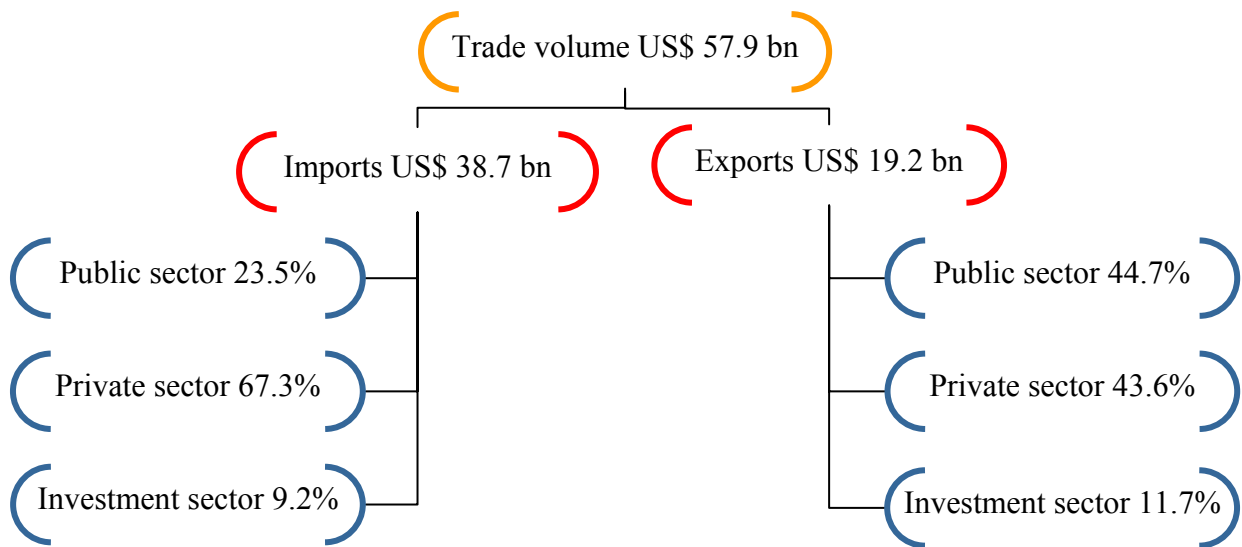
Import payments of this sector decreased by 22.2 percent, to stand at US\$ 9.1 billion or 23.5 percent of total imports during the period (against US\$ 11.7 billion). Its key imports were crude oil and products; animal and vegetable fats, greases and oils and their products; wheat and pharmaceuticals.

C- Investment Sector

Exports of the investment sector declined by 11.4 percent, recording US\$ 2.2 billion or 11.7 percent of total exports (against US\$ 2.5 billion). Its main exports were oil products; ready-made clothes; electric machines and appliances, recorders and T.V sets and their accessories; miscellaneous edible preparations; cast iron; semi-finished products and rolled iron; cotton textiles and organic and inorganic chemicals.

The sector's import payments stepped up by 8.4 percent, to post US\$ 3.6 billion or 9.3 percent of total imports (against US\$ 3.3 billion). Its main imports were crude oil and products; fans, pumps and their parts; articles of iron and steel; car spare parts and accessories; and animal and vegetable fats, greases and oils and products.

The following chart illustrates the sectoral distribution of exports and imports:

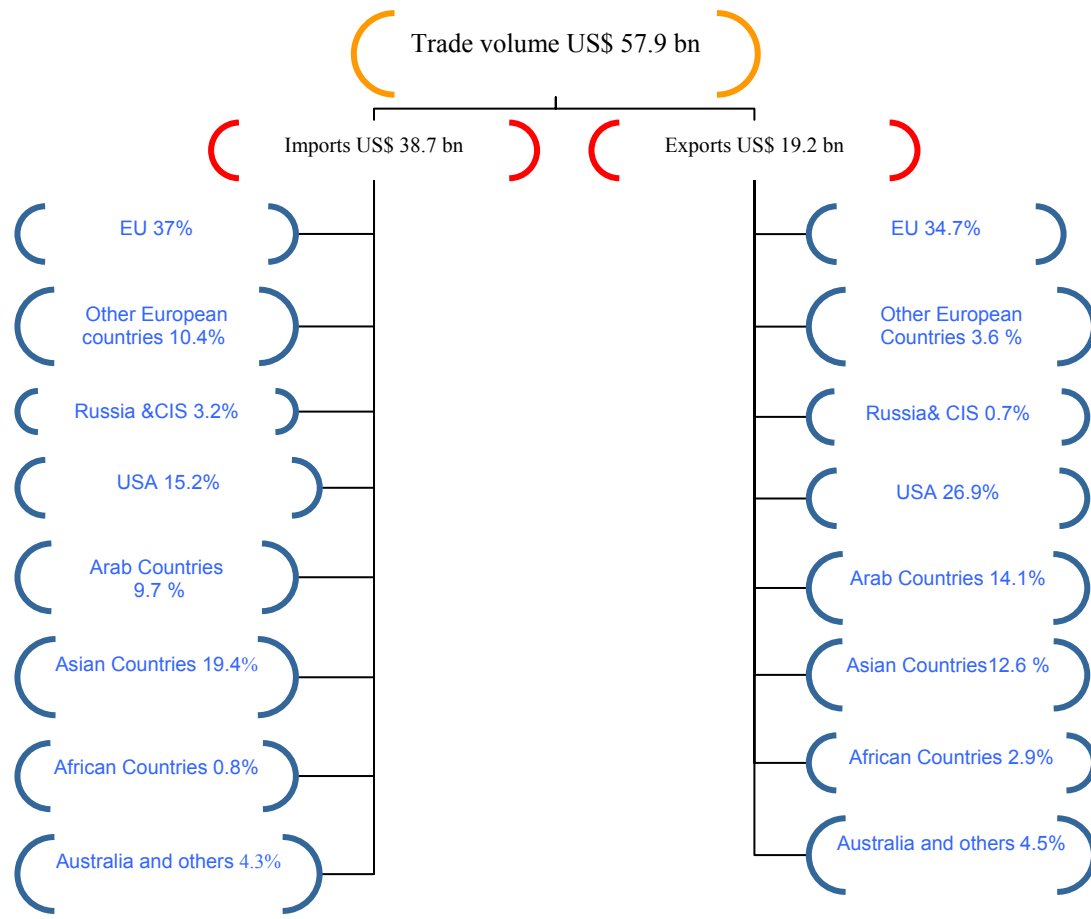


Fourth: Geographical Distribution of Merchandise Transactions

According to the geographical distribution of external trade, the EU countries were the main market for Egyptian exports, accounting for 34.7 percent of the total (against 32.7 percent). Ranking second, the USA got 26.9 percent (against 30.9 percent), followed by the Arab countries with 14.1 percent (against 11.1 percent).

Turning to imports, the EU countries were also the main exporter to Egypt, with a share of 37.0 percent of total imports (against 34.6 percent), followed by the Asian countries with 19.4 percent (against 18.4 percent) and then the USA with 15.2 percent (against 19.2 percent).

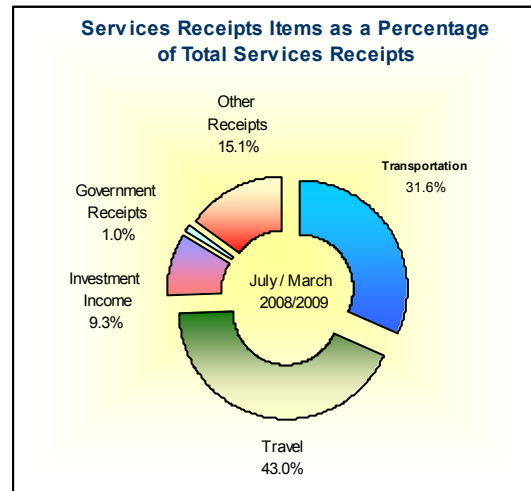
The following chart demonstrates the geographical distribution of exports and imports by groups of countries, according to the relative importance during the period under review:



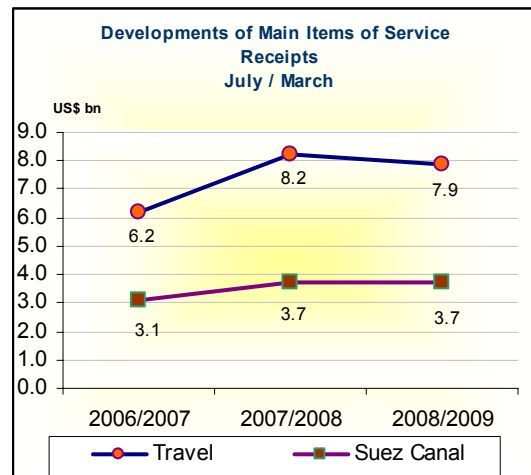
5/2/2: Services Balance and Transfers

In the first nine months of 2008/2009, services surplus retreated by 10.9 percent, to US\$ 9.6 billion, as a result of the following:

- The decrease in **invisible receipts** by 7.2 percent to US\$ 18.4 billion, due to the decline in most items, especially investment income receipts that shrank by 30.3 percent influenced by the expansionary monetary policies applied all over the world. This is in addition to the retreat in the foreign assets held by Egyptian banks abroad that led to a decrease in interest payments on deposits abroad.



- The decline in travel receipts (tourism revenues)* by 3.6 percent to US\$ 7.9 billion (4.2 percent of GDP), due to the decrease in the number of tourist nights from 96.7 million to 93.3 million, affected by the global financial crisis. This decrease was sharper in the second and third quarters of FY 2008/2009, falling by 10.0 percent and 17.2 percent, respectively, below the levels of the corresponding periods of the previous FY.



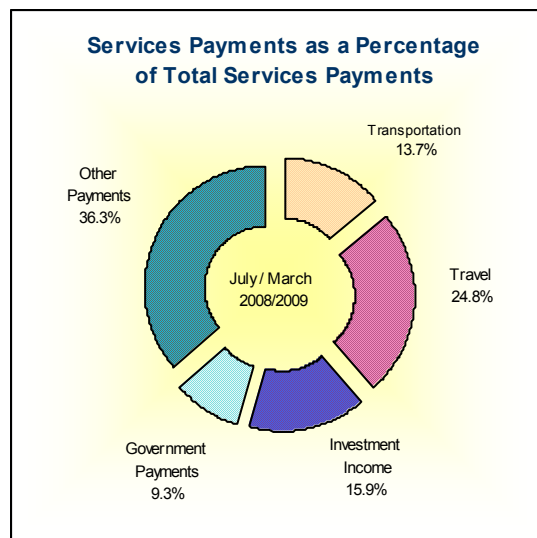
Transportation receipts picked up by 7.1 percent, thanks to the large receipts of Egyptian aviation and navigation companies. Suez Canal earnings, by contrast, dropped by 1.9 percent to US\$ 3.7 billion, due to the retreat in the number of transiting ships by 4.5 percent and net tonnage by 4.9 percent, owing to the slowdown in international trade and the global economic recession. This drop was more pronounced in the

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

third quarter of FY 2008/2009, registering a rate of 22.2 percent below the level of the previous corresponding quarter. The pace of decline was less sharp in the second quarter (2.9 percent).

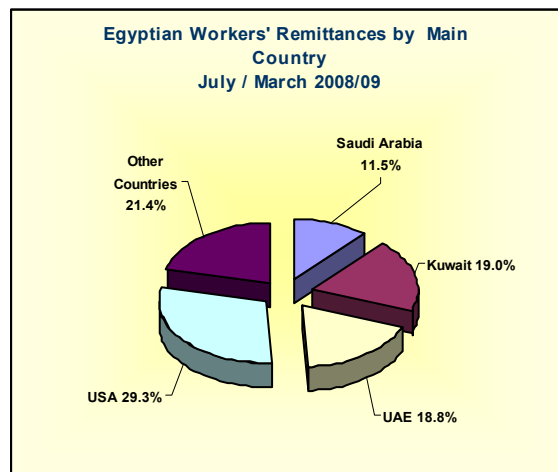
Other receipts also recorded a retreat of 22.8 percent, due to weak receipts of communication services, construction and contracting, insurance and legal and consultation fees. On the other hand, government receipts increased because of the high expenses of foreign embassies in Egypt.

- **Invisible payments** retreated by 2.9 percent to US\$ 8.8 billion (against US\$ 9.1 billion). This was ascribed to the retreat in most items, especially investment income payments by 4.0 percent, because of the drop in the profit transfers of foreign companies (oil and non-oil) operating in Egypt, the interest paid on external loans and facilities and the interest on non-residents' deposits at Egyptian banks.



Other payments decreased by 2.5 percent, due to the low transfers abroad by Egyptian companies (oil and non-oil), construction and contracting services, legal and consultation fees and communication services. On the other hand, travel and transportation payments witnessed a slight increase compared to the same period of the previous FY.

- **Net unrequited transfers** slightly edged up by 0.7 percent to US\$ 6.4 billion. This was an outcome of the increase in official transfers by 62.1 percent, due to the high cash transfers to the Egyptian government, and the decrease in private transfers by 3.0 percent to US\$ 5.8 billion (essentially Egyptian workers' remittances).



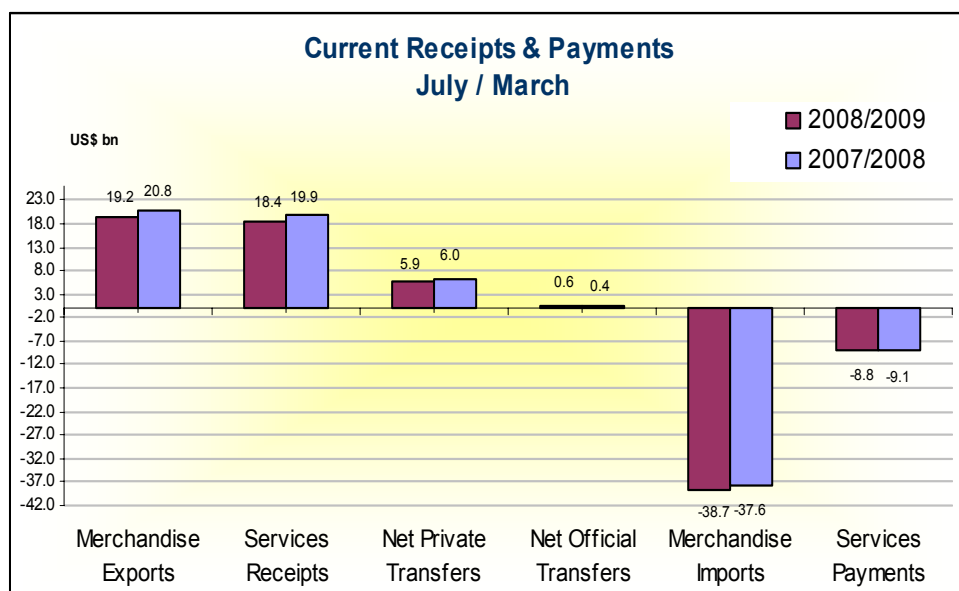
Unrequited Transfers

(US\$ mn)

	<u>July/March</u>		<u>Change</u>	
	2007/2008	2008/2009	%	
<u>Net Current Transfers</u>	<u>6393.1</u>	<u>6439.0</u>	<u>45.9</u>	<u>0.7</u>
<u>1- Official Transfers (Net)</u>	<u>362.9</u>	<u>588.2</u>	<u>225.3</u>	<u>62.1</u>
- Inward cash grants	122.6	371.6	249.0	203.1
- Other inward grants	289.6	267.5	-22.1	-7.6
- Official outward grants (-)	-49.3	-50.9	-1.6	-3.2
<u>2- Private Transfers (Net)</u>	<u>6030.2</u>	<u>5850.8</u>	<u>-179.4</u>	<u>-3.0</u>
- Workers' remittances	6166.0	5974.0	-192.0	-3.1
- Other transfers	35.8	55.7	19.9	55.6
- Private transfers abroad (-)	-171.6	-178.9	-7.3	4.3

In the light of the above-mentioned developments, the current account ran a deficit of US\$ 3.4 billion during the course of July/March, 2008/2009. This was an outcome of the rise in current payments by US\$ 0.9 billion or 1.8 percent to US\$ 47.5 billion, and the drop in current receipts by US\$ 3.0 billion or 6.3 percent to US\$ 44.1 billion.

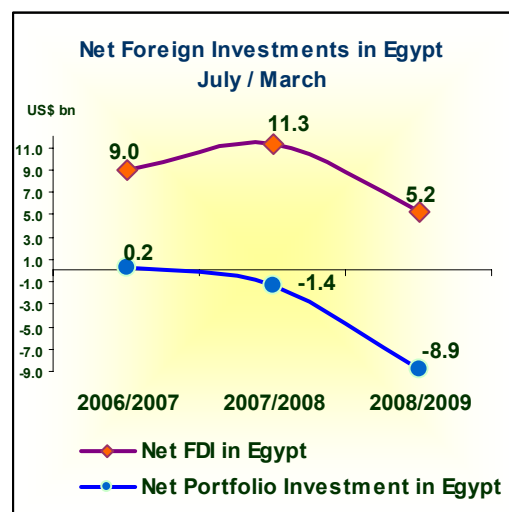
The following chart clarifies current receipts and payments in both the reporting and previous corresponding periods:



5/2/3: Capital and Financial Account

The **capital and financial account** revealed a net inflow of US\$ 0.7 billion during the period under review (against US\$ 3.6 billion during the corresponding period a year earlier), because of interplay of the following factors:

1. Foreign direct investment (FDI)* in Egypt realized a net inflow of US\$ 5.2 billion (well below the US\$ 11.3 billion realized in the period of comparison), down by 53.4 percent, as a result of the declines in:
 - Net Greenfield investments or capital increases to US\$ 2.0 billion, from US\$ 5.7 billion.
 - Privatization proceeds to US\$ 0.3 billion, from US\$ 1.8 billion.
 - Net direct investment in the oil sector to US\$ 2.8 billion, from US\$ 3.7 billion.



The following table illustrates the sectoral distribution and the share of each sector (%) in net FDI in Egypt.

(US\$ mn)

<u>Sector</u>	2007/2008	<u>July/March</u>		Share %
		Share %	2008/2009	
Total FDI Inflow in Egypt	14515.0	100.0	8744.4	100.0
Manufacturing	1325.9	9.2	752.7	8.6
Agriculture	57.8	0.4	73.8	0.8
Construction	304.7	2.1	174.3	2.0
Financing	1686.2	11.6	352.0	4.0
Services	642.2	4.4	242.2	2.8
Tourism	93.0	0.6	105.0	1.2
Communications and IT	14.7	0.1	723.2	8.3
Real estate	77.0	0.5	112.1	1.3
Petroleum	6640.4	45.8	5927.0	67.8
Unclassified	3673.1	25.3	282.1	3.2

* 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.

- 2- Portfolio investments in Egypt* recorded a net outflow of US\$ 8.9 billion (against US\$ 1.4 billion), consisting of foreigners' net investments in Egyptian TBs (US\$ 7.1 billion), their net transactions in shares (US\$ 0.9 billion) and net transactions in other Egyptian bonds and notes (US\$ 0.9 billion).
- 3- Other assets and liabilities (represented in the change in banks' foreign assets and liabilities and the CBE's non-reserve foreign assets and liabilities and the counterpart of some items included in the current account) posted a net inflow of US\$ 5.7 billion (against a net outflow of US\$ 5.4 billion).
- 4- Medium- and long- term loans and facilities remained unchanged at the level of the previous corresponding period (US\$ 1.1 billion), as an outcome of the following:
 - Total repayments amounted to US\$ 2.0 billion (against US\$ 1.5 billion), due to the increase in the repayments of medium-term suppliers' credit, and bilateral and international organizations' loans.
 - Total disbursements amounted to US\$ 0.9 billion (against US\$ 0.4 billion), due to the expansion in the disbursements of suppliers' medium-term credit and bilateral loans.

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

5/3: International Finance

According to international finance data, net resources from abroad markedly declined by US\$ 13.7 billion during July/March 2008/2009, to record a net outflow of US\$ 5.9 billion, against a net inflow of US\$ 7.8 billion during the corresponding period a year earlier.

The decline was primarily due to a fall in total net resource inflows, resulting in a net outflow of US\$ 4.5 billion during the period under review (against a net inflow of US\$ 9.3 billion during the period of comparison). This was an outcome of a number of factors. First, net foreign investments in Egypt (direct and portfolio) dramatically declined by US\$ 13.5 billion. Specifically, FDI in Egypt went down by US\$ 6.0 billion, while portfolio investment continued to realize an outflow, (up by US\$ 7.5 billion) as foreign investors liquidated their investments in emerging markets to face the global liquidity crisis. Second, foreign direct investment (FDI) abroad scaled up to post a net outflow of US\$ 0.7 billion. Third, external borrowing shifted from a net disbursement to a net repayment of US\$ 48.0 million, while portfolio investment abroad retreated by US\$ 0.6 billion. Fourth, net official grants augmented by some US\$ 0.2 billion.

Total interest payments and profit transfers abroad slightly declined by US\$ 57.7 million, to reach US\$ 1.4 billion.

Finance Resources from Abroad (Net)

(US\$ mn)

	<u>July/March</u>		Change
	2007/08+	2008/09+	
Net International Finance from Abroad	7805.1	(5872.7)	(13677.8)
A- Total Net Resources from Abroad*	9259.7	(4475.8)	(13735.5)
1- Official grants (net)	362.9	588.2	225.3
2- External borrowing (net)	336.7	(48.0)	(384.7)
3- Direct investment in Egypt (net)	11251.7	5238.9	(6012.8)
4- Portfolio investment in Egypt (net)	(1350.7)	(8889.8)	(7539.1)
5- Direct investment abroad	(411.2)	(1079.9)	(668.7)
6- Portfolio investment abroad (net)	(929.7)	(285.2)	644.5
B- Interest Payments and Profit Transfers (Outflows)	(1454.6)	(1396.9)	57.5
1- Interest on external loans and facilities	(538.4)	(500.2)	38.2
2- Interest on non-residents' deposits at Egyptian banks	(38.7)	(26.6)	12.1
3- Profit transfers of direct investment	(763.8)	(629.8)	134.0
4- Profit transfers of investment in securities	(113.7)	(240.3)	(126.6)

+ Provisional

* External resources encompass the main items that constitute the financial account of foreign investment (direct and portfolio) of the BOP in Egypt and abroad, besides net external borrowing and net official grants.

5/3/1: FDI in Egypt *

During the course of July/March, 2008/2009, FDI in Egypt contracted (on net basis) by 53.4 percent, to reach US\$ 5.2 billion (against US\$ 11.3 billion). This was an outcome of the decline in FDI by 39.8 percent to US\$ 8.7 billion (against US\$ 14.5 billion), and the rise in capital repatriation by 7.4 percent to US\$ 3.5 billion.

The slackened inflows were ascribed to weak flows from USA by 45.9 percent to US\$ 2.8 billion, from the EU countries by 24.3 percent to US\$ 3.4 billion, from Arab countries by 55.3 percent to some US\$ 0.9 billion, and from the other countries by 41.7 percent to US\$ 1.6 billion.

Sectoral distribution of total FDI in Egypt during the period under review showed that inflows to the petroleum sector accounted for 67.8 percent (see the following table). The bulk of these flows (45.2 percent) came from the EU countries, mainly the UK (23.0 percent) and Belgium (16.4 percent). The USA accounted for 42.1 percent, the Arab countries for 7.4 percent, chiefly Saudi Arabia (3.7 percent), and the other countries for 5.3 percent, mainly Switzerland (2.1 percent).

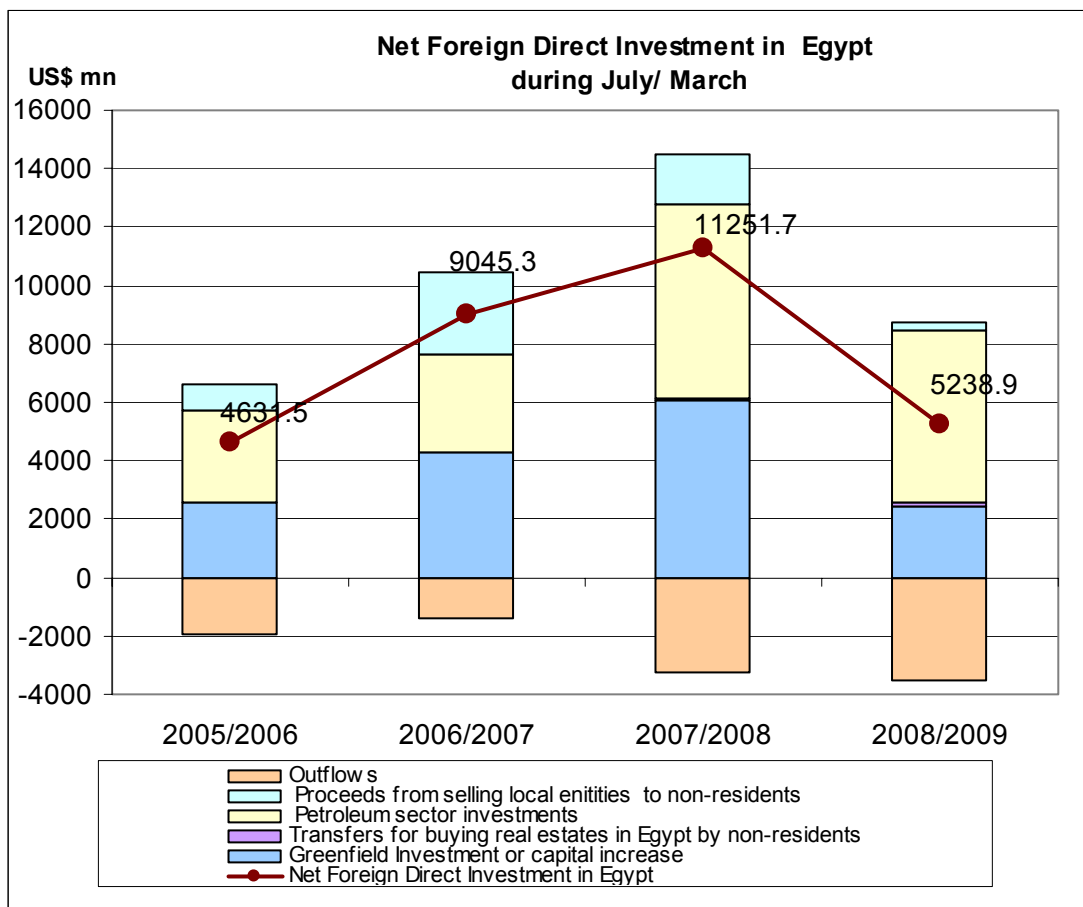
Sectoral Distribution of Total FDI in Egypt

(US\$ mn)

Sector	July/March			
	2007/2008		2008/2009	
	Value	%	Value	%
Total Inflows	14515.0	100.0	8744.4	100.0
Petroleum	6640.4	45.7	5927.0	67.8
Manufacturing	1325.9	9.1	752.7	8.6
Finance	1686.2	11.6	352.0	4.0
Services	642.2	4.4	242.2	2.8
Construction	304.7	2.1	174.3	2.0
Real Estate	77.0	0.5	112.1	1.3
Tourism	93.0	0.6	105.0	1.2
Agriculture	57.8	0.4	73.8	0.8
Communications & IT	14.7	0.1	723.2	8.3
Undistributed	3673.1	25.3	282.1	3.2

*FDI is a category of international investment that implies the existence of a long-term relationship (between a resident in a given economy and an enterprise resident in another economy), in which a direct investor owns 10 percent or more of the ordinary shares or voting power (for an incorporated enterprise) or its equivalent (for an unincorporated enterprise). Source: IMF's BOP Manual, Fifth Edition.

A breakdown of FDI in Egypt by investment purpose showed that petroleum investments ranked first as stated above, reaching US\$ 5.9 billion during the reporting period. Greenfield investments or capital increase came next with some US\$ 2.4 billion or 27.8 percent of the total, then real estate investments (about US\$ 112.1 million or 1.3 percent of the total), and privatization proceeds from selling local assets to non-residents (about US\$ 276.3 million or 3.2 percent of the total).



FDI in Egypt by Geographical Distribution

(US\$ mn)

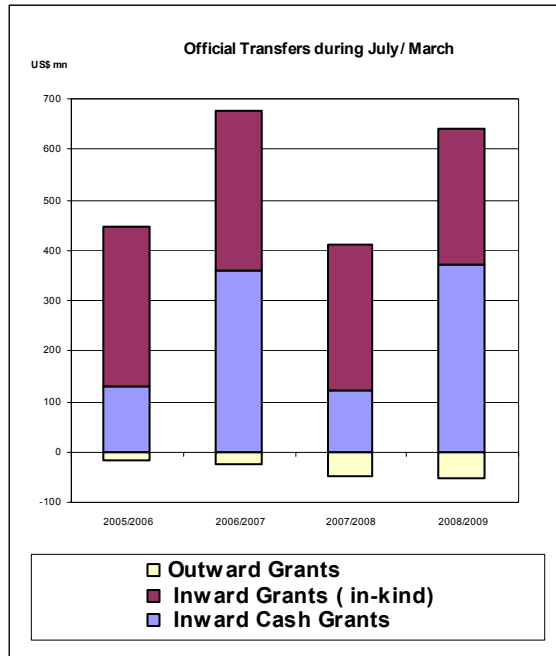
	July/March		Change
	2007/2008	2008/2009*	
Flows of FDI in Egypt (Net)	11251.7	5238.9	(6012.8)
Inflows	14515.0	8744.4	(5770.6)
USA	5118.9	2767.2	(2351.7)
EU Countries	4477.9	3391.3	(1086.6)
Germany	185.3	79.4	(105.9)
France	1120.2	190.8	(929.4)
UK	2785.5	1657.9	(1127.6)
Italy	23.8	27.0	3.2
Greece	91.3	152.2	60.9
Spain	5.5	1.5	(4.0)
The Netherlands	33.5	106.9	73.4
Belgium	166.3	1116.6	950.3
Luxemburg	50.8	25.6	(25.2)
Denmark	5.5	7.9	2.4
Sweden	2.7	0.0	(2.7)
Austria	0.1	10.4	10.3
Cyprus	6.4	3.4	(3.0)
Poland	0.0	8.4	8.4
Others	1.0	3.3	2.3
Arab Countries	2073.2	927.2	(1146.0)
Saudi Arabia	116.5	344.4	227.9
UAE	583.5	246.9	(336.6)
Kuwait	1153.1	79.0	(1074.1)
Lebanon	113.1	66.0	(47.1)
Libya	56.4	1.7	(54.7)
Jordan	4.6	106.4	101.8
Bahrain	29.8	12.6	(17.2)
Qatar	4.9	34.3	29.4
Oman	0.6	10.1	9.5
Yemen	3.2	9.4	6.2
The Sudan	0.4	0.7	0.3
Others	7.1	15.7	8.6
Other Countries	2845.0	1658.7	(1186.3)
Switzerland	166.4	134.5	(31.9)
Japan	4.4	30.2	25.8
Canada	7.2	7.5	0.3
China	12.6	44.9	32.3
Australia	1.3	7.5	6.2
India	2.9	50.3	47.4
Turkey	12.9	50.9	38.0
Bermuda	4.9	0.0	(4.9)
Norway	1.4	4.5	3.1
Hong Kong	0.0	56.0	56.0
Others	2631.0	1272.4	(1358.6)
Capital Repatriation+	(3263.3)	(3505.5)	(242.2)

* Provisional

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

5/3/2: External Official Grants

Net transfers of official grants (cash and in-kind), as shown in the opposite chart, amounted to US\$ 588.2 million during July/March, 2008/2009 (against US\$ 362.9 million during the previous corresponding period) up by US\$ 225.3 million. This increase was an outcome of higher cash grants by US\$ 249.0 million, to reach US\$ 371.6 million, and lower in-kind grants by US\$ 22.1 million, to post US\$ 267.5 million. The main grantors were the USA, Belgium, Germany and Japan. On the other hand, outflows of official grants scaled up by US\$ 1.6 million to US\$ 50.9 million.



According to the Ministry of International Cooperation, total grant commitments during the period under review shrank by US\$ 0.8 billion or 60.7 percent, to US\$ 0.5 billion, reflecting modest grant commitments with the European Commission and USA.

Official Grants: New Commitments and Net Actual Flows

(US\$ mn)

July/March	<u>New Commitments</u>		<u>Actual Flows</u>	
	2007/2008	2008/2009	2007/2008	2008/2009*
<u>Net Inflows</u>			<u>362.9</u>	<u>588.2</u>
<u>Inflows</u>	<u>1299.1</u>	<u>510.1</u>	<u>412.2</u>	<u>639.1</u>
USA	319.4	124.5	296.5	470.9
Japan	12.9	4.7	23.8	19.4
Germany	13.5	11.2	52.9	19.5
The Netherlands		6.4		
Italy		11.6	2.1	0.2
UK			0.7	0.4
Spain	14.7			
China		8.8	9.6	8.6
Canada	5.0		2.8	2.2
UAE				1.4
Kuwait	1.0			0.3
Belgium			23.1	114.2
EU Council**	27.3			
European Commission***	854.5	86.2		
Islamic Development Bank	0.3			
US Agency for International Development		247.1		
Korean International Cooperation Agency (KOICA)		6.8		
French Development Agency		2.1		
World Bank	50.2			
Others	0.3	0.7	0.7	2.0
<u>Outflows</u>			<u>(49.3)</u>	<u>(50.9)</u>

* Provisional

** The EU Council is the juristic entity of the EU.

*** The European Commission is the executive entity of the EU.

Sectoral distribution of grant commitments shows that grants for the services sectors went down by US\$ 0.8 billion, to stand at US\$ 0.5 billion during July/March, 2008/2009 (against US\$ 1.2 billion). This was ascribed to lower grant commitments for the general government, financial intermediaries and social solidarity sectors. In the meantime, grants to the productive sectors declined by US\$ 34.6 million to US\$ 49.0 million during the period under review. The decline was mainly pronounced in energy and electricity sector.

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

(US\$ mn)

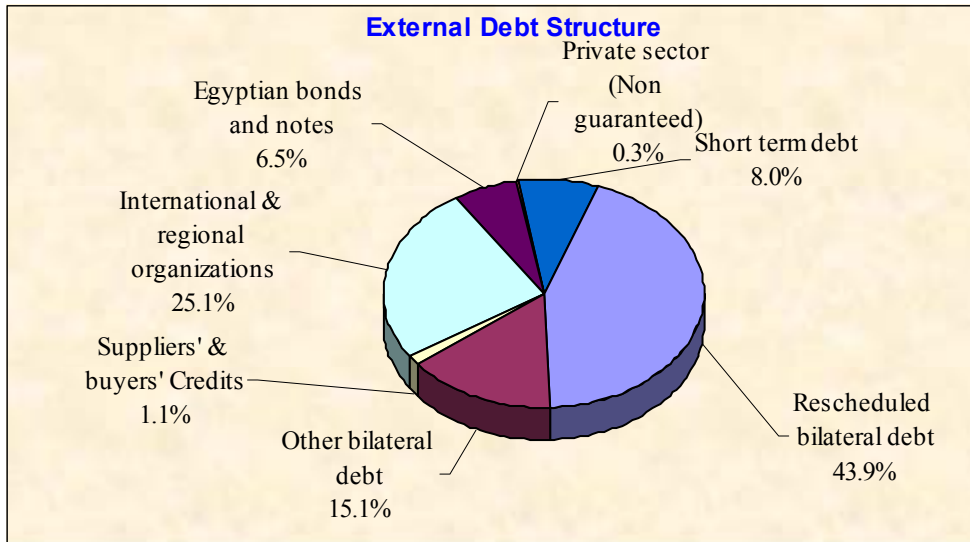
	2007/2008		July/March 2008/2009		Change
		%		%	
Total	1299.1	100.0	510.1	100.0	(789.0)
Productive Sectors:	83.6	6.4	49.0	9.6	(34.6)
Agriculture and irrigation	20.0	1.5	6.8	1.3	(13.2)
Energy & electricity	63.3	4.9	42.2	8.3	(21.1)
Potable water & sanitary sewage	0.3	0.0	0.0	0.0	(0.3)
Services Sectors:	1215.5	93.6	461.1	90.4	(754.4)
Transportation, communications and information & Suez Canal	0.0	0.0	11.6	2.3	11.6
Financial intermediaries & supporting services	31.6	2.5	14.3	2.8	(17.3)
Insurance & social solidarity	27.3	2.1	0.0	0.0	(27.3)
Real estate	0.0	0.0	57.0	11.2	57.0
General government	1066.9	82.1	30.7	6.0	(1036.2)
Education and health	89.7	6.9	91.0	17.8	1.3
Others	0.0	0.0	256.5	50.3	256.5

5/3/3: External Debt*

Total external debt (public and private, and all maturities) declined by US\$ 3.0 billion, to reach US\$ 30.9 billion at end of March 2009 (against US\$ 33.9 billion at end of June 2008). This was an outcome of two of factors. First, a depreciation in most currencies of borrowing versus the US dollar by an amount equivalent to US\$ 2.1 billion. Second, a net repayment of US\$ 0.9 billion for loans and facilities (as disbursements registered US\$ 1.8 billion and principal repayments US\$ 2.7 billion).

The public sector was the major obligor, with a share of US\$ 29.0 billion, or 93.8 percent of the total debt, at end of March 2009. Debt of the private sector accounted for the remaining US\$ 1.9 billion, or 6.2 percent.

* The structure of Egypt's external debt by currency of borrowing is one of the key indicators used by the CBE to determine the structure of international reserves by currency.



A breakdown of external debt by maturity shows that medium- and long-term debt (guaranteed and non-guaranteed) reached some US\$ 28.4 billion, or 92.0 percent of total debt at end of March 2009 (including US\$ 26.4 billion as loans and US\$ 2.0 billion as bonds and notes).

Of the medium- and long-term debt, around US\$ 17.7 billion (57.4 percent of the total) were owed to Paris Club members, in the form of bilateral loans (rescheduled and non rescheduled) and suppliers' and buyers' credit. Debt due to countries other than Paris Club members registered US\$ 0.8 billion (2.7 percent).

Debt to international and regional organizations reached US\$ 7.7 billion (25.1 percent of the total). The balance of Egyptian bonds and notes (holdings of non-residents) registered some US\$ 2.0 billion (6.5 percent of total external debt). Of this figure, US\$ 1.3 billion were guaranteed government securities, US\$ 0.2 billion were dollar-denominated sovereign bonds, and US\$ 0.5 billion worth were LE government bonds issued abroad*. Non-guaranteed debt of the private sector accounted for the remaining percentage (0.3 percent of the total debt).

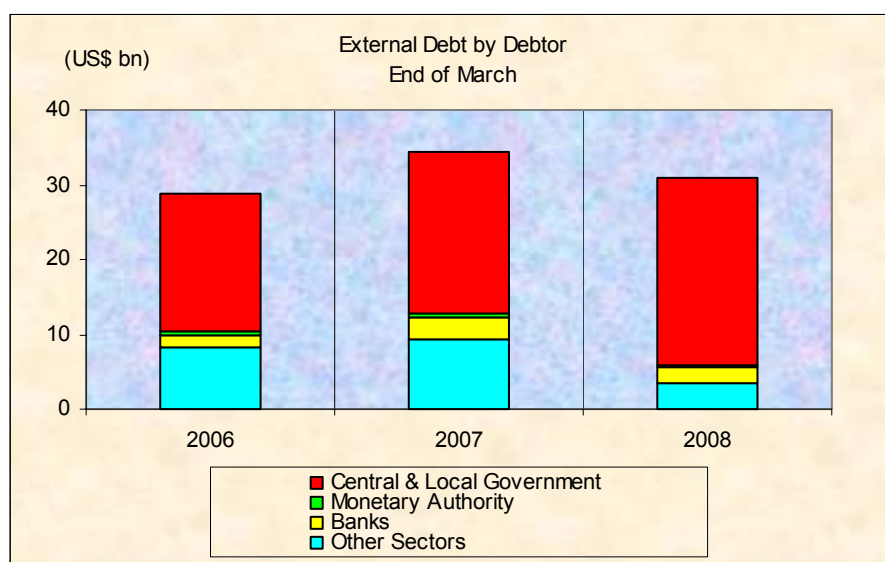
* Falling due in July 2012, LE bonds were issued abroad in July 2007 at a value of LE 6 billion. Of this amount, some US\$ 0.6 billion (equivalent to LE 3.5 billion) are owed to non-residents (external debt), and the remaining is deemed a domestic debt.

The balance of short-term debt (8.0 percent of the total) slightly declined by some US\$ 26.3 million to US\$ 2.5 billion (of which, the private sector owed 63.4 percent). This resulted from the decrease in short-term trade facilities by US\$ 14.6 million to US\$ 1.5 billion (including US\$ 1.0 billion as trade credit), and the drop in short-term deposits of non-residents by US\$ 11.7 million to US\$ 1.0 billion.

External Debt by Debtor

A breakdown of external debt by debtor at end of March 2009 showed that the balance of external debt owed by the other sectors decreased by US\$ 5.9 billion to US\$ 3.6 billion, banks by US\$ 0.4 billion to US\$ 2.1 billion, and the CBE by US\$ 0.1 billion to US\$ 0.2 billion. In the meantime, the stock of debt owed by the central government rose by US\$ 3.4 billion to US\$ 25.0 billion. The bulk of the increase was attributed to the reclassification of some items* rather than the increase of debt balance.

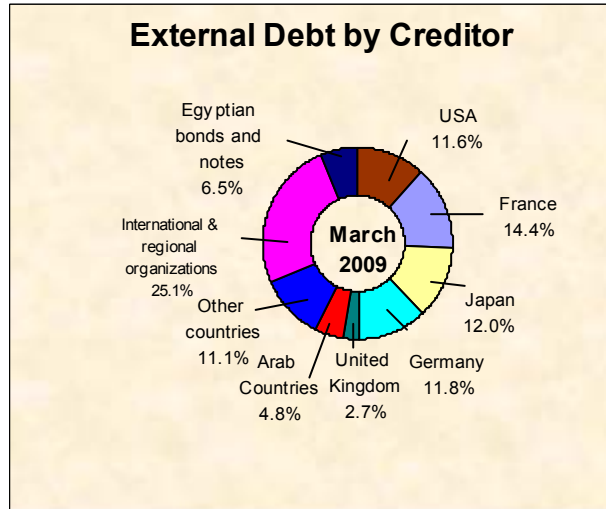
Nevertheless, these developments did not affect the structure of external debt by debtor, as the central government remained the main debtor (80.9 percent), followed by the other sectors (11.6 percent), banks (6.9 percent), and the CBE (0.6 percent).



* In September 2008, the on-lent external debts were reclassified under the debt owed by the “central and local government sector” instead of “other sectors”. This led to a rise in the external debt owed by both the central and local government without affecting the total external debt.

External Debt by Creditor

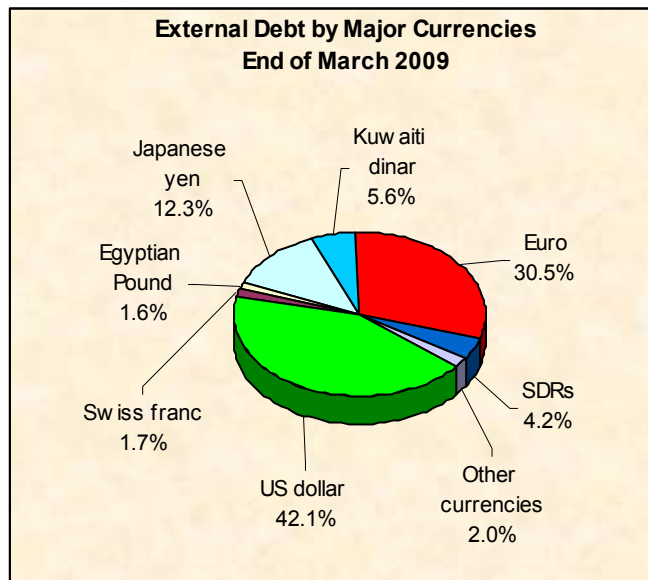
A breakdown of external debt by creditor showed that 36.4 percent of the total was due to the EU countries; namely France (14.4 percent), and Germany (11.8 percent). In the meantime, debt due to Japan and USA represented 12.0 percent and 11.6 percent, respectively. Debt owed to international and regional organizations registered 25.1 percent, mainly to the European Investment Bank (6.4 percent). Debt owed to the Arab countries combined posted 4.8 percent, mainly Kuwait (2.7 percent), and Saudi Arabia (0.7 percent).



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Debt by Main Currency of Borrowing¹

A breakdown of external debt by main component currencies indicated that the US dollar accounted for the bulk (with a relative importance of 42.1 percent) of the total, due to outstanding obligations in US dollar to creditors other than the USA. The euro came next with 30.5 percent, the Japanese yen with 12.3 percent, and the Kuwaiti dinar with 5.6 percent.



¹ The structure of Egypt's external debt by currency of borrowing is one of the key indicators used by the CBE to determine the structure of international reserves by currency.

Debt Indicators

During the reporting period, key debt indicators continued to improve for the third year in a row, as illustrated in the following table. Overall, external debt /GDP ratio fell to 16.7 percent from 21.0 percent. Following suit, the ratio of external debt/exports of goods and services dropped to 82.0 percent from 84.8 percent. The 6.3 percent decline in the exports of goods and services as well as transfers during the period drove up the ratio of debt service/current receipts (including transfers) from 4.6 percent to 6.0 percent and its ratio to exports of goods and services from 5.3 percent to 7.0 percent.

The ratio of short-term debt to total debt and to NIR decelerated to 8.0 percent and 7.7 percent, in order, during the period under review, against 8.2 percent and 8.4 percent, during the period of comparison.

External debt per capita retreated to US\$ 410.0 during the period under review, from US\$ 460.1 during the period of comparison.

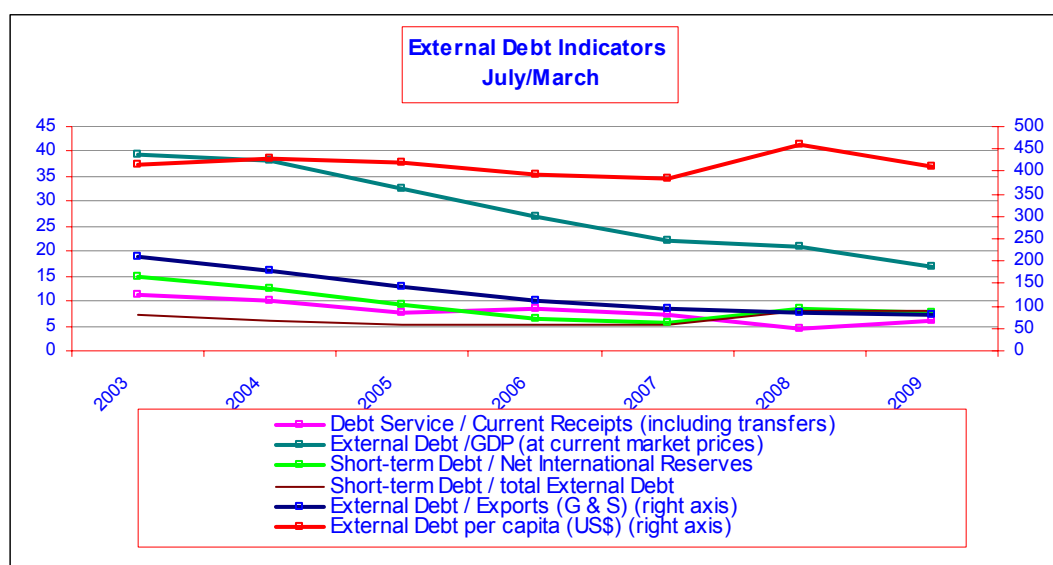
Main Indicators of External Debt

	(%)		
		<u>July/March</u>	
	2006/07	2007/08	2008/09+
Debt balance*/GDP	22.0	21.0	16.7
Debt balance/exports of goods and services	93.0	84.8	82
Debt service/exports of goods and services	8.4	5.3	7.0
Debt service/current receipts (including transfers)	7.2	4.6	6.0
Interest payments**/exports of goods and services	1.8	1.6	1.7
Interest payments**/ current receipts (including transfers)	1.5	1.4	1.4
Short-term debt/total debt	5.3	8.2	8.0
Short-term debt/net international reserves	5.7	8.4	7.7
External debt per capita (US\$)	383.1	460.1	410.0

+ Provisional

* The balance of external debt is expressed in LE according to the exchange rate at the end of the period.

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



Turning to debt service, total debt service payments went up by US\$ 469.2 million to US\$ 2.6 billion during July March, 2008/2009, compared with the corresponding period a year earlier. Such a rise was an outcome of the increase in principal repayments by US\$ 488.5 million to US\$ 2.0 billion on the one hand, and the decrease in interest payments by US\$ 19.3 million to US\$ 0.6 billion, on the other.

New commitments on loans and facilities reached US\$ 3.5 billion. Most of these commitments were concluded with international and regional institutions. In this context, an agreement was concluded with the International Bank for Reconstruction and Development on three loans with a total value of US\$ 1.2 billion. Also, a loan commitment of US\$ 0.5 billion was concluded with the African Development Bank. The European Investment Bank made a loan commitment of US\$ 0.4 billion. In addition, bilateral loans extended by France, Japan and Germany amounted to US\$ 0.3 billion each.

Annex

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

At 2006/2007 prices

(LE mn)

July / March

Sectors	2007/2008			2008/2009			Growth Rate % 2008/2009		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
Total GDP	205975.0	358989.6	564964.6	214820.1	376820.2	591640.3	4.3	5.0	4.7
Agriculture, Irrigation & Fishing	12.3	80201.4	80213.7	12.6	82719.0	82731.6	2.4	3.1	3.1
Extractions	64295.6	13089.6	77385.2	67890.6	14563.1	82453.7	5.6	11.3	6.5
Oil	28198.0	4627.0	32825.0	29994.0	5053.0	35047.0	6.4	9.2	6.8
Natural gas	35825.0	6418.0	42243.0	37615.0	7391.0	45006.0	5.0	15.2	6.5
Others	272.6	2044.6	2317.2	281.6	2119.1	2400.7	3.3	3.6	3.6
Manufacturing Industries	11878.0	78046.3	89924.3	12124.3	81367.6	93491.9	2.1	4.3	4.0
Oil refining	2730.0	2047.0	4777.0	2565.0	2057.0	4622.0	-6.0	0.5	-3.2
Others	9148.0	75999.3	85147.3	9559.3	79310.6	88869.9	4.5	4.4	4.4
Electricity	6612.5	1161.0	7773.5	7024.0	1181.0	8205.0	6.2	1.7	5.6
Water	1921.0	0.0	1921.0	2049.1	0.0	2049.1	6.7	0.0	6.7
Construction & Building	2774.4	22442.9	25217.3	3055.1	25093.1	28148.2	10.1	11.8	11.6
Transportation & Storage	3953.2	18865.7	22818.9	4186.0	20065.9	24251.9	5.9	6.4	6.3
Communications	6263.7	12482.4	18746.1	7061.2	14501.8	21563.0	12.7	16.2	15.0
Suez Canal	20278.2	0.0	20278.2	19973.0	0.0	19973.0	-1.5	0.0	-1.5
Wholesale & Retail Trade	2130.5	61311.3	63441.8	2229.9	62681.6	64911.5	4.7	2.2	2.3
Financial Intermediaries & Supporting Services	14672.0	8204.5	22876.5	15306.8	8541.9	23848.7	4.3	4.1	4.2
Insurance	1225.6	379.4	1605.0	1266.6	395.6	1662.2	3.3	4.3	3.6
Social Solidarity	19498.2	0.0	19498.2	20533.0	0.0	20533.0	5.3	0.0	5.3
Restaurants & Hotels	171.6	23760.8	23932.4	181.0	25102.0	25283.0	5.5	5.6	5.6
Real Estate	404.2	14954.6	15358.8	417.7	15511.7	15929.4	3.3	3.7	3.7
Real Estate Ownership	262.0	7880.1	8142.1	271.0	8162.0	8433.0	3.4	3.6	3.6
Business Services	142.2	7074.5	7216.7	146.7	7349.7	7496.4	3.2	3.9	3.9
General Government	48974.8	0.0	48974.8	50567.1	0.0	50567.1	3.3	0.0	3.3
Education, Health & Personal Services	909.2	24089.7	24998.9	942.1	25095.9	26038.0	3.6	4.2	4.2
Education	0.0	6501.5	6501.5	0.0	6761.9	6761.9	0.0	4.0	4.0
Health	507.2	7054.0	7561.2	520.1	7335.5	7855.6	2.5	4.0	3.9
Others	402.0	10534.2	10936.2	422.0	10998.5	11420.5	5.0	4.4	4.4

Source : Ministry of Economic Development.

(1/2) GDP by Expenditure (Constant Prices)

July/ March

	<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
<u>1-GDP at Market Price(2+3+4-5)</u>	<u>591.0</u>	<u>619.0</u>	<u>100.0</u>	<u>100.0</u>	<u>7.0</u>	<u>4.7</u>
<u>2- Final Consumption</u>	<u>500.7</u>	<u>525.0</u>	<u>84.7</u>	<u>84.8</u>	<u>4.6</u>	<u>4.9</u>
Final private consumption	437.1	458.1	73.9	74.0	5.0	4.8
Final government consumption	63.6	66.9	10.8	10.8	1.9	5.2
<u>3- Gross Capital Formation</u>	<u>120.4</u>	<u>124.7</u>	<u>20.4</u>	<u>20.1</u>	<u>15.4</u>	<u>3.6</u>
Investments	120.4	122.5	20.4	19.8	15.4	1.7
Change in stock	0.0	2.2	0.0	0.3	0.0	0.0
<u>4- Exports of Goods & Services</u>	<u>208.4</u>	<u>186.7</u>	<u>35.3</u>	<u>30.2</u>	<u>29.9</u>	<u>-10.4</u>
<u>5- Imports of Goods & Services</u>	<u>238.5</u>	<u>217.4</u>	<u>40.4</u>	<u>35.1</u>	<u>24.9</u>	<u>-8.8</u>
<u>6- Gross Domestic Saving (1-2)</u>	<u>90.3</u>	<u>94.0</u>	<u>15.3</u>	<u>15.2</u>	<u>22.4</u>	<u>4.1</u>

Source : Ministry of Economic Development.

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

	Relative Weights	<u>2007/2008</u>		<u>2008/2009</u>		<u>Inflation Rate %</u>	
		June	March	June	March	July/March 2007/2008	2008/2009
<u>General Index</u>	<u>100.0</u>	<u>101.1</u>	<u>115.3</u>	<u>121.5</u>	<u>129.3</u>	<u>14.0</u>	<u>6.4</u>
Food & Non-Alcoholic Beverages	43.9	102.5	122.8	130.3	138.4	19.8	6.2
Tobacco	2.5	100.0	100.0	112.1	121.0	0.0	7.9
Clothing & Footwear	7.9	100.2	104.1	104.3	116.8	3.9	12.0
Housing , Water, Electricity, Gas & Fuel	13.5	100.0	103.7	107.6	112.1	3.7	4.2
Furnishings, Household Equipment & Routine Maintenance of the House	4.2	100.4	107.8	110.7	121.9	7.5	10.1
Health Care	3.6	100.0	105.5	112.1	117.2	5.5	4.5
Transportation	5.2	100.0	104.9	120.1	124.7	4.9	3.8
Communications	3.6	100.0	104.0	104.0	109.4	4.0	5.2
Recreation & Culture	3.4	100.0	104.1	121.7	133.7	4.1	9.9
Education	4.4	100.0	137.7	137.7	144.1	37.7	4.6
Hotels & Restaurants	3.6	100.0	137.3	146.1	155.2	37.3	6.2
Miscellaneous	4.2	100.2	111.0	111.5	118.2	10.8	6.0

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

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

Groups	Relative Weights	<u>2007/2008</u>		<u>2008/2009</u>		<u>Inflation Rate %</u>	
		June	March	June	March	July/March 2007/2008	2008/2009
<u>All Items</u>	<u>100.0</u>	<u>126.0</u>	<u>154.7</u>	<u>168.5</u>	<u>138.6</u>	<u>22.8</u>	<u>-17.7</u>
Agriculture, Forestry and Fishing	25.1	143.0	186.6	179.5	178.8	30.5	-0.4
Mining and Quarrying	21.8	136.8	185.1	232.3	100.4	35.3	-56.8
Manufacturing Industries	38.9	115.7	131.5	144.4	139.5	13.7	-3.4
Electricity, Gas, Steam and Air Conditioning Supply	2.3	100.0	114.0	114.0	115.0	14.0	0.9
Water Supply, Sewerage, Waste Management and Remediation Activities	2.0	128.0	138.7	138.7	138.7	8.4	0.0
Transportation and Storage	2.8	101.7	109.7	110.9	124.2	7.9	12.0
Accommodation and Food Service Activities	5.0	105.2	113.0	117.5	125.3	7.4	6.6
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 every two months.

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

End of	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Reserve Money</u>	<u>112160</u>	<u>116050</u>	<u>126474</u>	<u>134126</u>	<u>159767</u>	<u>169911</u>	<u>174016</u>
Currency in circulation outside CBE	74458	78604	88195	92174	104350	111412	120552
Banks' deposits in local currency	37702	37446	38279	41952	55417	58499	53464
<u>Counterpart Assets</u>	<u>112160</u>	<u>116050</u>	<u>126474</u>	<u>134126</u>	<u>159767</u>	<u>169911</u>	<u>174016</u>
<u>Net Foreign Assets</u>	<u>60860</u>	<u>61302</u>	<u>82617</u>	<u>95372</u>	<u>114566</u>	<u>180333</u>	<u>177300</u>
<u>Foreign Assets</u>	<u>126997</u>	<u>129477</u>	<u>147426</u>	<u>160197</u>	<u>181601</u>	<u>182021</u>	<u>178733</u>
Gold	4500	6429	6429	6744	6744	8695	8695
Foreign securities	33094	48353	97896	108606	164110	151175	157191
Foreign currencies	89403	74695	43101	44847	10747	22151	12847
<u>Foreign Liabilities*</u>	<u>66137</u>	<u>68175</u>	<u>64809</u>	<u>64825</u>	<u>67035</u>	<u>1688</u>	<u>1433</u>
<u>Net Domestic Assets</u>	<u>51300</u>	<u>54748</u>	<u>43857</u>	<u>38754</u>	<u>45201</u>	<u>-10422</u>	<u>-3284</u>
<u>Net Claims on Government</u>	<u>117966</u>	<u>114055</u>	<u>113437</u>	<u>117254</u>	<u>119555</u>	<u>81872</u>	<u>88056</u>
Claims; of which:	181481	171808	187580	192192	192509	159697	162880
Government securities*	168405	164761	164761	166724	165438	123123	122473
Deposits	63515	57753	74143	74938	72954	77825	74824
<u>Net Claims on Banks</u>	<u>5057</u>	<u>1018</u>	<u>59651</u>	<u>59512</u>	<u>75017</u>	<u>77581</u>	<u>-2022</u>
Claims	20985	17412	77738	77270	94122	97828	19012
Deposits in foreign currencies	15928	16394	18087	17758	19105	20247	21034
<u>Other Items (Net)</u>	<u>-71723</u>	<u>-60325</u>	<u>-129231</u>	<u>-138012</u>	<u>-149371</u>	<u>-169875</u>	<u>-89318</u>
Assets*	48579	41743	46702	39141	44939	25233	30388
Liabilities	120302	102068	175933	177153	194310	195108	119706

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

	2006		2007		2008		(LE mn) 2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>1- Domestic Liquidity</u>	<u>534663</u>	<u>560356</u>	<u>610452</u>	<u>662688</u>	<u>756553</u>	<u>766664</u>	<u>808603</u>
<u>A- Money Supply</u>	<u>103322</u>	<u>109274</u>	<u>123592</u>	<u>131290</u>	<u>158134</u>	<u>170579</u>	<u>173228</u>
Currency in circulation outside the banking system	70258	74239	83332	86860	98596	104656	112986
Demand deposits in local currency	33064	35035	40260	44430	59538	65923	60242
<u>B- Quasi-Money</u>	<u>431341</u>	<u>451082</u>	<u>486860</u>	<u>531398</u>	<u>598419</u>	<u>596085</u>	<u>635375</u>
Time & saving deposits in local currency	303352	314188	340622	377424	426952	436268	465758
Demand and time & saving deposits in foreign currencies	127989	136894	146238	153974	171467	159817	169617
<u>2- Counterpart Assets</u>							
Net foreign assets *	131591	133385	199039	218629	253506	303680	246338
Domestic credit	490344	509532	522526	531314	595334	570953	690179
Other items (net) *	-87272	-82561	-111113	-87255	-92287	-107969	-127914

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

End of	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total Deposits in Local Currency</u>	<u>336416</u>	<u>349223</u>	<u>380882</u>	<u>421854</u>	<u>486490</u>	<u>502191</u>	<u>526000</u>
<u>1- Demand Deposits</u>	<u>33064</u>	<u>35035</u>	<u>40260</u>	<u>44430</u>	<u>59538</u>	<u>65923</u>	<u>60242</u>
Public business sector *	3123	4934	4533	6278	6451	8698	5550
Private business sector	15651	15863	19148	20681	31263	34301	31208
Household sector	14768	14831	17002	18378	22628	24003	24180
Minus: Purchased cheques & drafts	478	593	423	907	804	1079	696
<u>2- Time and Saving Deposits</u>	<u>303352</u>	<u>314188</u>	<u>340622</u>	<u>377424</u>	<u>426952</u>	<u>436268</u>	<u>465758</u>
Public business sector *	15419	15465	17004	17186	21538	20736	23559
Private business sector	27108	25580	32279	56823	88308	85415	71242
Household sector	260825	273143	291339	303415	317106	330117	370957

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)						
End of	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total Deposits in Foreign Currencies</u>	<u>127989</u>	<u>136894</u>	<u>146238</u>	<u>153974</u>	<u>171467</u>	<u>159817</u>	<u>169617</u>
<u>1- Demand Deposits</u>	<u>21047</u>	<u>18533</u>	<u>22689</u>	<u>26917</u>	<u>35021</u>	<u>26581</u>	<u>30340</u>
Public business sector *	942	935	1012	947	1619	943	1362
Private business sector	12732	10417	13114	18452	25261	17417	19575
Household sector	7535	7392	8698	7689	8339	8404	9513
Minus: Purchased cheques & drafts	162	211	135	171	198	183	110
<u>2- Time and Saving Deposits</u>	<u>106942</u>	<u>118361</u>	<u>123549</u>	<u>127057</u>	<u>136446</u>	<u>133236</u>	<u>139277</u>
Public business sector *	3935	4734	5060	5774	7391	8202	7573
Private business sector	24252	28845	31116	30641	41640	39785	41815
Household sector	78755	84782	87373	90642	87415	85249	89889

Source: Central Bank of Egypt

* Including all public sector companies subject or not to Law No. 203 for 199.

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

End of	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Net Foreign Assets</u>	<u>131591</u>	<u>133385</u>	<u>199039</u>	<u>218629</u>	<u>253506</u>	<u>303680</u>	<u>246338</u>
<u>1- Foreign Assets</u>	<u>215925</u>	<u>218982</u>	<u>283279</u>	<u>304968</u>	<u>354616</u>	<u>330770</u>	<u>277746</u>
Central Bank of Egypt	126997	129477	147426	160197	181601	182021	178733
Banks	88928	89505	135853	144771	173015	148749	99013
<u>2- Foreign Liabilities</u>	<u>84334</u>	<u>85597</u>	<u>84240</u>	<u>86339</u>	<u>101110</u>	<u>27090</u>	<u>31408</u>
Central Bank of Egypt *	66137	68176	64809	64825	67035	1688	1433
Banks	18197	17421	19431	21514	34075	25402	29975

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)

End of	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>1-Domestic Credit</u>	<u>490344</u>	<u>509532</u>	<u>522526</u>	<u>531314</u>	<u>595334</u>	<u>570953</u>	<u>690179</u>
Net claims on the government (A+B-C)	170914	184131	181583	178323	206808	174005	269438
A-Securities*	287036	295974	273111	278011	311321	271788	371145
B-Credit facilities	34144	28044	48148	52151	57742	67732	72246
C-Government deposits	150266	139887	139676	151839	162255	165515	173953
Claims on public business sector **	34679	32888	23642	24446	27050	26897	30859
Claims on private business sector	234924	239338	259277	268607	289492	291719	301592
Claims on household sector	49827	53175	58024	59938	71984	78332	88290
<u>2-Other Items (Net)</u>	<u>-87272</u>	<u>-82561</u>	<u>-111113</u>	<u>-87255</u>	<u>-92287</u>	<u>-107969</u>	<u>-127914</u>
Capital accounts	-105611	-102139	-102094	-114534	-127774	-135401	-142222
Net unclassified assets and liabilities	18339	19578	-9019	27279	35487	27432	14308

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)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total Saving Vessels</u>	<u>532597</u>	<u>560229</u>	<u>603828</u>	<u>655376</u>	<u>731738</u>	<u>742177</u>	<u>781092</u>
<u>Savings at the Banking System</u>	<u>431341</u>	<u>451082</u>	<u>486860</u>	<u>531398</u>	<u>598419</u>	<u>596085</u>	<u>635375</u>
Time & saving deposits in local currency	303352	314188	340622	377424	426952	436268	465758
Demand and time & saving deposits in foreign currencies	127989	136894	146238	153974	171467	159817	169617
<u>Net Sales of Investment Certificates</u>	<u>61488</u>	<u>63697</u>	<u>67219</u>	<u>68311</u>	<u>77367</u>	<u>79354</u>	<u>80059</u>
<u>Post Office Saving Deposits</u>	<u>39768</u>	<u>45450</u>	<u>49749</u>	<u>55667</u>	<u>55952</u>	<u>66738</u>	<u>65658</u>

Source: Central Bank of Egypt

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

Public Business Sector *

End of	2006		2007		2008		(LE mn)
	Mar.	June	Mar.	June	Mar.	June	2009 Mar.
<u>Total</u>	<u>34419</u>	<u>32642</u>	<u>23194</u>	<u>24188</u>	<u>26792</u>	<u>26652</u>	<u>30714</u>
<u>In Local Currency</u>	<u>27987</u>	<u>26269</u>	<u>17786</u>	<u>18097</u>	<u>19260</u>	<u>19475</u>	<u>21757</u>
Agriculture	7	59	696	7	14	11	2
Manufacturing	14265	16215	8003	9071	9417	9066	10295
Trade	4632	4318	3916	3986	3400	4114	4297
Services	9083	5677	5171	5033	6429	6284	7163
<u>In Foreign Currencies</u>	<u>6432</u>	<u>6373</u>	<u>5408</u>	<u>6091</u>	<u>7532</u>	<u>7177</u>	<u>8957</u>
Agriculture	-	-	-	-	-	-	-
Manufacturing	4220	3752	1928	2611	3611	3440	3819
Trade	549	1555	345	880	719	709	1020
Services	1663	1066	3135	2600	3202	3028	4118

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 (Contd.)

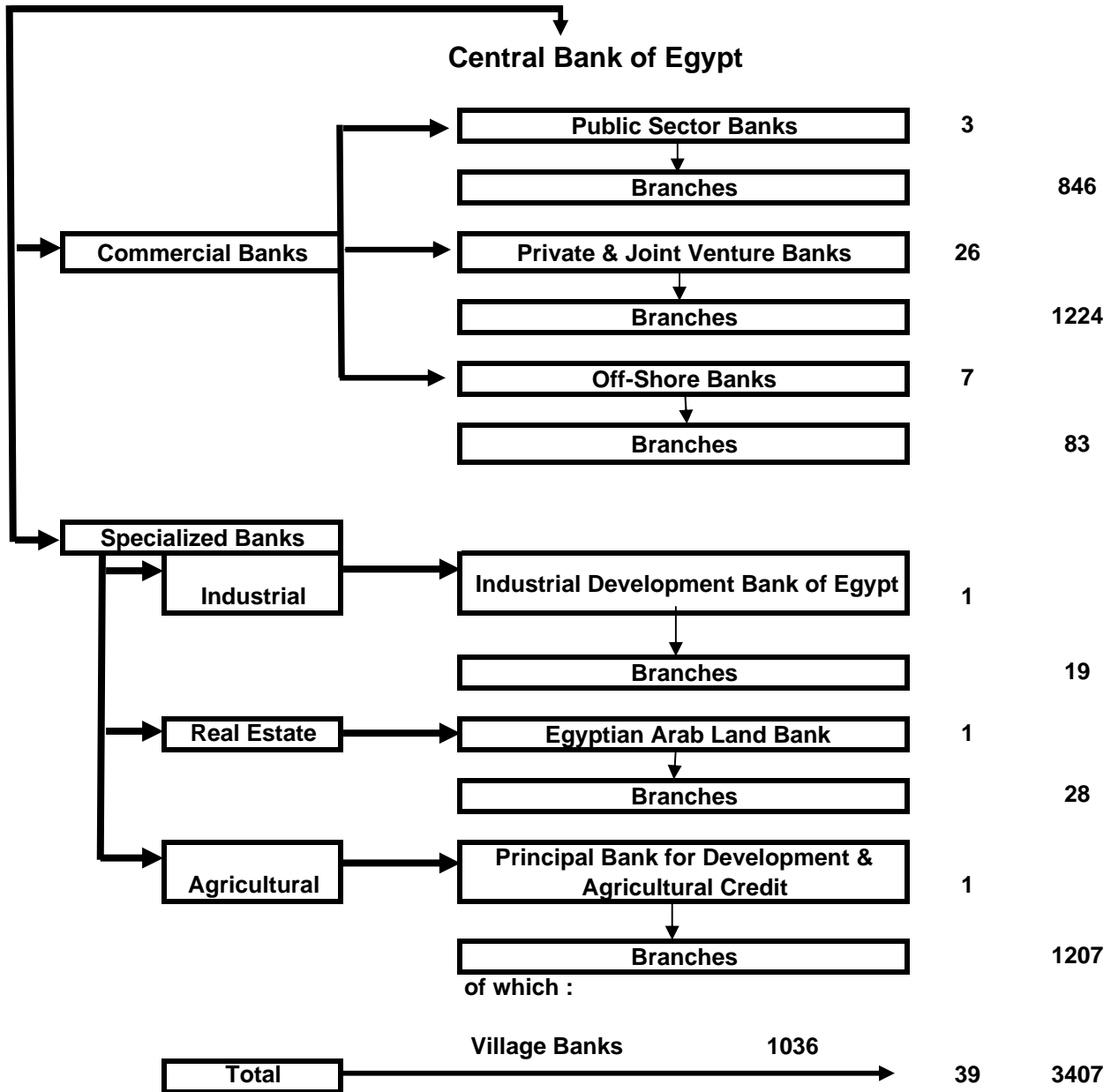
Private Business Sector

(LE mn)

End of	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total</u>	<u>207100</u>	<u>214675</u>	<u>232746</u>	<u>239312</u>	<u>256561</u>	<u>258087</u>	<u>272444</u>
<u>In Local Currency</u>	<u>147293</u>	<u>150491</u>	<u>159657</u>	<u>163292</u>	<u>165461</u>	<u>167258</u>	<u>178626</u>
Agriculture	4541	4794	8335	6922	5302	5326	4544
Manufacturing	56355	55827	56019	65453	60668	62693	71853
Trade	38763	39110	39246	33487	37625	38342	40025
Services	47634	50760	56057	57430	61866	60897	62204
<u>In Foreign Currencies</u>	<u>59807</u>	<u>64184</u>	<u>73089</u>	<u>76020</u>	<u>91100</u>	<u>90829</u>	<u>93818</u>
Agriculture	739	829	2684	929	1103	843	2074
Manufacturing	23371	26072	29159	34199	38460	43349	42368
Trade	11526	12337	12958	10944	14131	14599	15095
Services	24171	24946	28288	29948	37406	32038	34281

Source: Central Bank of Egypt

**(2/2/1) Structure of the Egyptian Banking System
As at 31 March 2009***



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

(2/2) Local Mutual Funds Authorized and Operating as at 31/3/2009

Fund Name	Fund Manager	Inception Date	Par Value (LE)	Document Value (LE) at End of Mar. 2008	Document Value (LE) at End of Mar. 2009
Open End - Balanced Funds					
Banque Misr I	Concord International Investments	Feb-95	100	120.44	87.22
National Bank of Egypt II	El Ahly Funds Management	Oct-95	100	109.25	68.50
National Bank of Egypt III	HC Securities	Aug-05	100	142.04	65.08
El Watany Bank of Egypt	Hermes Funds Management	Aug-06	100	129.47	106.78
National Bank of Egypt v	El Ahly Funds Management	May-07	10	11.94	7.20
Al-Massi	Hermes Funds Management	Apr-08	100	-	74.39
Open End - Equity Funds					
National Bank of Egypt I	El Ahly Funds Management	Sep-94	10	49.35	26.50
Credit Agricole Egypt I ***	Hermes Funds Management	Oct-94	100	383.95	189.30
Bank of Alexandria I	Hermes Funds Management	Dec-94	100	532.45	200.75
Arab Misr Insurance Group	Prime Investment	Aug-95	500	1192.9	584.40
Banque Misr II	Concord International Investments	Sep-95	66.67	98.8	51.32
Banque de Caire***	Hermes Funds Management	Nov-95	10	143.84	59.74
Export Development Bank I (Al-Khabeer)	HC Securities	Oct-96	33.33	124	55.24
Suez Canal Bank I	HC Securities	Dec-96	500	519.32	214.87
Credit Agricole Egypt II ***	Hermes Funds Management	Apr-97	100	213.97	89.72
Egyptian Gulf Bank	Hermes Funds Management	May-97	100	458.16	178.74
Banque Misr III*	HC Securities	Dec-97	100	705.95	293.77
Shield Fund **	Arab African Investment Management	Feb-98	50	139.86	86.05
Misr Iran Development Bank I	HC Securities	Jul-98	100	687.44	268.50
Commercial International Bank II (Istethmar)	CI Asset Management	Apr-06	100	147.72	62.28
Piraeus Bank-Egypt I	Phoneix Kato Asset Management	Apr-08	100	-	69.16
Housing & Development Bank (Al-Taameer)	Prime Investment	Jun-08	100	-	84.98
ABC Bank	Delta Rasmala	Aug-08	100	-	64.79
Suez Canal Bank II (Al- Agyal)	Beltone Asset Management	Oct-08	10	-	8.66
Open End - Fixed Income Funds					
Al Rabeh Fund**	Prime Investment	Feb-99	100	102.53	101.72
Credit Agricole Egypt III ***	Egyptian Fund Management Group	Jun-99	1000	1019.99	1019.30
Misr Money Market	Beltone Asset Management	Aug-04	10	-	14.76
Commercial International Bank I (Osoul)	CI Asset Management	Apr-05	100	128.51	139.93
Misr Iran Development Bank II	HC Securities	Jul-05	1000	1017.79	1020.12
Bank of Alexandria II	EFG-Hermes	May-06	10	11.69	12.73
National Bank of Egypt IV	El Ahly Funds Management	Jul-06	100	115.91	125.85
National Societe Generale Bank (Themar)	EFG-Hermes	Oct-06	100	112.99	122.52
Export Development Bank II	Delta Rasmala	Nov-06	100	111.97	121.56
ABC Bank (Mazaya)	Beltone Asset Management	Mar-09	10	-	10.06
Open End - Islamic Funds					
Faisal Islamic Bank	EFG-Hermes	Dec-04	100	183.69	97.49
Egyptian Saudi Finance Bank	EFG-Hermes	May-06	100	142.28	68.73
Faisal Islamic Bank - CIB (Al Amman)	CI Asset Management	Oct-06	100	133.68	51.96
Banque Misr IV	HC Securities	Oct-06	100	145.15	64.58
Sanabel Fund	Prime Investment	Feb-07	100	124.94	66.23
Egyptian Saudi Finance Bank-National Bank of Egypt (Bashaer)***	El-Ahly Funds Management	Feb-08	100	103.05	63.80
Closed End Funds					
Orient Trust	Egyptian Investment & Finance Co.	Jan-97	1000	1361.45	1259.50
Misr Direct Investment Fund	Al Ahly Development & Investment	Jul-99	1000	1102.70	1039.00
Arab Land Direct	Prime Investment	Feb-00	1000	903.91	695.82
Capital Guaranteed Funds					
Misr Bank Capital Guaranteed	Cairo Funds Management	Oct-03	100	-	207.72
Asset Allocator Funds					
Societe Arab Int'l Banque I *	Prime Investment	Jun-96	100	657.44	335.52
Societe Arab Int'l Banque II	Prime Investment	Oct-97	100	408.11	241.51
Foreign Currency Funds					
Misr Money Market (\$)	Beltone Asset Management	Jun-07	10\$	-	10.59\$
Misr Money Market (Euro)	Beltone Asset Management	Jun-07	10 €	-	10.64 €

Source: Monthly Bulletin of the 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 LE 100 after the amendment of Article (5) of the fund's prospectus as of 27/08/2006.

** 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 par value has also changed from LE 100 to LE 50.

*** The name of Egyptian American Bank Fund has changed to Credit Agricole Egypt starting from 03/09/2006.

+ The document has been split into aratio of 1: 5 and the par value has also changed from LE 500 to LE100 as of 29/03/2007.

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

+++ The document has been split as of November 2007.

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

End of	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Currency By Denomination</u>	<u>74958</u>	<u>79017</u>	<u>89085</u>	<u>93240</u>	<u>106049</u>	<u>112430</u>	<u>121457</u>
PT 25	140	136	150	144	160	147	169
PT 50	256	241	261	240	263	252	321
LE 1	585	545	607	565	633	608	828
LE 5	1219	1121	1170	1071	1204	1169	1360
LE 10	4524	4274	3807	3470	3119	2938	3108
LE 20	9444	9226	9287	8796	7716	7394	6784
LE 50	27231	27959	29156	28152	26402	25646	23855
LE 100	31559	35515	44647	47552	52447	54987	57436
LE 200 *	-	-	-	3250	14105	19289	27596

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

End of	2006		2007		2008		(LE mn)
	Mar.	June	Mar.	June	Mar.	June	2009 Mar.
<u>Total</u>	<u>74459</u>	<u>78604</u>	<u>88196</u>	<u>92175</u>	<u>104353</u>	<u>111412</u>	<u>120553</u>
Subsidiary Coins & Notes*	232	236	256	259	273	275	284
PT 25	139	135	147	142	157	145	166
PT 50	252	239	252	234	258	242	316
LE 1	576	540	588	550	621	591	820
LE 5	1176	1095	1075	987	1132	1105	1311
LE 10	4465	4215	3640	3323	2998	2845	3018
LE 20	9278	9128	8984	8553	7459	7194	6622
LE 50	27035	27737	28897	27967	25999	25422	23701
LE 100	31306	35279	44357	47136	51633	54529	57067
LE 200+	-	-	-	3024	13823	19064	27248

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 House

During	Fiscal Year					<u>July/March</u>	
	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
<u>1- Cairo Branch</u>							
Number of cheques (thousands)	8856	8618					
Value of cheques (LE mn)	215091	231943					
<u>2- Alexandria Branch</u>							
Number of cheques (thousands)	626	593					
Value of cheques (LE mn)	30652	27874					
<u>3- Port Said Branch</u>							
Number of cheques (thousands)	109	110					
Value of cheques (LE mn)	2481	2606					
<u>4- All Branches *</u>							
Number of cheques (thousands)	9591	9321	9508	10481	11724	8627	8786
Value of cheques (LE mn)	248224	262423	288715	356900	483113	342241	399905

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)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>A- Assets</u>							
Cash	6195	6813	7078	7705	9309	10261	10324
Securities & investments in TBs; of which:	196377	193965	180945	176098	198745	201858	296210
CBE notes	31736	21563	31823	17617	0	0	0
Balances with banks in Egypt	122218	121695	161270	217363	273652	278185	195102
Balances with banks abroad	72739	72554	118042	124366	145454	122792	74116
Loan and discount balances	315156	324041	342528	353746	394494	401425	430622
Other assets	69287	42494	69742	58645	81712	68790	85257
Assets =Liabilities	781972	761562	879605	937923	1103366	1083311	1091631
<u>B- Liabilities</u>							
Capital	24690	27112	29081	33037	35279	37295	40363
Reserves	13104	13418	11950	12552	14514	16141	17491
Provisions	53870	54950	58749	53469	64093	62314	71556
Bonds & Long-term loans	17791	17526	19873	26351	22291	22285	19579
Obligations to banks in Egypt	27380	21488	75245	82619	99229	98699	24940
Obligations to banks abroad	8353	8770	9075	10006	22785	13327	21617
Total deposits	552255	568841	594102	649953	743843	747199	790521
Other liabilities	84529	49457	81530	69936	101332	86051	105564

Source : Central Bank of Egypt

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

(LE mn)

	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total Deposits</u>	<u>552255</u>	<u>568841</u>	<u>594102</u>	<u>649953</u>	<u>743843</u>	<u>747199</u>	<u>790521</u>
Demand deposits	63335	62431	70090	78758	103850	100569	95920
Time & saving deposits and saving accounts	467157	479805	497102	542983	608292	612737	661466
Blocked or retained deposits	21763	26605	26910	28212	31701	33893	33135
<u>1- Local Currency Deposits</u>	<u>393366</u>	<u>401143</u>	<u>416995</u>	<u>463320</u>	<u>537493</u>	<u>552079</u>	<u>578120</u>
Demand deposits	39658	41793	45917	50365	66850	71971	64216
Time & saving deposits and saving accounts	341663	345953	355276	396352	451797	460285	495180
Blocked or retained deposits	12045	13397	15802	16603	18846	19823	18724
<u>2- Foreign Currency Deposits</u>	<u>158889</u>	<u>167698</u>	<u>177107</u>	<u>186633</u>	<u>206350</u>	<u>195120</u>	<u>212401</u>
Demand deposits	23677	20638	24173	28393	37000	28598	31704
Time & saving deposits and saving accounts	125494	133852	141826	146631	156495	152452	166286
Blocked or retained deposits	9718	13208	11108	11609	12854	14070	14411

Source : Central Bank of Egypt

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

	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total Deposits</u>	<u>552255</u>	<u>568841</u>	<u>594102</u>	<u>649953</u>	<u>743843</u>	<u>747199</u>	<u>790521</u>
<u>Local Currency Deposits</u>	<u>393366</u>	<u>401143</u>	<u>416995</u>	<u>463320</u>	<u>537493</u>	<u>552079</u>	<u>578120</u>
Government sector	54815	49422	32545	37233	46541	44789	48821
Public business sector *	18543	20399	21536	23464	27989	29434	29108
Private business sector	42759	41444	51427	77504	119571	119716	102385
Household sector	275592	287973	308342	321793	339695	354119	395137
External sector **	1657	1905	3145	3326	3697	4021	2669
<u>Foreign Currency Deposits</u>	<u>158889</u>	<u>167698</u>	<u>177107</u>	<u>186633</u>	<u>206350</u>	<u>195120</u>	<u>212401</u>
Government sector	28553	29290	29468	30329	32930	33203	40862
Public business sector *	4877	5668	6072	6721	9010	9146	8936
Private business sector	36984	39263	44230	49093	66901	57202	61389
Household sector	86290	92174	96071	98331	95624	93653	99402
External sector**	2185	1303	1266	2159	1885	1916	1812

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)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total Deposits</u>	<u>552255</u>	<u>568841</u>	<u>594102</u>	<u>649953</u>	<u>743843</u>	<u>747199</u>	<u>790521</u>
<u>Local Currency Deposits</u>	<u>393366</u>	<u>401143</u>	<u>416995</u>	<u>463320</u>	<u>537493</u>	<u>552079</u>	<u>578120</u>
Agriculture	2123	2215	4003	2531	4114	5673	6252
Manufacturing	20564	19903	20876	23819	32799	36169	38261
Trade	12765	12793	15601	18354	19937	23928	19872
Services	36489	38245	34156	40529	72811	59337	53846
Unclassified sectors	321425	327987	342359	378087	418832	426972	459889
<u>Foreign Currency Deposits</u>	<u>158889</u>	<u>167698</u>	<u>177107</u>	<u>186633</u>	<u>206350</u>	<u>195120</u>	<u>212401</u>
Agriculture	820	855	3257	467	1214	1002	1275
Manufacturing	17092	18159	18206	21208	25627	26223	29755
Trade	7342	8250	6987	11824	9203	10263	10948
Services	20377	21602	23249	23216	40031	30202	28023
Unclassified sectors	113258	118832	125408	129918	130275	127430	142400

Source : Central Bank of Egypt

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

	(LE mn)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total</u>	<u>164641</u>	<u>172402</u>	<u>149122</u>	<u>158481</u>	<u>198745</u>	<u>201858</u>	<u>296210</u>
<u>In Local Currency</u>	<u>132975</u>	<u>140840</u>	<u>118624</u>	<u>125981</u>	<u>164687</u>	<u>168182</u>	<u>262571</u>
Government sector	106646	115146	93640	96652	132081	135129	234504
Public business sector *	609	859	751	761	1427	1414	1231
Private business sector	25720	24835	24233	28568	31162	31609	26779
Household sector	-	-	-	-	-	-	-
External sector	-	-	-	-	17	30	57
<u>In Foreign Currencies</u>	<u>31666</u>	<u>31562</u>	<u>30498</u>	<u>32500</u>	<u>34058</u>	<u>33676</u>	<u>33639</u>
Government sector	16557	16067	14710	14636	13802	13536	14168
Public business sector *	-	-	-	-	-	-	-
Private business sector	3656	3545	3227	3474	4753	4914	4724
Household sector	-	-	-	-	-	-	-
External sector	11453	11950	12561	14390	15503	15226	14747

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)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total</u>	<u>315156</u>	<u>324041</u>	<u>342528</u>	<u>353746</u>	<u>394495</u>	<u>401425</u>	<u>430622</u>
<u>In Local Currency</u>	<u>233907</u>	<u>238926</u>	<u>243450</u>	<u>248544</u>	<u>261912</u>	<u>267166</u>	<u>289912</u>
Government sector	10839	11285	11474	10788	10522	9698	8645
Public business sector *	27987	26269	17786	18097	19260	19475	21757
Private business sector	147293	150491	159658	163292	165461	167258	178626
Household sector	47072	50158	53717	55453	65762	69838	79954
External sector	716	723	815	914	907	897	930
<u>In Foreign Currencies</u>	<u>81249</u>	<u>85115</u>	<u>99078</u>	<u>105202</u>	<u>132583</u>	<u>134259</u>	<u>140710</u>
Government sector	10229	9712	13856	15896	20152	21460	23194
Public business sector *	6432	6373	5608	6091	7532	7177	8957
Private business sector	59807	64184	73088	76020	91100	90829	93818
Household sector	2755	3017	4307	4485	6220	8494	8336
External sector	2026	1829	2219	2710	7579	6299	6405

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)						
	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total</u>	<u>479797</u>	<u>496443</u>	<u>491650</u>	<u>512227</u>	<u>593240</u>	<u>603283</u>	<u>726832</u>
<u>In Local Currency</u>	<u>366882</u>	<u>379766</u>	<u>362074</u>	<u>374525</u>	<u>426599</u>	<u>435348</u>	<u>552483</u>
Government sector	117485	126431	105114	107440	142603	144827	243149
Public business sector *	28596	27128	18537	18858	20687	20889	22988
Private business sector	173013	175326	183891	191860	196623	198867	205405
Household sector	47072	50158	53717	55453	65762	69838	79954
External sector	716	723	815	914	924	927	987
<u>In Foreign Currencies</u>	<u>112915</u>	<u>116677</u>	<u>129576</u>	<u>137702</u>	<u>166641</u>	<u>167935</u>	<u>174349</u>
Government sector	26786	25779	28566	30531	33954	34996	37362
Public business sector *	6432	6373	5608	6091	7532	7177	8957
Private business sector	63463	67729	76315	79495	95853	95743	98542
Household sector	2755	3017	4307	4485	6220	8494	8336
External sector	13479	13779	14780	17100	23082	21525	21152

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)

	2006		2007		2008		2009
	Mar.	June	Mar.	June	Mar.	June	Mar.
<u>Total</u>	<u>315156</u>	<u>324041</u>	<u>342528</u>	<u>353746</u>	<u>394495</u>	<u>401425</u>	<u>430622</u>
<u>In Local Currency</u>	<u>233907</u>	<u>238926</u>	<u>243450</u>	<u>248544</u>	<u>261912</u>	<u>267166</u>	<u>289912</u>
Agriculture	4612	4902	9244	6986	5398	5758	4965
Manufacturing	75555	77734	65609	80497	75750	76794	86078
Trade	43396	43564	43163	37476	41025	42456	44398
Services	62091	61679	70743	67035	72855	71209	73435
Unclassified sectors	48253	51047	54691	56550	66884	70949	81036
<u>In Foreign Currencies</u>	<u>81249</u>	<u>85115</u>	<u>99078</u>	<u>105202</u>	<u>132583</u>	<u>134259</u>	<u>140710</u>
Agriculture	739	829	2883	929	1103	863	2094
Manufacturing	36661	38517	33178	51399	61224	67690	68313
Trade	12089	13930	13316	11837	14860	15319	16123
Services	26979	26983	43175	33842	41595	35594	39439
Unclassified sectors	4781	4856	6526	7195	13801	14793	14741

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	Less than one year loans	Simple Return	of increasing certificate value	
Jan-07	9.00	6.10	6.80	6.90	12.60	9.50	9.00	9.50
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	„	„	„
Jan-08	„	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	„	„	„
October	„	7.20	7.40	7.80	12.40	„	„	„
November	„	7.30	7.50	7.90	12.50	„	„	„
December	„	7.40	7.70	8.20	12.50	„	„	„
Jan-09	„	7.30	7.60	8.30	12.60	„	„	„
February	10.50	7.30	7.60	8.30	12.60	„	„	„
March	10.00	7.10	7.50	8.30	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.
Jan-07	4.88	5.06	4.50	5.25	3.00	3.25
February	4.88	5.06	4.44	5.19	3.06	3.31
March	4.88	5.06	4.44	5.19	3.19	3.44
April	4.88	5.06	4.56	5.31	3.25	3.50
May	4.88	5.06	4.69	5.44	3.38	3.63
June	4.88	5.06	4.81	5.56	3.44	3.69
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
Jan-08	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
October	3.12	3.32	4.69	4.94	3.85	4.10
November	1.85	2.05	2.71	2.96	2.93	3.18
December	1.12	1.32	1.65	1.90	2.01	2.26
Jan-09	0.83	1.03	0.92	1.17	1.13	1.38
February	0.90	1.10	0.82	1.07	0.86	1.11
March	0.88	1.08	0.47	0.72	0.55	0.80

Source: National Bank of Egypt

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

					(%)	
		91 days	182 days	273 days	350 days	364 days
<u>January 2009</u>						
The:						
First week	(6/1)	11.863	11.939	11.921	..	11.966
Second week	(13/1)	11.512	11.485	11.680	..	..
Third week	(20/1)	11.352	11.430	11.531	11.458	..
Fourth week	(27/1)	11.369	11.464	11.446	..	..
Monthly Average		11.524	11.580	11.645	11.458	11.966
<u>February 2009</u>						
The:						
First week	(3/2)	11.475	11.762	..	..	11.527
Second week	(10/2)	11.463	11.651	11.981	..	..
Third week	(17/2)	10.792	11.056	11.641	11.570	..
Fourth week	(24/2)	10.511	10.602	11.147	..	..
Monthly Average		11.060	11.268	11.590	11.570	11.527
<u>March 2009</u>						
The:						
First week	(3/3)	10.355	10.601	..	..	10.583
Second week	(10/3)	10.701	10.789	10.716	..	..
Third week	(17/3)	10.518	10.591	..	..	..
Fourth week	(24/3)	..	10.666	10.578	..	..
	(31/3)	10.259	10.587	10.600	..	..
Monthly Average		10.458	10.647	10.631	..	10.583

Source : Central Bank of Egypt.

.. No issuance during the week.

(3/1) Companies Listed on the Stock Exchange

End of	2006		2007		2008		2009
	March	June	March	June	March	June	March
<u>First :Companies Listed on the Official Schedules</u>	137	141	142	147	138	121	120
- Number of companies (in unit)	7304	7881	9914	11450	12407	12484	14155
- Number of shares (mn)	54303	58432	70123	73403	67600	65896	75405
- Nominal value of capital (LE mn)	365485	298478	453511	497319	611489	644180	256943
- Market value of capital (LE mn)							
<u>Second :Companies Listed on the Unofficial Schedules</u>	551	503	420	394	287	255	230
- Number of companies (in unit)	2549	2560	3617	3534	5944	7320	8111
- Number of shares (mn)	50804	50354	49210	47387	70334	72027	74717
- Nominal value of capital (LE mn)	82215	78013	93986	104055	263055	169111	136742
- Market value of capital (LE mn)							
<u>Third :Companies Listed on the Temporary Schedule*</u>	18	12	3	3	1	1	1
- Number of companies (in unit)	53	16	9	9	5	5	5
- Number of shares (mn)	859	379	282	282	50	50	50
- Nominal value of capital (LE mn)	1873	579	448	452	50	50	50
- Market value of capital (LE mn)							
<u>Fourth : All Companies</u>	706	656	565	544	426	377	351
- Number of companies (in unit)	9906	10457	13540	14993	18356	19809	22271
- Number of shares (mn)	105966	109165	119615	121072	137984	137974	150172
- Nominal value of capital (LE mn)	449573	377070	547945	601826	874594	813341	393735

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/March</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)
<u>In Egyptian Pound</u>	<u>8608443</u>	<u>14603290</u>	<u>395731</u>	<u>7930324</u>	<u>16996458</u>	<u>161697</u>
Floor Transactions	8253015	11936994	355369	7326121	13258687	138515
Over the Counter Trading	355428	2666296	40362	604203	3737771	23182
<u>In US Dollar</u>	<u>225716</u>	<u>1492734</u>	<u>4806</u>	<u>183796</u>	<u>542899</u>	<u>2236</u>
Floor Transactions	219956	956112	3376	175172	516626	768
Over the Counter Trading	5760	536622	1430	8624	26273	1468
<u>In Euro</u>	<u>11</u>	<u>129</u>	<u>11</u>	<u>5</u>	<u>4424</u>	<u>4</u>
Floor Transactions	0	0	0	0	0	0
Over the Counter Trading	11	129	11	5	4424	4

Source : Capital Market Authority

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

	<u>During July/March</u>					
	<u>2007/2008</u>		<u>Market Value</u>	<u>2008/2009</u>		<u>Market Value</u>
	<u>Number of Transactions</u>	<u>Amount</u>		<u>Number of Transactions</u>	<u>Amount</u>	
	<u>(Unit)</u>		<u>(Thousand)</u>	<u>(Unit)</u>		<u>(Thousand)</u>
<u>In Egyptian Pound</u>	<u>850</u>	<u>15584897</u>	<u>16168440</u>	<u>23771</u>	<u>90369928</u>	<u>15117990</u>
Floor Transactions	850	15584897	16168440	23771	90369928	15117990
Over the Counter Trading	0	0	0	0	0	0
<u>In US Dollar</u>	<u>1</u>	<u>100</u>	<u>10</u>	<u>9</u>	<u>1300</u>	<u>128</u>
Floor Transactions	1	100	10	9	1300	128
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/March</u>			
	<u>2007/2008</u>		<u>2008/2009</u>	
	Egyptian Pound	US Dollar	Egyptian Pound	US Dollar
<u>Net Number of Transactions (unit)</u>	<u>135427</u>	<u>5785</u>	<u>-78862</u>	<u>-11716</u>
Purchases	933071	42722	556080	21800
Sales	797644	36937	634942	33516
<u>Net Volume of Securities (mn)</u>	<u>235</u>	<u>-85</u>	<u>-339</u>	<u>-76</u>
Purchases	2259	216	1792	96
Sales	2024	301	2131	172
<u>Net Value of Securities (mn)</u>	<u>-3203</u>	<u>-90</u>	<u>-1840</u>	<u>-99</u>
Purchases	88846	649	37601	184
Sales	92049	739	39441	283

Source : Monthly Report of the Capital Market Authority.

(3/5) Global Depository Receipts (GDRs)

Company	Order & Date of Offering	Depository Bank	Sub Custodian Bank	Conversion Ratio	Volume (000s) on Offering Date	GDRs Listed on Global Exchanges		Corporate Stocks Issued on Egyptian Exchange	
						Price (\$) at end of		Price (LE) at end of	
						Jun-08	Mar-09	Jun-08	Mar-09
Commercial International Bank/Egypt (CIB)	Jul-96	Bank of New York	CIB	1.00	9999	15.51	5.60	81.81	32.16
Suez Cement	Jul-96	Bank of New York	CIB	1.00	7310	8.70	4.55	49.25	23.49
			NBE						
Paints & Chemicals Industries (Pachin)	Oct-97	Bank of New York	CIB	3.00	6297	2.80	2.80	57.45	25.27
EFG-Hermes***	Aug-98	Bank of New York	CIB***	0.50	4324	18.00	5.25	48.00	15.25
El Ezz Steel Rebars	Jun-99	Bank of New York	CIB	0.33	573	32.50	32.50	80.47	7.21
Holding Company for Financial Investments (Lakah Group)*	Jul-99	Bank of New York	CIB	0.33	35000	0.44	0.44		
Orascom Telecom Holding (OT)**	Jul-00	Bank of New York	CIB	0.20	11713	64.00	22.38	68.56	25.96
Orascom Construction Industries (OCI)	Aug-02	Bank of New York	CIB	0.50	50	137.00	47.00	360.66	135.41
Egypt Lebanon Ceramics (Lecico)	Nov-04	Bank of New York	CIB	1.00	8796	14.00	4.97	70.30	12.71
Telecom Egypt	Dec-05	Bank of New York	CIB	0.20	8522	15.75	12.75	16.07	14.83
Naeem Holding	Feb-08	Bank of New York	CIB	0.25	5625	-	-	1.81\$	0.42\$
Palm Hills Development	May-08	Bank of New York	CIB	0.20	5436	-	-	17.65	9.54

Source: Monthly Bulletin of the 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.

***The Sub Custodian Bank has changed to CIB instead of HSBC.

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

	(LE mn)						
End of	91 days	182 days	89 days	273days	350days	364 days	Total
<u>2001</u>							
March	6195.9	8271.3	-	-	-	14457.4	28924.6
June	5762.5	9113.9	-	-	-	14457.4	29333.8
Sept.	7687.7	8564.1	-	-	-	14457.4	30709.2
Dec.	11451.6	9502.5	-	-	-	14457.4	35411.5
<u>2002</u>							
March	10864.0	10240.5	-	-	-	14457.4	35561.9
June	11183.2	14366.7	-	-	-	14457.4	40007.3
Sept.	14575.7	18411.5	-	-	-	14457.4	47444.6
Dec.	15897.1	22908.0	-	-	-	14457.4	53262.5
<u>2003</u>							
March	15250.8	24259.7	-	-	-	14457.4	53967.9
June	16235.7	24625.2	-	-	-	14457.4	55318.3
Sept.	14975.2	26776.5	-	-	-	14457.4	56209.1
Dec.	6272.9	28066.3	13001.4	-	-	14457.4	61798.0
<u>2004</u>							
March	15294.0	30476.8	4081.4	-	-	14457.4	64309.6
June	18462.7	38852.7	-	-	-	26458.2	83773.6
Sept.	11000.0	48196.3	-	-	-	48958.2	108154.5
Dec.	8600.0	45466.8	-	-	-	66558.2	120625.0
<u>2005</u>							
March	0.0	34550.0	-	-	-	82358.2	116908.2
June	2750.0	23900.0	-	-	-	98257.4	124907.4
Sept.	8900.0	22350.0	-	-	-	71725.6	102975.6
Dec.	5500.0	22600.0	-	-	-	67815.6	95915.6
<u>2006</u>							
March	6000.0	24100.0	-	-	-	69015.6	99115.6
June	7100.0	26500.0	-	-	-	69543.6	103143.6
Sept.	9900.0	27500.0	-	-	-	69957.4	107357.4
Dec.	8200.0	27000.0	-	-	-	71157.4	106357.4
<u>2007</u>							
March	11000.0	26000.0	-	-	-	73657.4	110657.4
June	9000.0	27500.0	-	-	-	82157.4	118657.4
Sept.	8500.0	31500.0	-	-	-	90657.4	130657.4
Dec.	12000.0	33000.0	-	-	-	100957.4	145957.4
<u>2008</u>							
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
Dec.	14500.0	48500.0	-	28000	-	114940.0	205940.0
<u>2009</u>							
March	9500.0	51500.0	-	55500	6000.0	97939.8	220439.8

Source: Central Bank of Egypt.

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

(LE mn)

	91 days	182 days	273 days	350 days	364 days	Total
<u>January 2009</u>						
The:						
First week (6/1)	15500.0	48000.0	30000.0	-	115439.8	208939.9
Second week (13/1)	15500.0	48000.0	32000.0	-	113439.8	208939.9
Third week (20/1)	14500.0	48000.0	34500.0	3000.0	112939.8	212939.8
Fourth week (27/1)	14000.0	48500.0	37500.0	3000.0	110939.8	213939.8
End of month	14000.0	48500.0	37500.0	3000.0	110939.8	213939.8
<u>February 2009</u>						
The:						
First week (3/2)	15000.0	49000.0	37500.0	3000.0	111939.8	216439.8
Second week (10/2)	13500.0	49000.0	40500.0	3000.0	109939.8	215939.8
Third week (17/2)	12500.0	48500.0	43500.0	6000.0	108439.8	218939.8
Fourth week (24/2)	12000.0	48000.0	46500.0	6000.0	106439.8	218939.8
End of month	12000.0	48000.0	46500.0	6000.0	106439.8	218939.8
<u>March 2009</u>						
The:						
First week (3/3)	11500.0	50000.0	46500.0	6000.0	107439.8	221439.8
Second week (10/3)	12500.0	50500.0	49500.0	6000.0	105439.8	223939.8
Third week (17/3)	12000.0	50000.0	49500.0	6000.0	102939.8	220439.8
Fourth week (24/3)	10500.0	52000.0	52500.0	6000.0	100439.8	221439.8
End of month	9500.0	51500.0	55500.0	6000.0	97939.8	220439.8

Source: Central Bank of Egypt.

(3/8) Outstanding Balance of Treasury Bonds*

End of March 2009

	Date of Issue	Value (LE mn)	Interest Rate	Maturity & Due Date
Eighth Tranche	16/4/1999	2000	10.000%	10 years, 16/04/2009
Bonds under the Primary Dealers System **				
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
Fourteenth Tranche	1/18/2005	1000	11.400%	20 years, 18/01/2025
Fifteenth Tranche	7/12/2005	2000	9.100%	5 years, 12/07/2010
Sixteenth Tranche ⁽¹⁾	8/2/2005	4000	9.250%	4 years, 02/08/2009
Seventeenth Tranche	16/8/2005	2000	9.350%	5 years, 16/08/2010
Eighteenth Tranche ⁽²⁾	20/9/2005	6000	9.100%	7 years, 20/09/2012
Twentieth Tranche	18/10/2005	2000	9.100%	5 years, 18/10/2010
Twenty First Tranche ⁽³⁾	15/11/2005	5000	9.300%	10 years, 15/11/2015
Twenty Second Tranche	1/3/2006	2000	9.050%	4 years, 03/01/2010
Twenty Third Tranche ⁽⁴⁾	1/24/2006	6000	8.850%	7 years 24/01/2013
Twenty Fifth Tranche ⁽⁵⁾	2/28/2006	4000	8.600%	5 years, 28/02/2011
Twenty Sixth Tranche	5/2/2006	2000	8.950%	4 years, 02/05/2010
Twenty Seventh Tranche	5/29/2007	2000	9.450%	7 years, 29/05/2014
Twenty Eighth Tranche	9/25/2007	2000	8.450%	7 years, 25/09/2014
Twenty Ninth Tranche	10/23/2007	2000	8.600%	8 years, 25/10/2015
Thirtieth Tranche ⁽⁶⁾	11/13/2007	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
Thirty Sixth Tranche ⁽⁷⁾	13/01/2009	6000	12.000%	3 years, 13/01/2012
Thirty Seventh Tranche ⁽⁸⁾	10/02/2009	6000	12.000%	5 years, 10/02/2014
Total		83500		

Source : Central Bank of Egypt.

* Issued by Law No. 4 /1995.

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

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

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

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

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

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

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

(⁷) Increased by LE 3.0 billion, due to their re-opening on 24/2/2009 on the same conditions.

(⁸) Increased by LE 3.0 billion, due to their re-opening on 31/3/2009 on the same conditions.

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

(The Budget Sector, NIB and SIFs)

(Total Expenditures)

(LE mn)

	2008/2009			
	Estimates		9 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Expenditures</u>	<u>343912</u>	<u>345437</u>	<u>243573</u>	<u>247044</u>
<u>Compensations of Employees</u>	<u>79039</u>	<u>79822</u>	<u>50255</u>	<u>50834</u>
Salaries and wages	54616	55330	42054	42584
Social contributions	7271	7341	5094	5138
Other	17152	17151	3107	3112
<u>Purchases of Goods and Services</u>	<u>23833</u>	<u>23952</u>	<u>13071</u>	<u>13174</u>
Goods	12325	12341	6304	6314
Services	8254	8322	5900	5939
Other	3254	3289	867	921
<u>Interests</u>	<u>52929</u>	<u>43919</u>	<u>40521</u>	<u>33420</u>
Foreign interests	4452	4452	3326	3326
Domestic interests:	48477	39467	37195	30094
To NIB & SIFs	2087	0	14216	0
To others	46390	39467	22979	30094
<u>Subsidies, Grants and Social Benefits</u>	<u>134062</u>	<u>143587</u>	<u>95526</u>	<u>105295</u>
<u>Subsidies</u>	<u>95931</u>	<u>95931</u>	<u>70971</u>	<u>70971</u>
To GASC	21477	21477	18915	18915
To petroleum	62703	62703	46576	46576
To others	11751	11751	5480	5480
<u>Grants</u>	<u>3494</u>	<u>3494</u>	<u>2823</u>	<u>2823</u>
<u>Social Benefits</u>	<u>31892</u>	<u>41417</u>	<u>21581</u>	<u>31350</u>
Contribution to SIFs	30277	0	20104	0
Other	1615	41417	1477	31350
<u>Other</u>	<u>2745</u>	<u>2745</u>	<u>151</u>	<u>151</u>
<u>Other Expenditures</u>	<u>25788</u>	<u>25823</u>	<u>19105</u>	<u>19200</u>
Defense	21549	21549	16514	16514
Other	4239	4274	2591	2686
<u>Purchases of Non-Financial Assets (Investments)</u>	<u>28261</u>	<u>28334</u>	<u>25095</u>	<u>25121</u>
Fixed assets	24612	24685	22748	22774
Others	3649	3649	2347	2347

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

(LE mn)

	2008/2009			
	Estimates		9 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
<u>Total Revenues</u>	<u>276795</u>	<u>281560</u>	<u>189589</u>	<u>192768</u>
<u>Tax Revenues</u>	<u>166569</u>	<u>166569</u>	<u>109082</u>	<u>109082</u>
<u>Taxes on income, Profits</u>	<u>83321</u>	<u>83321</u>	<u>49711</u>	<u>49711</u>
From EGPC	34934	34934	22168	22168
From SCA	12060	12060	7851	7851
From CBE	135	135	0	0
From other units	19401	19401	9325	9325
Payable by individuals	16791	16791	10367	10367
<u>Taxes on Property</u>	<u>3517</u>	<u>3517</u>	<u>2124</u>	<u>2124</u>
<u>Taxes on Goods and Services</u>	<u>61349</u>	<u>61349</u>	<u>44839</u>	<u>44839</u>
<u>Taxes on International Trade</u>	<u>15150</u>	<u>15150</u>	<u>10212</u>	<u>10212</u>
<u>Other Taxes</u>	<u>3232</u>	<u>3232</u>	<u>2196</u>	<u>2196</u>
<u>Grants</u>	<u>5557</u>	<u>5557</u>	<u>6566</u>	<u>6566</u>
Current	4329	4329	6313	6313
Capital	1228	1228	253	253
<u>Other Revenues</u>	<u>104669</u>	<u>109434</u>	<u>73941</u>	<u>77120</u>
<u>Property Income</u>	<u>60782</u>	<u>67229</u>	<u>42986</u>	<u>46899</u>
From EGPC	22169	22169	19063	19063
From SCA	15996	15996	10669	10669
From CBE	1200	1200	0	0
From economic authorities	2179	2179	1413	1413
From companies	4531	4671	1745	1875
Other (TML)*	3237	3237	612	612
Other	11470	17777	9484	13267
<u>Sales of Goods and Services</u>	<u>10326</u>	<u>10326</u>	<u>7051</u>	<u>7051</u>
<u>Financing Investment</u>	<u>331</u>	<u>331</u>	<u>2675</u>	<u>2675</u>
<u>Other</u>	<u>33230</u>	<u>31548</u>	<u>21229</u>	<u>20495</u>

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		9 Months (Actual)	
	The Budget Sector	The Budget Sector, NIB & SIFs	The Budget Sector	The Budget Sector, NIB & SIFs
Total Revenues	276795	281560	189589	192768
Total Expenditures	343912	345437	243573	247044
Cash Deficit	67117	63877	53984	54276
Net Acquisition of Financial Assets	2675	13004	2253	5014
Overall Fiscal Balance Finance	69792	76881	56237	59290
<u>Financing Sources</u>	<u>69792</u>	<u>76882</u>	<u>56237</u>	<u>59290</u>
<u>Domestic Financing</u>	<u>77847</u>	<u>84273</u>	<u>73717</u>	<u>74970</u>
<u>Banking Financing</u>	<u>67347</u>	<u>67097</u>	<u>74504</u>	<u>75867</u>
Central Bank	26347	26347	-1586	-1586
Other Banks	41000	40750	76090	77453
<u>Non-Banking Financing</u>	<u>10500</u>	<u>17176</u>	<u>-787</u>	<u>-897</u>
NIB	200	0	2346	0
SIFs	2500	0	1142	0
Other	7800	7800	-1485	-1485
NIB Borrowing	0	9376	0	3378
Special Accounts for Economic Authorities	0	0	-2790	-2790
<u>Blocked Account Used in Amortizing Part of CBE Bonds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Foreign Borrowing</u>	<u>-6865</u>	<u>-6865</u>	<u>-6719</u>	<u>-6719</u>
<u>Arrears</u>	<u>-1000</u>	<u>-1000</u>	<u>-2</u>	<u>-2</u>
<u>Others</u>	<u>-1214</u>	<u>-550</u>	<u>-318</u>	<u>1485</u>
<u>Financing Effects for Eliminations</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-2</u>
<u>Exchange Rate Revaluation</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Net Privatization Proceeds</u>	<u>1000</u>	<u>1000</u>	<u>122</u>	<u>122</u>
Privatization Proceeds	10000	10000	122	122
Treasury Contribution to the Fund	9000	9000	0	0
<u>Difference between Treasury Bills Face Value & Present Value</u>	<u>0</u>	<u>0</u>	<u>-1798</u>	<u>-1798</u>
<u>Foreign Debt Reclassification diff. & FX diff. Related to it</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Discrepancy</u>	<u>24</u>	<u>24</u>	<u>-8765</u>	<u>-8766</u>
Cash Deficit (surplus) as a percentage of GDP	6.7%	6.3%	5.2%	5.2%
Overall fiscal balance as a percentage of GDP	6.9%	7.6%	5.4%	5.7%
Revenues as a percentage of GDP	27.5%	27.9%	18.2%	18.5%
Expenditures as a percentage of GDP	34.1%	34.3%	23.4%	23.8%

Source : The Ministry of Finance .

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

(LE mn)

End of	<u>June 2008</u>		<u>March 2009</u>		<u>Change +(-)</u>
	Value	%	Value	%	2008/2009
<u>Total Domestic Debt</u>	<u>666835</u>		<u>745034</u>		<u>78199</u>
<u>Government Domestic Debt</u>	<u>478811</u>	<u>100.0</u>	<u>553162</u>	<u>100.0</u>	<u>74351</u>
<u>- Balances of Bonds & Bills</u>	<u>568960</u>	<u>118.8</u>	<u>652139</u>	<u>117.9</u>	<u>83179</u>
- Treasury bonds of Central Bank of Egypt	122378	43.6	122378	22.1	0
Local currency bonds with public sector banks	4000	0.8	4000	0.7	-
Bonds offered abroad * :					
US\$	3750	0.8	4067	0.7	317
LE	112	0.0	3323	0.6	3211
- Outstanding Balances of Treasury bonds	78500		83500	15.1	
- Government notes to compensate for the actuarial deficit in social insurance funds	2000	0.4	2000	0.4	-
- Housing bonds	117	0.0	116	0.0	(1)
- Treasury bills	146439	30.6	220440	39.9	74001
- Foreign currency bonds with public sector commercial banks	11126	2.3	11767	2.1	641
- 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	36.0	0
<u>- Credit Facilities from the Social Insurance Funds</u>	<u>2343</u>	<u>0.5</u>	<u>2343</u>	<u>0.4</u>	<u>0</u>
<u>- Net Government Balances with the Banking System</u>	<u>-92492</u>	<u>-19.3</u>	<u>-101320</u>	<u>-18.3</u>	<u>(8828)</u>
<u>Economic Authorities Debt</u>	<u>50123</u>	<u>100.0</u>	<u>55257</u>	<u>100.0</u>	<u>5134</u>
- Net balances with the banking system	-1156	-2.3	2952	5.3	4108
- Borrowing from NIB	51279	102.3	52305	94.7	1026

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

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

(4/5) National Investment Bank

(Resources & Uses)

End of	<u>June 2008</u>		<u>March 2009</u>		<u>Change +(-)</u>
	Value	%	Value	%	2008/2009
<u>Resources:</u>	<u>193071</u>	<u>100.0</u>	<u>192030</u>	<u>100.0</u>	<u>(1041)</u>
. Social Insurance Fund for Gov. Employees	29076	15.1	29076	15.1	0
. Social Insurance Fund for Pub. & Priv. Business Sectors Employees	22632	11.7	22632	11.8	0
. Proceeds from investment certificates	79232	41.0	80056	41.7	824
. Accumulated interest on investment certificates (category A)	7509	3.9	8333	4.3	824
. Proceeds from US dollar development bonds	152	0.1	11	0.0	(141)
. Post office savings	49255	25.5	49255	25.7	0
. Others *	5215	2.7	2667	1.4	(2548)
<u>Uses:</u>	<u>193071</u>	<u>100.0</u>	<u>192030</u>	<u>100.0</u>	<u>(1041)</u>
. Economic authorities	51279	26.6	52305	27.2	1026
. Holding companies, entities & concessional loans, and others	137901	71.4	136615	71.2	(1286)
. NIB balances with the banking system	3891	2.0	3110	1.6	(781)

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

(5/1) Balance of Payments

(US\$ mn)

	July/March				Change (-)
	2007/2008*		2008/2009*		
	Value	%	Value	%	
<u>Balance of Current Account</u>	<u>399.4</u>		<u>(3430.2)</u>		<u>(3829.6)</u>
<u>Balance of Current Account (Excluding Transfers)</u>	<u>(5993.7)</u>		<u>(9869.2)</u>		<u>(3875.5)</u>
<u>Receipts</u>	<u>40693.0</u>	<u>100.0</u>	<u>37673.3</u>	<u>100.0</u>	<u>(3019.7)</u>
Export proceeds**	20837.8	51.2	19254.1	51.1	(1583.7)
Transportation, of which	5438.3	13.4	5825.0	15.5	386.7
<i>Suez Canal dues</i>	3746.5	9.2	3675.8	9.8	(70.7)
Travel	8223.5	20.2	7926.3	21.0	(297.2)
Investment income	2457.1	6.0	1712.6	4.5	(744.5)
Government receipts	137.3	0.3	176.9	0.5	39.6
Other receipts	3599.0	8.9	2778.4	7.4	(820.6)
<u>Payments</u>	<u>46686.7</u>	<u>100.0</u>	<u>47542.5</u>	<u>100.0</u>	<u>855.8</u>
Import payments**	37627.6	80.6	38747.4	81.5	1119.8
Transportation	1193.7	2.6	1205.2	2.5	11.5
Travel	2159.8	4.6	2180.1	4.6	20.3
Investment income, of which	1454.6	3.1	1396.9	2.9	(57.7)
<i>Interest paid</i>	577.1	1.2	526.8	1.1	(50.3)
Government expenditures	972.5	2.1	817.7	1.7	(154.8)
Other payments	3278.5	7.0	3195.2	6.8	(83.3)
<u>Transfers</u>	<u>6393.1</u>	<u>100.0</u>	<u>6439.0</u>	<u>100.0</u>	<u>45.9</u>
Private (net)	6030.2	94.3	5850.8	90.9	(179.4)
Official (net)	362.9	5.7	588.2	9.1	225.3

*Preliminary figures.

**Including the exports & imports of free zones.

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

	(US\$ mn)	
	July/March	
	2007/2008*	2008/2009*
	Value	Value
Capital & Financial Account	3591.6	679.8
Capital Account	2.4	-0.1
Financial Account	3589.2	679.9
Direct Investment Abroad	-411.2	-1079.9
Direct Investment in Egypt (Net) **	11251.7	5238.9
Portfolio Investments Abroad (Net)	-929.7	-285.2
Portfolio Investments in Egypt (Net), of which :	-1350.7	-8889.8
Bonds	857.2	-858.3
Other Investments (Net)	-4970.9	5695.9
<u>Net Borrowing</u>	<u>387.5</u>	<u>-48.0</u>
Medium -and Long -Term Loans	-1004.6	-661.6
Drawings	346.6	890.3
Repayments	-1351.2	-1551.9
Medium -Term Suppliers' and Buyers' Credit	-109.8	-445.1
Drawings	8.8	12.1
Repayments	-118.6	-457.2
Short -Term Suppliers' and Buyers' Credit (Net)	1501.9	1058.7
<u>Other Assets</u>	<u>-7848.5</u>	<u>5194.2</u>
CBE	-37.7	77.7
Banks	-6337.0	10387.1
Other	-1473.8	-5270.6
<u>Other Liabilities</u>	<u>2490.1</u>	<u>549.7</u>
CBE	11.3	6.5
Banks	2478.8	543.2
Net Errors & Omissions	923.8	408.1
Overall Balance	4914.8	-2342.3
Change in Reserve Assets at CBE, Increase (-)	-4914.8	2342.3

Source: CBE.

* Preliminary figures.

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

(5/2) Exports by Degree of Processing *

(US\$ mn)

	July/March				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
<u>Total ***</u>	<u>20837.8</u>	<u>100.0</u>	<u>19254.1</u>	<u>100.0</u>	<u>(1583.7)</u>
<u>Fuels , Mineral Oils & Products</u>	<u>10092.9</u>	<u>48.4</u>	<u>8886.3</u>	<u>46.2</u>	<u>(1206.6)</u>
Crude oil	3504.2	16.8	2981.5	15.5	(522.7)
Petroleum products ****	6416.0	30.8	5606.6	29.1	(809.4)
Coal & types thereof	80.2	0.4	58.4	0.3	(21.8)
<u>Raw Materials</u>	<u>754.0</u>	<u>3.6</u>	<u>677.6</u>	<u>3.5</u>	<u>(76.4)</u>
Cotton	135.7	0.7	71.9	0.4	(63.8)
Potatoes	28.4	0.1	5.5	0.0	(22.9)
Edible fruits & nuts	78.3	0.4	54.6	0.3	(23.7)
Oil seeds & oleaginous fruits, medicinal plants & plants for manufacturing	45.7	0.2	31.8	0.2	(13.9)
Iron, ore	53.1	0.3	25.2	0.1	(27.9)
Citrus fruits	16.5	0.1	12.6	0.1	(3.9)
Raw hides & tanned leather	11.5	0.1	19.6	0.1	8.1
Flax, raw	3.5	0.0	1.1	0.0	(2.4)
Edible vegetables roots & tubers	164.8	0.8	144.7	0.8	(20.1)
<u>Semi-finished Goods</u>	<u>1325.4</u>	<u>6.4</u>	<u>1478.1</u>	<u>7.7</u>	<u>152.7</u>
Carbon	52.0	0.2	47.9	0.2	(4.1)
Essential oils & resins	4.8	0.0	6.9	0.0	2.1

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

(US\$ mn)

	July/March				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
Cotton yarn	71.7	0.3	71.0	0.4	(0.7)
Aluminium, unalloyed	46.6	0.2	45.6	0.2	(1.0)
Animal & vegetable fats, greases & oils & products	98.9	0.5	101.3	0.5	2.4
Black honey & molasses	8.1	0.0	1.6	0.0	(6.5)
Organic & inorganic chemicals	269.9	1.3	407.2	2.1	137.3
Cast iron & semi-finished products & rolled iron	559.1	2.7	528.2	2.7	(30.9)
Leather, tanned	45.4	0.2	77.7	0.4	32.3
Tanning or dyeing extracts	60.9	0.3	45.3	0.2	(15.6)
Plastic & articles thereof	100.9	0.5	135.3	0.7	34.4
Finished Goods	8101.4	38.9	7880.3	40.9	(221.1)
Milk & condensed cream	32.9	0.2	64.7	0.3	31.8
Dried onion	4.6	0.0	2.6	0.0	(2.0)
Rice	124.2	0.6	41.1	0.2	(83.1)
Vegetable & fruit preparations	26.8	0.1	24.3	0.1	(2.5)
Miscellaneous edible preparations	431.0	2.1	488.2	2.5	57.2
Manufactured tobacco and tobacco substitutes	36.2	0.2	86.7	0.5	50.5
Sugar and its products	18.3	0.1	55.7	0.3	37.4
Pharmaceuticals	602.2	2.9	354.8	1.8	(247.4)
Fertilizers	192.7	0.9	579.8	3.0	387.1
Cement	608.5	2.9	434.8	2.3	(173.7)

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

(US\$ mn)

	July/March				Change(-)
	2007/2008		2008/2009 **		
	Value	%	Value	%	
Extracts of essential oils & resins	68.0	0.3	23.9	0.1	(44.1)
Leather products	14.0	0.1	12.0	0.1	(2.0)
Rubber & articles	48.2	0.2	16.3	0.1	(31.9)
Paper, cardboard paper & articles thereof	135.4	0.6	156.6	0.8	21.2
Ceramic products	128.0	0.6	138.2	0.7	10.2
Cars, bicycles & tractors	284.4	1.4	256.5	1.3	(27.9)
Cotton textiles	255.3	1.2	399.0	2.1	143.7
Carpets & other floor coverings	117.3	0.6	91.6	0.5	(25.7)
Shoes & accessories	0.3	0.0	0.6	0.0	0.3
Ready-made clothes	325.9	1.6	472.1	2.5	146.2
Glass & glassware	175.6	0.8	174.2	0.9	(1.4)
Copper & articles	69.4	0.3	72.1	0.4	2.7
Aluminium articles	332.8	1.6	244.6	1.3	(88.2)
Articles of iron and steel	539.3	2.6	398.2	2.1	(141.1)
Wood & articles thereof and charcoal	14.4	0.1	13.8	0.1	(0.6)
Marble & granite	46.1	0.2	63.0	0.3	16.9
Articles of base metals	409.8	2.0	202.3	1.1	(207.5)
Optical appliances	17.6	0.1	26.8	0.1	9.2
Electric machines & appliances, recorders & T.V sets and their accessories	560.8	2.7	793.7	4.1	232.9
Miscellaneous Goods (Undistributed)	564.1	2.7	331.8	1.7	(232.3)

Source: Central Bank of Egypt.

* According to the Harmonized System.

** Provisional.

*** Include exports of free zones.

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

(5/3) Imports by Degree of Use *

	July/March				(US\$ mn)
	2007/2008		2008/2009**		Change(-)
	Value	%	Value	%	
Total ***	37627.6	100.0	38747.4	100.0	1119.8
Fuels, Mineral Oils & Products	3393.5	9.0	3751.6	9.7	358.1
Petroleum products ****	3024.4	8.0	3430.6	8.9	406.2
Coal & types thereof	51.2	0.1	154.3	0.4	103.1
Raw Materials	7085.4	18.8	5018.6	13.0	(2066.8)
Crude oil	3783.7	10.1	2100.7	5.4	(1683.0)
Wheat	1205	3.2	959.2	2.5	(245.8)
Maize	469	1.2	364	0.9	(105.0)
Tobacco	220.6	0.6	284.6	0.7	64.0
Metal ores	462.4	1.2	293.4	0.8	(169.0)
Iron, ore	155.1	0.4	300.3	0.8	145.2
Seeds & oleaginous seeds	178.5	0.5	193	0.5	14.5
Cotton	45.6	0.1	79	0.2	33.4
Intermediate Goods	11727.8	31.2	13045.0	33.7	1317.2
Sugar, raw	124.7	0.3	161.2	0.4	36.5
Animal and vegetable fats, greases & oils and products	938.6	2.5	1130.5	2.9	191.9
Cement	376.1	1.0	359.7	0.9	(16.4)
Organic & inorganic chemicals	1590.9	4.2	1637.3	4.2	46.4
Fertilizers	73.1	0.2	151.8	0.4	78.7
Tanning & dyeing extracts	193.3	0.5	195.7	0.5	2.4
Essential oils & resinoids	31.2	0.1	42.4	0.1	11.2
Plastic & articles thereof	954.0	2.5	898.8	2.3	(55.2)

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

(US\$ mn)

	July/March				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
Wood & articles thereof	659.1	1.8	654.4	1.7	(4.7)
Paper, cardboard paper & articles thereof	690.8	1.8	620.4	1.6	(70.4)
Cotton textiles	134.0	0.4	130.7	0.3	(3.3)
Synthetic fibers	254.7	0.7	284.9	0.7	30.2
Ceramic products	198.6	0.5	239.2	0.6	40.6
Glass & articles	104.4	0.3	140.4	0.4	36.0
Iron & steel products	2564.9	6.8	3302.0	8.5	737.1
Copper & articles	216.3	0.6	189.0	0.5	(27.3)
Rubber & articles	199.0	0.5	264.9	0.7	65.9
Aluminium & articles	263.1	0.7	230.1	0.6	(33.0)
Articles of base metals	154.9	0.4	218.6	0.6	63.7
Parts & accessories of motor vehicles	980.8	2.6	1051.8	2.7	71.0
Investment Goods	7460.0	19.8	8056.1	20.8	596.1
Pumps, fans & parts thereof	480.9	1.3	643.1	1.7	162.2
Machines and apparatus for ginning and spinning & parts thereof	48.0	0.1	47.3	0.1	(0.7)
Computers	395.7	1.1	550.5	1.4	154.8
Motors, generators, transformers & parts thereof	397.3	1.1	258.7	0.7	(138.6)
Parts of railway and tramway locomotives or rolling stock equipment	41.5	0.1	152.9	0.4	111.4
Tractors	47.3	0.1	50.6	0.1	3.3
Vehicles for transport of passengers	21.6	0.1	12.7	0.0	(8.9)
Vehicles for transport of goods	31.6	0.1	62.1	0.2	30.5

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

	July/March				(US\$ mn)
	2007/2008		2008/2009**		Change(-)
	Value	%	Value	%	
Tools, implements, cutlery & spoons	144.9	0.4	156.9	0.4	12.0
Air conditioners	176.7	0.5	175.6	0.5	(1.1)
Cranes and bulldozers & parts thereof	699.5	1.9	930.2	2.4	230.7
Agricultural machinery	65.2	0.2	172.0	0.4	106.8
Printing machinery & parts	52.5	0.1	63.7	0.2	11.2
Electric appliances for telephones & telegraph	685.9	1.8	629.3	1.6	(56.6)
Optical appliances	260.3	0.7	326.0	0.8	65.7
Consumer Goods	6149.6	16.3	6994.2	18.1	844.6
A - Durable Goods	1714.4	4.6	1599.5	4.1	(114.9)
Household refrigerators & electric freezers	97.3	0.3	113.9	0.3	16.6
Televisions & parts thereof	49.7	0.1	36.7	0.1	(13.0)
Vehicles for transport of persons	793.4	2.1	779.4	2.0	(14.0)
Household electric-motor appliances	275.0	0.7	243.5	0.6	(31.5)
B - Non-durable Goods	4435.2	11.8	5394.7	13.9	959.5
Meat and edible offals	383.7	1.0	378.0	1.0	(5.7)
Fish, crustaceans, molluscs and others	114.8	0.3	142.5	0.4	27.7
Dairy products, eggs, poultry and honey	198.8	0.5	282.7	0.7	83.9
Edible vegetables roots & tubers	149.7	0.4	164.0	0.4	14.3
Tea	143.7	0.4	127.5	0.3	(16.2)

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

(US\$ mn)

	July/March				Change(-)
	2007/2008		2008/2009**		
	Value	%	Value	%	
Miscellaneous edible preparations	467.6	1.2	471.4	1.2	3.8
Pharmaceuticals	1042.0	2.8	1171.5	3.0	129.5
Insecticides	18.7	0.0	17.6	0.0	(1.1)
Residues of foodstuff industries & animal fodder	155.5	0.4	122.4	0.3	(33.1)
Live animals	17.4	0.0	13.8	0.0	(3.6)
Ready-made clothes	496.0	1.3	447.2	1.2	(48.8)
Cotton textiles	122.8	0.3	237.7	0.6	114.9
Sugar, refined and products	37.1	0.1	58.3	0.2	21.2
Lentils	35.3	0.1	33.6	0.1	(1.7)
Soap, detergents & artificial wax	126.1	0.3	140.7	0.4	14.6
Miscellaneous Goods (Undistributed)	1811.3	4.8	1881.9	4.9	70.6

Source: Central Bank of Egypt.

* According to the Harmonized System.

** Provisional.

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

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

(5/4) Regional Distribution of Exports and Imports

(US\$ mn)

	July/March					
	Export Proceeds		Import Payments**		Trade Balance	
	2007/2008	2008/2009 *	2007/2008	2008/2009 *	2007/2008	2008/2009 *
Total ***	<u>20837.8</u>	<u>19254.1</u>	<u>37627.6</u>	<u>38747.4</u>	<u>(16789.8)</u>	<u>(19493.3)</u>
European Union	6812.6	6688.1	13019.6	14342.0	(6207.0)	(7653.9)
Other European countries	948.7	701.2	2873.9	4010.6	(1925.2)	(3309.4)
Russian Federation & C.I.S	118.7	124.1	1099.8	1256.7	(981.1)	(1132.6)
United States of America	6430.3	5187.0	7223.4	5894.2	(793.1)	(707.2)
Arab countries	2311.1	2709.4	3819.5	3749.1	(1508.4)	(1039.7)
Asian countries (Non Arab)	3355.8	2429.5	6940.1	7510.7	(3584.3)	(5081.2)
African countries (Non Arab)	561.3	562.5	275.4	317.8	285.9	244.7
Australia	16.4	12.0	121.2	161.1	(104.8)	(149.1)
Other countries & regions	282.9	840.3	2254.7	1505.2	(1971.8)	(664.9)

Source: Central Bank of Egypt

* Provisional.

** Including commodity grants and loans.

*** Including exports & imports of free zones.

(5/5) Average LE Exchange Rates against Currencies

(In piasters per foreign currency unit)

End of	June 2008		March 2009	
First: Interbank US\$ Rates				
Minimum	533.00		563.70	
Maximum	533.61		564.11	
Weighted average	533.31		563.96	
Second: Market Rates	Buy	Sell	Buy	Sell
US Dollar	532.36	534.92	562.89	565.68
Euro	838.74	842.82	749.10	752.86
Pound Sterling	1059.99	1065.19	805.00	809.09
Swiss Franc	521.87	524.59	494.37	496.99
100 Japanese Yens	504.04	506.65	571.18	574.18
Saudi Riyal	141.96	142.66	150.09	150.84
Kuwaiti Dinar	2008.84	2020.02	1925.74	1941.24
UAE Dirham	144.92	145.64	153.24	154.01
Chinese Yuan	77.67	78.04	82.37	82.79

Source : Central Bank of Egypt

The interbank system started at 23/12/2004.

(5/6) External Debt

End of	(US\$ mn)					
	June 2008		March 2009 *		Change (-)	
	Value	%	Value	%	Value	%
Total External Debt **	33892.8	100.0	30879.8	100.0	(3013.0)	(8.9)
1- Medium & Long term debt :	31373.5	92.6	28386.8	92.0	(2986.7)	(9.5)
Rescheduled bilateral debt +	15606.4	46.1	13574.8	43.9	(2031.6)	(13.0)
ODA	7787.8	23.0	7265.6	23.5	(522.2)	(6.7)
Non-ODA	7818.6	23.1	6309.2	20.4	(1509.4)	(19.3)
Other bilateral debt	4972.1	14.7	4670.9	15.1	(301.2)	(6.1)
Paris Club countries	4130.4	12.2	3836.5	12.4	(293.9)	(7.1)
Other countries	841.7	2.5	834.4	2.7	(7.3)	(0.9)
Suppliers' & buyers' credit	763.5	2.2	323.7	1.1	(439.8)	(57.6)
International & regional organizations	7361.5	21.7	7736.9	25.1	375.4	5.1
Egyptian bonds and notes	2651.8	7.8	2003.1	6.5	(648.7)	(24.5)
Private sector (Non-guaranteed)	18.2	0.1	77.4	0.3	59.2	325.3
2- Short term debt :	2519.3	7.4	2493.0	8.0	(26.3)	(1.0)
Deposits	1048.3	3.1	1036.6	3.4	(11.7)	(1.1)
Other Facilities	1471.0	4.3	1456.4	4.6	(14.6)	(1.0)

Source: CBE- Loans & External Debt Department

* 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 *		March 2009 *		Change (-)
	Value	%	Value	%	
Total	33892.8	100.0	30879.8	100.0	(3013.0)
US dollar **	13100.8	38.7	13007.8	42.1	(93.0)
Canadian dollar	169.0	0.5	128.0	0.4	(41.0)
Australian dollar	148.0	0.4	97.0	0.3	(51.0)
Swiss franc	596.0	1.8	513.0	1.7	(83.0)
Sterling pound	246.0	0.7	180.0	0.6	(66.0)
Japanese yen	3601.0	10.6	3805.0	12.3	204.0
Danish krone	162.0	0.5	131.0	0.4	(31.0)
Norwegian krone	1.0	0.0	1.0	0.0	0.0
Swedish krona	39.0	0.1	26.0	0.1	(13.0)
Kuwaiti dinar	1810.0	5.3	1731.0	5.6	(79.0)
Saudi riyal	29.0	0.1	30.0	0.1	1.0
UAE dirham	37.0	0.1	35.0	0.1	(2.0)
Euro	11376.0	33.6	9391.0	30.5	(1985.0)
Egyptian Pound	1106.0	3.3	501.0	1.6	(605.0)
SDRs	1472.0	4.3	1303.0	4.2	(169.0)

Source: CBE- Loans & External Debt Department

* Provisional.

** Including other liabilities in US dollar.