

0.1 Legal environment

0.1.1 Responsibility for collecting, processing, and disseminating statistics

Central Bank of Egypt

The Central Bank of Egypt collects and compiles statistics in the domains under its responsibility by virtue of the law No. 88 for the year 2003 regarding the Central Bank, banking system, and money, particularly Articles 75-77 of the Law. The public dissemination of data is also subject to the terms and conditions stipulated in these laws.

The data are published by the Central Bank of Egypt as a service to the public.

Balance of payments

The Central Bank of Egypt is entitled to collect, compile and publish Balance of Payments data and its methodology. For this purpose CBE has the authority to request information from banks, other financial institutions, governmental agencies and others. Data are compiled by Balance of Payments Department of the Economic Research Sector of the CBE.

0.1.2 Data sharing and coordination among data producing agencies

Main BOP data are shared, coordinated and verified among related agencies and the Economic Research Sector for sake of consistency

0.1.3 Confidentiality of individual reporters' data

Central Bank of Egypt

The law No. 88 for the year 2003 regarding the Central Bank, banking system, and money, particularly Articles 97 and 100 (previously the Banks and Credit Law No. 163 of 1957—the CBE Law) guarantee the confidentiality of the data. Dissemination of data by name or individually are prohibited.

Balance of payments

Law No.88 for the year 2003 regarding the Central Bank, banking system, and money particularly Articles 97 & 100 (previously the Banks and Credit law No. 163 of 1957 the CBE law) guarantee the confidentiality of the data. Dissemination of data by name or individually are prohibited.

| | |
|--------------------------------------|---|
| | <p>0.1.4 Ensuring statistical reporting</p> <p>The CBE collect data to compile the Balance of Payment Statistics from the Banking system & other related agencies.</p> |
| <p><u>0.2 Resources</u></p> | <p>0.2.1 Staff, facilities, computing resources, and financing</p> <p>The number of staff is almost adequate to perform BOP required tasks . The qualification of staff is adequate.</p> <p>0.2.2 Ensuring efficient use of resources</p> <p>Staff is provided with modern computing technology and software for compiling and disseminating the statistical series.</p> |
| <p><u>0.3 Relevance</u></p> | <p>0.3.1 Monitoring user requirements</p> <p>Developments in Balance of Payments (BOP) statistics takes into account users needs.</p> |
| <p><u>0.4 Quality management</u></p> | <p>0.4.1 Quality policy</p> <p>The BOP team consider the data quality as the first priority of statistical work, they are sensitive to all five dimensions of data quality and carry out their task accordingly.</p> <p>0.4.2 Quality monitoring</p> <p>The statistical program is monitored by crosschecks.</p> <p>0.4.3 Quality planning</p> <p>The BOPs managers and staff recognize the tradeoffs among the</p> |

| | |
|-----------------------------------|---|
| | <p>dimensions of the data quality. Timelines are considered as one of the important dimensions of data quality, in line of SDDS req. Further improvement of data quality is taken into account to improve FDI statistics through new working arrangement for the data compilation between the CBE, the Ministry of Investment (MOI), the General Authority for Investment (GAFI), the Ministry of Petroleum, and the Central Agency for Public Mobilization and Statistics (CAPMAS).</p> |
| <p>1. Integrity</p> | |
| <p><u>1.1 Professionalism</u></p> | <p>1.1.1 Impartiality of statistics</p> <p>The CBE law assures independence to the CBE. The terms and conditions under which the balance of payments statistics are produced to promote the professional independence of the CBE.</p> <p>1.1.2 Selection of sources, methodology, and modes of dissemination</p> <p><u>Central Bank of Egypt</u> The Central Bank of Egypt is an independent entity authorized to determines the coverage, content, methodology, and periodicity of the data that it collects and compiles by virtue of the law No. 88 for the year 2003 regarding the Central Bank, banking system, and money.</p> <p><u>Balance of payments</u> The CBE follows the Balance of Payments Manual 5th edition (IMF).</p> <p>1.1.3 Commenting on erroneous interpretation and misuse of statistics</p> <p>If there is erroneous interpretation and/or misuse of the BOP statistics in the media or other, the CBE comments and provides clarification in the media and on the website. If needed CBE contacts the reporters and other interested parties, to have the erroneous interpretation corrected.</p> |
| <p><u>1.2 Transparency</u></p> | <p>1.2.1 Disclosure of terms and conditions for statistical collection,</p> |

processing, and dissemination

Central Bank of Egypt

The Central Bank and Banking System Law (No. 88, 2003) is available in Arabic (and an English version) and a copy can be downloaded from the CBE website at: (www.cbe.org.eg). Paper copies in Arabic can be obtained from the following address:

Central Bank of Egypt
Banking Supervision Department
54 Gomhoreya Street,
Cairo, 11511, Egypt

Balance of payments

Methodology of BOP statistics and its main sources are clarified and published on CBE website (www.cbe.org.eg) and reported to IMF in the IFS, and BOPSY.

1.2.2 Internal governmental access to statistics prior to release

Central Bank of Egypt

No officials outside the CBE have access to data before release to the public.

Balance of payments

No officials outside the CBE have access to data before release to the public.

1.2.3 Attribution of statistical products

Central Bank of Egypt

No ministerial commentary is attached to release of data.

Balance of payments

Balance of payments statistics are clearly identified as the CBE product. When data produced by other agencies are published; the source is indicated in footnotes.

1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.

Whenever methodological changes occur, they are announced when the data are disseminated in the *Annual Report* and the quarterly

| | |
|--|---|
| | <p><i>Economic Review of the CBE</i>. Changes in the methodology are also noted at the time of dissemination on the Central Bank of Egypt website: (www.cbe.org.eg).</p> |
| <p><u>1.3 Ethical standards</u></p> | <p>1.3.1 Guidelines for staff behavior</p> <p>The CBE Law and the Internal Regulation of the CBE (Its Statutes or Code of Conduct) provide broad ethical guideline.</p> <p>As for the staff of the CBE. The Internal Regulation of the CBE regulates recruitment of personnel, their rights, duties and responsibilities, as well as disciplinary rules and rewards. Also, it determines the area of work and responsibility of each department and division of the CBE. These guidelines are available to staff. When new staff joins the CBE, an orientation course that covers these guidelines are always organized for them. All the staff have positive high ethical standards.</p> |
| <p>2. Methodology</p> | |
| <p><u>2.1 Concepts and definitions</u></p> | <p>2.1.1 Concepts and definitions</p> <p>Concepts and definitions used to compile BOP statistics are in line with BPM5 of IMF.</p> |
| <p><u>2.2 Scope</u></p> | <p>2.2.1 Scope</p> <p>Scope of the data</p> <ul style="list-style-type: none"> • Transactions coverage: The main indicators that can be derived from Egypt's BOP are the trade balance position, commodity exports/imports coverage ratio, the position of the current account and its ratio to GDP, the overall deficit (surplus) and its ratio to GDP, the ratio of errors and omissions to commodity transactions as well as the number of months of imports covered by net international reserves. • Geographic coverage: The data cover whole economic |

| | |
|---|--|
| | <p>territory of Egypt, i.e. the customs frontiers of the Egyptian economy.</p> <p>Unrecorded activity</p> <p>Unrecorded activity: Trade credits provided by Egyptian residents are not included.</p> |
| <p><u>2.3</u> <u>Classification/sectorization</u></p> | <p>2.3.1 Classification/sectorization</p> <p>Classification system: The transactions are classified according to the fifth edition of the IMF's <i>Balance of Payments Manual (BPM5)</i>.</p> |
| <p><u>2.4 Basis for recording</u></p> | <p>2.4.1 Valuation</p> <ul style="list-style-type: none"> • Valuation: Transactions valued at market prices. <p>2.4.2 Recording basis</p> <p>BOP accounting, where possible, is done on an accrual basis. However, most of BOP transactions are recorded on a cash, rather than accrual, basis.</p> <p>2.4.3 Grossing/netting procedures</p> <p>Grossing/netting procedures are broadly consistent with BPM5. Current account items are recorded on a gross basis. Capital and financial account items are recorded on a net basis, such as FDI and portfolio investment in Egypt (inflows minus repatriation of foreign investor's capital to home country).</p> |
| <p>3. Accuracy and reliability</p> | |
| <p><u>3.1 Source data</u></p> | <p>3.1.1 Source data collection programs</p> <p>Compilation of Egypt's balance of payments statistics is based on</p> |

the Fifth Edition of the Balance of Payments Manual (BPM5). The Central Bank of Egypt derives most current account data mainly from foreign exchange records, except for some items which undergo adjustments by CBE Banking Supervision Department, External Debt Statistics Department, Ministry of Petroleum, Ministry of Tourism, General Authority for Investment & Free Zones (GAFI), Ministry of International Cooperation, and Bank for International Settlements (BIS).

The Central Bank of Egypt derives the data on capital account from foreign exchange records.

Data on financial account are derived as follows :-

- Data on direct investment abroad come from foreign exchange records;
- Data on direct investment in Egypt are drawn from foreign exchange records, Ministry of Petroleum, General Authority for Investment & Free Zones (GAFI), and Egyptian Financial Supervisory Authority (EFSA);
- Data on portfolio investment abroad are derived from foreign exchange records;
- Data on portfolio investment in Egypt are drawn from EFSA , External Debt Statistics Department and General Department for Securities; and
- Data on other investment and reserve assets are based on figures from CBE External Debt Statistics Department, Banking Supervision Department, Ministry of Petroleum, foreign exchange records and CBE Accounting Department;

N.B. Since 1997, Egypt's balance of payments data has included transactions of the enterprises operating in free zones with the rest of the world.

3.1.2 Source data definitions, scope, classifications, valuation, and time of recording

Goods: Entries for general merchandise exports f.o.b. cover proceeds of exported goods reported by banks. They are adjusted to include petroleum exports reported by the Ministry of Petroleum. Entries for general merchandise imports c.i.f. cover payments for imported goods reported by banks. They are adjusted to include petroleum imports reported by the Ministry of Petroleum, excluding purchases of bunker fuel by Egyptian ships and aircraft abroad

which are reported by banks. Such imports are adjusted to a f.o.b. basis by deducting freight and insurance at an estimated rate of 12.5 percent of the c.i.f. value (i.e., 2.5 percent for insurance and 10 percent for freight).

Credit entries for goods procured at ports by carriers cover sales of bunker fuel to foreign ships and aircraft, whereas debit entries cover purchases of bunker fuel by Egyptian ships and aircraft abroad.

Services:

- *Transportation*
 - Credit entries for transportation cover amounts received by Egyptian shipping and airline companies for freight and passenger services. Other transportation covers receipts of Suez Canal dues and receipts of the Suez Mediterranean oil pipeline for transporting foreign companies' oil.
 - Debit entries for transportation cover amounts transferred to foreign shipping and airline companies for freight and passenger services, as well as payments for freight adjusted by adding 10 percent (the value of imports, on c.i.f. basis).
- *Travel*
 - Compilers base the credit entries for travel on the number of nights spent by tourists in Egypt (data from the Ministry of Tourism) and the average expenditure per night (based on a survey conducted by the Ministry of Tourism). Separate details are not available for business and personal travel.
 - The debit entries for travel cover expenditures of government officials and private employees traveling abroad, pilgrimage, expenditures of students studying abroad, training, technical and educational missions, and expenditures abroad for medical care.
- *Other services*
 - Insurance. Credit and debit entries cover receipts and payments provided by foreign exchange records. Debit entries are adjusted by including an estimated insurance value on imports (i.e., 2.5 percent of imports - c.i.f. basis).
 - Other business services. Credit and debit entries

cover receipts and payments on account of miscellaneous services, as shown in the foreign exchange records .

- Government n.i.e. Credit entries cover mainly expenditures of foreign embassies and international organizations located in Egypt. Debit entries cover mainly expenditures of Egyptian embassies abroad, and salaries and expenses of government employees abroad. The data source is foreign exchange records.

Income:

- Investment income:
 - Direct investment. Credit entries cover profits received from abroad and income from real estate abroad, whereas the debit entries cover profits transferred abroad by foreign direct investors in Egypt and income on real estate in Egypt remitted abroad. The data source is the foreign exchange records. Debit entries also include reinvested earnings for direct investment in Egypt provided by the General Authority for Investment & Free Zones (GAFI) and profits & interest of petroleum sector provided by the Ministry of Petroleum.
 - Portfolio investment. Credit entries cover interest and dividends earned on bonds and securities invested abroad by residents. The debit entries cover transfers of dividends on securities and interest paid on bonds invested in Egypt by nonresidents.
 - Other investment. Credit entries include interest on deposits held abroad by the banking system and also interest on cross-border deposits of Egyptian nonbank residents as recorded by BIS. The debit entries cover mainly interest paid to nonresidents on bank deposits, foreign loans and credits, rescheduled interest and interest paid to loans and credits regarding to oil sector. The information is provided by External Debt Statistics Dept., and Ministry of Petroleum . Contra-entries to rescheduled interest are recorded in other investment liabilities in the financial account.

Current transfers:

- General government: Credit entries cover grants and donations received in cash and in kind by the Egyptian

government . The entries also include receipts for social security contributions. Data sources for these entries include foreign exchange records, Ministry of International Cooperation, and Ministry of Petroleum. Debit entries cover contributions to international organizations for administrative and budgetary expenditures, and grants and donations paid by the Egyptian government as reported in foreign exchange records.

- Other sectors:
 - ✓ Workers' remittances: Credit entries cover remittances received from Egyptian nationals working abroad. Debit entries cover remittances abroad by foreign workers in Egypt. Compilers derive data from foreign exchange records.
 - Other: Credit entries cover grants and donations received, in addition to the signature bonus received from foreign oil companies. Debit entries cover pensions paid to nonresidents by Egyptian insurance companies, as well as grants, donations, and gifts given by Egyptian residents to charitable and religious organizations abroad.

Capital account : CBE compiles and retrieves data from the foreign exchange records. Entries for capital account cover capital transfers (including the transfer of ownership of fixed asset or debt forgiveness), and acquisition or disposal of non-produced, non-financial assets (land, subsoil assets, patents, copyrights, trademarks and franchises).

Financial account:

- Direct Investment: Entries for direct investment abroad cover net amounts remitted abroad for investment and purchases of real estates. Data are drawn from the foreign exchange records. Entries for direct investment in Egypt cover cash inflows, net of outflows, as recorded in the capital and operation accounts of the joint venture companies operating in Egypt, , loans from mother company as well as remittances received for the purchase of real estate in Egypt by nonresidents. Data are drawn from the foreign exchange records . The entries for direct investment in Egypt also covers direct investment in petroleum sector inflows net of outflows as the data of the ministry of petroleum , reinvested earnings for direct

investment in Egypt provided by the General Authority for Investment & Free Zones (GAFI) It includes foreigner 's purchases of Egyptian securities (that equal or exceeds 10%) through EFSA.

- Portfolio investment: Entries for portfolio investment abroad cover net amounts transferred abroad by residents for the purchase of foreign securities as reported in foreign exchange records. Portfolio investment in Egypt covers net transactions in foreign currencies (sales and purchases) of Egyptian securities (less than 10%) by nonresidents as reported by the EFSA, net purchases of treasury bills by nonresidents drawn from the CBE General Department for Securities, and nonresidents' investments in Egyptian bonds issued abroad by the Egyptian government, as recorded by External Debt Statistics Dept.

- Other investment:
 - ❖ Loans: The amounts of drawings and repayments on loans received by the general government are derived from External Debt Statistics Dept.
 - ❖ Trade credit: The amounts shown as liabilities of other sectors comprise drawings on, and repayments of, credits extended to the "other sector" by suppliers and buyers; they are derived from External Debt Statistics Dept.. Short-term suppliers' and buyers' credits are registered on a net basis and are derived from the foreign exchange records and Ministry of Petroleum .
 - ❖ Entries for liabilities of Egyptian banks represent changes in liabilities of nonresidents in banks. Compilers derive them from the balance sheets of the banking system. Entries for assets of Egyptian banks cover changes in banks' foreign assets. Compilers derive them from the balance sheets of the banking system.
 - ❖ Other assets and liabilities:
 - Entries for the other assets of monetary authorities represent changes in payment agreement balances and subscriptions to international organizations.
 - Entries for other liabilities of monetary authorities represent changes in payment agreement balances and other long- and short-term obligations.
 - Entries for other assets of other sectors cover:
 - net purchases and sales of foreign banknotes

| | |
|--|--|
| | <p>by banks from individuals and foreign exchange dealers;</p> <ul style="list-style-type: none"> ▪ the difference between travel receipts reported by banks and travel receipts estimated by the Ministry of Tourism, based on the number of nights and the average spending per night of tourists; ▪ the counterpart to interest received on cross-border deposits of Egypt non-bank residents, which were not recorded by banks; ▪ deposits transferred abroad by residents (individuals and companies); and ▪ Net settlement of petroleum sector debt with foreign partner and others. <p>Reserve assets: Entries for foreign exchange cover changes in the CBE's foreign exchange balances held with correspondents abroad, including changes in earmarked balances, and changes in the holdings of foreign securities and bonds as shown in the balance sheet of the CBE. These data are provided by the Accounting Department of the CBE.</p> <p>3.1.3 Source data timeliness</p> <p>BOP data received by the CBE within 6 weeks after the end of the reference quarter (period). If exceptional delays occur, the CBE notifies the producing data agency for the delay.</p> |
| <p><u>3.3 Statistical techniques</u></p> | <p>3.3.1 Source data statistical techniques</p> <p>Goods: Entries for general merchandise exports f.o.b. cover the proceeds of exported goods reported by banks. They are adjusted to include petroleum exports reported by the Ministry of Petroleum. Entries for general merchandise imports c.i.f. cover the payments for imported goods reported by banks. They are adjusted to include petroleum imports reported by the Ministry of Petroleum, excluding purchases of bunker fuel by Egyptian ships and aircraft abroad which are reported by banks.</p> <p>Because import data reported by banks are valued on a c.i.f. basis, they are adjusted to a f.o.b. basis by deducting freight and insurance at an estimated rate of 12.5 percent of the c.i.f. value (i.e., 2.5</p> |

| | |
|---------------------------------------|--|
| | <p>percent for insurance and 10 percent for freight).</p> <p>3.3.2 Other statistical procedures</p> <p>Seasonal adjustment: No seasonal adjustment is made to any data.</p> |
| <u>3.4 Data validation</u> | <p>3.4.1 Validation of intermediate results</p> <p>Bank's foreign exchange data are validated against other independent data sources.</p> |
| <u>3.5 Revision studies</u> | <p>3.5.1 Revision studies and analyses</p> <p>Validations are routine as part of internal quality control exercises. The public release made when revisions are significant. Preliminary data are clearly identified. The results of adjustments in the statistical processes are considered in compiling data for subsequent periods.</p> |
| 4. Serviceability | |
| <u>4.1 Periodicity and timeliness</u> | <p>4.1.1 Periodicity</p> <p>Quarterly</p> <p>The quarterly balance of payments statistics are disseminated within three months after the end of the reference quarter, which meets the requirements of the SDDS for timeliness</p> <p>4.1.2 Timeliness</p> <p>One quarter</p> |
| <u>4.2 Consistency</u> | <p>4.2.1 Internal consistency</p> <p>The CBE's monthly Statistical Bulletin, Annual Report and</p> |

| | |
|--|--|
| | <p>particularly the <i>Quarterly Report: External Position of the Egyptian Economy</i>, which provides multiple tables as well as an analytical discussion of the balance of payments, external debt, international reserves, and exchange rate developments.</p> <p>4.2.2 Temporal consistency</p> <p>Consistency is ensured between BOP quarterly and annual data.</p> |
|--|--|

| | |
|----------------------------|--|
| <p><u>4.3 Revision</u></p> | <p>4.3.1 Revision schedule</p> <p>The balance of payments tables are published with notes specifying the preliminary nature of the figures for the most recent periods.</p> <p>Whenever methodological changes occur, they are announced when the data are disseminated in the <i>Annual Report</i> and the quarterly Economic Review of the CBE. Changes in the methodology are also noted at the time of dissemination on the Central Bank of Egypt website: (www.cbe.org.eg).</p> |
|----------------------------|--|

5. Accessibility

| | |
|------------------------|---|
| <p><u>5.1 Data</u></p> | <p>5.1.1 Statistical presentation</p> <p>Data are disseminated in millions of US. dollars. Transactions covered in the Central Bank of Egypt's (CBE's) balance of payments cover:</p> <ul style="list-style-type: none"> • <u>The current account</u>: merchandise exports & imports broken down by oil and other sectors, the services balance on gross basis for receipts and expenditures by major category (transportation, travel, investment income, government, and other), private and official transfers on net basis. • <u>The capital account (on a net basis)</u> is broken down into capital transfers (including the transfer of ownership of fixed asset or debt forgiveness), and acquisition or disposal of non-produced, non-financial assets (land, subsoil assets, patents, copyrights, trademarks and franchises). • <u>The financial account (on a net basis)</u> is broken down into foreign direct investment, portfolio investment, other investments, which broken down to loans, trade credit, changes in foreign assets and liabilities of banks and non |
|------------------------|---|

reserve assets and liabilities of the CBE, and other other assets. Changes in reserve assets of the CBE ,which represents Overall Balance.

The statistics are compiled according to the fifth edition of the IMF's *Balance of Payments Manual*.

Data are available by country and/or by geographic area.

5.1.2 Dissemination media and format

Hard copy

- Monthly Statistical Bulletin

- Quarterly Economic Review and Annual report are available from the CBE's Economic Research Sector (in English and Arabic) as well as the "External Position of the Egyptian Economy" in English only, 54 Gomhoreya Street, Cairo, Egypt. email: mona.aly@cbe.org.eg

Hard copy - Other

Since December 2004, the Central Bank of Egypt (CBE) disseminates BOP data in an IMF's *Balance of Payments Statistics Yearbook (BOPSY)* format to facilitate analysis.

Electronic - On-line bulletin or data

CBE Internet website (<http://www.cbe.org.eg>).

5.1.3 Advance release calendar

An advance release calendar giving one-quarter-ahead notice to the approximate release date and then a week-ahead notification of the precise release date is disseminated on the Internet on the IMF's Dissemination Standards Bulletin Board at <http://dsbb.imf.org/Applications/web/sddshome/>.

5.1.4 Simultaneous release

| | |
|----------------------------|--|
| | <p>Data are initially released to the public via the CBE's website: (http://www.cbe.org.eg). A notice to this effect is published in the CBE's <i>Monthly Statistical Bulletin</i>. These data are also disseminated in the Bulletin, as well as in the <i>Quarterly Report: External Position of the Egyptian Economy</i> and the <i>Annual Report</i>. These documents are freely available from the CBE, either by subscription or request.</p> |
| <p><u>5.2 Metadata</u></p> | <p>5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques</p> <p>The methodology, definition, and sources, which broadly conform to the the fifth edition of the IMF's <i>Balance of Payments Manual</i> are spelled out clearly at the dissemination of data. Also, brief explanatory notes and definitions are included in the CBE's <i>Monthly Statistical Bulletin</i>.</p> |