



# **STATE INFORMATION SERVICE**

## **Weekly Economic Bulletin**

**(11-17 August 2018)**

**Mohammad Saleh**



## **Sisi opens New Assiut Barrage, its hydraulic plant**

President Abdel Fattah El Sisi opened the New Assiut Barrage project and its hydraulic power plant at a cost of EGP 6.5 billion with the participation of a group of youths and engineers who contributed to implementing the project.

Sisi listened to a presentation by head of the High Dam and Aswan Dam Authority Hussein Galal on the implementation of the project, which is considered the third largest water project on the River Nile after the High Dam and Naga Hammadi Barrage.

The project's administrative building includes the operation room of the barrage that will provide irrigation water to 690,000 hectares of lands.

The hydraulic power plant aims at reducing carbon emissions to preserve the environment, he added.

The President also listened to a presentation by director of the operation room of the project Mahmoud Ali Abdel Alim.

He said the project was carried out according to the latest international technologies in terms of designing, operation systems and manufacturing.

He said the 17-meter-wide and 6.6-meter-high gates of the project were built by Egyptian hands, adding that each one weighs 150 tons.

The New Assiut Barrage Project consists of an embankment dam, a gated spillway, a river hydropower plant and a navigation lock in the river Nile.

The new project was implemented by a consortium of international and national companies with a total cost of EGP 6.5 billion.



The barrage includes two navigation locks on the right side of the Nile and eight semi-diagonal gates.

### **Sisi inaugurates national projects in Beni Suef**

President Abdel Fattah El Sisi attended the inauguration ceremony of a number of national projects in the Upper Egyptian governorate of Beni Suef.

These projects include an industrial complex for producing cement and marble, which is going to be one of the largest in terms of productivity in Egypt and the Middle East.

Attending the ceremony were Prime Minister Moustafa Madbouli, Minister of Defense and Military Production Mohamed Zaki and several other ministers and State officials.

Head of the National Services Projects Agency Major General Moustafa Amin made a presentation explaining that the project was set up in line with the comprehensive development plans in Egypt.

It is also aimed at supporting housing and reconstruction projects in Egypt, he pointed out, adding that the project comes in accordance with directives by President Abdel Fattah El Sisi.

He further noted that the president urged adding two production lines to Arish cement complex to be four in number.

The Beni Suef and Arish projects are implemented by the Engineering Authority of the Armed Forces in cooperation with the Chinese CDI company and the Italian Pedrini company, he added.

Today's projects in Beni Suef and Arish were implemented in only 21 months, he indicated.



Egypt is one of the first countries in the world to produce cement as the first cement production factory was set up on its land in 1911, he added.

Major General Moustafa Amin added that the production of cement in Egypt over the past 10 years did not cope with the demand of the local market.

He added that providing building and reconstruction materials, atop of which comes cement, in affordable prices is one of the most important challenges facing housing and infrastructure projects in Egypt.

The expected consumption of building materials by the end of this year will hit 59 million tons to increase in 2022 to reach 86 million tons, he added.

Beni Suef project is set up over an area of five million square meters and includes three factories with six production lines at a total production capacity of 12 million tons annually, he indicated.

Amin asserted that the projects in Beni Suef and Arish are established in line with all ecological and health standards applied internationally.

The Beni Suef project provides up to 1,800 direct jobs and around 8,000 indirect ones, he indicated.

The new production lines of cement in Beni Suef and Arish will add up to 15.3 million tons of cement annually so that the total local production will increase from nearly 55 million tons to roughly 70 million tons annually, he added.

Egyptian deserts are full of natural resources such as marble and granite that need to be tapped, he said, adding that several



international companies are competing for importing marble and granite from Egypt.

Egypt ranks seventh on the international list of countries producing marble and granite, he added.

Major General Moustafa Amin said that the project is implemented according to directives by President Abdel Fattah El Sisi.

The marble and granite complex in Beni Suef is set up on an area of 200,000 square meters and includes five factories for producing marble along with two others for granite, he added.

The overall production capacity of the complex hits 3.6 million meters of granite and marble annually, he indicated.

The project provides 750 direct jobs and around 2,000 indirect jobs, he pointed out.

The project also includes administrative buildings plus residential units for up to 300 workers along with recreational places and green areas, he noted.

Other similar projects are underway in other governorates including five industrial complexes for granite and marble in Central Sinai, Meniya, Raas Sidr, Ain Sokhna and Aswan, he added.

They will be inaugurated next year in January, February, April and July respectively, he added.

Major General Moustafa Amin presented the president with a copy of the Holy Quran as a souvenir.

Later a documentary was screened about the cement and marble complex project that was implemented in 21 months.



The documentary showed that the project was carried out through cooperation of more than 20 national and foreign companies in line with the state-of-the-art technology.

### **CBE keeps interest rates unchanged**

The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) kept interest rates unchanged for the third time this year, setting the overnight deposit rate and the overnight lending rate at 16.75 percent and 17.75 percent, respectively.

During June's meeting, MPC also kept the interest rates unchanged after lowering them twice earlier this year by 1 percent each time.

In February and March, CBE cut the interest rates by 200 basis points, and kept the rates unchanged during May and June meetings at 16.75 percent and 17.75 percent for the overnight deposit rate and the overnight lending rate, respectively.

### **Egypt's bourse updates its website to lure more investors**

Egypt's Exchange Authority updated its website to meet growing needs in the securities industry and help increase the number of investors and registered securities.

In a statement, the bourse said it added a new section under the name of "Join the bourse" to explain to companies how they can register their securities in a simplified way and point out to those who are not registered yet in the bourse how they can invest their money.

The section will present an updated map of the locations of all securities brokerage companies across the nation to help citizens trade public stocks and other securities.



Under the new updates of the bourse website, a page was created for every brokerage firm, both in Arabic and English languages, that includes all required data about the company, including its logo, address, telephone and fax numbers, email and website address.

### **Sisi directs to focus on high value-added investments**

President Abdel Fattah El Sisi directed to attract high value-added investments, expand in small and medium-sized industries and entrench partnership between the public and private sectors, presidency spokesman Bassam Rady said.

This came during the President's meeting with Prime Minister Mostafa Madbouli, Investment Minister Sahar Nassr, Trade Minister Amr Nassar and Public Business Sector Minister Hisham Tawfik.

The President also directed to solve problems and obstacles facing investors and investment via investors' services centers that are currently being established nationwide.

Sisi also ordered to continue to establish investment and free zones in light of efforts to increase the volume of Egyptian exports.

During the meeting, investment minister reviewed the indicators of the local and foreign investments and the process of establishing new investment and free zones to attract more investments in all fields.

Meanwhile, trade minister reviewed steps to develop industry and increase exports as Sisi directed to continue efforts to develop the



sector via establishing new industrial complexes nationwide that would provide thousands of new job opportunities.

Also, the President directed to increase exports and benefit from the international agreements signed between Egypt and a number of economic entities around the world especially in Asia and Africa.

The public business sector minister also reviewed the situation of the sector's companies and the ministry's plans to reform the ailing companies. The president ordered to develop the sector in order to be able to contribute to the overall development process.

### **Petroleum Ministry: Three new deals to dig 15 wells at investments worth USD 139 million**

Petroleum Minister Tareq el Molla signed three oil and gas exploration agreements in the Mediterranean Sea, the Western Desert and Nile Delta, with investments worth 139.2 million dollars.

In a statement, the Petroleum Ministry said the first deal was signed by the Egyptian Natural Gas Holding Company (EGAS), Tharwa Petroleum Co. and Italy's Eni company to drill two wells in the Noor gas field in the Shorok concession area of the Mediterranean Sea, with 105-million-dollar investments.

The second agreement was signed by the Egyptian General Petroleum Corporation (EGPC), Eni company and the Croatian Ina - Naftaplin International Exploration and Production Ltd to dig nine wells in Ras Qattara concession in the Western Desert, the statement added.

As for the third deal, it was signed by EGPC, Eni and British Petroleum (BP) to drill four wells in Nidoko in the Nile Delta, at



total investments worth 22.5 million dollars, according to the statement.

Following the signing ceremony, the minister asserted that the petroleum sector will continue to clinch oil and gas exploration deals as the cornerstone of luring investments.

### **East Port Said Development Company, 2 German firms sign 70-million-euro contracts**

East Port Said Development Company signed two contracts worth 70 million euros with two German companies; BAG East Port Said and Gerda Egypt, to set up investment projects in the industrial zone.

Head of Suez Canal Authority Mohab Mamish and head of East Port Said Development Company Karim Sami attended the signing ceremony.

The contracts come as part of East Port Said Development Company's efforts to lure foreign investments and set up projects in the industrial zone in East Port Said.

Mamish, during the signing ceremony, expressed thanks to President Abdel Fattah El Sisi for his constant support of investments in the Suez Canal Economic Zone, saying this zone will be among the powerful economic areas worldwide.

He added that the two contracts are the start of a real development in East Port Said especially after East Port Said Industrial Zone was supplied with all needed utilities.

The East Port Development Company is the developer of East Port Said Industrial Zone – ep, an industrial park with a total area of 16 million square meters. The park is located in Egypt at the northern end of the Suez Canal Special Economic Zone (SCZone).



The company was established by the Industrial Development Group (IDG), the National Service Project Organization (NSPO), Hassan Allam Sons and SAMCRETE to become the developer and promoter of the industrial zone.

### **CAPMAS: Unemployment rate decreases to 9.9% during Q2-2018**

Egypt's unemployment rate fell to 9.9 percent in the second quarter of 2018, down from 10.6 percent during the first quarter of the same year and down by 2.1 percent compared to the same quarter of the previous year, state statistics agency CAPMAS said.

The rate has been falling steadily in recent months amid a program of economic reforms carried out by the Egyptian government.

The Central Agency for Public Mobilization and Statistics said in a statement that the number of unemployed was about 2.9 million in the second quarter of 2018, down by 219 thousand compared to the first quarter of 2018 and by 612 thousand compared to the same quarter of 2017.

The size of the work force reached 29.036 million people (including 22.665 million males and 6.371 million females) in the second quarter of 2018.

### **CBE: Deposits in banks up to EGP 3.536 trillion by end of May**

The total deposits in banking system, excluding the CBE, increased by EGP 11 billion to hit EGP 3.536 trillion by the end of May, up from 3.525 trillion in April, the Central Bank of Egypt (CBE) said.

In a statement, the bank added that governmental deposits hit about EGP 551.2 billion, including EGP 432.5 billion in local currency



and EGP 118.6 billion in foreign currencies, while non-governmental deposits reached to EGP 2.980 trillion in the same period against EGP 2.979 trillion in the previous month.

The total of nongovernmental deposits in foreign currency reached EGP 724.7 billion, according to the report.

### **CAPMAS: 3.7% increase in applications submitted to Egyptian Patent Office in 2017**

The number of applications submitted to the Egyptian Patent Office (EPO) has risen by 3.7 percent to reach 2,2279 in 2017, against 2,197 in 2016, said the Central Agency for Public Mobilization and Statistics (CAPMAS).

The number of patents granted by the EPO in 2017 amounted to 581, compared with 450 patents that were issued in 2016, according to the annual bulletin issued by the office.

In 2017, out of the 581 patents, 485 patents were granted to foreigners and 96 to Egyptians.

In 2016, 377 patents were issued to foreigners and 73 to Egyptians.

United States citizens ranked first in the number foreigners issued patents by EPO, with 113 patents. Germans ranked second with 66 patents.

### **Bloomberg: Egypt is now a "haven" for debt investors**

Egypt has turned into a “haven” for debt investors in the region in the period since it floated its pound and initiated economic reform, a report by Bloomberg network claimed.



The report opined that the decision to float Egypt’s currency left it “immune to a rout that sent Turkish and Argentine currencies reeling to record lows”.

S&P Global Ratings raised Egypt’s credit rating in May, as strong measures taken to stabilize Egypt’s economy raised its stature in the debt market, Bloomberg continued.

Companies such as TCW Group Inc. and Union Investment Privatfonds GmbH considered the stability of the Egyptian pound and its relatively high yields an attractive indicator of investment.

Despite the outflows, “we are encouraged that there were no reports of dollar shortages,” Brett Rowley, the Managing Director for emerging markets at TCW, was quoted by Bloomberg as saying.

The report echoed statements by the International Monetary Fund (IMF) that the strong growth in inflows from tourism and remittances in Egypt compensated for the external inflows of funds in recent months.