

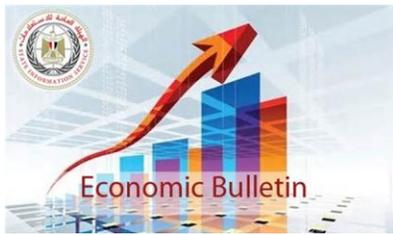


# **STATE INFORMATION SERVICE**

## **Weekly Economic Bulletin**

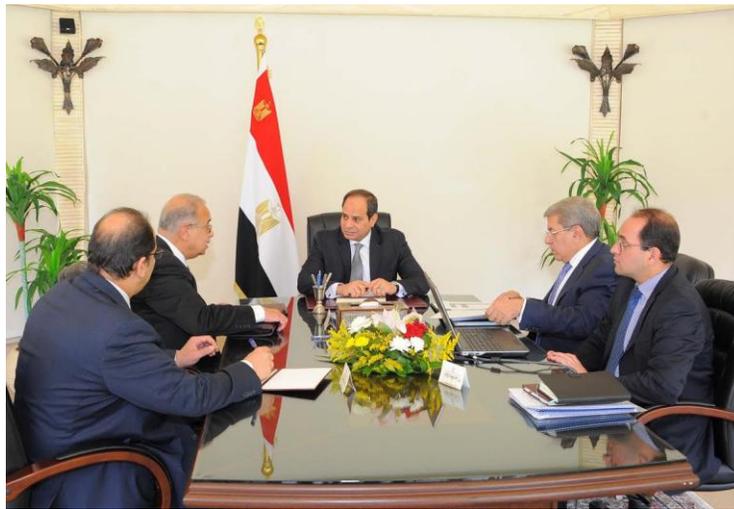
**(20-26 May 2017)**

**Mohammad Saleh**



## **Sisi discusses preparations for Ramadan with PM, Finance Minister**

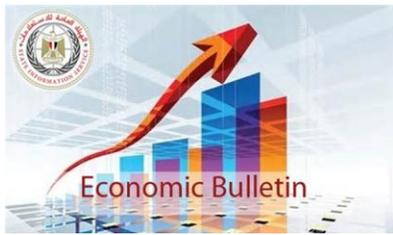
President Abdel Fattah El Sisi met with Prime Minister Sherif Ismail, Finance Minister Amr el Garhy and Deputy Finance Minister for Fiscal Policies Ahmed Kajouk.



The meeting tackled the budget of the current fiscal year 2016/2017 along with ongoing measures to reduce budget deficit and public debt, said Presidential Spokesman Alaa Youssef.

The meeting further discussed measures taken to provide basic food commodities in the markets as the holy fasting month of Ramadan approaches, added the spokesman.

The prime minister pointed out to the government's measures to increase the number of outlets to sell the basic commodities to the citizens, said the spokesman.



The spokesman further said that President Sisi underlined the need of continuing efforts to provide basic food commodities to citizens during Ramadan at affordable prices.

President Sisi further said that the Finance Ministry has to continue in following up the various economic indicators and assess measures taken to attain economic reform, added the spokesman.

### **Sisi opens major national projects in Damietta**

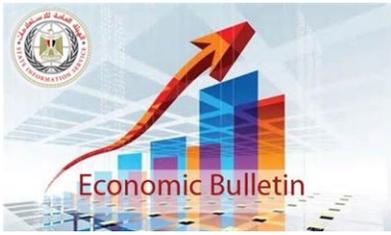
President Abdel Fattah El Sisi inaugurated several major national projects in Damietta governorate.



The president was accompanied by Prime Minister Sherif Ismail, Defense and Military Production Minister Sedqi Sobhi, as well as a number of ministers and top statesmen.

The opening ceremony began by reciting verses of the Quran.

Speaking at the opening ceremony, Head of the Administrative Control Authority (ACA) Mohamed Erfan said all major national projects that were set up from February 15, 2016, till May 20,



2016, have been reviewed to ensure their financial, administrative and technical integrity.

Erfan said that 1,705 projects, at a total cost of 285 billion pounds, were reviewed.

Erfan underlined that 179 projects were reviewed before being opened, adding that 140 projects were approved and 39 others were postponed. He added that 1,526 projects were referred to parties concerned to inaugurate them.

Major General Essam el Kholy, the director of the mega projects department, said that 38 percent of 64 social housing projects have been completed in 19 governorates. Work is underway to implement the remaining 62 percent in nine governorates, Kholy added.

About 16,896 residential units have so far been implemented in four governorates, he said, noting that those represent 12 percent of a middle-class housing project.

The remaining 88 percent are being implemented in nine governorates, Kholy added.

For his part, Health Minister Ahmed Emadeldin Rady underlined the most important projects carried out in the health sector.

As for Hepatitis C virus (HCV), the Health Ministry noted that in 2008, the demographic survey showed that 30% of people infected with Hepatitis C virus in Egypt had received unsafe treatment for schistosomiasis (bilharzia) via poorly sterilized glass syringes.



In 2015, there were 350,000 persons on waiting lists for the treatment of Hepatitis C, he said, adding in August 2016, there were no waiting lists in all Egyptian governorates.

The price tag of the imported HCV drug is 10,600 pounds for a course of treatment extending for three months, the minister underlined.

However, this cost decreased by 85% after the use of Egyptian HCV drug that costs just 1,527 pounds, the minister said.

Director of the military engineers department Major General Hassan Abdel Shafie said 186 medical facilities have been renovated and built in line with directives of President Sisi.

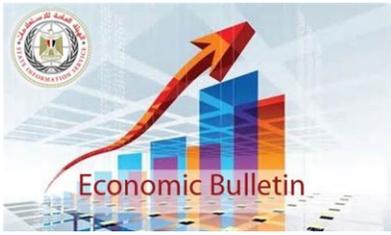
Five new health care projects are being inaugurated today in five governorates, Abdel Shafie said.

One such project is a Damietta Military Hospital in New Damietta city, he said, noting that it will serve military personnel and civilians in the Delta city and adjacent areas.

### **PM attends world economic forum in Jordan**

Prime Minister Sherif Ismail attended a world economic forum of the Middle East and North Africa region, currently held in Jordan.

Themed "Empowering Generations into the Future", the forum is meant to exchange views about regional issues of mutual concern, particularly economic challenges and reforms.



Participants will try to bring closer views about the role advanced technologies play in achieving economic growth, creating jobs and encouraging cooperation between the public and private sectors.

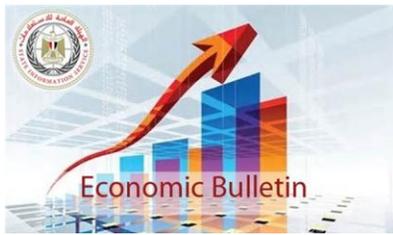
### **Nasr confers with AIIB mission on pumping new investments**

Minister of Investment and International Cooperation Sahar Nasr met with a mission of the Asian Infrastructure Investment Bank (AIIB) under Vice President for Policy and Strategy Joachim von Amsberg.

The AIIB mission will get briefed on infrastructure projects that the bank would contribute to its financing.



In statements following the meeting, Nasr asserted that the Egyptian government has given a priority to projects which serve



the citizens in a direct way such as power generation, solar energy and transport along with more mega investments to be held in the Suez Canal Economic Zone.

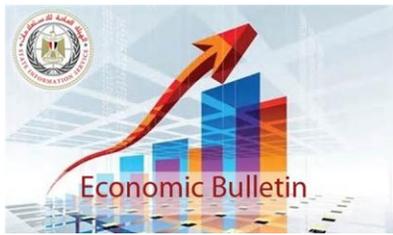
Nasr also highlighted the outcome of her meeting with AIIB President Jin Liqun during her participation in the Belt and Road Forum in China as the bank is considered the second financing party to the Silk Road Initiative and other countries which have joined the Chinese initiative.

The meeting pored over the second phase of financing the sanitation projects in the most needy villages through cooperation with the World Bank.

Meanwhile, the head of AIIB mission hailed the Egyptian parliament's approval of the new investment law to ease business climate in Egypt away from bureaucracy.

He also said AIIB intends to finance various infrastructure projects in the countries of their operations, including Egypt, with dlrs 10 to 15 billion over the coming five to six years. The funds will mainly target the sectors of energy, transport, urban development and logistics.

AIIB groups 70 member-states with a capital of dlrs 100 billion which aims at financing a number of projects that serve in achieving sustainable development in several sectors topped by the new and renewable energy, transport, communication, infrastructure and others.



## **Investment Minister in talks with WB over third tranche**

Investment and International Cooperation Minister Sahar Nasr met with Country Director of the World Bank Asad Alam on receiving the third tranche of the 3-billion-dollar loan aiming at supporting Egyptian economic reform program.



The third tranche is worth one billion dollars.

The two sides agreed to arrange for a WB mission's visit to Egypt in June to lure more foreign investments to Egypt and enhance private sector's role in supporting the development process in the country.

Alam said the bank is upbeat over economic reforms carried out by Egypt, saying the bank supports pumping new investments in Egypt in the infrastructure domain.

He added that the bank is eager to cooperate with Egypt in developing education.



## **Tourist Authority, Guinness' 3B Premium to promote Egyptian tourism**

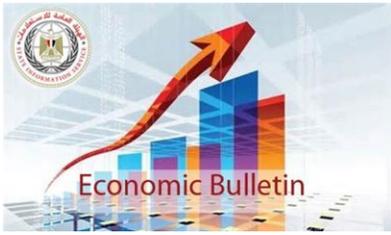
Head of the Egyptian Tourist Authority Hisham el Demeiry held talks with Ahmed Makled, the CEO of 3B Premium - the official partner of Guinness World Records in Egypt, to arrange for events that would give momentum to tourism in Egypt.



Demeiry said the authority will coordinate with Makled means of hosting Guinness Record holders in Egypt to promote various tourist destinations in the country.

The authority has an annual agenda of events and seeks to coordinate with the company holding joint events that would positively affect tourism.

Makled hailed cooperation with the authority, noting that several events are being geared up to promote Egyptian tourism worldwide.



## **CBE raises interest rates by 2 percent**

The Central Bank of Egypt (CBE) decided to raise the overnight deposit rate, overnight lending rate, and the rate of the Central Bank of Egypt's (CBE) main operation by 200 basis points to 16.75 percent, 17.75 percent, and 17.25 percent, respectively.

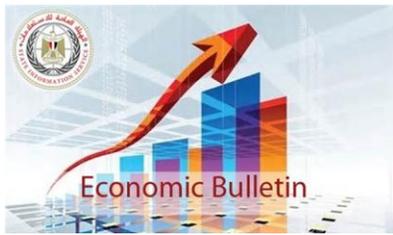


The discount rate was also raised by 200 basis points to 17.25 percent, according to a statement by the CBE.

Headline inflation registered 1.69 percent (m/m) in April 2017, recording its third consecutive decline due to fading cost-push pressures after averaging 4.01 percent (m/m) between November 2016 and January 2017, the CBE said in its Monetary Policy Committee (MPC) statement.

Meanwhile, annual headline inflation registered 31.46 percent. Monthly inflation during April was mainly driven by volatile and core food items, while non-food items remained broadly unchanged, CBE added.

Accordingly, core inflation which excludes volatile food items grew by 1.10 percent (m/m) in April, recording a slight increase after decelerating in February and March from the average 4.89



percent (m/m) registered between November 2016 and January 2017.

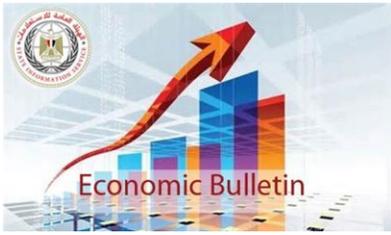
Nevertheless, as monthly core inflation was lower than the respective month of the previous year, the annual rate declined for the second consecutive month to record 32.06 percent.

While the previous tightening of policy rates and the consistent reduction of short-term excess liquidity have so far successfully managed to contain underlying inflation excluding supply-shocks, as evident in the inflation developments above, the balance of risks surrounding the inflation outlook has tilted more strongly to the upside with recent economic and monetary data releases pointing to strengthening demand-side pressures.

Furthermore, the MPC envisages risks related to inflation expectations resulting from elevated annual inflation levels despite the continued moderation of monthly rates. Consequently, the MPC decided that tightening monetary conditions are warranted in commitment to its price-stability mandate.

Information received since the MPC met in March show continued improvement of economic activity and a reduction of unemployment. Annual real GDP grew by 3.9 percent in 2016/17 Q3, strengthening from the 3.8 and 3.4 percent recorded in the preceding quarters as well as from the 3.6 percent recorded in 2015/16 Q3.

This coincided with the narrowing of the unemployment rate to 12.0 percent in 2016/17 Q3 from 12.4 and 12.6 percent in the preceding quarters.



## **Investment Minister: Cabinet approves amendment to decree regulating management of EGX**

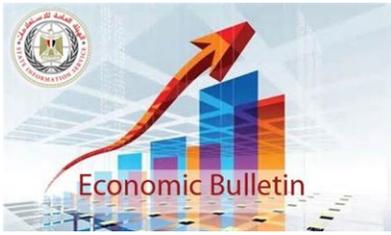
Investment and International Cooperation Minister Sahar Nasr said that the cabinet agreed on amending presidential decree No 191 of 2009 that regulated the management of the Egyptian Exchange (EGX).



Speaking at a press conference on Thursday, the minister said that the amendment aims at ensuring the independence of EGX chairman.

It also involved the appointment of the bourse's head for one year to be renewed for a one-year term, Nasr said.

The new board of directors of EGX will be elected on June 22, she noted.



## **Amer: EGP 20bn value of CBE portfolio to finance SMEs**

Governor of the Central Bank of Egypt Tarek Amer has said the new initiative he launched Tuesday to promote microfinance projects aimed at financing micro and small projects worth 20 billion pounds.

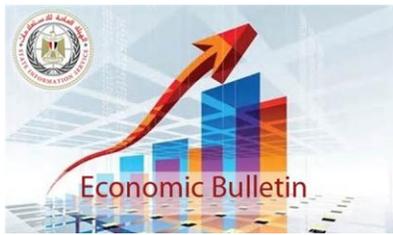


In statements to MENA, he said the initiative depends on involving banks in the microfinance projects and to enable the CBE to play a role in the country's economy.

He pointed out to the big gap in financing needs of micro projects estimated at 30 billion pounds and the potentials of the quarters that work in such activities.

Amer said the small and medium-sized enterprises (SMEs) would contribute to increasing GDP, create more job opportunities, reduce poverty rate and improve the standard of living.

The launch of the initiative was attended by Social Solidarity Minister Ghada Wali, Chairman of the Egyptian Financial Supervisory Authority Sherif Samy and Chairman of the Federation of Egyptian Banks Hesham Ezz el Arab.

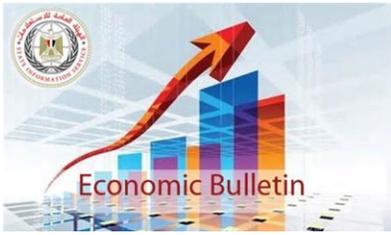


Speaking at a press conference, Amer said that the initiative started through interacting with the NGOs and the organizations operating in SMEs.

## **United States Dollar to Egypt Pound**



By the end of this week, the average buy price for the US dollar reached 18.0194 pounds, while the average sell price reached 18.1197 pounds.



## Gold Price



The following table shows gold price per gram:

Carat	Gold price per gram in Egyptian Pound (EGP)
24K Gram	718 EGP
21K Gram	628 EGP
18K Gram	538 EGP