



STATE INFORMATION SERVICE

Weekly Economic Bulletin

(25-31 August 2018)

Mohammad Saleh



Moody's changes outlook on Egypt's credit rating to "positive"

Credit ratings agency Moody's upgraded the outlook on Egypt's credit rating from stable to positive, affirming the country's rating at B3.

The great progress made by the Egyptian government in implementing economic reforms agreed upon with the International Monetary Fund (IMF) contributed to achieving some degree of financial stability, the US-based agency said.

Egypt's credit rating upgrade comes against the backdrop of continued structural improvement in the budget and balance of current transactions, Moody's added.

Bloomberg: In a nod to reforms, Moody's raises Egypt credit outlook

Egypt's credit outlook was raised from stable to positive by Moody's Investors Service, which cited progress in implementing a program backed by the International Monetary Fund to bolster economic growth and repair public finances, Bloomberg reported.

The country's long-term rating was kept at B3, six levels below investment grade. The positive outlook signals that a downgrade is currently very "unlikely," Moody's said in a statement.

"The substantial progress made by the government in implementing reforms agreed with the IMF has imparted a degree of financial stability not present earlier in the decade," Moody's said. That has helped offset debt refinancing risk, which "remains a key credit challenge for the sovereign in an increasingly turbulent global financial environment," it said.



Egyptian authorities in 2016 launched an aggressive effort to end a crippling dollar shortage that had stymied business activity and limited investor interest. The lifting of exchange rate restrictions, accompanied by the slashing of fuel and utility subsidies, were key parts of the broader effort to shrink the budget deficit and revive economic growth.

Egypt's bourse gains 8.2 billion pounds in August

The Egyptian Exchange (EGX) gained 8.2 billion pounds in August, as the market capital went up 0.9 percent to 881.7 billion pounds compared to 873.5 billion pounds in the previous month.

The EGX 30 benchmark index upped 2.75 percent to reach 16009 points, according to the monthly bourse report, a copy of which MENA obtained.

The broader EGX 70 index of the leading smaller and mid cap enterprises (SME) went up by 0.38 percent to 747 points.

The all-embracing EGX 100 index also increased 0.33 percent to close at 1,936 points.

Egyptian expats remit USD 26.5 billion during FY 2017/18

The Central Bank of Egypt (CBE) announced that the remittances of Egyptians abroad witnessed unprecedented increase during the Fiscal Year 2017/2018 as it rose about \$4.6 billion.

The remittances went up with 21.1% to reach \$26.5 billion compared to \$21.9 billion during the Fiscal Year 2016/2017.

In a statement, the CBE said that the total remittances during April-June of the current fiscal year increased by 16.1% to hit \$7



billion compared to \$6 billion during the same period of the previous fiscal year.

Navigation movement at Suez Canal hits record high

Navigation movement at the Suez Canal hit a record high with 49 ships transiting the international waterway carrying 4.2 million tons, head of the Suez Canal Authority (SCA) Mohab Mamish said in a statement.

The south-bound convoy included 33 ships with a total cargo of 2.9 million tons, while the north-bound convoy included 16 ships carrying 1.3 million tons, he added.

Eight giant ships transited the waterway, Mamish said, noting that each of them carried more than 150,000 tons.

Meanwhile, he said giant cruise ship Viking Orion crossed the canal on Saturday as part of the south-bound convoy.

The ship is set to visit a number of Egyptian ports, such as Safaga and Sharm el Sheikh within the framework of the efforts made to promote tourism to the country's ports, Mamish indicated.

156 railway stations are being maintained

The Egyptian National Railways is currently upgrading and maintaining 156 stations at a total cost of about EGP 1 billion, media spokesman for the Ministry of Transport Mohamed Ezz said in statement.

The move comes as part of the ministry's plan to improve the services provided to trains passengers, he added.



The spokesman noted that Minister of Transport Hisham Arafat has issued directives to meet the deadlines for such projects, while preserving the safety of passengers during maintenance works.

Planning Minister: EGP 275 billion investments in Sinai until 2022

Minister of Planning Hala Saeed said that the government has allocated up to 275 billion pounds in investments in Sinai until the year 2022.

In a released statement by the Ministry, she added that the State is adopting development plans that are aimed at enhancing the development of the provinces that did not have their fair share of development such as Sinai and Upper Egypt.

She added that development projects in Sinai will include fish farms and a nature lake along with an industrial zone and 10 new roads.

Also the projects include 15 hospitals and health units and upgrading 53 schools and universities, she added.

Five projects have been already implemented in the sector of land reclamation, she said, adding that 54 water projects are also carried out.