

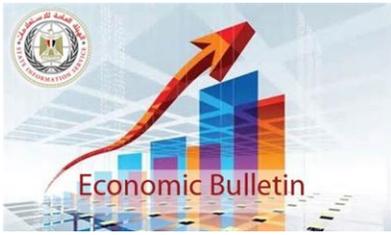


# **STATE INFORMATION SERVICE**

## **Weekly Economic Bulletin**

**(20-26 January 2018)**

**Mohammad Saleh**



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

President Sisi visited Beni Suef to inaugurate a number of development projects. During the visit, he said that 3,000 small factories will be built in Upper Egypt by the end of 2018.

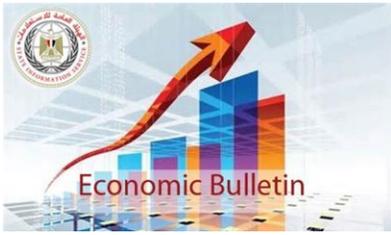


Also, Sisi inaugurated a plant for water treatment in Sohag's Dar el Salam via video conference. The plant works at a daily capacity of 60,000 cubic meters with a total cost of EGP 255 million. The plant serves about 350,000 persons as it covers a large number of villages.

The President also inaugurated via video conference Armant Central Hospital in Luxor governorate and the second phase of Luxor Public Hospital.

Sisi also inaugurated via video conference the project of doubling Qena-Sohag western desert road in addition to that of developing Bahariya Oases highway in Farafra.

During the visit, President Sisi directed to establish logistics zones nationwide as soon as possible, urging the private sector to participate in the establishment of these projects.



Logistics zones will guarantee that products are provided in good quality and at a reasonable price, and that's what Egypt is working on, spokesman for the presidency Bassam Rady quoted the president as saying.

During the inauguration, Supply Minister Ali Moselhi said the ministry secures strategic reserves of main commodities, topped by wheat, sugar and oil.

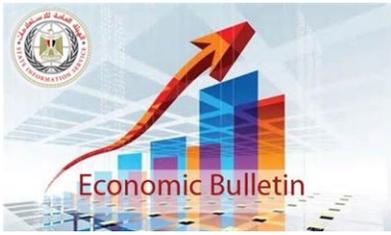
While Social Solidarity Minister Ghada Wali talked about challenges facing Egypt, especially declining growth rates that led to the increase of unemployment rates, inflation and prices.

Speaking about the cash subsidy program, Wali said the program aims at providing monthly financial transfers to about 2 to 3 million of the most needy families.

She said the ministry updated the database of all needy families to include those taking "Takaful and Karama" pensions or social pensions or those taking financial assistance from non-governmental organizations.

Administrative Control Authority (ACA) chief said EGP 196 million was the cost of development work at Beni Suef Public Hospital.

As for Luxor Public Hospital, Erfan said it has been fully upgraded with a total cost of EGP 171 million with the help of the National Service Projects Authority.



On the Arment Specialized Hospital, which is serving the southern parts of Luxor governorate, Erfan said it has been fully revamped with a total cost of EGP 286 million with a bed capacity of 149.

On the basic utilities sector, Erfan said Dar Essalam water station and El Yousr desalination station were inaugurated to serve the needs of Sohag governorate, noting that the cost of establishing them amounted to EGP 250 million and 824 million respectively.

Trade and Industry Minister Tareq Qabil said there are about 50 industrial zones in Upper Egypt out of a total of 135 zones nationwide. This means that about 37 percent of industrial zones exists in Upper Egypt, he said, noting that Sohag, Menya and Beni Suef got the lion's share.

The major challenge facing industrial zones in Upper Egypt is the infrastructure, he said, noting that efforts are under way to gradually develop the infrastructure.

According to the presidential spokesman, Housing Minister Mostafa Madbouli, in his word at the inauguration ceremony, estimated investments in water treatment stations over the past four years at EGP 124 billion.

The projects in the field are among the largest national projects, said the minister, describing them as "unprecedented" in Egypt's history.

Health Minister Ahmed Emad el Din said that the government had finalized the overall national health insurance law, adding that the law is covering all Egyptians nationwide.



Meanwhile, Major General Essam el Kholy, the director of the Armed Forces Engineering Authority mega projects department, said that the authority was assigned to establish and develop 54 health facilities in Upper Egypt.

Transport Minister Hisham Arafat said the ministry is currently working on eight strategies to develop transportation network in Upper Egypt.

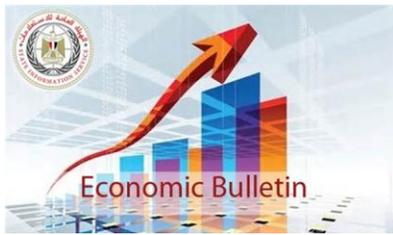
The strategies are contributing to the implementation of developmental plans, preparing a new road network in Upper Egypt governorates, resuming the establishment of the double-track railways and roads to limit road accidents, resuming developmental projects like linking roads at the two banks of River Nile, enhancing the railways service, introducing electronic means to secure the services, using railways and river transport to move goods and establishing a number of inland ports and logistic areas, the minister explained.

### **Egypt partakes in FESPO in Zurich**

Egypt has participated in the international fair FESPO 2018 in Zurich, with hundreds of exhibitors partaking.

Cairo is represented in the fair, on January 25-28, by the tourism office in Berlin in coordination with the Egyptian embassy in Switzerland.

Egypt's ambassador in Bern Hisham Seif El Din, who attended the fair, said the expo brought together more than 600 exhibitors from 60 countries. He noted that major Swiss travel agencies are also



attending the fair, which he termed as a real opportunity to promote the tourism to Egypt.



The number of Swiss tourists visiting Egypt has risen from 46,000 in 2016 to over 75,000 in 2017, the ambassador said, citing tourism experts and Swiss tour operators who expected that the figure to increase to more than 120,000 in 2018.

He also pointed that with their high incomes, Swiss tourists spend more time and visit more places than tourists from other countries.

### **IMF lauds Egyptian economic reform**

The International Monetary Fund (IMF) said that the Egyptian economic reform program has played a major role in the stability of the economic situation in Egypt.

In a released statement after wrapping up consultations with Egyptian officials in Cairo in December, the IMF added that the Egyptian economy started reviving and restoring confidence while its future outlook is now positive.



Economic growth rate increased from 3.5 percent in 2015-2016 fiscal year to 4.2 percent in 2016-2017. It would reach 4.8 percent in 2017-2018, it added.



Inflation rate would go down to around 12 percent by June 2018 and less than 10 percent in 2019, the IMF expected.

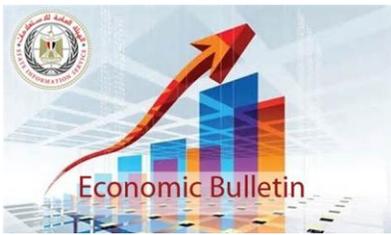
A decision to liberalize the exchange rate helped end the dollar black market and increase foreign currency reserves, added the IMF.

The IMF also lauded social protection measures that are adopted by the Egyptian government.

### **Suez Canal revenues hit USD 5.3 billion in 2017**

The Suez Canal revenues rose 5.4 percent to hit dlr 5.3 billion in 2017 compared with dlr 5 billion in 2016, Chairman of the Suez Canal Authority and the Suez Canal Economic Zone (SCZone) Mohab Mamish said.

Receiving members of Sporting Club and the international women's club at the Suez Canal Authority's Maritime Training and



Simulation Center, Mamish said the 2017 statistics recorded a noticeable growth in the number of the ships and vessels transited the canal and their cargoes, which proved the economic feasibility of the New Suez Canal.



The Suez Canal revenues in EGP terms surged by 89.5 percent to reach 93.8 billion in 2017, compared to 49.5 billion in 2016, benefiting from the Egyptian pound flotation.

The Suez Canal Authority's policies supported the increase in the number of transited ships and its cargoes to 17,550 vessels and billion tons in 2017, compared to 16,833 and 974 million tons in 2016, soaring by 4.3 and 6.9 percent respectively.

### **Egypt gears up for int'l tenders for oil, natural gas exploration**

Egypt is carrying out surveys in the Red Sea in preparation for announcing international tenders for oil and natural gas prospecting, the Petroleum Ministry said in a statement.



Ganoub El Wadi Petroleum Holding Company Chairman Mohamed Shimi said the company finalized a 2-D seismic survey of 4200 kilometers in the Red Sea region out of total area of 10,000 kilometers in preparation for luring investments.



Shimi said the company plans to up its output to 8.9 million barrels annually.

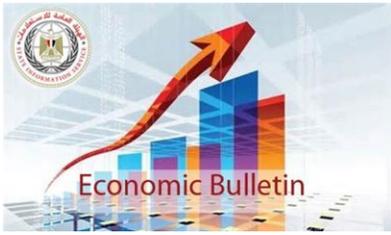
Petroleum Minister Tareq el Mulla said the petroleum sector plays a key role in the 2030 sustainable development strategy of Egypt.

### **Wheat silos' capacity to hit 3.9 million tons in 2022**

The Ministry of Supply and Internal Trade said that the storage capacity of wheat silos will be raised to reach 3.9 million tons by June 2022.

In a summary of its achievements in the 2014-2018 period, the ministry said its outlets of supply products have increased by 118.

Some 697 outlets had been renovated, it added.



As for the bill of state subsidy, it has jumped from EGP41 billion in 2014-2015 to EGP90 billion in 2017-2018, according to the summary.



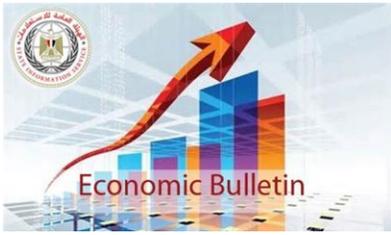
The subsidy per capita was increased to EGP50 from EGP21, said the ministry.

### **CBE issues rules on e-payments using QR Code**

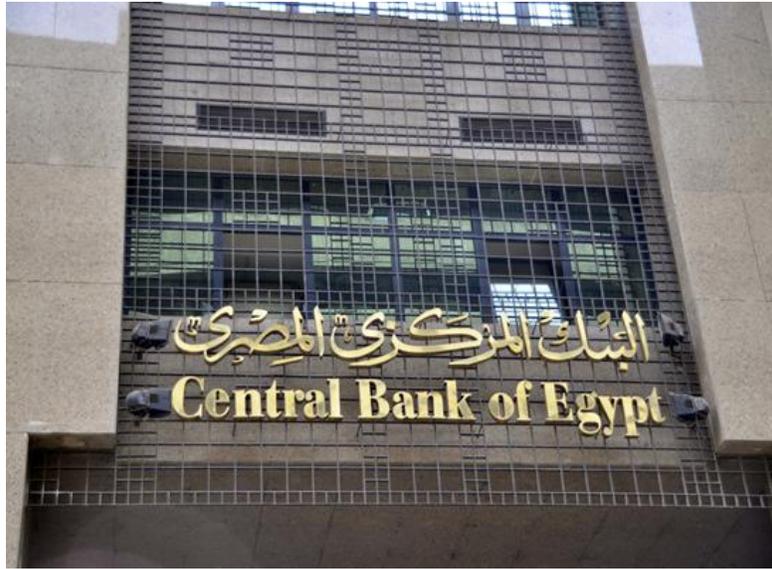
The Central Bank of Egypt (CBE) has issued electronic acceptance criteria for payments through QR Code.

The unified standards will apply to all banks licensed to accept payments electronically in Egypt. Traders and consumers can carry out electronic payments and collection for goods and services by scanning a QR code that the merchant displays visibly to their customers.

The merchant data is then shown and the customer enters the amount to be paid on their mobile phone to pay directly to the merchant's account. An immediate notice is then sent to both parties to complete the process. According to Lobna Helal, CBE



deputy governor, this step is part of the CBE's strategy to regulate the collection of financial transactions electronically without carrying and circulation of banknotes, as part of the plan to shift to a future without cash transactions.

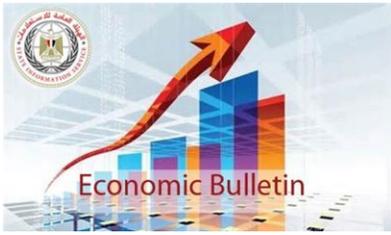


Helal said the standards are in line with the latest in the world and help to support and stimulate electronic payment services provided by all banks licensed by CBE for electronic payments.

Helal said these standards contribute to the provision and availability of financial services to all citizens at the lowest cost, including consumers and merchants, especially the segments that are not covered by the banking sector, including micro, small, and medium enterprises and projects.

### **Finance Ministry auctions EGP 14 billion T-bills**

The Finance Ministry auctioned treasury bills at a total value of EGP 14 billion.



In an online statement, the ministry said it sold EGP 6.5 billion of 182-day bonds with an average interest rate hitting 18.01 percent.



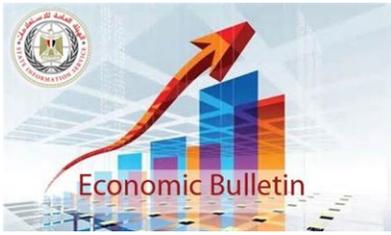
The yield ranged from 18.09% to 17.85%.

It also sold EGP 7.5 billion of 357-day bonds that had a coupon of 17.11%. The yield ranged from 17.22% to 16.9%.

The ministry held the auction Wednesday instead of Thursday, which will be a day off nationwide on the occasion of the anniversary of the January 25 revolution and the Police Day.

### **EgyptAir extends its cargo partnership with WFS**

Egyptair has awarded a new cargo and mail handling contract to Worldwide Flight Services (WFS) in Amsterdam and Brussels, extending its relationship with WFS at both airports.

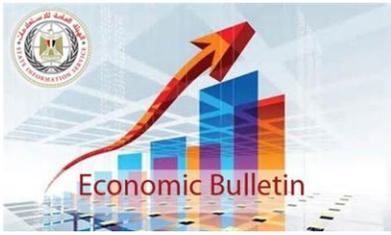


The three-year contract, which commences in March 2018, will see WFS handling cargo and mail for the airline's daily Boeing 737-800 from Amsterdam to Cairo as well as its five times weekly 737-800 services from Brussels to Egypt's capital city.

### **Cabinet approves amendments to Income Tax Law**

The Cabinet approved amendments to the Income Tax Law to facilitate procedures for submitting tax declaration forms.





The new procedures will grant a 60-day window after declaration forms are submitted to the Tax Authority for citizens to submit the remaining necessary documents.

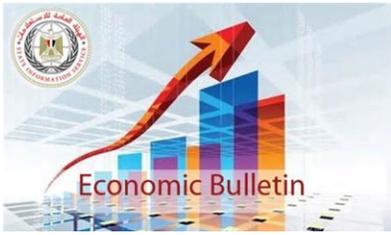
The move is meant to reduce the rate of incomplete tax declarations.

### **Cabinet discusses public financial strategy**

The cabinet tackled during a meeting under Acting Prime Minister Mostafa Madbouly a number of topics, including the public financial strategy on the medium run.



During the meeting, Finance Minister Amr El Garhgy said that the government targets increasing the growth rate of revenues over expenditures by improving the tax management and unification of tax procedures as well as expanding the programs of partnership between the public and private sectors in the fields of investment and managing state's assets.



## **Demeiri: Vatican's promoting for Egypt's religious tourism as part of Christian pilgrimage**

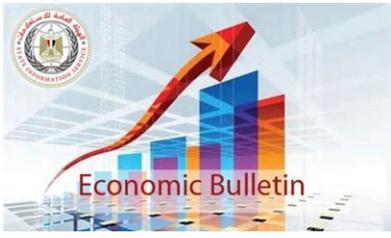
Chairman of the Egyptian Tourism Authority Hisham el Demeiri said that promoting the religious tourism in Egypt (the journey of the Holy Family) by the Vatican as part of the Christian pilgrimage is a great addition for the country.



In a press conference on (the journey of the Holy Family), Demeiri underlined that the Tourism Ministry works on preparing five sites of the journey, adding that three of them are in Wadi el Natroun and two others in Cairo.

He further underscored that the tourists who visit the stops of the Holy Family in the country will increase during the coming years.

There are contacts with the tour operators and hotels to begin promoting for these important religious sites.



## **Banque Misr chosen best manager of money market funds in Middle East**

Banque Misr was chosen the best bank managing money market funds and short-term investments in the Middle East by Global Finance Magazine, one of the biggest financial magazines in the world - headquartered in New York.

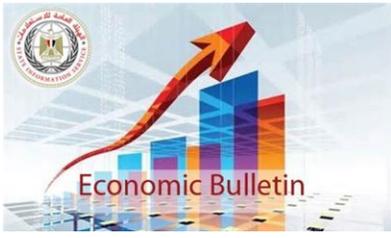


The state-owned bank won the same award in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017.

This award is considered a new challenge and an acknowledgement of the fact that Banque Misr's investment funds have achieved the highest revenue rates in the Middle East and Africa, due to the efficient and qualified management, the bank said in a statement.

## **Egyptian Petroleum Research Institute at the forefront of the research institutes in nanotechnology research**

Egyptian Petroleum Research Institute occupied the sixth position in the list of educational and research institutions, which topped



the deployment in the field of nanotechnology in 2016, all-over Egypt, Egypt is ranked 22 out of 106 countries worldwide in nanotechnology research in 2017, up 15 places over the last 10 years.



Prof. Dr. Ahmed Sabagh, director of the Egyptian Petroleum Research Institute, said that the assessment was made according to the data of the (Statnano.com) site, which showed that the citation rate for each research nanotechnology publication (1.04), it also gave an indication Hirsh nanotechnology research 4.0, and that the number of papers indexed within the (ISI) 71 researches.

Al- Sabagh praised the Institute's support for nanotechnology and its acquisition of the Nanotechnology Unit, which contains the most important and cutting-edge technologies in Egypt and the Middle East. Indicating that this arrangement is clear evidence advanced to keep up with the Petroleum Research Institute for Scientific Research, as well as enlightened as a result of the Institute to support and encourage researchers to further scientific research.