

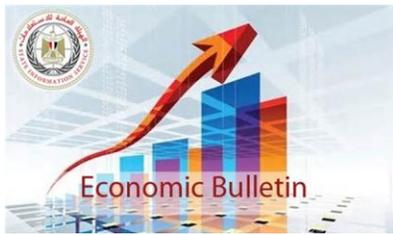


# **STATE INFORMATION SERVICE**

## **Weekly Economic Bulletin**

**(02-08 June 2018)**

**Mohammad Saleh**



## **PM submits government's resignation to Sisi**

Prime Minister Sherif Ismail has submitted the government's resignation to President Abdel Fattah El Sisi, presidential spokesman Bassam Radi said in a statement.



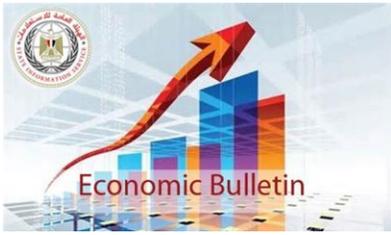
The resignation came three days after President Sisi was sworn in for a second four-year term.

## **Sisi assigns Moustafa Madbouli to form new government**

President Abdel Fattah El Sisi assigned Housing Minister in the caretaker government Moustafa Madbouli to form the new government, presidential sources said.

## **Trade exchange between Egypt, Russia hits dlrs 1.664 billion in 2018 Q1**

Russian trade representative in Cairo Nikolai Aslanov said that trade exchange between Egypt and Russia increased 75 percent during the first quarter of 2018 (from January to March 2018),



recording 1.664 billion dollars, compared to 1.472 billion dollars during the same period last year.

In statements to MENA, Aslanov said that Egypt's exports to Russia, including fruits, vegetables and clothes, are estimated at 192 million dollars.

Russia's exports to Egypt included wheat, metals, gas and petroleum, Aslanov noted.

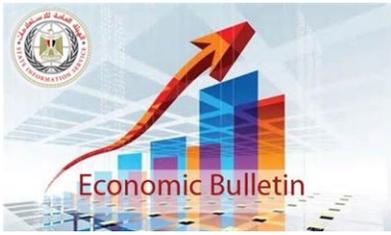
He added wheat represents 34 percent of the Russian exports to Egypt, at a value of 501 million dollars, while metals represent 20 percent, at a value of 299 million dollars.

The Russian official noted that 15 Russian delegations visited Egypt from January to April in 2018 to discuss the establishment of Dabaa nuclear plant and a Russian industrial zone in Egypt, as well as the implementation of gas and petroleum projects.

### **Trade Minister approves formation of Egyptian-Omani business council**

Trade and Industry Minister Eng. Tareq Qabil formed the businessmen team that will represent Cairo in the Egyptian-Omani business council in the upcoming three years.





The Egyptian side is led by Chairman and Chief Executive Officer of Orascom Development Holding Samih Sawiris.

Head of the Egyptian team will be responsible for submitting a semi-annual report on the activities carried out by the council and the future proposals and plans, with a vision to boosting bilateral cooperation and fulfilling the interests of the two countries, the trade ministry said in a statement.

The council will work on increasing joint investments between Cairo and Muscat, given the volume of trade exchange that hit USD 300 million in 2017, the statement noted.

The move aims at strengthening bilateral trade and economic relations, the statement read.

The Egyptian team's formation comes in culmination of the successful visit paid by President Abdel Fattah El Sisi in February to the Sultanate of Oman and his talks with Sultan Qaboos, the statement added.

### **IMF official says Egypt has "strong" precautionary reserves against external shocks**

Egypt enjoys "strong" precautionary reserves that support its economy's capability to face external shocks, said International Monetary Fund's (IMF) Mission Chief for Egypt Subir Lall.

Lall told MENA that the impact of the tight global financial conditions on Egypt is relatively weak, at a time that all countries, including emerging markets, have been affected.

Lall attributed that fact to Egypt's success in adjusting its financial conditions as well as the amount of foreign reserves at the Central



Bank of Egypt (CBE), in addition to the framework of policies outlined by the government in view of rational public monetary and fiscal policies and keeping a flexible exchange rate.



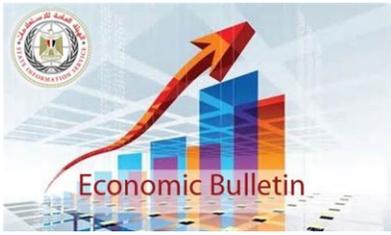
Earlier, the CBE announced an increase in the net foreign currency reserves by dhrs 1.418 billion at the end of April to hit dhrs 44.029 billion for the first time in history.

"Egypt's current economic reform program is continuing to maintain concrete results with respect to achieving macroeconomic stability and further economic growth as well as bringing down unemployment rates," Lall pointed out.

He underscored that the current economic reforms represent a key pillar of stability.

In may, the IMF mission visited Egypt to conduct the third review of the economic reform program implemented by the Egyptian government.

During the visit, the IMF staff team and the Egyptian authorities have reached a staff-level agreement on the third review of Egypt's economic reform program, which is supported by the IMF's SDR 8.597 billion (about \$12 billion) arrangement.



## **CBE: Foreign currency reserve hit \$44.138 billion in May**

The Central Bank of Egypt has announced an increase in the foreign currency reserve by around \$109 million to reach \$44.138 billion by end of May.

In April, the figure was \$44.029 billion, according to the bank.

## **More coins to be minted to face any shortage**

Head of the Mint Authority Hossam Khedr said more metal coins will be pumped into markets soon to face any change shortage especially with the approach of Eidul Fitr feast.

The authority will mint extra amounts of coins of the denomination categories of the 1 pound, 50 piasters and 25 piasters, Khedr said in a statement.

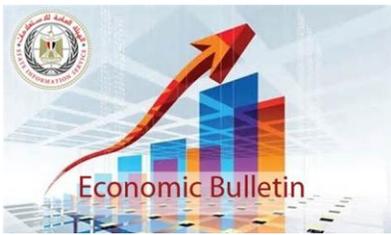
He said coins worth EGP 250,000 will be given to the Metro Authority, EGP 100,000 to the Social Insurance Authority, EGP 50,000 to the Post Service, EGP 60,000 to the National Investment Bank, EGP 80,000 to the National Bank of Egypt and EGP 10,000 to Banque du Caire.

Cairo, Marsa Matrouh, Alexandria, Ismailia, Suez and Aswan are the most demanding governorates for metal coins.

## **Second stage of stamp duty applied on EGX**

The second stage of stamp duty has been applied on the Egyptian Exchange's (EGX) transactions starting June 1.

The duty has been raised to LE 1.5 per 1,000 from LE 1.25 per 1,000 during the first stage.



In 2017, the Cabinet also approved a stamp duty on stock exchange transactions for both buyers and sellers set at LE 1.25 per 1,000 for the first year of the tax's introduction, rising to LE 1.5 in the second year and LE 1.75 in the third.



It also imposes a levy of LE 3 per 1,000 for investors buying or selling more than one third of a company's stocks.

The stamp duty law issued by Law No. 111 of 1980 stipulates that "a stamp duty shall be levied on the total value of purchases or sales of securities of all types, whether Egyptian or foreign securities, listed or unlisted on the stock exchange without deduction of any costs."

The stamp duty was applied in June 2017 after President Abdel Fatah al-Sisi had ratified its draft law. Ministry of Finance targeted revenues of LE 1-1.5 billion during the first year of applying the stamp duty.



## **Mamish: 70 ships cross Suez Canal in both directions**

Seventy ships transited the Suez Canal in both directions carrying a total cargo of 4.5 million tons registering a record in the number of ships and size of cargoes crossing the international waterway, Head of the Suez Canal Authority Mohab Memish said.

Twenty-nine south-bound ships crossed the Suez Canal carrying 1.8 million tons, while 41 north-bound others transited carrying 2.7 million tons, he said in a press release.

The south-bound convoy was led by the Giant MATHILDE MAERSK ship which was carrying 200,000 tons coming from Spain and heading for Singapore, while the OOCL JAPAN huge ship flying Hong Kong's flag led the north-bound convoy carrying 221,000 tons on board. The vessel came from Singapore and is destined to the United Kingdom.

The canal was also crossed by seven other giant vessels carrying a combined cargo of more than 150,000 tons, he added.

## **SICO exports its first batch of phones to the UAE**

SICO Technology announced that it will be exporting of the first batch of mobile phones from its factory in Assiut to the United Arab Emirates (UAE).

President of SICO's board Mohamed Salem told the press that the main objective of the factory is to not only serve local markets but also neighboring ones, especially in Africa and the Arab world.