

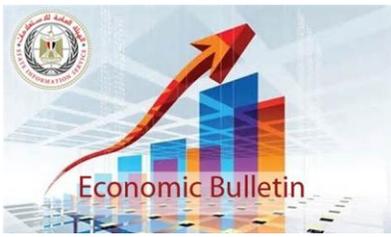


STATE INFORMATION SERVICE

Weekly Economic Bulletin

(10-16 March 2018)

Mohammad Saleh



Sisi calls for cutting budget deficit, increasing social protection allocations

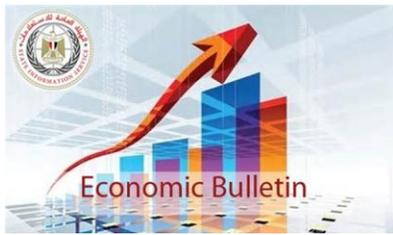
President Abdel Fattah El Sisi asserted the necessity of maintaining efforts to cut the budget deficit and debt rates in the new budget for the fiscal year 2017/2018.



Also, Sisi called for rationalizing spending, increasing growth rates and raising social protection allocations through supporting food commodities and expanding in direct cash support programs, particularly the Takaful and Karama social safety program, and health care programs for the needy people.

He made the remarks during a meeting with Prime Minister Sherif Ismail, Finance Minister Amr el Garhy and Deputy Finance Minister for Financial Policies Ahmed Kojak, Presidential spokesman Alaa Youssef said.

During the meeting, Garhy reviewed a report on the initial estimates of financial performance for the fiscal year 2016/2017, Youssef added.



The finance minister's report showed that Egypt's total budget deficit hit 10.9% of the Gross Domestic Product (GDP) compared to 12.5% in the previous fiscal year, Youssef noted.

The primary budget deficit for the fiscal year 2016/2017 reached 1.8% worth EGP 63 billion against 3.5% worth EGP 96 billion in the past fiscal year, the report said.

The annual revenue growth rate stood at 28% of the GDP, which surpassed the annual expenditure growth rate that amounted to 22% of the GDP, the report added.

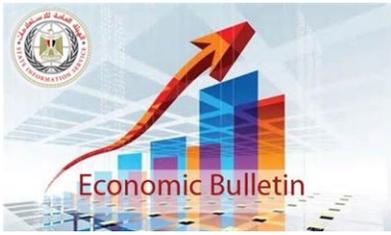
Furthermore, the finance minister asserted that the fiscal year 2016/2017 witnessed an increase in the foreign investment rates and an improvement in the trade balance in general, especially with regard to non-petroleum products.

Moreover, the fiscal year 2016/2017 saw a surge in production rates and the demand for goods produced by private sector companies reached unprecedented levels, he said. Also, exports reflected a remarkable improvement in the country's economy, the report read.

The fiscal year 2016/2017 witnessed a rise in the foreign investment in Egyptian treasury bills and bonds worth USD 13 billion till the end of June, versus USD one billion at the beginning of the year, the report underlined.

Egypt ranks 39th among world's largest automobile producers

Egypt has come in the 39th spot among the world's largest automobile producers in 2017 for the second year in a row, according to a recent report by Organisation Internationale des Constructeurs d'Automobiles (OICA).



The Arab country's total automotive production grew 1.13% year-on-year on the back of the increased production of goods and passengers transport cars to 26,670 last year, against 25,300 cars in 2016.

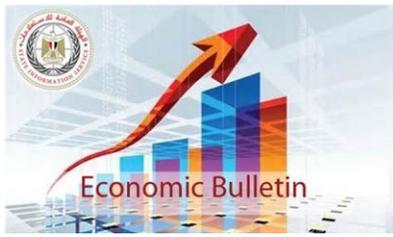
Production of owned cars declined to 9,970 in 2017 from 10,930 cars a year earlier.

Sales of owned cars fell 1.4% year-on-year last January to 6,800, versus 6,900 in the same month a year earlier.

Egypt is the 42nd best country in the world for business

Egypt was ranked as the 42nd best country in the world in US News and World report's 2018 ranking of 80 nations.





Egypt's rank was largely dependent on its economic improvement rather than its social and political standing in the report. It's best overall score was in the "Movers" category, which measures economic growth, ranking 7th worldwide. Yet, somehow, its "Open for Business" ranking was 73rd globally, with the country getting low scores for government transparency and tax practices.

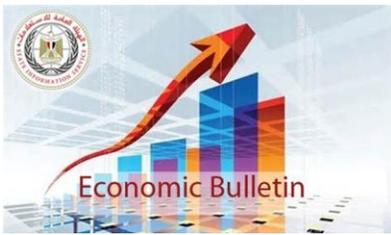
Egypt ranked 56th globally on the "Entrepreneurship" front. The report was created in partnership with global marketing communications company Y&R's brand strategy firm, BAV Group, and the Wharton School. Its survey asked more than 21,000 people from four regions to associate 80 countries with specific characteristics.

Sisi tours Rod El-Farag axis, Sphinx International Airport

President Abdel Fattah El Sisi toured Rod el Farag axis and Sphinx International Airport in west of Cairo.



President's Sisi inspection tour of the new projects falls within the framework of following up work progress of the axis, a venture that is considered one of the most important development axes in Greater Cairo as it links areas from northern and eastern Cairo with its west, said Presidential Spokesman Bassam Rady.



The axis aims to facilitate traffic and transportation of citizens and reduce the travel time. It will be parallel to July 26 axis, a move that is expected to help solving traffic jam, the spokesman added.

The president inspected implementation of the second phase of the axis, of which 85 percent have been finalized, in addition to the work progress of Tahya Misr Eastern bridge, which is considered world's longest flyover bridge that has been carried out by fully 100 percent Egyptian companies.

Sisi as well made an inspection tour of Sphinx International Airport, that is expected to accommodate 300 passengers per hour with the aim of reducing pressure on Cairo International Airport and areas of Central Cairo, Rady noted.

During the visit, Sisi hailed efforts of people who has worked on the implementation of these projects to cope with the state-of-the art standards, stressing the importance of abiding by the set time table, Rady pointed out.

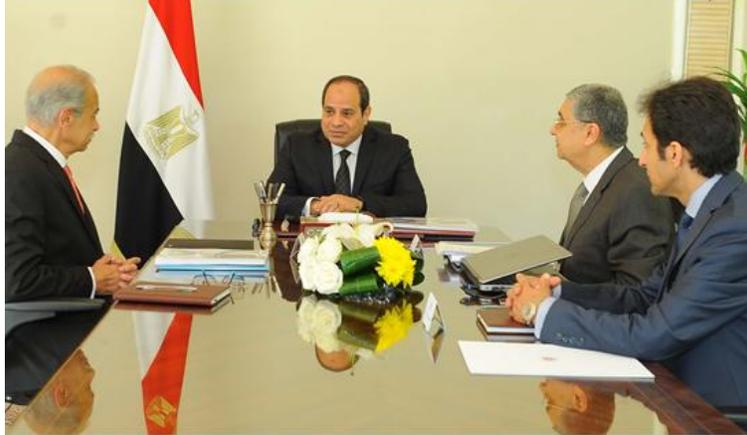
Sisi asserted the significant importance of such projects as part of the state's efforts aimed at pushing forward development and its national plan for upgrading its roads and bridges network, Rady further noted.

Sisi directs modernizing electricity sector nationwide to provide better service

President Abdel Fattah El Sisi directed to exert more efforts to modernize the electricity sector according to a certain schedule in order to provide better service for citizens nationwide especially in



Upper Egypt and remote areas, presidential spokesman Bassem Rady said.

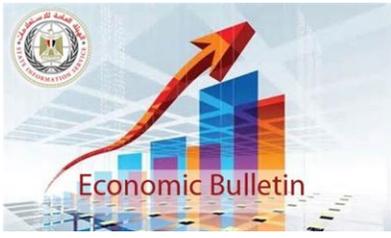


The directives were given at a meeting with Prime Minister Sherif Ismail and Electricity Minister Mohamed Shaker in which the president also ordered to provide electricity required for all purposes in the coming years.

During the meeting, Shaker reviewed the ministry's 2018-2022 vision concerning the national grid. He also briefed the president on the ministry's efforts to develop the grid nationwide.

The minister also reviewed the establishment of new power plants in the new administrative capital, Burullus and Beni Suef, adding that they will be operated in July 2018.

He also briefed the president with efforts to develop power plants in North Sinai as well as the establishment of new renewable energy projects.



The President directed to work on raising the awareness of citizens on rationalizing electricity consumption as well as linking the national grid with neighboring countries.



Electricity Minister opens largest Egyptian solar station

Minister of Electricity Mohamed Shaker and Aswan Governor Magdy Hegazy inaugurated on Tuesday the first phase of Egypt's Infinity Solar power plant.



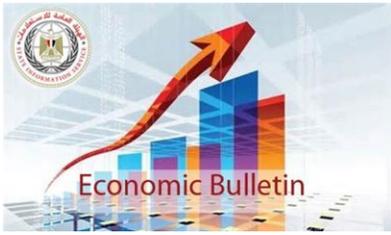
The project includes 32 stations that will produce 1465 megawatts, Shaker said, noting that the first station that was opened in Aswan's Benban village will produce 50 megawatts.

Three giant stations are being set up with a 14,400 megawatt capacity in collaboration with the German company Siemens.

The plant began trial operation last December.

The Benban project is set to be completed by mid-2019.

Egypt aims to increase its use of renewable energy to 22 percent by 2020.



Four international banks to manage Egyptian euro bonds

Finance Ministry has named four international investment banks whose job will be to manage and promote Egyptian euro bonds on international markets in 2018.



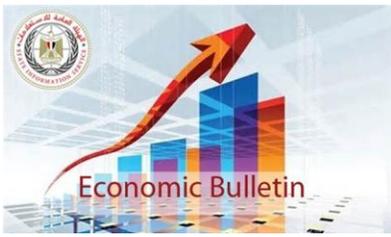
The new bonds will be issued as part of efforts to meet financial needs of 2017-2018, the Finance Ministry said in a statement.

Deutsche Bank, BNP Paribas, Alex Bank (Sanpaolo) and Standard Chartered Bank have been chosen for the job, the statement added.

'Knock Door' starts its mission in Washington

Members of the American Chamber of Commerce in Egypt (AmCham Egypt) arrived in Washington DC to start the annual "Door Knock" mission in Washington.

The Knock Door mission lasts for five days from March 11 until 16 to promote investment in Egypt. The delegation includes 35 Egyptian companies.



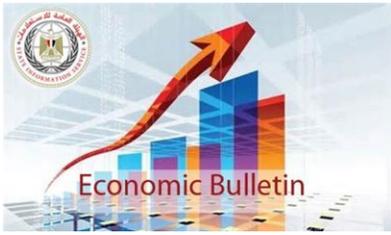
The AmCham Egypt delegation highlights the progress of the economic reform measures undertaken by the government and their impact on businesses.



It also shares their perspective on issues of importance to the bilateral strategic relationship, and clarifying common misconceptions and discusses opportunities for engagement on a strategic level.

Head of the AmCham Tarek Tawfik said that the mission will hold a series of meetings with a number of American companies and financial institutions as well as meetings with American policy makers, banks, research centers and congressmen to discuss ways of boosting trade and investment ties between Egypt and the U.S. over the coming period.

Egyptian officials held meetings with the travelled delegation before the trip to transfer the Egyptian economy's image in order to encourage further enhancement of the American investments in



Egypt as well as further increase in the trade exchange between the two countries.

According to the AmCham in Egypt, the stock of U.S. direct investment in Egypt stood at \$22.6 billion in 2016, representing 35.4 percent of U.S. direct investment in Africa and 46.2 percent of U.S. direct investment in the Middle East.

Qabil witnesses inking of KIA Motors contract

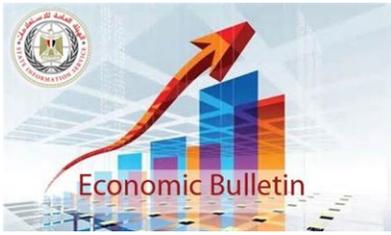
Trade and Industry Minister Tareq Qabil witnessed the inking of a contract with KIA Motors on establishing an automotive assembly plant.



Under the contract, 4.240 billion investments will be pumped.

The Egyptian International Trading and Agencies Co. (EIT) signed the contract with KIA Motors.

During the inking ceremony, Qabil said Egypt is the only state in Africa and the Middle East that has a KIA automotive assembly license.



The new factory will employ about 1,000 workers, he said, stressing the ministry's keenness on boosting auto-feeding industries.

He added that current investments in the automotive industry in Egypt stood at 3 billion dollars.

Egypt, Kuwait sign EGP 5 billion cooperation agreements

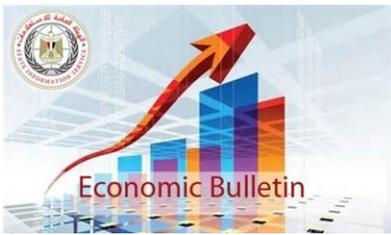
Minister of Investment and International Cooperation Sahar Nasr signed five cooperation agreements with Director General of the Kuwaiti Fund for Development Abdel Wahab Badr to the value of around five billion Egyptian pounds.



The agreements are signed as part of a program for the development of Sinai.

The agreements cover several projects for improving infrastructure and the road network in the area along with enhancing the transport movement.

Meanwhile, Nasr extended thanks to the Fund officials for their sustained cooperation with Egypt.



Phosphoric acid manufacturing complex to be set up in New Valley

Petroleum Minister Tareq el Mulla witnessed the inking of a contract for establishing a phosphoric acid production complex in the New Valley at a total cost of about 750 million dollars.



The complex is expected to produce about 1 million tons annually, the minister said in a statement.

The project marks a great step towards magnifying revenues of mineral wealth.

The complex includes three units, one for manufacturing concentrated sulfuric acid, another for producing phosphoric acid and a final one for its treatment.