

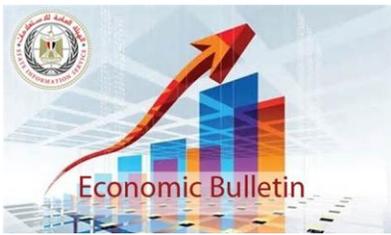


# **STATE INFORMATION SERVICE**

## **Weekly Economic Bulletin**

**(24-30 March 2018)**

**Mohammad Saleh**



## **SAIC of China eyes factory project in Egypt**

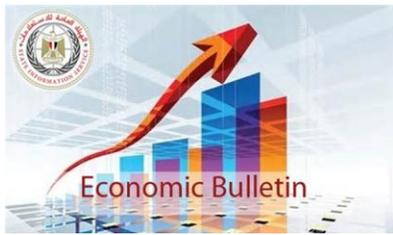
SAIC Motor of China considers a factory project in Egypt, a key step that will boost the automobile industry in the country, according to the Trade and Industry Ministry.



The project was mulled by Trade and Industry Minister Tareq Qabil at a meeting with a delegation from the Chinese automobile manufacturer, currently visiting Egypt, said the ministry in a statement.

Qabil reviewed investment privileges and incentives offered by a new business law in Egypt that is meant to promote full manufacturing instead of assembly lines.

The minister assured the delegation that all required support and assistance will be offered to the Chinese company to enter the Egyptian market.



The team's talks in Cairo complete previous discussions Qabil had during a visit to China in September. He reiterated keenness on promoting the automobile industry in Egypt.

The factory SAIC plans to establish in Egypt aims to meet local market needs and to export to Arab and African countries that have free trade agreements with Cairo, said the minister.

He added that the Egyptian market will witness positive changes this year including an increase in percentages of local components in cars manufactured in Egypt.

SAIC's international cooperation department chief Michael Yang said the company's step had been triggered by confidence in the strength of the Egyptian market.

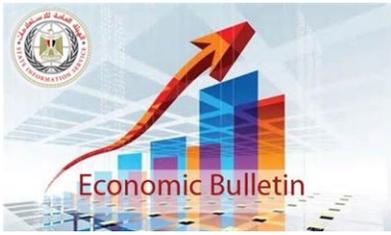
SAIC is China's largest automobile manufacturer, with a lion share of 23.3% of the exports, Yang noted. It produced 6.9 million cars in 2017, he further said.

He said that SAIC is currently seeking a dealer for its products in Egypt.

### **Egyptian Exchange gains EGP 150 billion in first quarter of 2018**

The Egyptian Exchange (EGX) indexes posted collective gains at a total of EGP 150 billion in the first quarter of 2018.

In a quarterly report, the Egyptian bourse said the market capital reached EGP 974.2 billion compared with EGP 924 billion at the same period in the last year.



The EGX 30 benchmark index gained 16.2 percent to reach 17,450 points.



The broader EGX 70 index of the leading smaller and mid cap enterprises (SMEs) soared 5.2 percent to amount at 871 points.

The all-embracing EGX 100 index gained 13.5 percent to stand at 2,238 points.

The total transactions at the bourse during the first three months of year 2018 amounted to about EGP 112 billion, according to the report.

### **CBE cuts deposit rate, lending rate by one percent**

The Monetary Policy Sector (MPC) of the Central Bank of Egypt (CBE) decided to cut the overnight deposit rate, overnight lending rate, and the rate of the Central Bank of Egypt's (CBE) main operation by 100 basis points to 16.75 percent, 17.75 percent, and 17.25 percent, respectively. The discount rate was also cut by 100 basis points to 17.25 percent.



In a press release, the CBE said it began to ease its tight stance on interest rates that successfully managed to tame monthly inflation.

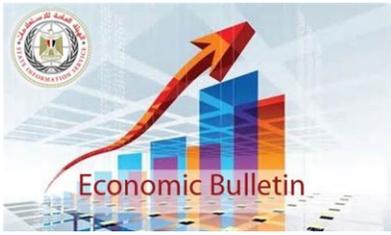


“The annual headline and core inflation rates continued to decline to record 14.4 percent and 11.9 percent in February 2018, after peaking in July 2017 at 33.0 percent and 35.3 percent, respectively. The headline and core annual inflation rates thereby registered the lowest since October and April 2016, respectively.”

### **Finance Ministry auctions EGP 15.7 billion T-bonds**

The Finance Ministry auctioned treasury bills at a total value of EGP 15.750 billion.





In an online statement, the ministry said it sold EGP 7.5 billion of 182-day T-bills with an average yield of 17.569%, adding it accepted bids at rates between 17.619% and 17.401%.

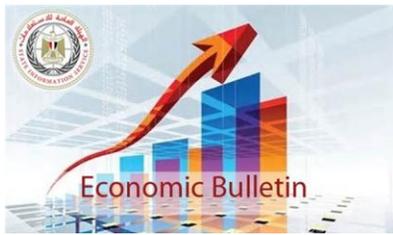
As for the 364-day T-bills, worth EGP 8.250 billion, they achieved average revenue of 16.559%, the ministry said. It accepted bids at rates between 16.6 % and 16.251%.

### **Quantum Global ranks Egypt as second most attractive investment destination in Africa**

Egypt has been named the second most attractive investment destination in Africa on Quantum Global's 2018 Africa Investment Index.



“In addition to being the second largest economy and the third most populous country in Africa, Egypt scores well on other factors such as liquidity, external debt, and current account — the



latter two indicators both pertaining to the relative riskiness of the country for foreign investment.”

Egypt is up from third place last year, preceded by Morocco and followed by Algeria.

### **Middle East and US visitors to drive Egypt’s tourism recovery**

Arrivals from the Middle East, North America and Africa will drive growth in Egypt’s tourism industry to 2021, according to the latest data published ahead of Arabian Travel Market 2018, which takes place at Dubai World Trade Centre from April 22-25.



Between 2018 and 2021, arrivals from North America will increase at a Compound Annual Growth Rate (CAGR) of 3.9% to 318,844. Factors contributing to this growth include the cheaper Egyptian Pound and government incentives for charter airlines carrying a certain number of passengers on international flights.



Over the same period, visitor numbers from Africa will increase by 3.8% CAGR to more than 300,901, while arrivals from the Middle East are predicted to increase by 3% CAGR to over 1.34 million. This is in contrast to a projected 1.6% CAGR in European visitors, who have traditionally been the key source market for Egypt with 5.2 million arrivals in 2017.

Egypt's tourism industry has witnessed a strong 12 months, with total arrivals up 33.3% 2016-2017, according to data published by Colliers International.

### **PM stresses keenness on up grading Egyptian ports**

Prime Minister Sherif Ismail chaired a meeting of the Supreme Council for Ports in its new form.



Attending were Minister of Transport Hisham Arafat and Head of the Suez Canal Authority Mohab Mamish.



Ismail asserted at the meeting that the government is very much interested in developing ports nationwide.

The government, he added, is keen on upgrading the competitiveness of the Egyptian ports at the regional and international levels.

The participants took up proposals for upgrading Egyptian ports along with a comprehensive plan for enhancing maritime safety measures.

### **Government refers bills of 2018/2019 public budget, economic, social, development plan to parliament**

The government referred to the House of Representatives the bills of the 2018/2019 public budget and the economic and social developmental plan for 2018-2019 fiscal year.





Meanwhile, Prime Minister Sherif Ismail told Planning Minister Hala el Said that the economic and social developmental plan aims at continuing the economic, social and administrative programs and policies.

He directed to give more attention to the sectors of construction, building, transportation, trade, communication and information technology.

Ismail also underlined the importance of establishing projects in all governorates within the 2018/19-2021/22 medium-term sustainable development plan especially in Upper Egypt governorates.