



STATE INFORMATION SERVICE

**Weekly Economic Bulletin
(31 March - 6 April 2018)**

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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.”

MENA

Molla: Oil sector big contributor to national projects

The petroleum sector in Egypt is strongly contributing to national projects, besides oil ventures.

Thanks to highly-skilled experts, many oil projects have been implemented with high performance and in record time, said Petroleum Minister Tareq el Molla Tuesday.

He was speaking during a meeting of the general assembly of Petrojet to endorse the outcome of the company's 2017 plan of action, which helped bring in more than 23 billion pounds worth of revenues.

The oil sector has also contributed to the different national projects, such as the Suez Canal Tunnels, Molla said.

He also cited ventures to expand roads and upgrade ports, to which the oil sector also contributed.

The minister also stressed the need to hone the competitiveness of oil companies in Egypt to be able to implement projects abroad.

Meanwhile, Enppi company succeeded in securing contracts worth 21.5 billion pounds during 2017, said chairman of the company Mohamed Hathout on Wednesday.

Some 59 percent of these contracts were carried out at home while the rest was implemented overseas, he said, adding that the company won most of these contracts through international tenders.

Hathout, during a general assembly meeting of the company to approve 2017 activities, said developing Zohr offshore gas field was among the most important contracts the company won in 2017.

The other projects include increasing production at Rasheed site, setting up two platforms for the General Petroleum Company in the Gulf of Suez, setting up a complex for phosphate fertilizers for Nasr Company for Chemicals and building a platform for Sumed project at Ain Sohna port.

Sisi stresses support to communication sector

President Abdel Fattah El Sisi reiterated Sunday Egypt's support to the communications and information technology sector and its development.

Sisi's remarks came during his meeting with Prime Minister Sherif Ismail and Communications Minister Yasser el Qadi, where the president hailed the sector as a vital and fast growing one.

The president asserted the significance of covering the new-established roads with cellular networks and providing suitable environment for attracting investments in the field of communications.

He also directed to improve the manufacturing capabilities in Egypt to produce electronic devices both for the local market and for exports, which could contribute to creating more jobs for youths as well as improving governmental services provided to the citizens.

The meeting touched on the current efforts to develop the communications sector, including the G4 infrastructure, landlines, and covering the remote areas with the communication services, presidential spokesman Bassam Radi said.

MENA

Communications min.: Egypt will be 'global data center hub' in coming period

Communications and Information Technology Minister Yassir el Qadi said that his ministry's strategy aimed at turning Egypt into a "global data center hub" in the coming period.

Speaking at a conference on the future of data center held on Monday evening, the minister said that this strategy, which was presented to President Abdel Fattah El Sisi, is based on two key axes; he first is luring more investments and the second is attracting global data center.

Over the past three years, ICT has been the fastest-growing sector in Egypt, the minister said.

He added the ICT sector contributed by 3.5 % to Egypt's Gross Domestic Product (GDP), while IT exports upped from 1.8 billion dollars to 3.25 billion dollars.

A data center is a facility used to house computer systems and associated components, such as telecommunications and storage systems.

It generally includes redundant or backup power supplies, redundant data communications connections, environmental controls (e.g. air conditioning, fire suppression) and various security devices.

A large data center is an industrial-scale operation using as much electricity as a small town.

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Sisi directs gov't to continue efforts on development of tourism industry

President Abdel Fattah El Sisi on Sunday 1/4/2018 issued directives to the government to continue efforts on the development of the tourism industry, which constitutes a key pillar of the national economy.

Also, he ordered the government to consider the possibility for establishing giant tourism projects during the coming period to enhance the country's tourism potentials.

He made the remarks during a meeting with Prime Minister Sherif Ismail and Minister of Housing Mostafa Madbouly, Minister of Antiquities Khaled el Anani, Minister of Tourism Rania Al Mashat, and Head of the Armed Forces Engineering Authority Kamel el Wazir.

During the meeting, the president called on the cabinet to go ahead of modernizing archaeological sites through making good use of the best methods in preserving and storing monuments, presidential spokesman Bassam Radi said.

The meeting touched on the latest developments in the tourism sector, including the growth of tourist inflow.

The Tourism Ministry has drawn up plans for promoting Egyptian tourist attractions abroad through opening up new markets for inbound tourism and entrenching the concept of sustainable tourism, Al Mashat said.

The minister said she is working on removing any obstacles facing investors in the tourism industry to increase the competitiveness of the Egyptian market at the regional and global levels, the spokesman added.

She, also, briefed the president on the ministry's strategy to update its internal departments.

For his part, the antiquities minister posted President Sisi on the latest progress in underway projects, notably the Grand Egyptian Museum (GEM's), which is being built on an area of 500,000 square meters.

Some 100,000 artifacts will be displayed at the GEM, el Anani revealed.

Bloomberg: Egypt's Reforms Begin to Bear Fruit

HSBC Senior Economist Razan Nasser discusses on 5th of April, 2018 the performance of the Egyptian economy, she said Egypt's Reforms begin to bear fruit.

Meantime, Egypt's Abou Kir Fertilizers and Chemical Industries has gained as additional local output meant that the company can export more at a time when Egypt has floated its currency, Bloomberg reported on Monday.

The shares traded at an estimated price-to-earnings ratio of about 17, compared with about 12 for Egypt's main index as well as for chemical companies in emerging markets.

The rally that powered the shares of Egypt's biggest producer of fertilizers to a more than fourfold surge since January last year may finally be running out of steam.

Getting paid in dollars after the Alexandria-based company expanded abroad bolstered revenue and whetted appetite for the shares. Its market value has surged to EGP 41 billion (\$2.3 billion) and revenue over the past year grew at the fastest pace among global peers, according to data compiled by Bloomberg.

Speculation that the stock may be included in global emerging market indexes further fueled the rally. After reaching a record 35.78 pounds in February, the stock has fallen 10 percent with few catalysts in sight, according to some analysts.

Easing urea prices abroad and a factory shutdown for maintenance may dent sales this year, further pressuring the stock, analysts said.

Abou Kir shares trade 24 percent higher than the average target price set by five analysts surveyed by Bloomberg.

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Egypt retains its IOSCO board membership

Egypt, represented in the Financial Supervisory Authority (FSA), retained its membership in the International Organization of Securities Commissions (IOSCO) board as a representative of the regional committee of Africa and the Middle East.

Mohamed Omran, head of the FSA, said Egypt's win in the IOSCO elections mirrors great appreciation by the international organization of FSA efforts in creating a stable atmosphere for non-banking financial services and carrying out financial reforms.

This is the third consecutive time that Egypt retains its membership in the organization.

The IOSCO is the international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector.

It includes members from over 100 different countries, who regulate more than 95% of the world's securities markets.

It has a permanent secretariat in Madrid, Spain.

Nasr: Sisi outlined ambitious vision for economic progress

Egyptian Minister of Investment and International Cooperation Sahar Nasr on Wednesday said that President Abdel Fattah El Sisi has outlined an ambitious vision for economic progress.

Addressing the 43rd annual meeting of the Governors Council of the Islamic Development Bank here, she added that under this vision, the Egyptian government has adopted its economic reform program in line with the needs and priorities of the Egyptian people.

Focus is now being lent to implementing national development projects in Egypt, she said, adding that these projects include developing Sinai, the Suez Canal axis and the new administrative capital.

Also, other projects include expanding the roads and tunnels network and upgrading potable water and sanitary drainage services, she pointed out.

One of the major priorities of the Egyptian government is supporting businessmen and creating a propitious atmosphere for investors through improving infrastructure and updating legislation, she noted.

The Egyptian government is also working to diversify sources of energy through the expansion of setting up renewable energy projects, she added. (MENA)