

Section 6

MONETARY SECTOR

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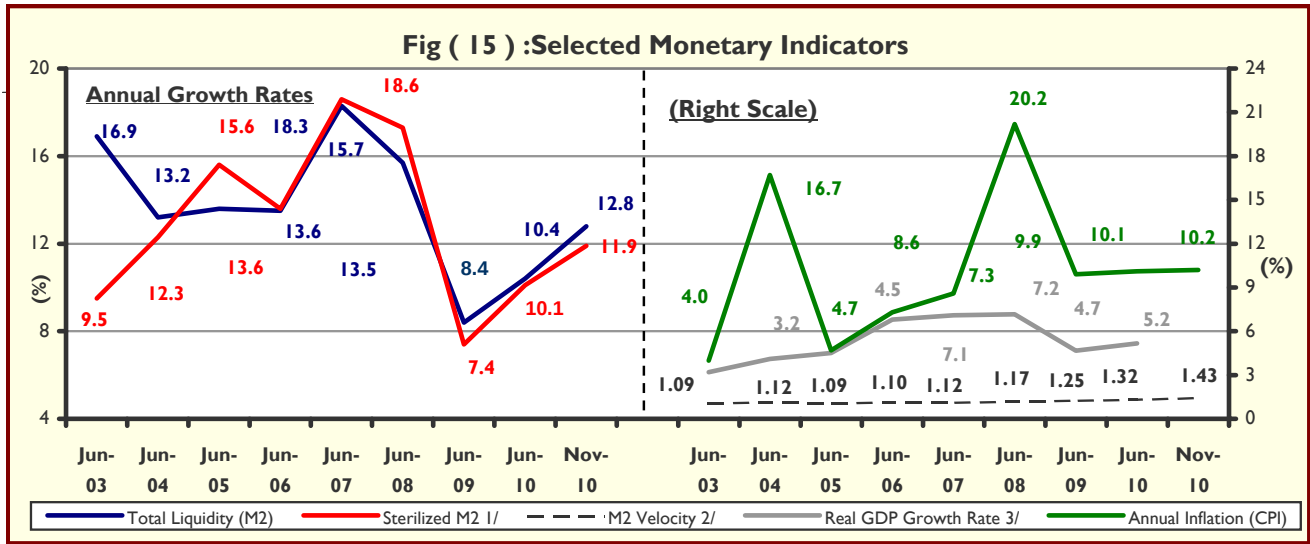
**Table (24) : Developments in Main Monetary Aggregates
(November 2010)**

	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-3.2	-0.3	15.6	12.9
CBE NFA	0.3	1.2	10.9	6.1
CBE NIR	0.6	1.2	9.9	8.0
Banks NFA 2/	-8.9	-2.8	24.9	29.5
Net Foreign Assets (US dollar terms)	-3.7	-1.4	9.7	11.9
CBE NFA	-0.2	0.1	5.2	5.1
CBE NIR	0.1	0.1	4.3	7.0
Banks NFA 2/	-9.4	-3.9	18.5	28.4
Net Domestic Assets	1.9	4.6	11.5	9.5
Net Claims on Government and GASC	2.4	6.5	14.8	18.5
Claims on Public Companies	0.3	3.3	-8.4	7.1
Claims on Private Sector	0.6	1.3	10.7	5.1
Total Liquidity (M2)	0.2	3.0	12.8	10.6
Money (M1)	1.0	2.9	13.4	15.2
Quasi Money	0.0	3.0	12.6	9.3

Source: Central Bank of Egypt.

1/ Average year on year growth for twelve successive observations.

2/ Commercial, specialized, business and investment banks.



Source: Central Bank of Egypt.

1/ This concept neutralizes the impact of exchange rate movements on M2 by applying previous year's prevailing exchange rate to current period foreign currency component in total liquidity.

2/ According to Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

3/ Real Growth of GDP at market prices.

**Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(November 2010)**

	(LE Millions)								
	Nov-05	Nov-06	Nov-07	Nov-08	Nov-09	Aug-10	Sep-10	Oct-10 [#]	Nov-10 [*]
Net Foreign Assets 1/	108,349	180,153	225,935	250,927	263,883	305,893	312,144	315,293	305,082
	(97.0)	(66.3)	(25.4)	(11.1)	(5.2)	(19.3)	(19.2)	(20.5)	(15.6)
Central bank (Net)	50,855	73,447	105,912	186,047	175,210	191,915	191,648	193,724	194,312
Foreign Assets	119,496	139,783	171,850	187,629	183,917	200,322	200,054	202,151	202,761
Foreign Liabilities	68,641	66,336	65,938	1,582	8,707	8,407	8,406	8,427	8,449
Banks (Net)	57,494	106,706	120,023	64,880	88,673	113,978	120,496	121,569	110,770
Foreign Assets	74,629	122,722	147,783	95,989	113,997	152,347	159,599	159,134	152,059
Foreign Liabilities	17,135	16,016	27,760	31,109	25,324	38,369	39,103	37,565	41,289
Net Domestic Assets of which:	410,556	407,187	478,696	533,874	590,174	629,341	636,028	645,951	658,293
	(0.3)	-(0.8)	(17.6)	(11.5)	(10.5)	(8.5)	(8.5)	(10.2)	(11.5)
Net Claims on Government, and GASC 1/	156,272	177,131	188,416	229,404	310,500	334,779	341,319	348,270	356,539
National Currency	213,533	230,939	238,815	284,250	373,027	402,862	409,033	417,149	425,308
Foreign Currency	-57,261	-53,808	-50,399	-54,846	-62,527	-68,083	-67,714	-68,879	-68,769
Claims on Public Business Sector	40,597	35,170	27,214	28,801	34,870	30,902	30,727	31,828	31,935
National Currency	33,770	27,357	19,576	20,845	27,181	22,176	22,099	23,027	23,461
Foreign Currency	6,827	7,813	7,638	7,956	7,689	8,726	8,628	8,801	8,474
Claims on Private Sector 2/	277,878	306,308	346,385	389,446	384,929	420,588	420,301	423,580	426,175
National Currency	214,745	230,569	253,938	281,079	284,631	308,461	308,528	309,999	312,510
Foreign Currency	63,133	75,739	92,447	108,367	100,298	112,127	111,773	113,581	113,665
Other Items (net) 1/ 3/	-64,191	-111,422	-83,319	-113,777	-140,125	-156,928	-156,319	-157,727	-156,356
Total Liquidity (M2)	518,905	587,340	704,631	784,801	854,057	935,234	948,172	961,244	963,375
	(11.7)	(13.2)	(20.0)	(11.4)	(8.8)	(11.8)	(11.8)	(13.4)	(12.8)
Money (M1) 4/	99,680	117,687	149,178	176,249	198,403	218,489	220,472	222,674	224,890
	(18.0)	(18.1)	(26.8)	(18.1)	(12.6)	(16.3)	(14.4)	(15.6)	(13.4)
Currency in Circulation	68,806	79,859	95,062	113,757	131,081	141,715	143,799	142,783	145,052
Demand Deposits in Local Currency	30,874	37,828	54,116	62,492	67,322	76,774	76,673	79,891	79,838
Quasi Money	419,225	469,653	555,453	608,552	655,654	716,745	727,700	738,570	738,485
	(10.3)	(12.0)	(18.3)	(9.6)	(7.7)	(10.5)	(11.1)	(12.7)	(12.6)
Local Currency Time and Savings Deposits	293,548	326,961	398,183	441,433	499,938	558,142	569,542	576,948	581,354
Foreign Currency Demand Deposits	19,417	21,202	25,337	26,999	29,362	35,815	34,013	36,321	33,542
Foreign Currency Time and Savings Deposits	106,260	121,490	131,933	140,120	126,354	122,788	124,145	125,301	123,589

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary. It is noteworthy that detailed data for December 2010 are not available yet.

Revised.

1/ The agreement between CBE and Ministry of Finance to use part of the blocked account balance to retire part of the bonds outstanding on government to CBE became effective as of June 2008.

2/ Includes claims on private business sector and household sector.

3/ Includes capital accounts, unclassified net assets and liabilities, net interbank debt, and credit positions.

4/ Excludes drafts and checks under collection.

Table (25) : Monetary Survey (continued)
(Memorandum Items)
(November 2010)

	Nov-05	Nov-06	Nov-07	Nov-08	Nov-09	Aug-10	Sep-10	Oct-10 [#]	Nov-10 [*]
Net Foreign Assets (In Million US\$)^{4/}	18,837	31,517	41,098	45,447	48,416	53,843	54,854	55,172	53,111
Central bank NFA	8,841	12,849	19,266	33,696	32,147	33,781	33,679	33,899	33,827
Net International Reserves	30,771	43,123	53,092	45,734	50,013	55,323	56,332	56,646	54,582
Central Bank (Gross)	21,212	24,907	31,495	35,109	34,113	35,527	35,534	35,545	35,571
Banks (net)	9,996	18,668	21,833	11,751	16,269	20,062	21,175	21,273	19,284
Foreign assets	12,975	21,470	26,882	17,385	20,916	26,816	28,047	27,846	26,472
Foreign Liabilities	2,979	2,802	5,050	5,634	4,646	6,754	6,872	6,573	7,188
<u>In Percent of Beginning of Money Stocks^{5/}</u>									
Net Foreign Assets	5.6%	8.3%	1.1%	-6.9%	1.2%	2.6%	3.2%	3.6%	2.5%
Net Domestic Assets	-0.5%	-3.5%	5.2%	9.2%	1.6%	-0.6%	0.1%	1.2%	2.5%
Money (M1)	2.0%	1.5%	2.7%	0.7%	1.9%	0.5%	0.7%	0.9%	1.2%
Quasi Money	3.0%	3.3%	3.6%	1.6%	0.9%	1.5%	2.6%	3.8%	3.8%
Dollarization (% of Total Liquidity) ^{6/}	24.2	24.3	22.3	21.3	18.2	17.0	16.7	16.8	16.3
M2 Multiplier ^{7/}	4.72	4.64	4.85	4.79	4.48	4.29	4.38	4.57	4.34
M2 Velocity ^{8/}	1.19	1.27	1.27	1.33	1.41	1.47	1.45	1.43	1.43
M2 (annual percentage change)	11.7	13.2	20.0	11.4	8.8	11.8	11.8	13.4	12.8
Credit to private sector (annual percentage change) ^{9/}	5.5	10.2	13.1	12.4	-1.2	9.6	9.2	9.8	10.7
Exchange Rate ^{10/}	5.75	5.72	5.50	5.52	5.45	5.68	5.69	5.71	5.74

Source: Central Bank of Egypt.

* Preliminary. It is noteworthy that detailed data for December 2010 are not available yet.

Revised.

4/ Net Foreign Assets equals Central Bank NFA plus banks (net).

5/ Shows the annual percent change of selected aggregates in percent of total liquidity at beginning of fiscal year . This indicator is intended to show sources of money growth during the fiscal year in study.

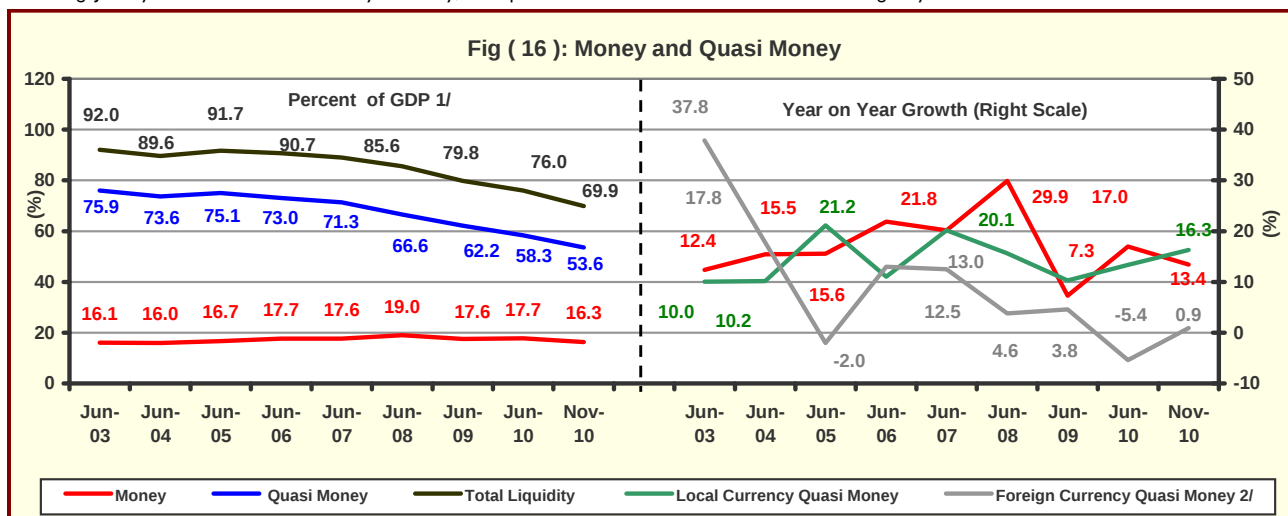
6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity . It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

7/ M2 / Reserve Money.

8/ GDP / M2. According to Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

9/ Includes claims on private business sector and household sector.

10/ Starting January 2003 rates are based on buy rates only, while prior to that date rates were based on the average buy / sell rates.



Source: Central Bank of Egypt.

1/ According to Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money ^{1/}

(LE Millions)

	Nov-05	Nov-06	Nov-07	Nov-08	Nov-09	Aug-10	Sep-10	Oct-10	Nov-10 [*]
Reserve Money	109,857	126,595	145,173	163,803	190,794	217,936	216,655	210,432	221,924
	--	--	(14.7)	(12.8)	(16.5)	(18.0)	(13.1)	(12.2)	(16.3)
Currency in Circulation	73,086	84,556	100,717	121,122	139,453	151,661	153,079	153,037	155,660
	(13.6)	(15.7)	(19.1)	(20.3)	(15.1)	(15.8)	(12.9)	(15.0)	(11.6)
Banks LE Deposits with CBE	36,771	42,039	44,456	42,681	51,341	66,275	63,576	57,395	66,264
	--	--	--	-(4.0)	(20.3)	(23.3)	(13.7)	(5.4)	(29.1)
Counter Assets:									
Net Foreign Assets ^{2/}	50,855	73,447	105,912	186,047	175,210	191,915	191,648	193,724	194,312
	(605.5)	(44.4)	(44.2)	(75.7)	-(5.8)	(11.9)	(10.6)	(10.6)	(10.9)
Net Domestic Assets ^{2/}	59,002	53,148	39,261	-22,244	15,584	26,021	25,007	16,708	27,612
	--	-(28.9)	-(26.1)	-(156.7)	(170.1)	(97.1)	(37.7)	(35.3)	(77.2)
Net Claims on Government ^{3/}	108,733	110,538	116,571	92,558	102,433	110,475	109,835	107,088	101,920
	-(0.2)	(1.7)	(5.5)	-(20.6)	(10.7)	(14.5)	(16.5)	(3.1)	-(0.5)
Claims	179,420	171,098	192,072	165,352	174,167	182,424	182,528	181,474	178,126
	-(19.9)	-(4.6)	(12.3)	-(13.9)	(5.3)	(8.9)	(11.0)	(2.0)	(2.3)
Securities	169,008	164,761	165,688	123,123	130,771	130,597	130,597	130,597	130,597
Credit Facilities	10,412	6,337	26,384	42,229	43,396	51,827	51,931	50,877	47,529
Deposits ^{4/}	70,687	60,560	75,501	72,794	71,734	71,949	72,693	74,386	76,206
	-(38.6)	-(14.3)	(24.7)	-(3.6)	-(1.5)	(1.4)	(3.6)	(0.5)	(6.2)
Net Claims on Banks	-5,839	30,046	69,527	913	15,159	46,309	56,622	55,317	50,739
Net Balancing Items ^{5/}	-80,711	-87,436	-146,837	-115,715	-102,008	-130,763	-141,450	-145,697	-125,047
Memorandum Items									
Reserve Money Velocity ^{6/, 7/}	5.62	5.88	6.17	6.36	6.32	6.32	6.36	6.55	6.21

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary. It is noteworthy that detailed data for December 2010 are not available yet.

1/ Revised series due to the new accounting treatment of "Open market operations". Starting June 2003 data under the new treatment value of open market operations was excluded from banks deposits in local currency with the CBE and instead incorporated under net balancing items.

2/ The agreement between CBE and Ministry of Finance to use part of the blocked account balance to retire part of the bonds outstanding on government to CBE became effective as of June 2008.

3/ Includes net claims on public economic authorities and National Investment Bank (NIB).

4/ All government deposit accounts (including public economic and services authorities) were switched, as of December 2006, to the Treasury Single Account (TSA) at the Central Bank, pursuant to the Law no. 139 of 2006.

5/ Includes net unidentified assets and liabilities and open market operations.

6/ GDP / Reserve Money (M0).

7/ According to Ministry of Economic Development, GDP(at market prices) for 2010/2011 is projected to reach LE 1378 billion, compared to LE 1206.7 billion recorded in 2009/2010.

Table (27) : Deposits With Banks ^{1/}

(LE Millions)

	Nov-05	Nov-06	Nov-07	Nov-08	Nov-09	Aug-10	Sep-10	Oct-10 [#]	Nov-10 [*]
Total Deposits	538,740	595,793	697,717	772,667	839,413	911,246	923,687	937,733	936,530
	(9.3)	(10.6)	(17.1)	(10.7)	(8.6)	(10.5)	(11.0)	(12.1)	(11.6)
In local currency	385,003	420,492	507,768	566,220	639,990	704,789	716,942	726,684	729,853
In foreign currency	153,737	175,301	189,949	206,447	199,423	206,457	206,745	211,049	206,677
Non Government Deposits ^{2/}	452,748	511,272	614,281	677,683	727,898	800,012	810,422	824,247	824,633
	(11.7)	(12.9)	(20.1)	(10.3)	(7.4)	(11.1)	(11.8)	(13.4)	(13.3)
In local currency	325,848	367,286	455,589	507,856	569,898	638,565	649,359	659,485	664,203
In foreign currency	126,900	143,986	158,692	169,827	158,000	161,447	161,063	164,762	160,430
Government Deposits	85,992	84,521	83,436	94,984	111,515	111,234	113,265	113,486	111,897
	-(1.9)	-(1.7)	-(1.3)	(13.8)	(17.4)	(6.3)	(5.7)	(3.5)	(0.3)
In local currency	59,155	53,206	52,179	58,364	70,092	66,224	67,583	67,199	65,650
In foreign currency	26,837	31,315	31,257	36,620	41,423	45,010	45,682	46,287	46,247
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	28.5	29.4	27.2	26.7	23.8	22.7	22.4	22.5	22.1
Dollarization in Non-Government Deposits	28.0	28.2	25.8	25.1	21.7	20.2	19.9	20.0	19.5
Dollarization in Government Deposits	31.2	37.0	37.5	38.6	37.1	40.5	40.3	40.8	41.3

Source: Central bank of Egypt.

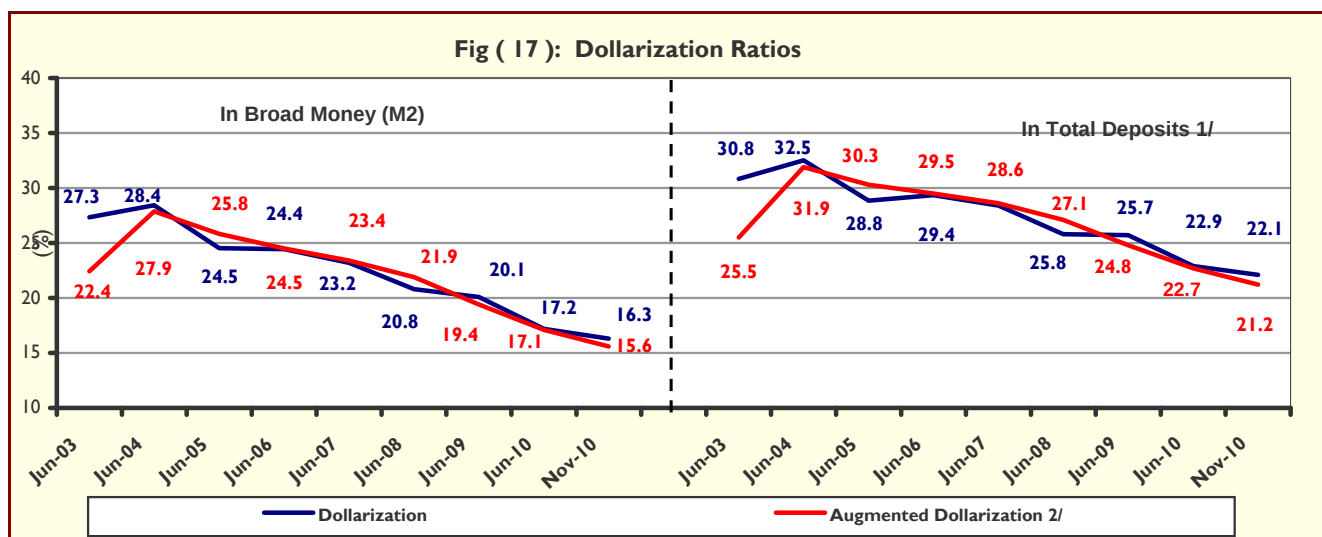
() Percent change over same period in previous year.

* Preliminary. It is noteworthy that detailed data for December 2010 are not available yet.

Revised

1/ Excludes deposits held with the Central Bank of Egypt.

2/ Includes deposits of private business sector, public business sector, household sector, and non-resident (foreign sector). Excludes drafts and checks under collection.



Source: Central Bank of Egypt.

1/ Excludes Deposits with CBE.

2/ "Augmented Dollarization" excludes the impact of exchange rate revaluation on dollarization ratios. For example in June-02, dollarization in total deposits would have been 23.1% instead of 26.5% if exchange rate was unchanged during the previous year.

Table (28) : Credit Provided By Banks ^{1/}

(LE Millions)

	Nov-05	Nov-06	Nov-07	Nov-08	Nov-09	Aug-10	Sep-10	Oct-10 [#]	Nov-10 [*]
Total lending	313,428	341,234	377,798	428,916	433,162	466,853	467,397	471,441	474,669
	(3.6)	(8.9)	(10.7)	(13.5)	(1.0)	(9.2)	(8.7)	(9.4)	(9.6)
To Government ^{2/}	20,919	24,295	27,719	30,915	33,408	35,475	37,101	37,656	38,530
	(21.1)	(16.1)	(14.1)	(11.5)	(8.1)	(11.9)	(14.4)	(18.0)	(15.3)
In local currency	10,838	11,962	10,421	8,433	14,225	18,452	18,954	19,357	19,962
In foreign currency	10,081	12,333	17,298	22,482	19,183	17,023	18,147	18,299	18,568
To Non-Government	292,509	316,939	350,079	398,001	399,754	431,378	430,296	433,785	436,139
	(2.5)	(8.4)	(10.5)	(13.7)	(0.4)	(9.0)	(8.3)	(8.7)	(9.1)
In local currency	225,361	235,044	246,802	277,753	282,414	297,195	296,534	298,342	301,229
In foreign currency	67,148	81,895	103,277	120,248	117,340	134,183	133,762	135,443	134,910
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	80.4	82.6	85.6	86.1	84.3	85.8	85.5	85.3	85.2
Non Government Loans/ Deposits ^{4/}	64.6	62.0	57.0	58.7	54.9	53.9	53.1	52.6	52.9
Government Loans / Deposits	24.3	28.7	33.2	32.5	30.0	31.9	32.8	33.2	34.4
Foreign currency denominated credit to total credit	24.6	27.6	31.9	33.3	31.5	32.4	32.5	32.6	32.3
Government foreign currency denominated credit to total government credit	48.2	50.8	62.4	72.7	57.4	48.0	48.9	48.6	48.2
Non - government foreign currency denominated credit to total non-government credit	23.0	25.8	29.5	30.2	29.4	31.1	31.1	31.2	30.9

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary. It is noteworthy that detailed data for December 2010 are not available yet.

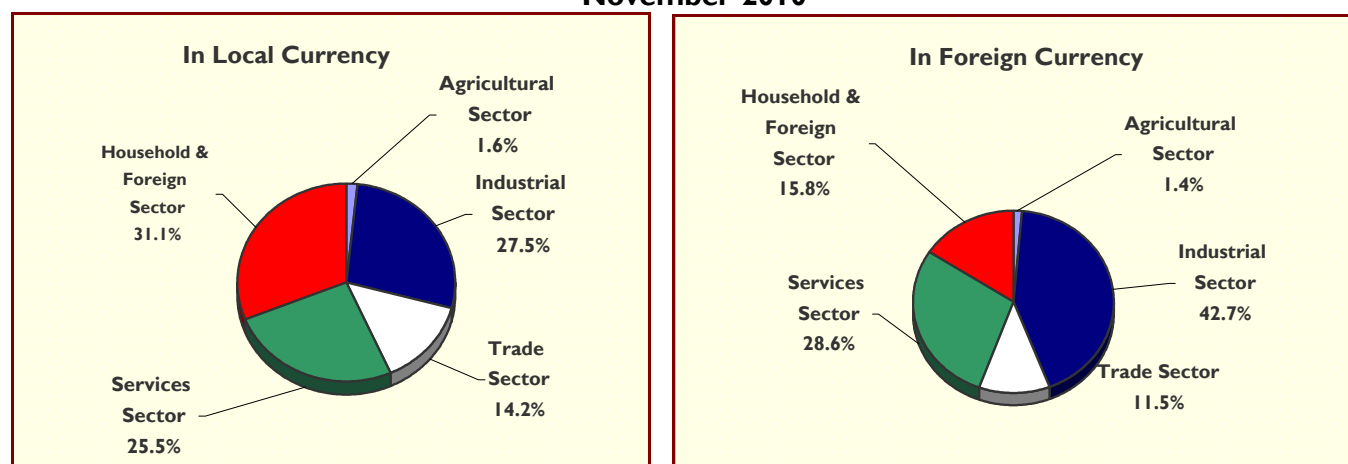
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1/ Excludes credit provided by the Central Bank of Egypt.

2/ Includes central government and economic authorities.

3/ Includes private business sector, household sector, and non-resident (foreign sector).

4/ Non government sector includes public business sector, private business sector, household sector, and non resident (foreign sector).

**Fig (18) : Sectoral Distribution of Non-Government Credit Facilities
November-2010**

Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/ 3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41 ^{1/}	10.50	10.50
2004/2005	10.00	13.39	7.66	10.12	10.50	10.50
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	12.22	6.09	6.97	10.00	9.50
2008/2009	9.00	12.39	7.03	11.32	10.00	9.27
2009/2010	8.50	11.35	5.97	9.86	9.58	9.00
Monthly Average						
Dec-09	8.50	11.00	5.90	9.97	9.50	9.00
Jan-10	8.50	11.10	5.90	9.92	9.50	9.00
Feb-10	8.50	11.00	5.90	9.73	9.50	9.00
Mar-10	8.50	11.10	6.00	9.61	9.50	9.00
Apr-10	8.50	11.10	6.00	9.66	9.50	9.00
May-10	8.50	11.20	5.90	10.08	9.50	9.00
Jun-10	8.50	--	--	10.26	9.50	9.00
Jul-10	8.50	11.10	6.30	10.16	9.50	9.00
Aug-10	8.50	10.90	6.30	9.72	9.50	9.00
Sep-10	8.50	10.90	6.40	9.56	9.50	9.00
Oct-10	8.50	11.00	6.60	9.06	9.50	9.00
Nov-10	8.50	10.90	6.60	8.93	9.50	9.00
Dec-10	8.50	--	--	9.06	9.50	9.00

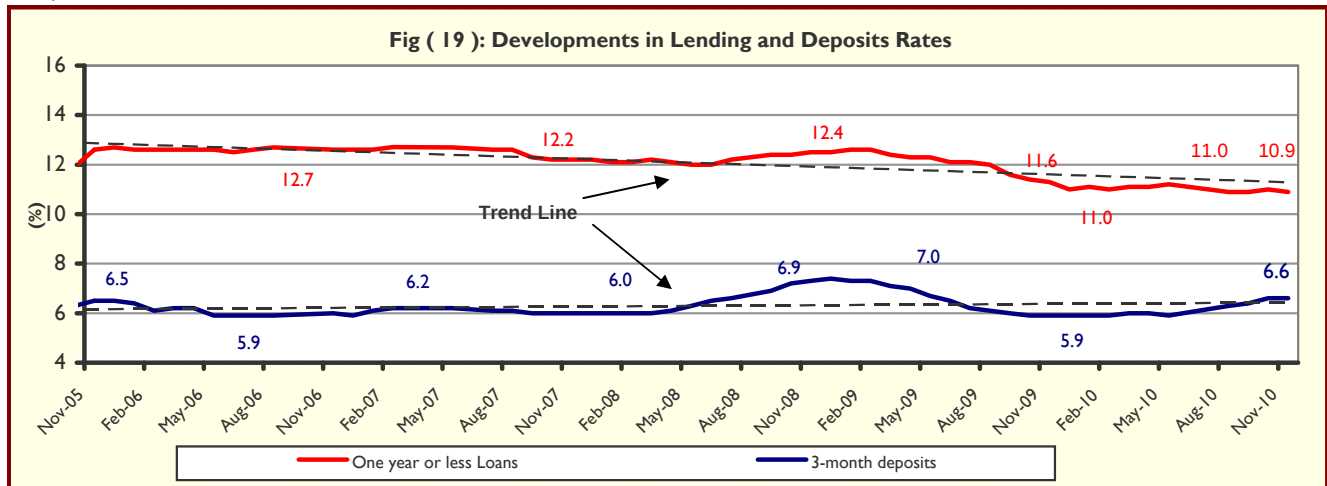
Source: Central Bank of Egypt.

-- Data unavailable.

1/ End of period rate.

2/ Starting September 2005, data reflects weighted average monthly interest rates for a sample of banks representing 80 percent of banking system operations. Prior to this date, figures reflect simple average weekly interest rates for most banks' operations.

3/ Simple Interest.



Source: Central Bank of Egypt.

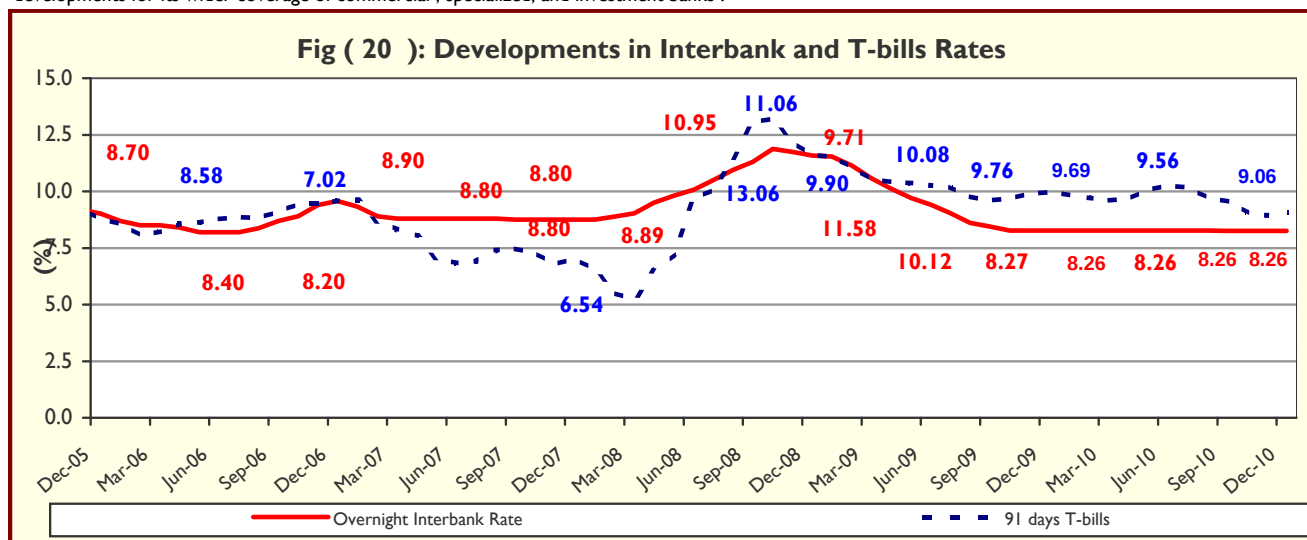
Table (30) : Average Interbank Rates ^{1/}

	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Dec-09	8.27	8.29	8.29	8.32
Jan-10	8.27	8.29	8.32	8.32
Feb-10	8.27	8.29	8.33	8.33
Mar-10	8.27	8.27	8.31	8.32
Apr-10	8.27	8.27	8.31	8.51
May-10	8.27	8.27	8.31	8.41
Jun-10	8.27	8.28	8.32	8.45
Jul-10	8.27	8.28	--	8.35
Aug-10	8.26	8.28	--	--
Sep-10	8.26	8.27	8.25	--
Oct-10	8.26	8.26	8.29	--
Nov-10	8.26	8.26	--	8.40
Dec-10	8.26	8.27	--	8.36

Source: Central Bank of Egypt.

-- Data not available.

1/ Starting March 2003, average interbank rate replaced CAIBOR average " Bid " rate. The interbank rate is considered to be a better measurement to market developments for its wider coverage of commercial , specialized, and investment banks'.



Source: Central Bank of Egypt.