

Section 6

MONETRY SECTOR

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**Table (24) : Developments in Main Monetary Aggregates
(February 2011)**

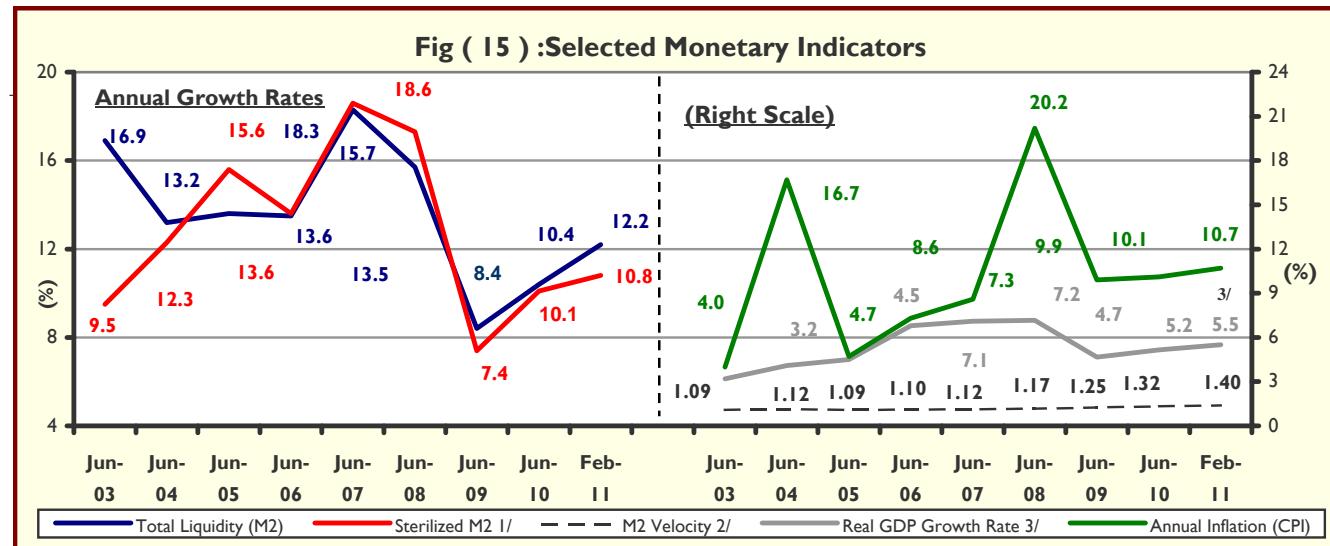
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	-4.1	-10.0	1.4	13.9
CBE NFA	-4.5	-4.9	3.7	9.0
CBE NIR	-3.5	-4.1	4.3	9.7
Banks NFA 2/	-3.1	-18.8	-3.0	24.7
Net Foreign Assets (US dollar terms)	-5.4	-12.0	-5.6	10.9
CBE NFA	-5.9	-7.1	-3.5	6.1
CBE NIR	-4.8	-6.3	-2.9	6.9
Banks NFA 2/	-4.5	-20.7	-9.7	21.6
Net Domestic Assets	3.6	7.6	17.0	10.1
Net Claims on Government and GASC	9.0	13.0	26.1	15.4
Claims on Public Companies	1.4	4.3	-12.2	-2.2
Claims on Private Sector	0.8	-2.3	7.6	7.1
Total Liquidity (M2)	1.3	2.0	12.2	11.2
Money (M1)	4.3	6.5	19.9	15.6
Quasi Money	0.4	0.6	10.0	10.0

Source: Central Bank of Egypt.

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

2/ Commercial, specialized, business and investment banks.

Fig (15) :Selected Monetary Indicators



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. Data reflects the real GDP Growth for the period July-December 2010/2011.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(February 2011)

	Feb-06	Feb-07	Feb-08	Feb-09	Feb-10	Nov-10	Dec-10	Jan-11 [#]	Feb-11 [*]
Net Foreign Assets 1/	131,332	200,546	246,373	247,167	270,647	304,944	305,252	286,196	274,549
	(98.8)	(52.7)	(22.9)	(0.3)	(9.5)	(15.6)	(19.3)	(9.6)	(1.4)
Central bank (Net)	59,807	82,581	114,220	181,539	178,084	194,312	198,207	193,507	184,740
Foreign Assets	125,602	146,816	178,822	182,881	186,532	202,761	206,313	201,551	192,784
Foreign Liabilities	65,795	64,235	64,602	1,342	8,448	8,449	8,106	8,044	8,044
Banks (Net)	71,525	117,965	132,153	65,628	92,563	110,632	107,045	92,689	89,809
Foreign Assets	90,748	136,566	158,663	92,786	116,134	152,037	148,104	132,870	132,332
Foreign Liabilities	19,223	18,601	26,510	27,158	23,571	41,405	41,059	40,181	42,523
Net Domestic Assets of which:	403,077	404,137	492,081	552,587	604,939	658,311	668,710	683,516	708,014
	-(1.2)	(0.3)	(21.8)	(12.3)	(9.5)	(11.5)	(9.5)	(12.7)	(17.0)
Net Claims on Government, and GASC 1/	161,771	178,546	200,322	252,857	318,754	355,771	364,674	368,796	401,921
National Currency	213,543	231,765	247,607	311,039	379,922	424,540	434,886	449,599	485,639
Foreign Currency	-51,772	-53,219	-47,285	-58,182	-61,168	-68,769	-70,212	-80,803	-83,718
Claims on Public Business Sector	34,578	26,881	27,020	29,876	37,919	31,935	32,478	32,840	33,296
National Currency	28,230	21,180	19,523	21,347	28,972	23,461	24,030	24,322	24,516
Foreign Currency	6,348	5,701	7,497	8,529	8,947	8,474	8,448	8,518	8,780
Claims on Private Sector 2/	283,601	313,724	350,862	387,995	386,986	426,197	407,905	413,103	416,371
National Currency	217,653	234,322	258,099	280,055	286,580	312,532	298,490	301,213	304,294
Foreign Currency	65,948	79,402	92,763	107,940	100,406	113,665	109,415	111,890	112,077
Other Items (net) 1/ 3/	-76,873	-115,014	-86,123	-118,141	-138,720	-155,592	-136,347	-131,223	-143,574
Total Liquidity (M2)	534,409	604,683	738,454	799,754	875,586	963,255	973,962	969,712	982,563
	(12.7)	(13.1)	(22.1)	(8.3)	(9.5)	(12.8)	(12.4)	(11.8)	(12.2)
Money (M1) 4/	102,717	121,219	157,366	171,265	199,684	224,890	223,456	229,528	239,401
	(17.8)	(18.0)	(29.8)	(8.8)	(16.6)	(13.4)	(13.4)	(16.4)	(19.9)
Currency in Circulation	69,609	81,176	97,446	112,232	127,972	145,053	143,633	145,857	161,818
Demand Deposits in Local Currency	33,108	40,043	59,920	59,033	71,712	79,837	79,823	83,671	77,583
Quasi Money	431,692	483,464	581,088	628,489	675,902	738,365	750,506	740,184	743,162
	(11.6)	(12.0)	(20.2)	(8.2)	(7.5)	(12.6)	(12.1)	(10.4)	(10.0)
Local Currency Time and Savings Deposits	300,938	337,518	419,176	461,845	517,521	581,350	592,451	579,119	568,588
Foreign Currency Demand Deposits	22,291	21,613	28,040	30,907	33,314	33,542	34,072	38,134	45,829
Foreign Currency Time and Savings Deposits	108,463	124,333	133,872	135,737	125,067	123,473	123,983	122,931	128,745

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary.

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)
 (February 2011)

	Feb-06	Feb-07	Feb-08	Feb-09	Feb-10	Nov-10	Dec-10	Jan-11 [#]	Feb-11 [*]
Net Foreign Assets (In Million US\$)^{4/}	22,937	35,242	44,811	44,489	49,464	53,087	53,471	49,367	46,693
Central bank NFA	10,445	14,512	20,775	32,676	32,547	33,827	34,720	33,379	31,419
Net International Reserves	34,428	46,530	56,561	44,730	51,008	54,558	54,891	50,754	48,062
Central Bank (Gross)	22,365	26,252	32,915	33,053	34,324	35,571	36,005	35,007	33,321
Banks (net)	12,492	20,730	24,036	11,813	16,917	19,260	18,751	15,988	15,274
Foreign assets	15,849	23,999	28,858	16,701	21,225	26,468	25,943	22,919	22,506
Foreign Liabilities	3,357	3,269	4,822	4,888	4,308	7,208	7,192	6,931	7,232
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	10.2%	12.0%	4.2%	-7.4%	2.0%	2.5%	2.5%	0.4%	-0.9%
Net Domestic Assets	-2.0%	-4.1%	7.2%	11.7%	3.4%	2.5%	3.7%	5.3%	8.0%
Money (M1)	2.6%	2.1%	3.9%	0.1%	2.0%	1.2%	1.0%	1.7%	2.8%
Quasi Money	5.6%	5.8%	7.5%	4.2%	3.3%	3.8%	5.1%	4.0%	4.3%
Dollarization (% of Total Liquidity) ^{6/}	24.5	24.1	21.9	20.8	18.1	16.3	16.2	16.6	17.8
M2 Multiplier ^{7/}	4.56	4.75	4.91	4.77	4.68	4.34	4.46	4.20	3.98
M2 Velocity ^{8/}	1.16	1.23	1.21	1.30	1.38	1.43	1.41	1.42	1.40
M2 (annual percentage change)	12.7	13.1	22.1	8.3	9.5	12.8	12.4	11.8	12.2
Credit to private sector (annual percentage change) ^{9/}	8.6	10.6	11.8	10.6	-0.3	10.7	6.7	7.4	7.6
Exchange Rate ^{10/}	5.73	5.69	5.50	5.56	5.47	5.74	5.71	5.80	5.88

Source: Central Bank of Egypt.

* Preliminary.

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.

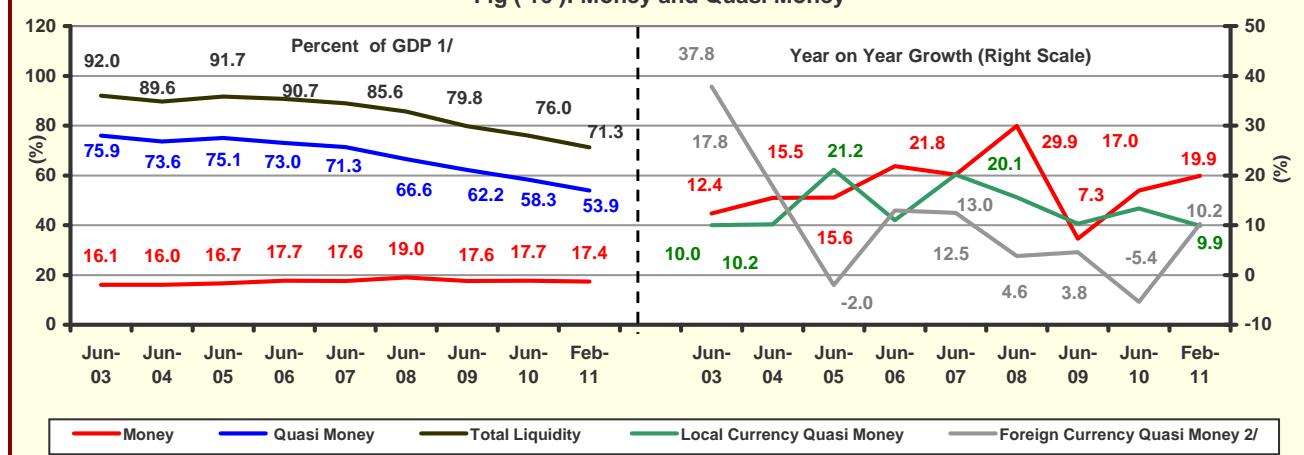
7/ M2 / Reserve Money.

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.

Fig (16) : Money and Quasi Money



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)

	Feb-06	Feb-07	Feb-08	Feb-09	Feb-10	Nov-10	Dec-10	Jan-11	Feb-11*
Reserve Money	117,199	127,238	150,391	167,741	187,077	221,924	218,393	230,862	246,961
	--	--	(18.2)	(11.5)	(11.5)	(16.3)	(13.1)	(20.1)	(32.0)
Currency in Circulation	73,723	86,157	102,790	118,847	135,578	155,660	153,209	154,156	177,017
	(13.0)	(16.9)	(19.3)	(15.6)	(14.1)	(11.6)	(14.3)	(15.0)	(30.6)
Banks LE Deposits with CBE	43,476	41,081	47,601	48,894	51,499	66,264	65,184	76,706	69,944
	--	--	--	(2.7)	(5.3)	(29.1)	(10.4)	(31.9)	(35.8)
Counter Assets:									
Net Foreign Assets ^{2/}	59,807	82,581	114,220	181,539	178,084	194,312	198,207	193,507	184,740
	(169.1)	(38.1)	(38.3)	(58.9)	-(1.9)	(10.9)	(11.9)	(9.6)	(3.7)
Net Domestic Assets ^{2/}	57,392	44,657	36,172	-13,798	8,993	27,612	20,186	37,355	62,221
	--	-(18.7)	-(19.0)	-(138.1)	(165.2)	(77.2)	(26.7)	(137.8)	(591.9)
Net Claims on Government ^{3/}	114,432	112,635	121,536	77,540	95,783	101,920	100,252	104,468	106,555
	(1.5)	-(1.6)	(7.9)	-(36.2)	(23.5)	-(0.5)	-(3.6)	(5.7)	(11.2)
Claims	179,707	186,315	198,450	153,313	170,187	178,126	176,459	183,667	187,983
	-(17.7)	(3.7)	(6.5)	-(22.7)	(11.0)	(2.3)	-(0.3)	(7.3)	(10.5)
Securities	169,009	164,761	165,688	123,123	124,559	130,597	130,597	130,597	130,597
Credit Facilities	10,698	21,554	32,762	30,190	45,628	47,529	45,862	53,070	57,386
Deposits ^{4/}	65,275	73,680	76,914	75,773	74,404	76,206	76,207	79,199	81,428
	-(38.1)	(12.9)	(4.4)	-(1.5)	-(1.8)	(6.2)	(4.4)	(9.5)	(9.4)
Net Claims on Banks	3,591	56,787	70,467	-4,022	16,137	50,739	39,848	17,936	2,169
Net Balancing Items ^{5/}	-115,672	-124,765	-155,831	-87,316	-102,927	-125,047	-119,914	-85,049	-46,503
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	5.27	5.85	5.95	6.21	6.45	6.21	6.31	5.97	5.58

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

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)

	Feb-06	Feb-07	Feb-08	Feb-09	Feb-10	Nov-10	Dec-10	Jan-11 [#]	Feb-11 [*]
Total Deposits	555,402	594,331	734,492	789,550	862,571	937,178	952,133	944,700	943,729
	(10.8)	(7.0)	(23.6)	(7.5)	(9.2)	(11.6)	(10.8)	(10.1)	(9.4)
In local currency	394,396	418,058	539,693	580,644	660,755	730,617	743,551	733,513	716,040
In foreign currency	161,006	176,273	194,799	208,906	201,816	206,561	208,582	211,187	227,689
Non Government Deposits ^{2/}	467,827	528,302	646,234	691,952	752,475	824,512	836,636	830,359	827,072
	(13.0)	(12.9)	(22.3)	(7.1)	(8.7)	(13.3)	(12.3)	(11.3)	(9.9)
In local currency	335,730	381,180	482,940	523,423	591,849	664,198	675,283	666,004	649,005
In foreign currency	132,097	147,122	163,294	168,529	160,626	160,314	161,353	164,355	178,067
Government Deposits	87,575	66,029	88,258	97,598	110,096	112,666	115,497	114,341	116,657
	(0.5)	-(24.6)	(33.7)	(10.6)	(12.8)	(1.0)	(1.0)	(2.5)	(6.0)
In local currency	58,666	36,878	56,753	57,221	68,906	66,419	68,268	67,509	67,035
In foreign currency	28,909	29,151	31,505	40,377	41,190	46,247	47,229	46,832	49,622
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.0	29.7	26.5	26.5	23.4	22.0	21.9	22.4	24.1
Dollarization in Non-Government Deposits	28.2	27.8	25.3	24.4	21.3	19.4	19.3	19.8	21.5
Dollarization in Government Deposits	33.0	44.1	35.7	41.4	37.4	41.0	40.9	41.0	42.5

Source: Central bank of Egypt.

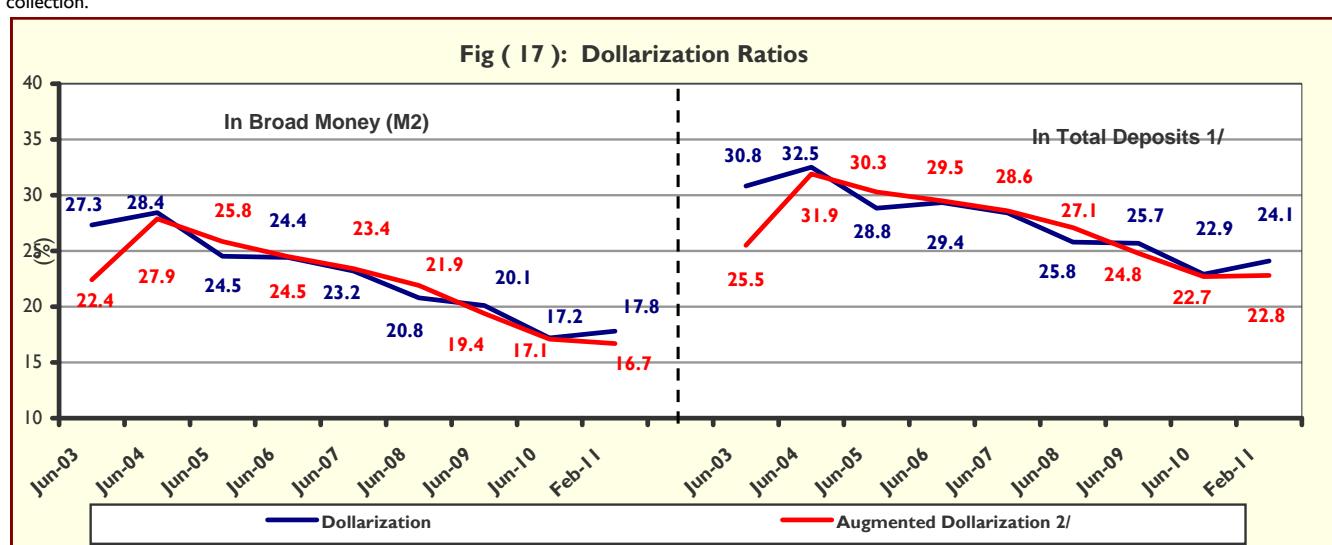
() Percent change over same period in previous year.

* Preliminary.

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-08, dollarization in total deposits would have been 27.1% instead of 25.8% if exchange rate was unchanged during the previous year .

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

(LE Millions)

	Feb-06	Feb-07	Feb-08	Feb-09	Feb-10	Nov-10	Dec-10	Jan-11	Feb-11
Total lending	313,255	340,055	385,412	430,339	437,072	474,669	458,081	465,109	469,496
	(5.2)	(8.6)	(13.3)	(11.7)	(1.6)	(9.6)	(5.9)	(6.8)	(7.4)
To Government ^{2/}	20,921	24,300	31,023	31,742	32,634	38,530	38,172	38,782	38,821
	(18.3)	(16.2)	(27.7)	(2.3)	(2.8)	(15.3)	(11.6)	(17.6)	(19.0)
In local currency	10,636	11,592	10,760	8,143	12,395	19,962	19,457	19,175	18,956
In foreign currency	10,285	12,708	20,263	23,599	20,239	18,568	18,715	19,607	19,865
To Non-Government	292,334	315,755	354,389	398,597	404,438	436,139	419,909	426,327	430,675
	(4.3)	(8.0)	(12.2)	(12.5)	(1.5)	(9.1)	(5.4)	(6.0)	(6.5)
In local currency	221,735	232,224	250,347	278,180	285,229	301,229	288,094	292,360	295,812
In foreign currency	70,599	83,531	104,042	120,417	119,209	134,910	131,815	133,967	134,863
Memorandum Items (In Percent):									
Credit to private sector ^{3/} / Total Credit	82.4	85.0	85.0	85.7	83.9	85.2	84.6	84.6	84.7
Non Government Loans/ Deposits ^{4/}	62.5	59.8	54.8	57.6	53.7	52.9	50.2	51.3	52.1
Government Loans / Deposits	23.9	36.8	35.2	32.5	29.6	34.2	33.1	33.9	33.3
Foreign currency denominated credit to total credit	25.8	28.3	32.3	33.5	31.9	32.3	32.9	33.0	33.0
Government foreign currency denominated credit to total government credit	49.2	52.3	65.3	74.3	62.0	48.2	49.0	50.6	51.2
Non - government foreign currency denominated credit to total non-government credit	24.2	26.5	29.4	30.2	29.5	30.9	31.4	31.4	31.3

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

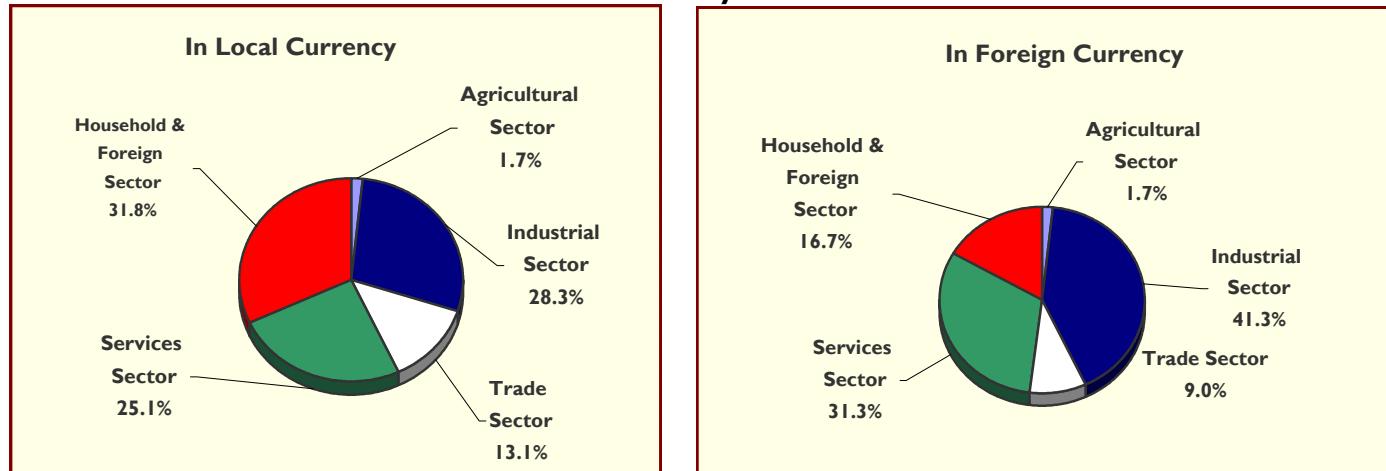
1/ Excludes credit provided by the Central Bank of Egypt.

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 February-2011



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						
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	10.70	6.60	9.06	9.50	9.00
Jan-11	8.50	10.70	6.50	9.49	9.50	9.00
Feb-11	8.50	10.60	6.50	10.59	9.50	9.00
Mar-11	8.50	--	--	11.32	9.50	9.00

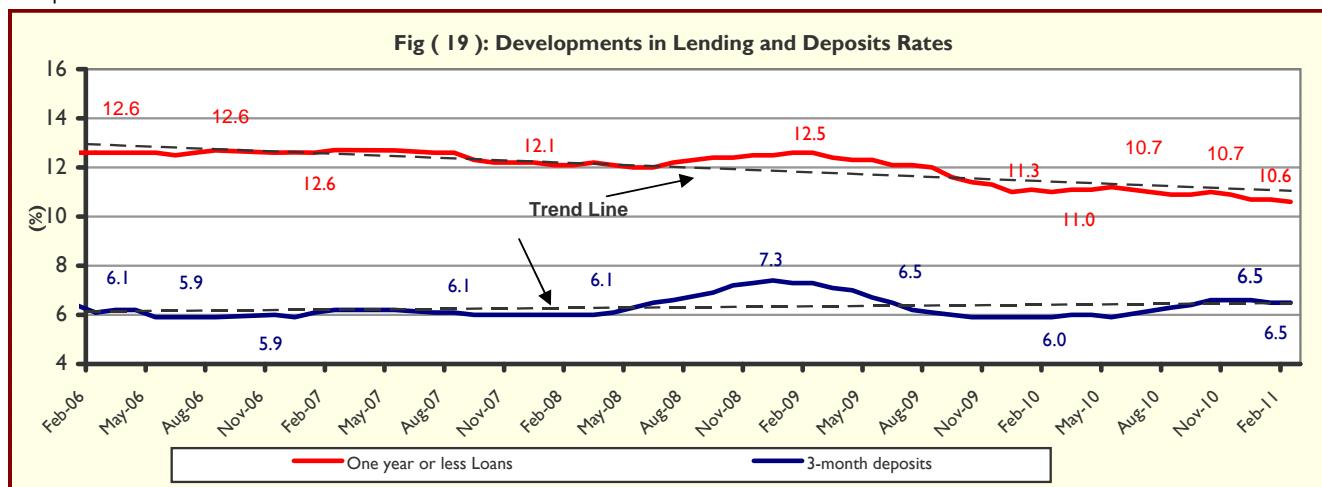
Source: Central Bank of Egypt.

-- 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/}

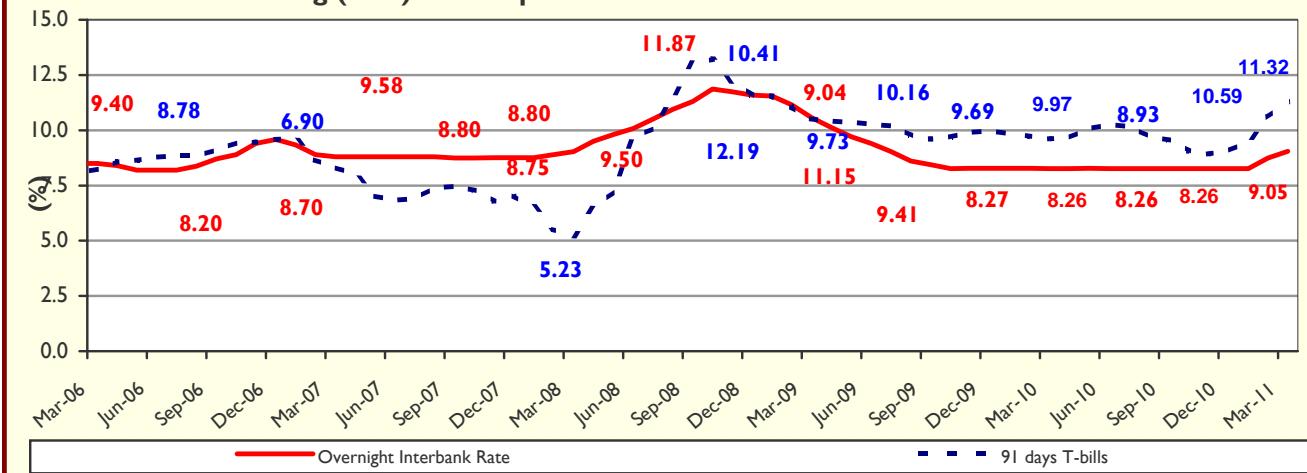
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Mar-10	8.27	8.27	8.31	8.32
Apr-10	8.27	8.27	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
Jan-11	8.26	8.27	8.50	8.27
Feb-11	8.74	8.86	--	--
Mar-11	9.05	9.24	--	--

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' .

Fig (20) : Developments in Interbank and T-bills Rates



Source: Central Bank of Egypt.