Executive Summary

Main Highlights…

The Egyptian economy has witnessed progress in key economic indicators during the recent months, signaling increased growth in light of renewed confidence. Preliminary indications point to a 3.7 percent y-o-y growth in GDP during the fourth quarter of FY13/14, resulting in an annual growth rate of 2.2 percent for the full fiscal year, driven by investments and household consumption. This suggests the prompt revitalization of the Egyptian economy, in anticipation of achieving the desired growth.

To that extent the EGX-30 Index increased by 364 points during September 2014, reaching 9811 points compared to 9447 during August 2014. Furthermore, market capitalization increased by 0.4 percent m-o-m during the month of study to reach LE 526.2 billion (25.9 percent of GDP) compared to LE 524 billion during the previous month. In addition, the purchasing managers index (PMI) rose to 51.6 during August 2014, recording the highest increase throughout the past eight months. Similarly, the industrial production index grew at annual rate of 44.9 percent, recording 189.2 points in July 2014 compared to a mere 130.6 points during the same month of the previous year. Amongst others, the above mentioned indicators denotes improvements in the economic and political conditions.

- *It is noteworthy to mention that* ***preliminary fiscal data for the year 2013/2014 is in the final stages of preparation and will be published when finalized. Budget deficit increased during the period July-August 2014/2015, reaching LE 56 billion, which represents 2.3 percent of GDP, compared to 2 percent a year earlier.*** This was mainly due to a sharp decrease in grants, accompanied with higher expenditure on various expenditures chapters especially subsidies, grants and social benefits and purchase of non-financial assets (investments).

- *Moreover,* ***total government debt (domestic and external)*** *reached LE 1907.8 billion (95.5 percent of GDP) at end of June 2014, compared to LE 1644 billion (93.8 percent of GDP) at end of June 2013.*

- *Latest* ***GDP*** *figures signal increased growth in light of renewed confidence registering 3.7 percent y-o-y growth during the fourth quarter of FY13/14, resulting in an annual growth rate of 2.2 percent for the full fiscal year. Details will be published in the Monthly Bulletin for the coming month. Meanwhile, GDP registered 2.5 percent growth during Q3-FY13/14, compared to 2.2 percent in the same period last year. Both* ***public and private consumption*** *continued to boost economic activity during the Q3-FY13/14. And for the first time since Q4- FY11/12,* ***investments*** *have contributed positively to growth, while* ***net exports*** *constrained growth with its negative impact. Cumulatively,* ***real GDP*** *has recorded a growth of 1.6 percent y-o-y in the first nine months of FY13/14, compared to 2.3 percent during the same period last year.*

- ***BOP*** *showed a significant improvement during FY13/14 recording an overall surplus of US$ 1.5 billion, compared to an overall surplus of US$ 0.2 billion during the previous fiscal year. This could be explained in light of the notable decrease in current account deficit, recording a deficit of US$ 2.4 billion, compared to a deficit of US$ 6.4 billion during the previous fiscal year. This notable decrease can be explained through the pick-up in transfers, recording US$ 30.4 billion during FY13/14, compared to US$ 19.3 billion a year earlier, in light of the increase in net official transfers (commodity and cash) to reach US$ 11.9 billion, compared to US$ 0.8 billion in FY12/13. This improvement was counterparted by a decrease in net inflows of the capital and financial account to record US$ 4.9 billion, compared to net inflows of US$ 9.8 billion during FY12/13.*

- *During August 2014, **Net International Reserves (NIR)** inched up to record US$ 16.84 billion, up from US$ 16.74 billion in July 2014. This slight increase in August 2014 came as a result of the higher revenues recorded by the Suez Canal at the end of FY13/14, as well as the decline seen in Egypt's imports over the last two months.*

- *As for the **monetary developments, M2 annual growth** increased during July 2014 recording 17.4 percent (Y-o-Y) to reach LE 1545 billion, compared to 17 percent at the end of June 2014, while it eased if compared to 19.4 percent recorded at end of July 2013. Meanwhile, Headline Urban inflation rose significantly during August 2014 recording 11.5 percent, compared to 11 percent last month and 9.7 percent in August 2013. This was mainly fueled by the continuation of the government's fiscal consolidation program impact represented in the upward adjustment of the prices of several regulated prices including diesel, benzene, electricity and tobacco, in addition to the indirect effects of the regulated price adjustments driving the prices of transportation, fresh vegetables & fruits and other food items up. On the other hand, monthly inflation dropped to 1.1 percent during August 2014 compared to 3.5 percent last month (The highest inflation since January 2008).*

  *During its **Monetary Policy Committee** meeting held on September 1, 2014, CBE decided to keep the **overnight deposit rate** and **overnight lending rates**, and the CBE's **main operation** and the **discount rate** unchanged at its current levels. Moreover, in an attempt to absorb excess liquidity and to protect the domestic currency, the CBE held **deposit auctions** on October 8, 2014 worth LE 35 billion with 6-day maturity at a fixed annual interest rate of 9.75 percent.*

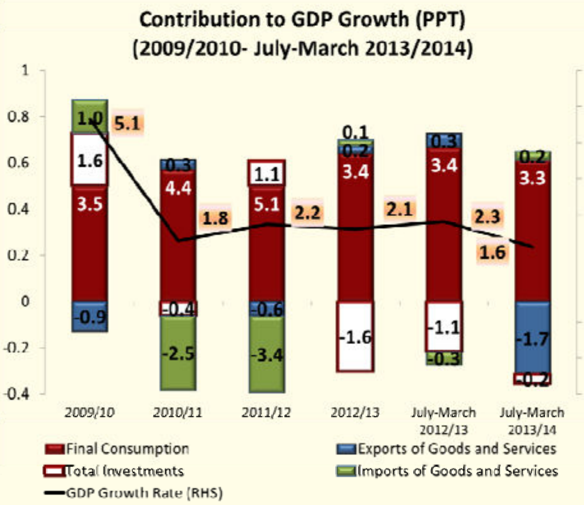
GDP growth rate:

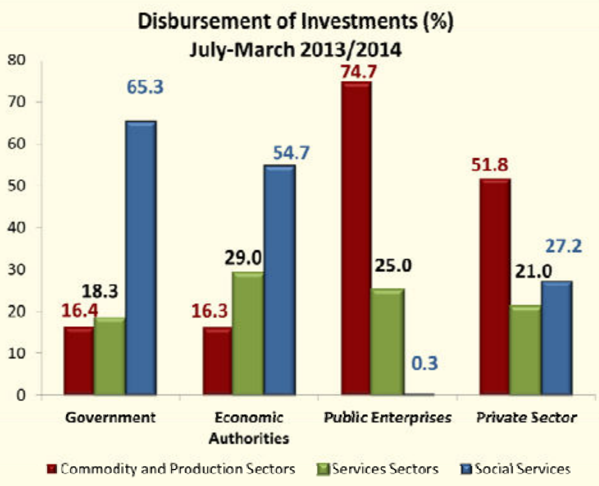
The recent **GDP quarterly data** published suggest the economy's recovery pace is starting to speed up, with Q3-FY13/14 registering around 2.5 percent growth, compared to 2.2 percent in the same period last year. Both **public and private consumption** continued to boost economic activity during Q3- FY13/14. And for the first time since Q4- FY11/12, **investments** have contributed positively to growth, while **net exports** constrained growth with its negative impact. Cumulatively, **real GDP** has recorded a humble growth of 1.6 percent y-o-y in the first nine months of FY13/14, compared to 2.3 percent during the same period last year.

Five key sectors led growth in 9M-FY13/14…

On the supply side, key sectors driving growth in the first 9 months of FY13/14 were the **agricultural sector** and the **general government**, with real growth rates of 3.5 and 4.8 percent respectively (both contributing by 0.5 percentage points to growth, compared to 0.5 and 0.3 PPT a year earlier). **Wholesale and retail trade** real growth came at 3.8 percent in the same period (0.4 PPT compared to 0.3 PPT a year earlier), while **non-oil manufacturing sector** and the **construction sector** witnessed growth at 3.5 and 6.6 percent (0.5 and 0.3 PPT) respectively. Together, these above-mentioned 5 key sectors represented around 57 percent of total real GDP in the period of study.

Meanwhile, **tourism and natural gas extraction sectors** continued to subdue growth in the period July-March FY13/14. Tourism has been severely hit due to several unfortunate events, falling by 29 percent y-o-y in the first 9 months of FY13/14, while natural gas extraction fell by 9.5 percent in the same period, both contributing negatively to growth by -1 and -0.9 PPT respectively.





- On the demand side, both **public and private consumption** continued to boost economic activity during the first 9 months of FY13/14. **Private consumption** grew by 3.2 percent y-o-y, after having grown by 2.5 percent y-o-y in H1-FY13/14, implying that Q3-FY13/14 real growth came at an accelerated rate of 4.8 percent. Similarly, **public consumption** grew at 6.1 percent in the period of study, compared to 4.8 percent during H1-FY13/14, after having accelerated by 9.1 percent in Q3-FY13/14. It is also worthy to note that both public and private consumption led to a total contribution of 4.9 PPT to GDP growth during Q3-FY13/14, compared to 1.3 PPT a year earlier.

  In the meantime, recent data reflects positive signs of change in **investments**, for the first time since Q4-FY11/12, showing that investments have contributed positively to growth during Q3-FY13/14 by 1.1 PPT, compared to a negative contribution of 2.3 PPT during the same period last year. Moreover, investments have witnessed a deceleration in the negative contribution during 9M-FY13/14 making a negative real contribution of 0.2 PPT, compared to 1.1 PPT negative contribution in the same period last year.

  As for the distribution of total **investments by economic agents** (in nominal terms),public investments (government + economic authorities + public business sector) accounted for 33.7 percent of total investments in Egypt during the period of study, while the private sector accounted for 66.3 percent in the same period, noting that nearly 65.3 percent of government investments were directed towards social services sectors.

  Meanwhile**, net exports** posted a negative contribution of 1.5 PPT in the first nine months, down from neutral effect (zero PPT) a year earlier. **Exports** decreased by 9.6 percent during 9M-FY13/14, with a contribution of -1.7 PPT to real GDP growth, compared to 0.3 PPT a year earlier. While **imports** dropped by -0.7 percent in the same period, contributing positively by 0.2 PPT, compared to -0.3 PPT in the same period last year.

- It is worthy to highlight that, the **Purchasing Manager Index (PMI)** has reached in August 2014 an eight-month high of 51.6 points, implying an improvement in economic and political conditions in the country. Furthermore, **Manufacturing Index** continued to rise recording an annual growth of 44.9 percent to reach 189.2 points during July 2014, compared to 130.6 points in July 2013.

Fiscal Sector:

- According to latest budget figures released by Ministry of Finance, **budget deficit increased during the first 2 months of the fiscal year 2014/2015 in value and as percent of GDP,** compared to the same period last year. This was mainly due to a sharp decrease in grants, accompanied with higher expenditure on various expenditures chapters especially subsidies, grants and social benefits and purchase of non-financial assets (investments).

Budget Deficit increased on annual basis…

July- August 13/14 Budget Deficit LE 40.0 billion (2.0 percent of GDP)	**July- August 14/15 Budget Deficit** LE 56.0 billion (2.3 percent of GDP)
Revenues LE 34.2 billion (1.7 percent of GDP)	**Revenues** LE 34.4 billion (1.4 percent of GDP)
Expenditure LE 73.9 billion (3.7 percent of GDP)	**Expenditure** LE 89.8 billion (3.7 percent of GDP)

Source: Ministry of Finance, Macro Fiscal Policy Unit

Tax Revenues increased during the period of study, and Non-Tax Revenues decreased.

On the revenue side,

- Total revenues increased during July-August 2014/2015 by only 0.7 percent, recording LE 34.4 billion (1.4 percent of GDP), mainly due to the increase in taxes on income by 39.8 percent (0.3 percent of GDP), taxes on international trade by 45.9 percent (0.1 percent of GDP), and other revenues by 72.6 percent (0.3 percent of GDP).

Tax Revenues increased due to:

Taxes on Income, Capital Gains and Profits increased by LE 2.2 billion (39.8 percent growth) to reach LE 7.8 billion (0.3 percent of GDP).

Mainly on the back of an increase in:

- Taxes on domestic salaries by LE 0.4 billion reaching LE 2.9 billion.
- Receipts from Suez Canal by LE 0.8 billion.
- Receipts from Other Companies by LE 0.5 billion.
- Taxes on industrial & commercial profits by LE 0.2 billion to LE 0.4 billion.

Taxes on good and services increased by LE 2 billion (16 percent growth) to reach LE 14.3 billion (0.6 percent of GDP).

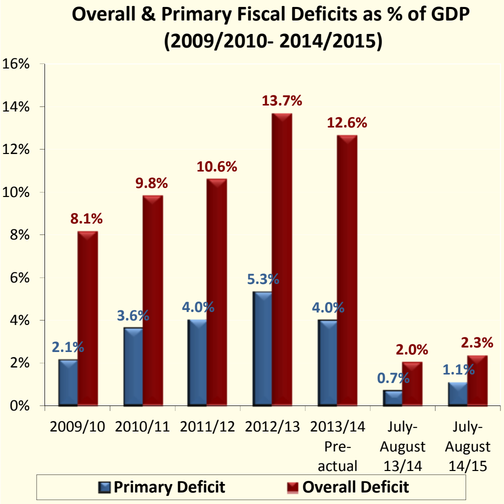
Mainly as a result of an increase in general sales tax on goods and services by 15.9 and 28.6 percent y-o-y to LE 7 billion and LE 1.6 billion respectively.

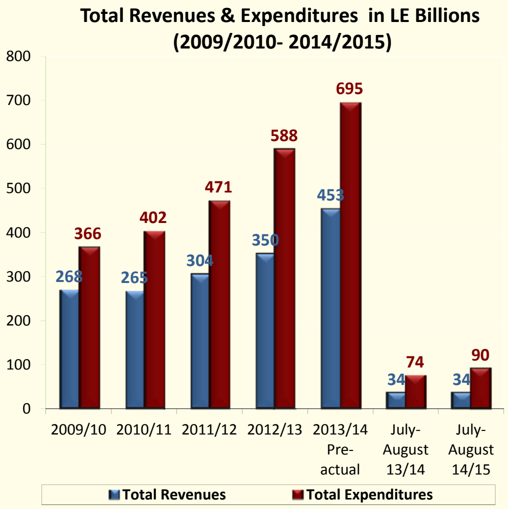
Taxes on International Trade increased by LE 0.9 billion (45.9 percent growth) to reach LE 2.9 billion (0.1 percent of GDP).

In light of an increase in taxes on valued customs by 45.6 percent y-o-y to LE 2.7 billion (0.1 percent of GDP).

…while Non tax revenues decreased mainly due to the huge decrease in exceptional grants

However, there was a significant decrease in non-tax revenues which could be explained in light of the huge decrease in grants to reach LE 0.004 billion, compared to LE 7 billion.





Source: Ministry of Finance

On the Expenditures Side:

Increase in Wages, Investments and Social Benefits

Total expenditures increased during July- August 2014/2015 by 21.6 percent, recording LE 89.8 billion (3.7 percent of GDP), mainly due to:

- The increase in wages and compensation of employees by LE 5.1 billion to LE 32.8 billion (1.4 percent of GDP).
- The increase in interest payments by LE 3.5 billion to LE 30.3 billion (1.3 percent of GDP).
- The increase in subsidies, grants and social benefits by LE 4.9 billion to LE 15.7 billion (0.7 percent of GDP) in light of the following:-

  • Social Benefits increased by 72.4 percent during July-August 14/15, to reach LE 9.5 billion, compared to LE 5.5 billion during the same period last year.

  • Subsidies increased by 19.8 percent during July-August 14/15, to reach LE 5.3 billion, compared to LE 4.4 billion during the same period last year.

- The rise in other expenditures by LE 1.8 billion to LE 7.2 billion (0.3 percent of GDP).
- The increase in purchases of non-financial assets (investments) by LE 0.5 billion to LE 2 billion (0.1 percent of GDP).
- The increase in Purchases of Goods and Services by 2.6 percent to reach LE 1.8 billion (0.1 percent of GDP).

Going forward, the government's strategy to lower budget deficit, and achieve social justice in FY14/15 budget, consists of two pillars: First, **on the revenue side**, the government is working towards restructuring the tax system to allow for a fair distribution of the tax burden. In addition, the government is also pursuing other strategies which include countering tax evasion, widening the tax base through a set of amendments for the income tax law, and transferring into the value added tax.

The second pillar envisages **expenditure side** reforms, that focuses on re-prioritizing public spending in favor of protecting the poor, particularly the neediest segments of the population. Meanwhile, some of the savings derived from the new revenue enhancement and subsidy cuts will be deployed to increase spending on health, education and R&D. Furthermore, additional spending will be allocated to fund important social programs, such as, pension programs, health insurance, improving the slum areas, providing citizens with basic commodities.

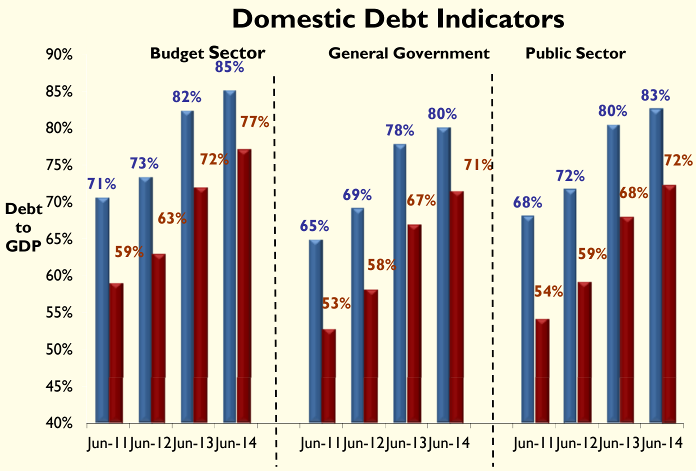
Meanwhile, according to the new budget for the FY14/15, **government revenues** are estimated to reach **LE 549 Billion** compared to LE 569 billion, which is the revised budget for the fiscal year 2013/2014. While **government expenditures** are estimated to reach **LE 789 billion**. To that end, the **budget deficit** is estimated to record **LE 240 billion**, which represents 10 percent of GDP, compared to 14 percent of GDP in case no reform measures were incurred, while **total government debt** (domestic and external) will reach a sum of **LE 2.2 trillion** at the end of FY14/15 (about 91.5 percent of GDP, decreasing from 93.8 percent of GDP for FY12/13).

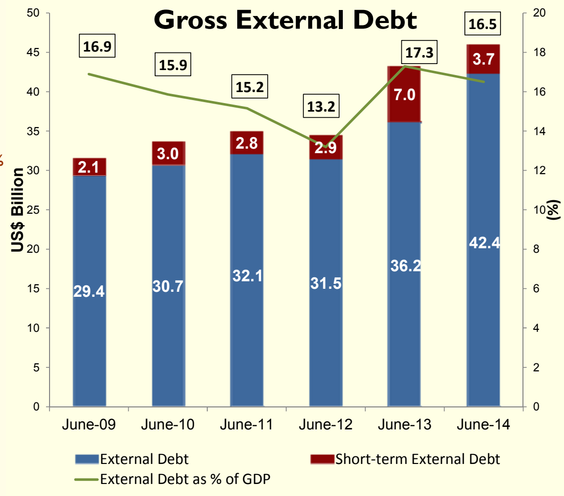
Public Debt:

Increase in Domestic Debt…

- **Domestic budget sector debt** recorded LE 1700.5 billion (85 percent of GDP) by end of June 2014, compared to LE 1444.4 billion (82.4 percent of GDP) by end of June 2013.

- It is worth mentioning that the **total government debt (domestic and external)** reached LE 1907.8 billion (95.5 percent of GDP) at end of June 2014, compared to LE 1644 billion (94 percent of GDP) at end of June 2013.





Source: Ministry of Finance

***External debt stock*[1] (government and non-government debt)** recorded US$ 46.1 billion at end of June 2014 compared to US$ 43.2 billion at end of June 2013 (most of the increase represented aid from the Gulf Countries with concessional and preferential terms). External debt as percent of GDP recorded 16.5 percent by the end of June 2014, which is relatively low if compared to the average of peer countries (Middle East and North Africa countries recorded an average of 25.5 percent of GDP during the year 2013)**.**

Moreover, **short-term debt to total external debt ratio** decreased from 16.3 percent at end of June 2013 to 7.9 percent at end of June 2014. This could be explained mainly for redeeming Qatari short-term deposit worth US$ 2 billion by end of December 2013, in addition to another matured deposits worth US$ 1 billion, and the payment of around US$ 0.7 billion to the creditor countries under the Paris Club Agreement.

Monetary Perspective:

M2 annual growth rate increased during July 2014

- According to recent data released by the CBE, **M2 annual growth** increased during July 2014 recording 17.4 percent (Y-o-Y) to reach LE 1545 billion, compared to 17 percent in June 2014, while it eased if compared to 19.4 percent recorded at end of July 2013. These developments could be explained – from the liabilities side – in light of the increase in **money** annual growth rate registering 20.9 percent (LE 427.9 billion), compared to 19.3 percent recorded during the last month. Moreover, **quasi money** annual growth almost stabilized during the month of study reaching 16.1 percent (LE 1117.2 billion), compared to 16.2 percent during the previous month.
- Meanwhile – from the assets side – **the above mentioned increase in M2 could be explained in light of the pick-up in net domestic assets (NDA) of the banking system** during July 2014 reaching 22 percent (LE 1427.1 billion), compared to 18.4 percent recorded at end of June 2014. This significant increase was counterparted by decrease in **net foreign assets** annual growth during July 2014 to -19.1 percent (LE 117.9 billion), compared to annual growth of 4.2 percent recorded at end of June 2014. The drop in NFA could be explained by the decrease of banks net foreign assets to reach LE 80 billion, compared to LE 91 billion last month.
- **Net claims on the government and GASC** annual growth rose slightly during the month of study reaching 30.6 percent (LE 1071.9 billion), compared to 30.3 percent in June 2014. Moreover, **claims on private sector** almost stabilized during July 2014 to record an annual growth of 7.5 percent (LE 534.5 billion) compared to 7.4 percent in June 2014. **Claims on public business sector** decreased to reach 3.8 percent compared to 5.8 percent in the previous month.
- Deposits and loans detailed data for July 2014 is not yet available. **Total deposits** annual growth – excluding deposits at the CBE – increased to reach 20.4 percent y-o-y (LE 1433.7 billion) at the end of June 2014, compared to 16 percent in June 2013. Out of total deposits, 87.5 percent belonged to the non-government sector. On the other hand, **annual growth rate in total lending by banking sector** (excluding CBE) increased during the year ending June 2014 recording 7.1 percent (LE 587.9 billion), compared to 8.4 percent recorded at end of June 2013. To that end, loans-to-deposits ratios declined at end of June 2014 registering 41 percent, compared to 46.1 percent in June 2013.

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1 The notable increase in non-government external debt during FY13/14 can be explained in light of a net increase of nearly US$ 2 billion in external debt on the monetary authorities compared to FY12/13. The mentioned increase in monetary authorities' debt could be explained as a result of net change of deposits inflows and redemption of other deposits. The breakdown of inflows is as follows: US$ 2 billion from UAE, US$ 2 billion from Saudi Arabia and US$ 2 billion from Kuwait. Meanwhile, Egypt has returned a total of US$ 3 billion deposits to Qatar (US$ 2 billion was cancelled and US$ 1 billion was matured), additionally a Qatari deposit worth US$ 1 billion was converted into T-bonds.

NIR has maintained stable during August 2014

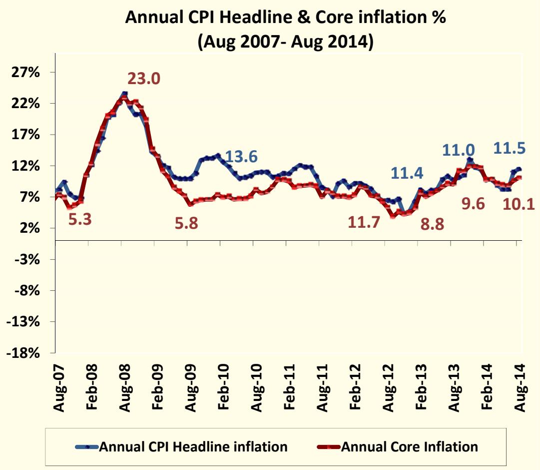
Net International Reserves (NIR) almost stabilized during August 2014 to record US$ 16.84 billion, up from US$ 16.74 billion in July 2014, as the month of August witnessed a slight increase of US$ 99 million. In light of the increase in revenues generated from the Suez Canal during FY13/14, in addition to the decline of imports during the past two months.

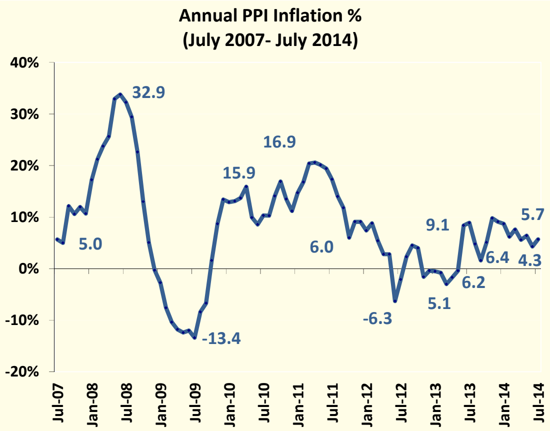
Monthly CPI rose significantly during July - August 2014/2015

- **CPI annual Urban Inflation** increased during July- August 2014/2015 recording an average of 11.3 percent, compared to 10 percent during the same period of last year. Moreover, it is noteworthy to mention that the annual inflation growth rate rose significantly during August 2014 recording 11.5 percent, compared to 11 percent last month and 9.7 during August 2013. This was mainly fueled by the continuation of the government's fiscal consolidation program impact represented in the upward adjustment of the prices of several regulated prices including diesel, benzene, electricity and tobacco, in addition to the indirect effects of the regulated price adjustments driving the prices of transportation, fresh vegetables & fruits and other food items up.

  On a more detailed level, the increase in annual inflation could be explained in light of the rise in the annual inflation rate of some sub items in "Food and Beverage" group, among which comes; "Vegetables" (14.5 percent), "Other Food Product" (15.2 percent) and "Bread and cereal" (1.4 percent). Additionally, the annual inflation rate has increased for the following groups: "Health" recorded 14.2 percent "Restaurant and Hotels" which recorded 17.4 percent during August 2014, "Furniture, Household equipment and Routine Maintenance" recorded 10.8 percent, "Recreation and Culture" recorded 19.6, "Clothing and Footwear" recorded 5.1 percent, and "Miscellaneous goods and services" which recorded 5.9 percent. While "Housing, Water, Electricity, and Gas" group recorded 6.7 percent.

- On the other hand, **monthly inflation** declined to 1.1 percent during August 2014 compared to 3.5 percent in the previous month (the highest monthly inflation since January 2008). While it increased if compared to 0.7 percent during August 2013.





- **Annual core inflation** increased to reach an average of 10.1 percent during August 2014, compared to 9.6 percent during July 2014 and 9 percent in August 2013. Additionally, monthly core inflation dropped to record 0.6 percent during August 2014, compared to 1.8 percent during July 2014. The monthly inflation could be explained in light of the increase in the prices of other services, paid services and retail items, contributing by 0.81 percentage points. Meanwhile, food prices contributed negatively by 0.21 percentage points to monthly core inflation.

- During its Monetary Policy Committee meeting held on September 1, 2014, CBE decided to keep the overnight deposit rate and overnight lending rates, unchanged at 9.25 percent and **10.25** percent respectively, and to keep the CBE's **main operation** unchanged at **9.75 percent**. The discount rate was also kept unchanged at 9.75 percent. The committee justified that decision in light of balancing upside risks to the inflation outlook, with the slow rates of economic recovery.

  On one hand, upside risks to the inflation outlook result from higher than anticipated indirect and second round effects of price adjustments. On the other hand, challenges facing the Euro Area and the softening growth in emerging markets could pose downside risks to GDP going forward. Consequently, in light of balancing upside risks to the inflation outlook, with the downside risks to economic growth, MPC judges that the key CBE rates are currently appropriate.

- Moreover, in an attempt to absorb excess liquidity and to protect the domestic currency, the CBE held **deposit auctions** on October 8, 2014 worth LE 35 billion with 6-day maturity at a fixed annual interest rate of 9.75 percent.

- EGX-30 Index increased by 364 points during September 2014, reaching 9811 points compared to 9447 during August 2014. Furthermore, market capitalization increased by 0.4 percent m-o-m during the month of study to reach LE 526.2 billion (25.9 percent of GDP) compared to LE 524 billion during the previous month.

On the External Sector side:

- **BOP** showed a significant improvement during the FY13/14 **recording an overall surplus of US$ 1.5 billion** (0.5 percent of GDP), compared to an overall surplus of **US$ 0.2 billion** (0.1 percent of GDP) during FY12/13, and compared to an average deficit of US$ 4.2 billion over the last 5 years. The recorded surplus can be explained in light of the notable decrease in the **current account deficit**, recording US$ 2.4 billion (0.8 percent of GDP) compared to a deficit of US$ 6.4 billion (2.4 percent of GDP) last year. This was mainly driven by the noticeable increase in **net unrequited transfers** to record US$ 30.4 billion, compared to US$ 19.3 billion during the previous fiscal year, backed up by the increase in **net official transfers** (commodity and cash), recording US$ 11.9 billion compared to US$ 0.8 billion. However, the **capital and financial account** witnessed net inflows of US$ 4.9 billion (1.7 percent of GDP), compared to net inflows of US$ 9.8 billion (3.6 percent of GDP) during FY12/13, while net errors and omissions recorded an outflow of US$ 1.1 billion, compared to an outflow of US$ 3.1 billion during the previous fiscal year.

  - On a more detailed level, the decrease witnessed in the **current account balance deficit** can be attributed to:

    - The significant increase in **net official transfers** during FY13/14 recording US$ 11.9 billion in light of grants received from Arab countries, of which US$ 1 billion from the United Arab Emirates, US$2 billion from the Kingdom of Saudi Arabia, US$ 7.6 billion in-kind grants from Gulf countries in the form of petroleum shipments, compared to US$ 0.8 billion last year.

    However, this decrease could have been larger if it had not been for the following:

    - The increase in **trade deficit** by 9.8 percent to reach US$ 33.7 billion during FY13/14, compared to US$ 30.7 billion during FY12/13. This was mainly due to the increase in imports payments by 3.7 percent and the decrease in exports proceeds by 3.2 percent, and was accompanied by the following:

- Decrease in **exports to imports coverage ratio** to reach 43.7 percent during the FY13/14, compared to 46.8 percent during last year.
- Rise in **NIR imports coverage ratio** to record 3.3 months of imports during FY 13/14 compared to 3.1 months of imports during FY12/13.

▪ On the other hand, **services balance** decreased significantly by 80.6 percent to record a surplus of US$ 1 billion compared to a surplus of US$ 5 billion during the previous fiscal year. This deterioration was driven mainly by an annual decrease of 48 percent and 15.3 percent in tourism receipts and other receipts, respectively.

▪ Meanwhile, the surplus recorded in the **capital and financial account** a result of the following developments:

- The increase in **net foreign direct investments in Egypt** by 9.8 percent, recording a net inflow of US$ 4.1 billion (1.44 percent of GDP) during FY13/14, compared to US$ 3.8 billion (1.38 percent of GDP) last year.
- **Portfolio investments in Egypt** recorded a net inflow of US$ 1.2 billion (0.4 percent of GDP) during FY13/14, compared to a net inflow of US$ 1.5 billion (0.5 percent of GDP) during FY12/13, due to the decline of foreigners' net investments in bonds to only US$ 0.9 billion (down from US$ 2.3 billion). Meanwhile, foreigners' net investments on the Egyptian Stock Exchange (EGX) have reversed from net sales of US$ 0.8 billion to net purchases of US$ 0.4 billion.
- The decrease in **liabilities of the CBE**, recording a net inflow of US$ 1.9 billion compared to a net inflow of US$ 6.5 billion during last year, as CBE reimbursed part of the deposits that have been placed by some Arab countries (of which US$ 1 billion to Qatar).

➢ According to the latest published figures, total number of tourists arrivals increased during the month of June 2014, reaching 785.7 thousand tourists compared to 768.2 thousand tourists in the previous month. Meanwhile, Tourists nights decreased during the month of study to record 6780.4 nights compared to 7331.5 nights during the month of May. It is also worthy to mention that, **tourism receipts** in FY13/14 have witnessed a decrease of 48 percent to reach US$ 5.1 billion, compared to US$ 9.8 billion during FY12/13.