Executive Summary

Latest Economic Developments

The Egyptian state continues its efforts to enhance business environment, stimulate the role of private sector, and exit from non-strategic activities, and shift towards a greener economy, while improving lives of Egyptian citizens and achieving inclusive growth opportunities for youth and women. In the same context, the Supreme Investment Council announced 22 important decisions to enhance domestic and foreign investments in Egypt that relies on eliminating bureaucratic obstacles to investors. The approved decisions tailors reducing the cost of establishing new companies, facilitate the acquisition of land, expand the issuance of golden license, and expands the scope of economic courts to settle commercial and industrial disputes.

On the other hand, an agreement was signed with the International Finance Corporation (IFC), an arm of the World Bank Group, to help ensure a more enabling private sector role, so that the institution becomes a strategic advisor to the Egyptian government in the implementation of the Initial Public Offerings Program. The agreement is the first to be signed as a subsidiary of the bigger strategic partnership framework between the Arab Republic of Egypt and the World Bank Group (2023-2027), which includes among its main objectives seeking the support of the world bank to determine the mechanisms and models of the Initial Public Offering Program for the state-owned enterprises, and to help identify target investors based on the main strategies and guidelines set by the state ownership policy document.

Important Investment decisions by the Supreme Investment Council

Simplifying the process of establishing New Companies	• Approve amendments to investment law executive regulations to allow licensing of industrial projects with natural gas production to operate under the free zones system.
Shorten the time for newly established companies	• Shorten the time to obtain licenses for establishing new companies to 10 working days. • Launch an “electronic platform for establishing, operating and liquidating projects” and passing to Parliament the amendments to the Electronic Signature Law (No. 15 of 2004), which acts to reduce bureaucratic barriers and simplify procedures.
Land Allocation	• Assigning the Ministry of Justice to make the necessary legislative amendments to overcome land ownership restrictions and facilitate foreign ownership of real estate.
Permits and Licenses	• Extending the issuance of golden license behind the scope of national projects. • Amending Articles No. (40), (41) and (42) of golden license guides to ensure that they may be granted to companies established before the Investment Law of 2017.
Lower Preferential treatments to state owned companies	• Approve legal amendments that grant preferential treatment to companies and state-owned entities, with the aim of enhancing competitive neutrality in the Egyptian market.
Unify state-owned companies guiding frameworks	• Establish new unit in the Council of Ministers that collects data on state-owned companies, and its decisions are binding on restructuring, whether by selling or transferring affiliation from one party to another, and submitting the results every 3 months to the President and the Council of Ministers.

Addressing difficulties associated with importing production requirements	• Approval of a draft decision amending Law No. 7 of 2017; To allow the foreign investor to be registered in the importers register, even if does not hold the Egyptian nationality, for a period of 10 years.
Reducing additional burdens on investors	• It is not permissible for any party to issue decisions that add financial or procedural burdens to the establishment or operation of projects, except after taking the opinion of the Board of Directors of the General Investment Authority and the approval of the Council of Ministers and the Supreme Investment Council.
Reducing the financial and tax burdens on investors	• Approval of a draft regulatory decision binding with controls regarding cases of imposing improvement fees in accordance with the regulating laws, the basis for calculating each case, and consideration of making classifications according to the purpose of the investment, whether health, tourism, or hotel.
Introducing a clearing system between investors' dues	• A draft decision directing the Ministry of Finance to create a clearing system between investors' dues, with a time limit (45 days) to ensure the speedy refund of value-added tax, and speed up procedures.
• Accelerate the announcement of the state's strategic medium-term (five years) tax policy document.	

Ministry of Justice to amend laws that encourage investment climate	• The Ministry of Justice to quickly finalize the amendments to the profit transfer law for holding companies and subsidiaries, in a way that ensures the reduction of tax burdens and the avoidance of double taxation. • The Ministry of Justice to amend the Civil and Commercial Procedures Law No. 13 of 1968, allowing for expanding the jurisdiction of economic courts to settle commercial disputes, and disbursing compensation to investors in cases of expropriation for a period not exceeding 3 months.
Agreement with IFC Consultancy to promote investment in Egypt	• A contract with IFC to develop clear strategic vision to enhance investment climate in Egypt and set mechanisms to improve Egypt's ranking in the ease of doing business index with the aim of raising investment rates to 25% - 30% during the coming period.
Economic Zones with special nature	• Amend Law No. 83 of the year 2005 for Economic Zones with Special Nature.
Establish permanent unit in the Council of Ministers for startup companies	Establishing a permanent unit in the Council of Ministers for startup companies to set policies, laws and regulations and receive complaints in coordination with the Investor Problem Solving Unit.
Incentives for the agricultural, industrial and energy sectors	Providing incentives for the agricultural, industrial, energy, and green hydrogen sectors.

Recent Macroeconomic Indicators

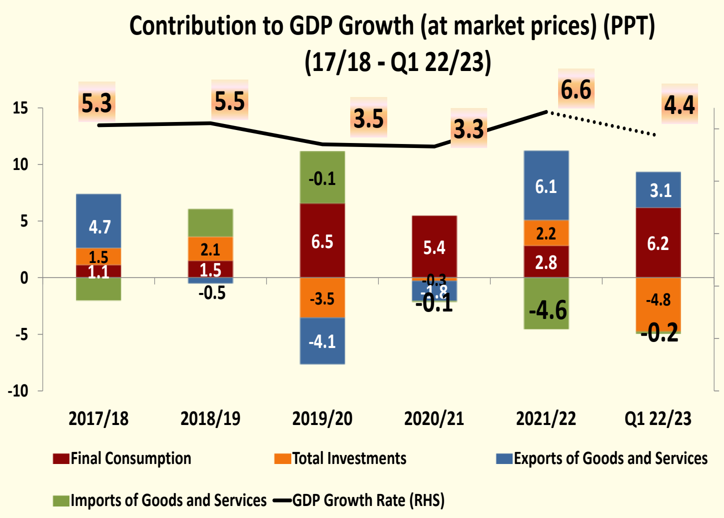
Real Sector

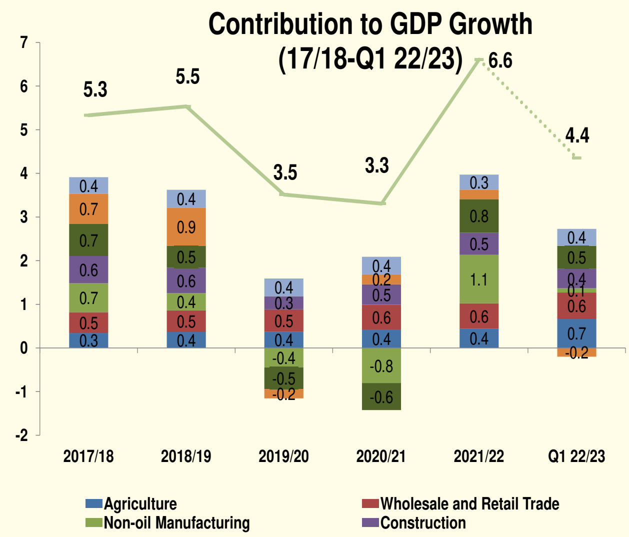
The Egyptian economy has proven resilience despite external shocks from Covid-19, and the war in Europe that contributed to disruption in supply chains and lead to dramatic increases in global commodity prices, of which strategic oil and food prices.

The government and the Ministry of Finance have developed a coherent and integrated framework to support citizens and business community, and has focused on providing swift cash transfers, and ensured the supply of strategic commodities to meet people needs, and the adequacy of sufficient reserves. In this regard, social assistance package worth "LE 130 billion pounds" was allocated from the

state reserves buffers, and which provided aid disbursements to around 9.1 million families of the most vulnerable groups for a period of 6 months, while adopting exceptional wage bonuses to public employees and pensionaries. On the business side, assistances included tax exemption, tax deferral, postponed to property taxes, custom incentives, green incentives, dispute settlements, and providing export subsidies worth LE 48 billion in the past two year.**

The achievement witnessed in FY21/22 was basically led by the restaurants and hotels sector with a growth rate of 45.7%, followed by the communications sector with a growth rate of 16.5%, then the Suez Canal by about 11.7%, and the manufacturing industries by 9.6%. The sectors: construction, health, and education also witnessed remarkable growth rates during the last fiscal year. The sectors that contributed the most to the GDP during the fiscal year 21/22 were; Manufacturing, trade, agriculture, real estate activities, and extractives, which contributed about 60% of the total GDP. The Suez Canal's revenues also achieved the highest monthly revenue of about $7 billion in ten years, in light of the growing trade movement in the canal and marketing policies to attract new shipping lines.





<u>As for detailed data for Q1 FY22/23</u>

- **GDP economic growth recorded 4.4% in Q1 of FY22/23. <u>On the Demand Side</u>, exports grew by 26.7 percent in Q1 of FY22/23, (contributing to growth by 3.1 PPT during Q1 of FY22/23), total consumption grew by 6.7 percent in Q1 FY22/23 (contributing to growth by 6.2 PPT during Q1 FY22/23**), as **private consumption grew by 7.1 percent in the period of study (contributing to growth by 6.1 PPT), while public consumption has contributed to growth by 0.1 PPT during the period of study. Finally, imports grew by 1.1 percent during Q1 of FY22/23 (contributing to growth by 0.2 PPT during Q1 FY22/23**).

- **<u>On the Supply Side</u>,** the key sectors that led economic growth were; **First, Total Production Sector recording growth rate of 7 percent during Q1 FY22/23 (contributing positively to growth by 2.1 PPT),** mainly driven by the growth in Tourism (Hotels and Restaurants) by 26.3 percent (contributing by 0.5 PPT), Telecommunications by 16.4 percent (contributing by 0.4 PPT), Suez Canal by 14.3 percent (contributing by 0.2 PPT), Wholesale and Retail Trade by 4.3 percent (contributing by 0.6 PPT), Transport and Warehousing by 4.2 percent (contributing by 0.2 PPT). **Second, Total Social Services recording growth rate of 3.8 percent during Q1 FY22/23 (contributing positively to growth by 0.9 PPT),** mainly driven by the growth in Education by 5.9 percent (contributing by 0.1 PPT), Health by 5.7 percent (contributing by 0.2 PPT), Personal Services by 4.8 percent (contributing by 0.1 PPT).**Third, Total Commodity Sector recording growth rate of 2.7 percent during Q1 FY22/23 (contributing positively to**

growth by 1.3 PPT), mainly driven by the growth in agriculture, forestry and fishing by 4.6 percent (contributing by 0.7 PPT). **Fourth, Total Manufacturing Industry recording growth rate of 1.3 percent during Q1 FY22/23 (contributing positively to growth by 0.2 PPT),** mainly driven by the growth of Construction and Building by 6.7 percent (contributing by 0.4 PPT), Petroleum Refinement by 5.4 percent (contributing by 0.1 PPT).

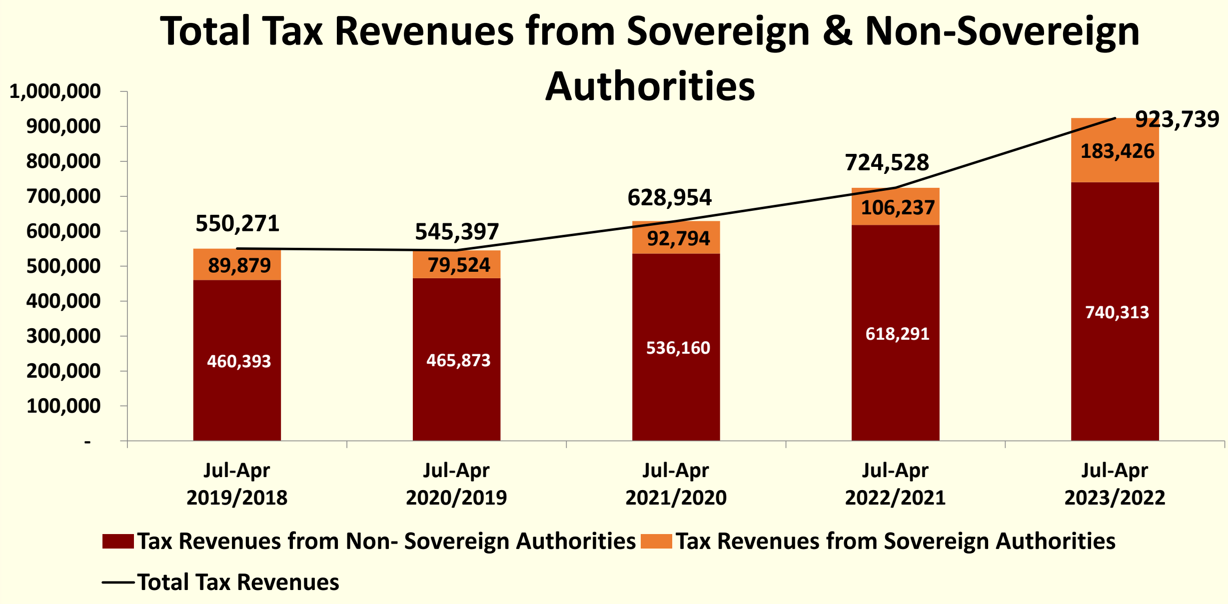
- **Net International Reserves (NIR) has reached US$ 34.7 billion at end of May 2023, compared to lowest level of US$ 13.4 billion at end of March 2013.**
- **Purchasing manager Index reached 47.8 in May 2023, from 47.3 in April 2023, and compared to 37.1 in December 2012.**

Fiscal Sector

Over the past five years, the Egyptian government has taken notable reform measures aimed at enhancing the Egyptian economy, while raising the efficiency of public finance via reprioritizing public spending and revenues mobilization, while ensuring diversity of sources of financing. In addition to supporting social welfare programs, and enhancing human development, such as; health and education, and raising the efficiency of infrastructure.

Total overall fiscal balance as percentage of GDP recorded -5.8% during the period July-April FY22/23. While, primary balance has reached LE 95.6 billion (0.97% of GDP), up from 0.75% of GDP during the same period last year. This could be explained in light of the increase in revenues by 22.5%, and the increase in expenditures by 27.6% during the period of study, compared to the same period of last year. The state budget successfully maintained its commitments to increasing spending on health, education, investment finances, wages, and to fulfil payments on social welfare programs.

Total Revenues increased by LE 206.7 billion (22.5 percent growth) to record around LE 1125.3 billion during the period of study, compared to the same period of last year. Tax revenues constitute 82.1 percent of total revenues while non-tax revenues constitute 17.9 percent.



- **Tax Receipts** constituted around LE 923.7 billion of total revenues, increasing by LE 199.2 billion (27.5 percent growth), mainly driven by

  - **The rise in Tax Receipts from Sovereign Authorities** by LE 77.2 billion (72.7 percent growth) to record LE 183.4 billion during the period July-April 2022/2023, compared to LE 106.2 billion during the same period of last year.
  - **The rise in Tax Receipts from Non- Sovereign Authorities** by LE 122 billion (19.7 percent growth) to record LE 740.3 billion during the period of study, compared to LE 618.3 billion during the same period of last year.

This was supported by:

- **Receipts from Income Taxes rose by LE 95.7 billion** (37.3 percent growth) to reach LE 352.6 billion during the period of study.
  - ✓ **mainly driven by the increase in receipts from tax on domestic salaries** by LE 15 billion (21.7 percent growth) to reach LE 84.4 billion during the period of study.
  - ✓ **and taxes on industrial & commercial profits payable by Individuals** by LE 10.5 billion (29 percent growth) to reach LE 46.8 billion during the period of study.
  - ✓ **and tax receipts from Suez Canal rose** by LE 30.9 billion (111.8 percent growth) to reach LE 58.6 billion during the period of study.
  - ✓ **and tax receipts from Other Companies rose** by LE 18.4 billion (17.2 percent growth) to reach LE 125.6 billion during the period of study.
- **Receipts from Value Added Taxes rose by LE 69.6 billion** (19.7 percent growth) to reach LE 422.5 billion during the period of study.
  - ✓ **driven by the increase in receipts from value added tax on goods by LE 44 billion** (27.2 percent growth) to reach LE 206 billion during the period of study.
  - ✓ **and the increase in receipts from value added tax on services by LE 6.7 billion** (14.7 percent growth) to reach LE 52 billion during the period of study.

- ✓ **receipts from excises on domestic commodities rose by LE 7.6 billion (**7.6 percent growth) to reach LE 107.3 billion during the period of study.
- ✓ **and the increase in receipts from development fees by LE 0.3 billion (**2.9 percent growth) to reach LE 10.7 billion during the period of study.
- ✓ **and the increase in receipts from stamp tax fees by LE 2.7 billion (12.7 percent growth)** to reach LE 23.7 billion during the period of study.
- ✓ **and the increase in receipts taxes on use of goods by LE 7.4 billion (61 percent growth)** to reach LE 19.6 billion during the period of study.
- ✓ **and the increase in receipts from taxes on specific services by LE 0.9 billion** to reach LE 3.1 billion during the period of study.

➢ **Receipts from property taxes rose by around LE 23 billion** (**29.4 percent growth)** to reach LE 101.3 billion during the period of study, compared to LE 78.3 billion during the same period of last year.

- ✓ **in light of the increase in receipts from Tax on T-bills and bonds' payable interest by LE 23.1 billion (35 percent growth)** to reach around LE 89.5 billion during the period of study.

➢ **Moreover, Tax receipts from International Trade rose by LE 10.9 billion (29.8 percent growth**) to reach LE 47.4 billion during the period of study.

- **Non-Tax Revenues (17.9 percent of total revenues) rose by LE 7.5 billion to reach LE 201.6 billion during the period of study of which;**

➢ **Proceeds from Sales of Goods and Services** rose by LE 8 billion (13 percent growth) to record LE 69 billion during the period of study.

➢ **Property Income** reached LE 56.7 billion during the period of study.

- Suez Canal dividends recorded LE 17.6 billion during the period of study.
- Economic authorities' dividends rose by LE 0.4 billion (4 percent growth), to reach LE 10.2 billion during the period of study.
- Interests collected from re-lending (includes interests of foreign loans re-lent by the treasury) rose by LE 4.6 billion to reach around LE 10 billion during the period of study.

➢ **Grants** has reached LE 2.4 billion during the period of study.

➢ **Miscellaneous Revenues** rose by LE 12 billion (20.2 percent growth) to reach LE 71.4 billion during the period of study.

On the Expenditure side, <u>Total expenditures have increased by 27.6 percent to reach LE 1699.9 billion during the period July-April FY22/23,</u> compared to same period last year. The government continues its efforts to reprioritize spending towards social protection, investment in human capital and better distribution of services and to develop infrastructure.

Compensation of Employees

- **Wages and Compensation for Employees rose by LE 31.6 billion (10.6 percent growth)** to reach LE 329.3 billion during the period of study.

Purchases of goods and services

- **Purchases of goods and services rose by LE 18 billion (25.8 percent growth) to reach LE 88 billion during the period of study mainly in light of increased spending on each of:**
    - **Maintenance** spending rose by LE 1.5 billion (19.2 percent growth), to reach LE 9.2 billion during the period of study.
    - **Subscription and fees** spending rose by LE 3.2 billion to reach LE 3.8 billion during the period of study.
    - **Copy expenditures, periodicals and writing rights** rose by LE 1.9 billion to reach LE 5.5 billion during the period of study.
    - **Food expenditures** rose by LE 3.8 billion to reach LE 10.1 billion during the period of study.
    - **Water and lighting** rose by LE 3.1 billion to reach LE 9.4 billion during the period of study.
    - **Operating fuels, oil, and moving parts** rose by LE 2.1 billion to reach LE 6.1 billion during the period of study.
    - **Various service expenditures** rose by LE 2.4 billion to reach LE 13 billion during the period of study.

Subsidies, grants & social benefits

- **Subsidies, grants, and social benefits rose by LE 85.1 billion (36.6 percent growth) to record LE 317.5 billion** during the period of study.
    - ✓ **Spending on treasury contributions in pensions rose by** LE 5.7 billion to reach LE 111.2 billion during the period of study in light of the settlements between the treasury and pension fund**.**
    - ✓ **Spending allocated to GASC** rose by LE 30.4 billion (49.5 percent growth) to reach around LE 92 billion during the period of study, compared to LE 61.5 billion during the same period of last year.
    - ✓ **Spending on Housing for Low Income groups** rose by LE 1.7 billion to record LE 3.3 billion during the period of study.
    - ✓ **Spending on direct cash transfers (Takaful& Karama)** recorded LE 17.5 billion during the period of study.
    - ✓ **Spending on Health Insurance and Medicine rose** by LE 1.3 billion to record LE 1.8 billion during the period of study.

Purchases of non-financial assets

- **Purchases of non-financial assets rose by LE 27.3 billion (15.7 percent growth)** to reach LE 201.1 billion during the period of study.

- **Spending on fixed assets increased by LE 19.7 billion (12.6 percent growth)** to record LE around LE 177 billion during the period of study **in light of increased spending on dwellings, and construction.**
- **Spending on Non-produced assets increased** by LE 3.8 billion to reach LE 10.4 billion during the period of study **in light of increased spending on purchase of lands by LE 3.8 billion to record LE 10.3 billion during the period of study.**

Social Spending and Human Development

- **Total Spending on Health** rose by LE 10.2 billion (10.8 percent growth) to reach LE 105 billion during the period of study, compared to LE 94.8 billion during the same period of last year.
- **Total Spending on Education** rose by LE 21 billion (14.2 percent growth) to reach LE 168.5 billion during the period of study, compared to LE 147.5 billion during the same period of last year.

Fiscal Sector Performance during July-April 2022/2023

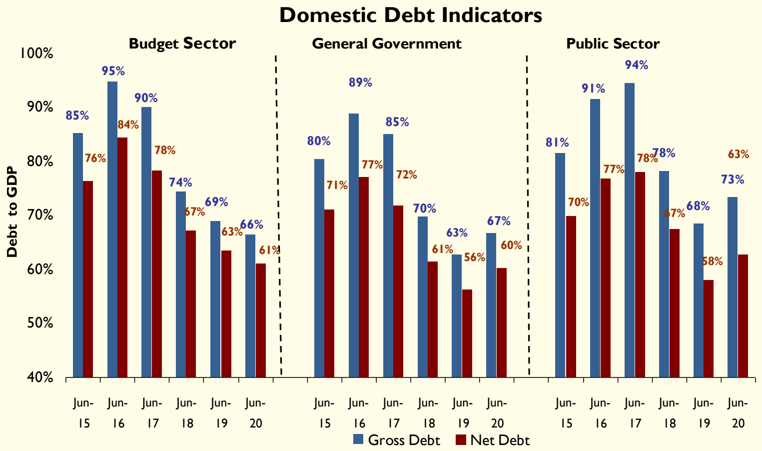
(LE billion)

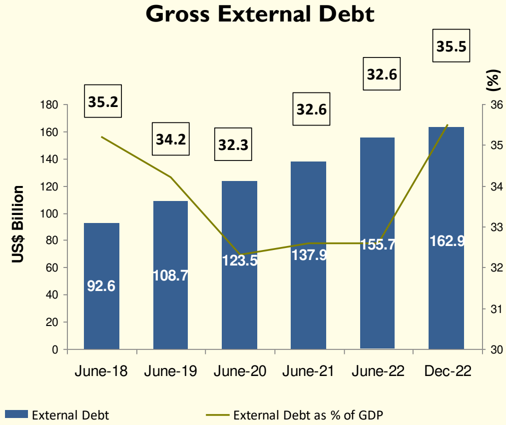
	July-April	
	2023/22	**2022/21**
Revenues	**1,125,309**	**918,564**
Taxes	923,739	724,528
Grants	2,365	2,688
Other Revenues	199,205	191,348
Expenditure	**1,699,896**	**1,332,288**
Wages and Compensation of Employees	329,322	297,697
Purchase of Goods and Services	87,903	69,895
Interest Payments	665,631	470,541
Subsidies, Grants and Social Benefits	317,502	232,393
Other Expenditures	98,485	88,018
Purchases of Non-financial Assets (investments)	201,053	173,744
Cash Balance	**-574,587**	**-413,723**
Net Acquisition of Financial Assets	**-4,592**	**-2,989**
Overall Budget Balance	**-569,994**	**-410,734**
Budget Primary Surplus/or Deficit (%of GDP)	**0.97%**	**0.75%**
Budget Overall Balance (%of GDP)	**-5.80%**	**-5.17%**

External & Domestic Debt

Total Government Debt (domestic and external) increased to LE 5094.2 billion (87.5 percent of GDP) at end of June 2020 compared to 4801.8 billion (90.2 percent of GDP) at end of June 2019. This is mainly driven by the increase in T-bonds stock worth LE 628 billion compared to LE 129.3 billion increase in T-bills stock implementing the ministry’s policy of increasing debt maturity. Meanwhile, government external debt increased as loans slightly increased to US$ 53.6 billion end of December

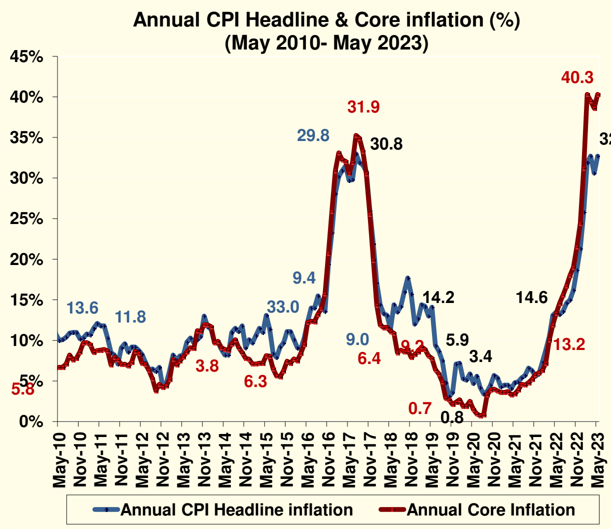
2022, compared to US$ 53.3 billion at end of June 2022. Meanwhile, Banks debt increased to US$ 19.3 billion at the end of December 2022, compared to US$ 17.7 billion last fiscal year.

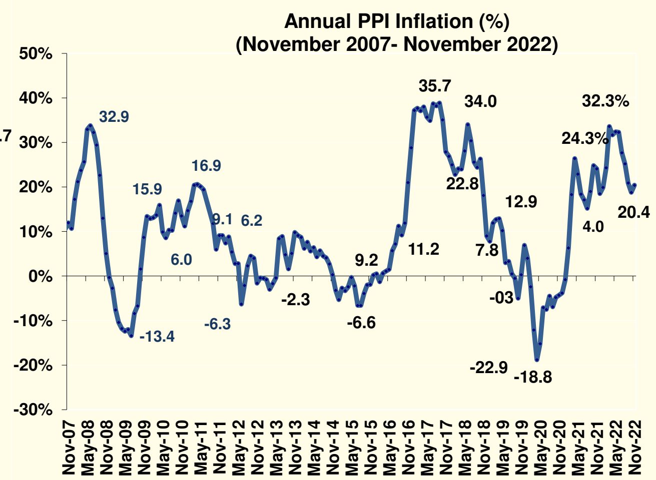




Inflation

Annual Urban Inflation recorded 32.7 percent in May 2023, compared to 30.6 percent during last month**.** **Meanwhile, average annual inflation rate reached** 23 percent during July-May FY22/23, compared to 8.1 percent the same period of last year. Annual Core Inflation recorded 40.3 percent in May 2023, compared to 38.6 percent during last month.





Monetary Sector

According to data released by the CBE; M2 (LE 7710 billion) rose by 31.2 percent in January 2023, compared to 27.1 percent last month. This is mainly due to the increase in **Quasi Money** by 34.9 percent in January 2023, compared to 27.5 percent last month driven by the increase in **foreign currency demand deposits** by 128.6 percent in January 2023, compared to 97.2 percent last month, **foreign currency time and savings deposits** rose by 111.7 percent in January 2023, compared to 72.2 percent last month, **and local currency time and Savings deposits** increased by 20.9 percent in January 2023, compared to 18.8 percent last month. Meanwhile, **Money (M1)** increased at slower pace by 19 percent in January 2023, compared to 25.8 percent last month, driven by the increase at slower pace in **demand deposits in local**

currency by 25.7 percent, compared to 33.5 percent last month, **and currency in circulation outside CBE** rose at slower pace by 12.6 percent, compared to 18.4 percent during last month.

- **Net Foreign Assets (NFA) recoded** (LE -654 billion) in January 2023, compared to (LE -494) last month**,** mainly driven by central bank net reserves to reach LE-260 billion in January 2023, compared to LE -205 billion during last month, while Banks' net reserves reached LE -394 billion during January 2023, compared to LE -289 billion during last month. **Central Bank Foreign Assets reached LE 971 billion in January 2023, up from LE 812.4 billion during last month. Net international reserve rose to record US$ 34.2 billion in January 2023, compared to US$ 34 billion during December 2022.**
- **Net domestic assets (NDA)** (LE 8365 billion) rose by 42.6 percent at end of January 2023 compared to 36.5 percent during last month, mainly due to the increase in **net claims on government, and GASC** by 39.2 percent to reach LE 5335 billion in January 2023, compared to 33.6 percent growth during last month, and the rise of **claims on private sector& household** by 32.6 percent during January 2023 to reach LE 2549 billion in January 2023, compared to 28.5 percent annual growth during last month.
- **Total Deposits** (LE 9021 billion) has increased by 37.7 percent at the end of January 2023, compared to 33 percent last month. **Out of total deposits, 77.3 percent belonged to the non-government sector.** Nevertheless, the **Loans-to-deposits Ratio** has reached 47.5 percent at end of January 2023.
- **In the same context,** Monetary Policy Committee (MPC) decided on June 22nd 2023 **to keep at the same level** the Central Bank of Egypt's (CBE) **overnight deposit rate, overnight lending rate, and the rate of the main operation at** 18.25 percent, 19.25 percent, and 18.75 percent, respectively. The discount rate was also kept unchanged at 18.75 percent.

External Sector

- **The Balance of Payment recorded an overall surplus US$ 599 million <u>during the First half of FY22/23</u>. On the current account side, current account deficit narrowed by 77.2 percent to reach US$ -1.8 billion (compared to larger deficit US$ -7.8 billion in the same period last year). The improvement in current account balance was mainly attributed to improved trade deficit which has narrowed by US$ 6.2 billion to reach US$ -15.6 billion (driven by the fall in import payments by US$ 5 billion, and the increase in export proceeds by US$ 0.8 billion). The second contributor to improvement in current account balance is the uptick in services balance by US$ 5.2 billion to reach US$ 10.9 billion (driven by the surge in total receipts by US$ 4.6 billion, mainly increased receipts from tourism and Suez Canal). On the capital and financial account side, it recorded net inflows US$ 2.8 billion during the period of study, compared to US$ 11.4 during the same period of last year.**

<u>Detailed Balance of payment performance</u>:

- **The improvement in current account deficit was mainly due to:**
  - **Non-Oil trade deficit narrowed by US$ 6.5 billion to record US$ -17.3 billion during the period of study, compared to US$ -23.8 billion during the same period of last year, mainly due to the decline in non-oil merchandise imports by 17.3 percent** to reach US$ 30.2 billion during the period of study, compared to US$ 36.5 billion during the same period last year (mainly due to the decline in imports of passenger vehicles, telephones, and spare parts and accessories for cars and tractors). **Meanwhile non-oil merchandise exports rose slightly by** US$ 124.8 million to reach

US$ 12.9 billion during July-December FY22/23 (mainly increased exports of gold, phosphate, mineral fertilizers, transmitter and receiver devices of radio/television.

- **Oil trade balance recorded surplus of US$ 1.8 billion.** This came as a main result of the rise in oil exports by US$ 690.6 million during the period of study, on the back of increased natural gas exports. Such a rise was curbed by the decline in exports of crude oil, and oil products, and the rise in oil imports at a slower pace than the witnessed rise in oil exports leading to a surplus in overall oil trade balance.
- **Tourism receipts rose by 25.7 percent to record US$ 7.3 billion** (compared to US$ 5.8 billion during the same period of last year), in light of the rise in number of tourist nights by 27.2 percent to reach 78.4 million nights, and the rise in number of tourist arrivals to Egypt by 27.5 percent to reach 6.8 million tourists during the period of study.
- **The increase in transport receipts by 45.1 percent to record US$ 6.8 billion** during period of study (compared to US$ 4.7 billion during same period of last year). mainly driven by the increase in **Suez Canal receipts** by 17.8 percent to register US$ 4 billion during the period of study, compared to US$ 3.4 billion the same period las year (driven by the rise in net tonnages of vessels by 13.3 percent to reach 753.3 million tons).

- **The factors that mitigated the improvement of the current account:**
  - The decline in remittances of Egyptians working abroad by 23.0 percent to only US$ 12.0 billion (against US$ 15.6 billion).
  - The rise in investment income deficit by 25.5 percent to US$ 8.9 billion (against US$ 7.1 billion).

The Capital and Financial Accounts performance

- **The capital and financial account recoded net inflows US$ 2.8 billion** during the period of study, compared to US$ 11.4 billion during the same period of last year, mainly driven by;
  - **Net outflow of portfolio investment in Egypt rose to about US$ 3.0 billion (against US$ 2.5 billion). This coincided with the contractionary monetary policies adopted by the Federal Reserve that led to the exodus of hot money from the emerging markets.**
  - **Foreign assets at banks moved up by US$ 1.8 billion during the period under review (representing an outflow), against a decline of US$ 8.3 billion (representing an inflow) in the corresponding period.**
  - **Net inflow of FDI in Egypt went up to register US$ 5.7 billion (against US$ 3.3 billion).**
  - **The change in the CBE's liabilities posted a net inflow of US$ 1.5 billion (against US$ 2.3 billion).**