

THE WEEKLY

EL-SISI IN THE UNITED NATIONS



President Abdel Fattah El-Sisi headed to New York on the 24th of September to participate in the 70th session of the UN General Assembly. El-Sisi delivered Egypt's speech before the assembly, where he presented the latest political and economic developments in Egypt and its 2015-2030 sustainable development program. He also reviewed Egypt's role in different regional conflicts, including Libya, Yemen, Syria and Palestine.

El-Sisi also vowed to continue fighting terrorism in Egypt and declared his country's intention to launch a global initiative, titled "Hope And Work For A New Goal", in coordination with the United Nations and member states. The new initiative includes deepening cooperation across countries in the fields of employment, education, art and cultural exchange to face extremism and terrorist thoughts.

On the sidelines of the General Assembly, El-Sisi met with world leaders to discuss bilateral relations and the most pressing issues regionally and internationally. Meetings included the Presidents of France, Panama, Uruguay, Serbia and Palestine. In addition, El-Sisi met with the German Chancellor, Jordanian King, Italian and Ethiopian Prime Ministers and former US President Bill Clinton. He also met with the World Bank (WB) head Jim Yong Kim to discuss the possible contribution of the WB in the recently launched mega projects in Egypt.

El-Sisi published an article in the Wall Street Journal, titled "Re-Engineering Egypt's Economy" to demonstrate the Governmental efforts to regain stability during the past two years, mentioning bold decisions taken to cut energy subsidies and raising allocations for health and education. He also pointed out to future reforms including the implementation of the Value Added Tax (VAT) and expected political advancement after holding the parliamentary elections in October and November 2015.



"The chief objectives are to ensure long-term sustainability by correcting the country's previous fiscal imbalances to create a dynamic, competitive and private-sector-led platform for growth, and to restore confidence in the investment climate"

President Abdel Fattah El-Sisi
Wall Street Journal
29th September 2015



"The World Bank understands Egypt's need to accelerate economic development, and we support the reforms adopted by the Egyptian government"

Jim Yong Kim
World Bank Head
Ahram Online
27th September 2015

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A WORLD OF REAL POSSIBILITIES

■ Egypt's Finance Minister Hany Qadry stated that the Government is targeting about EGP 98.5 billion additional revenues this financial year, of which EGP 31 billion is expected to be generated after applying the value-added tax (VAT) by the end of 2015.



"The re-examination of existing service fees that had been implemented for many years would raise an additional EGP 6.5 billion. Other sources of extra revenues would include EGP 3 billion from steel licenses, EGP 2.8 billion from issuing telecom licenses and EGP 12.5 billion from agricultural land settlement"

Hany Qadry
Finance Minister
Ahram Online
30th September 2015

■ New mortgage finance loans increased in the last 8 months of 2015 by 60% (EGP 611 million) compared to the same period last year, with outstanding loan balances reaching EGP 2.5 billion.



"Customers category with income of more than EGP 3,000 per month represents 83% of the total number of beneficiaries during this period. The residential units category with space of more than 86 square meters acquired 66% of the total number of contracts"

Sherief Samy
Head Of The Egyptian Financial Supervisory Authority
Mubasher
29th September 2015

■ Egypt's Global Competitiveness Index (GCI) 2015/16 indicated the improvement in Egypt's ranking to be 116th compared to 119th out of 140 countries, highlighting Egypt's first improvement since the eruption of Arab Spring. The report mainly attributed this progress to higher levels of security, improving role of the Egyptian judiciary in settling business disputes and better protection of property rights. As for the Arab region, Qatar came in the first place, ranking 14th, followed by the UAE, in 17th position.

"The upward movement reflects recent reforms, including a reduction of energy subsidies, tax reforms, and a strengthened business environment, as well as greater political stability after years of turmoil"

GCI Report-2015/16

■ US firm Kellogg's acquired Egypt's leading cereals company, Mass Food Group, for \$ 50 million as part of its expansion strategy in North Africa. This is Kellogg's second acquisition in Egypt this year after acquiring the confectionary company Bisco Misr.

■ Egypt's MasterCard Country Manager, Magdy Hassan, said that his company is in talks with the Central Bank of Egypt (CBE) and the Federation of Egyptian Banks to modify rules regulating mobile payment in Egypt. Discussions include offering the service for both firms and individuals instead of individuals only, linking customers' mobile portfolios with their bank accounts, raising the ceiling of mobile payment over EGP 5000 and permitting money transfer through mobile from abroad.

■ Egypt's Interior Ministry declared that security forces killed nine militants in Giza governorate. The Ministry's statement connected the terrorist forces to the attacks on the Italian Consulate in Downtown Cairo and a national security building in Qalibuya governorate in July and August 2015 respectively. The Islamic State in Egypt claimed responsibility for both attacks.

EGYPT AT GLANCE

EXCHANGE RATES

| | 1 st Oct. 2015 | ΔW/W* | ΔM/M | ΔY/Y | ΔYTD |
|-----------------------|---------------------------|----------|----------|----------|---------|
| USD | 7.81 | 0% | 0% | ▲ 8.93% | ▲ 8.93% |
| EURO | 8.70 | ▼ -0.25% | ▼ -1.05% | ▼ -3.78% | ▲ 0.98% |
| Sterling Pound | 11.81 | ▼ -2.27% | ▼ -1.60% | ▲ 1.73% | ▲ 7.36% |

* Compared to 22nd of September 2015

STOCK MARKET

| | 1 st Oct. 2015 | ΔW/W* | ΔM/M | ΔY/Y | ΔYTD |
|---------------|---------------------------|---------|--------|--------|----------|
| EGX 30 | 7,310.71 | ▼ -0.5% | ▲ 1.5% | ▼ -25% | ▼ -16.3% |

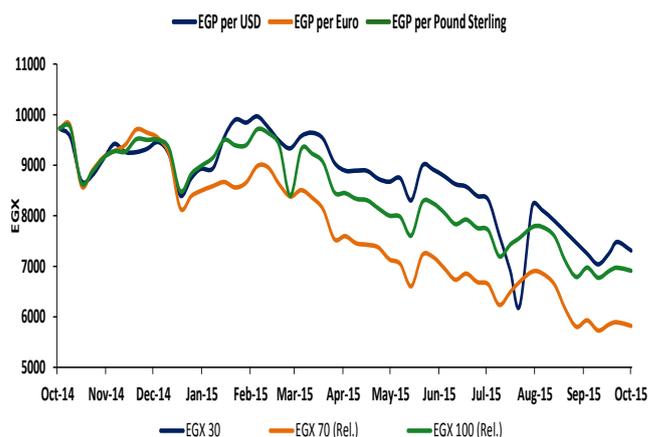
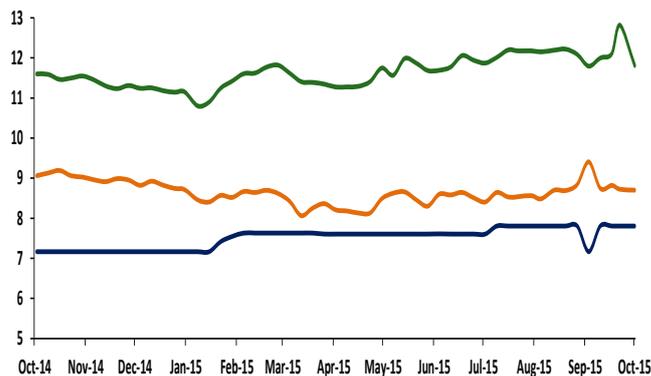
* Compared to 22nd of September 2015

TB'S AUCTION

| Auction Date | Maturity | Average Yield % |
|---------------------|----------|-----------------|
| 28 Sep. 2015 | 91 Days | 11.245 |
| 1 Oct. 2015 | 182 Days | 11.405 |
| 28 Sep. 2015 | 266 Days | 11.508 |
| 1 Oct. 2015 | 364 Days | 11.536 |

FX-AUCTION RATES

| Auction Date | 1 st Oct. 2015 | 29 th Sep. 2015 |
|--------------|---------------------------|----------------------------|
| US \$ | 7.7301 | 7.7301 |



INTEREST RATES

| | Current* | Previous** | Δ |
|-------------------------------|----------|------------|----------|
| Overnight Deposit Rate | 8.75% | 9.25% | ▼ -50 bp |
| Overnight Lending Rate | 9.75% | 10.25% | ▼ -50 bp |
| Corridor Rate | 9.25% | 9.5% | ▼ -25 bp |

* Since January 2015 ** Since July 2014

ALEXBANK RESEARCH ...

SHARING KNOWLEDGE

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