



# **STATE INFORMATION SERVICE**

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## **Report by fDi Markets: Egypt ranks 1st in FDI flows in Africa**

According to a report by fDi Markets, affiliated to the Financial Times, Egypt ranked first in Africa in terms of foreign direct investment (FDI) flows, with the volume of investments hitting 7.4 billion dollars in 2017.

The report, was compiled in cooperation with the COMESA Regional Investment Agency (RIA).

Egypt was followed by Ethiopia, with 3.5-billion-dollar investments, Congo, with 1.9-billion-dollar investments, and Sudan, with 1.6 billion-dollar investments, the report added.

## **IMF: Egypt's decision to adjust customs' duties on luxury goods to benefit economy**

The Egyptian Ministry of Finance's decision to adjust the customs dollar exchange rate for non-essential goods, tying it to the Central Bank of Egypt (CBE)'s dollar exchange rate will benefit the Egyptian economy as a whole, said head of the International Monetary Fund (IMF)'s mission to Egypt Subir Lall.

In statements to MENA, Lall said the decision will help improve the efficiency of resource allocation, including the foreign direct investment.

The decision's impact on inflation rates will be once and will be limited, he said, noting that the decision marks an important progress.



The previous customs practices, such as conducting transactions at less exchange rates included an unnecessary implicit subsidy, he clarified.

Minister of Finance Mohamed Maait decided last week to keep the customs dollar exchange rate for essential commodities unchanged at EGP 16 until the end of December.

The decision also adjusted the customs dollar exchange rate for non-essential and luxury goods to be determined as per the dollar exchange rate set by the CBE.

### **IMF hails CBE decision terminating repatriation mechanism**

The International Monetary Fund (IMF) lauded the decision by the Central Bank of Egypt terminating the foreign investors funds Repatriation Mechanism as vital for the economic reform program.

In statements to MENA, Chief of IMF mission in Cairo Subir Lall said the fund's board will convene by the end of December to discuss paying the fifth tranche of the 12-billion-dollar loan. He underlined full support for the CBE decision.

The Central Bank of Egypt decided to terminate the Repatriation Mechanism as of December 4, close of business day, for any fresh foreign currency portfolio investments wishing to enter the local currency Egyptian T-Bills, T-Bonds market and the stocks listed on the Egyptian Stock Exchange. This will not apply to balances held inside the mechanism before the aforementioned date. Investors that initially entered through the repatriation mechanism before December 4, close of business day, may exit through the



repatriation mechanism at any time. Fresh foreign currency portfolio investments, from this point forward, should be channeled through the interbank market.

The Foreign Exchange repatriation mechanism was heavily utilized by foreign investors at the initiation of the liberalization in order to guarantee liquidity. However, as the gains of the homegrown reform program became clearly demonstrated and the foreign exchange resources granted by the real economy flourished, Egypt's external balances and various economic indicators have gained considerable strength since November 2016. Egypt's risk profile improved and its financial stability regained strength. As a result, confidence increased as was reflected in the elevated interbank market volume.

### **Investment Ministry, IFC sign 1-million-dollar agreement to invest in Vezeeta**

Investment and International Cooperation Minister Sahar Nasr and CEO of the International Finance Corporation (IFC) Philippe Le Houérou witnessed the signing of an agreement to pump investments worth one million dollars in the Egyptian healthtech startup "Vezeeta".

The agreement is meant to increase the number of beneficiaries from Vezeeta to reach one million people.

It also comes as part of ongoing cooperation between the IFC and the Investment Ministry to select more than 100 startups to



participate in a new initiative designed to spur innovation and job creation across the African continent.

The announcement comes ahead of the beginning of the "Africa 2018 Forum", which is held under the auspices of President Abdel Fattah El Sisi in the Red Sea resort city of Sharm El Sheikh on Saturday and Sunday.

Following the signing ceremony, Nasr said the agreement will contribute to backing new healthcare apps that help citizens get access to better health services.

Also, the investment minister lauded the IFC investments in Egypt during the 2017/18 fiscal year, as they hit a record of 1.2 billion dollars.

Nasr pointed to the main role played by the IFC to bolster a number of mega projects in the country, including the Benban solar power project in Aswan, which is expected to provide a production capacity of 1,456 megawatts.

The minister underlined international institutions's keenness on shoring up startups and young entrepreneurs in Egypt.

For his part, CEO of the IFC Philippe Le Houérou said that startups, such as Vezeeta, have all potential to drive innovation in the Middle East and North Africa, citing the great innovation showed by African entrepreneurs in making good use of modern technologies to overcome social and economic challenges.



Over the past years, the IFC has pumped investments of more than 100 million dollars in several start-ups, funds and business accelerators in the Middle East and North Africa, Philippe Le Houérou added.

On his part, Vezeeta Founder and CEO Amir Barsoum said the IFC investment package will help the platform, which has a database of over 4300 physicians and specialists, to expand its services in Egypt, Saudi Arabia and Jordan.

The move will also enable Vezeeta to raise the number of its beneficiaries to hit one million patients over the coming five years, Barsoum noted.

Founded in 2012, Vezeeta enables patients to search, compare, book and engage with doctors in Egypt, Saudi Arabia, Jordan, and Lebanon. The startup also provides practice management solutions to providers in hospitals and clinics to manage medical appointments and patient data.

### **Cairo, Rome ink €45m deal to support Egyptian private sector**

Minister of Investment and International Cooperation Sahar Nasr and Italian Ambassador in Cairo Giampaolo Cantini signed a deal on Saturday to support the development of Egypt's private sector with total investments of €45 million.

The deal, signed on the sidelines of Africa 2018 Forum, will contribute to supporting Egypt's private sector via training programs and technical support for small and medium enterprises.



Nasr said the deal will support the government's plan to provide a good atmosphere for the private sector in a way that guarantees development and comprehensive growth for it.

She also lauded Italy's keenness to support empowering the Egyptian youth, through either injecting investments or financing development programs.

Meanwhile, the Italian ambassador asserted the strength of Cairo-Rome partnership at the political, economic and cultural levels.

He added that cooperation will continue between Italy and Egypt to open up job opportunities for the Egyptian young people.

### **Investment Minister witnesses inking MoU to support clean technology start-up accelerator**

Minister of Investment and International Cooperation Sahar Nasr witnessed the inking ceremony of a memorandum of understanding (MoU) to establish an investment fund specialized in supporting emerging companies working in the field of clean technology.

The MoU, inked on the sidelines of Africa 2018 Forum, was signed by chairman of Enara Capital fund Sherif el Gebaly and CEO of Falak start-up accelerator Youssef el Samaa.

Nasr said the investment fund that will emerge from the MoU will be responsible for direct and indirect investments in the companies working in all fields of clean technology with the aim of accelerating their growth.



The new fund targets injecting investments into five companies working in the clean energy field in addition to 60 others not working in the field.

Launched upon an initiative by the Ministry of Investment and International Cooperation, Falak is a start-up accelerator designed to support and empower the next generation of Egyptian entrepreneurs and contribute to the development of the start-up ecosystem in Egypt.

The program offers funding, mentorship, training, and a wide variety of perks and benefits, with the aim of arming entrepreneurs with the necessary tools, resources, and contacts to develop their strategies and expand their businesses so that they may thrive in today's competitive economy.

### **Cairo, KFAED sign 2 deals worth EGP 2.28bn on sidelines of Africa 2018 Forum**

Cairo and the Kuwait Fund for Arab Economic Development (KFAED) signed on Saturday two deals to establish a water system for Bahr el Baqar canal and to finance setting up water desalination plants in South Sinai.

The deals were signed by Minister of Investment and International Cooperation Sahar Nasr and KFAED's director general Abdulwahab Ahmad al Bader on the sidelines of Africa 2018 Forum, which kicked off earlier in the day in Sharm el Sheikh resort city.





The first deal finances the establishment of a water system for Bahr el Baqar canal with total investments of EGP 1.4 billion.

The second one funds setting up four water desalination plants in South Sinai governorate at a total cost of EGP 880.5 million.

The inking ceremony was attended by Kuwaiti Ambassador to Egypt Mohammad Saleh al Thuwaikh and South Sinai Governor Khaled Fouda.