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<td>Chairman</td>
<td>Hisham Ahmed Mahmoud Okasha</td>
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<td>Deputy Chairman</td>
<td>Yehia Abo El Fotouh Ibrahim</td>
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<td>Dalia Abd Allah Mohamed El Baz</td>
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Plentiful international and regional economic and credit institutions have recently given Egypt thumbs up and expressed positive testimonials. This is a clear indication of Egypt’s successful economic reform program and resilience to crises and contingencies. This would give further momentum to the Egyptian economy, and effectively contribute to courting more investments; creating job opportunities; enhancing state’s efforts to localize a number of advanced industries and hi-tech; raising productive capacities of Egyptian economy; promoting its product competitiveness in global markets; and widening export base.

Egyptian economy outlook was reviewed by a number of international institutions including the following:

- Kristalina Georgieva, Managing Director of International Monetary Fund (IMF), affirmed that the Egyptian economy was a successful model in economic reform.
- IMF projects that the Egyptian economy would restore pre-pandemic growth rates to record 5.7% in 2020/21.
- S&P Global has affirmed Egypt's credit rating for the third time in a row since the onset of the COVID-19 pandemic.
- S&P pointed out that sustainable growth is expected to rebound on the medium term to 5.3% during the period from 2022 to 2024 on the back of higher public and private investments.
- Goldman Sachs of America, one of the largest financial institutions in the world, affirmed that Egypt was one of the few countries that have succeeded in controlling inflation rates, despite the continued upward trend that major inflation rates have witnessed since the beginning of 2021.

According to the African Development Bank’s African Economic Outlook 2021, Egypt’s economy is expected to restore in 2022 its pre-pandemic growth rates, recording 4.9%.

- It is projected that overall deficit would fall to 6.7% of GDP by end-June 2022, from an estimated 7.9% as at end-June 2021.
- Fitch ratings praised Egypt’s new draft budget for FY2021/22, believing that Egypt’s budgetary targets are broadly credible. Such draft budget would continue the government’s fiscal and economic reform agenda, which is critical to reducing its high debt burden over the medium term.
- Egypt’s economic growth is forecast to account for 6% in FY 2021/22.
- Standard & Poor’s (S&P) Global has affirmed Egypt’s credit rating for the third time in a row since the onset of the COVID-19 pandemic.
- S&P pointed out that sustainable growth is expected to rebound on the medium term to 5.3% during the period from 2022 to 2024 on the back of higher public and private investments.

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In its recent report, Morgan Stanley for financial, investment and banking services placed Egyptian debts within the best credit rating group for developing countries in debt, thanks to satisfying criteria of measuring the level of risk in terms of debt repayment. Such classification highlights the state's ability to control debts; and access debt markets and sources of international finance.
In April 2021, the International Monetary Fund (IMF) released its Middle East and Central Asia Regional Economic Outlook (REO) entitled "Arising from the Pandemic: Building Forward Better”. It indicated that a year after its emergence, the COVID-19 pandemic continues to ravage the global economy and the Middle East and Central Asia (MECA). According to REO, the path to recovery in 2021 is expected to be divergent across MECA countries, depending on the vaccine rollouts (vaccination campaigns have started in a few countries, but access to adequate vaccine supplies remains a challenge for many others). Recovery also depends on underlying fragilities, and exposure to tourism and contact-intensive sectors. REO also covered a number of economic indicators of several regions (Middle East and North Africa (MENA), Arab World and Arab Gulf).

The report covered the following key indicators:

- Gross domestic product (GDP): Real GDP for the MENA region is estimated to have slumped to -3.4% in 2020, an upward revision of about 1.6% relative to October 2020 projections, reflecting stronger policy responses across countries and a substantial rebound in the second half of the year. The targeted lockdown measures imposed during the second wave have led to fewer restrictions on mobility. This positively affected economic activity as most purchasing managers’ indices returned to expansionary territory by mid-2020. On a related note, the outlook for recovery paths will vary significantly across countries, depending on vaccine rollouts, exposure to tourism and contact-intensive sectors, and policy actions.

- Inflation: Inflation accelerated despite weak demand and lower energy costs. Headline inflation inched up in many countries in the region—partly driven by higher food prices, reduced interest rates, and exchange rate depreciations in some countries—except for the Gulf Cooperation Council (GCC), Jordan, and Morocco, where inflation remained subdued. According to IMF’s estimations, inflation in MENA is forecast to increase to 12.8% in 2021, because of higher food prices in countries where food makes up a large share in the consumption basket, higher energy prices in oil-importing countries, pass-through of exchange rate depreciations in some countries such as Lebanon.

- Egypt’s monetary policy succeeded to curb inflation rate from higher levels, compared to those recorded by MENA as a whole and North Africa countries during 2018/19, to a record low in 2020 with expectations to further decline during 2021 and 2022.

- Public budget: Fiscal accounts deteriorated sharply across the region in 2020, reflecting lower revenue because of contracting domestic demand and the slump in oil prices, as well as policy support measures to mitigate the pandemic’s impact. Oil exporters recorded a larger deterioration in their public finances than oil importers did, reflecting lower oil revenue. For the MENA region, fiscal deficits widened to 10.1% of GDP in 2020 from 3.8% of GDP in 2019. With the recovery underway, fiscal balances are expected to improve across the region, because of higher revenues and the resumption of fiscal consolidation in some countries (for example, Egypt, Iraq and Jordan). Nonetheless, oil importers are projected to record a more modest improvement in their fiscal deficits this year, as growth remains moderate. In contrast, the fiscal balances for oil exporters are expected to improve significantly, reflecting higher oil revenue.
In its report entitled Egypt’s Economic Update — April 2021, World Bank confirmed that although economy was adversely hit by Covid-19 impacts globally and locally, Egypt's recent structural and economic reforms helped stabilize its economy and enhance its ability to contain the crisis. If the vaccine is sufficiently deployed by 2021 and early 2022, Egypt is expected to gradually regain pre-pandemic growth momentum during FY2021/22.

On a related note, IMF indicated that Egypt's budget deficit recorded only 7% in 2020, compared to 10.6% and 11.1% recorded by Arab world and North Africa respectively. Egypt's budget deficit is forecast to continue narrowing gradually to 6% in 2020 versus 9.6% in 2018.

- Balance of payments: The current account balances of oil-exporting countries deteriorated because of lower oil prices and exports. By contrast, current account deficits of oil importers improved, driven by the collapse in domestic demand and the associated import compression. Despite the recovery of global economy from the pandemic impacts, the increase in oil prices is expected to markedly improve oil exporters' external position. In contrast, oil importers' current account deficit is forecast to slightly widen. In this respect, IMF's projections pointed out that Egypt's current account balance was expected to record a deficit of 4% of GDP in 2021/22.

Growth rate

- Egypt’s economic growth declined to 3.6% in 2019/2020 from 5.6% in 2018/19 due to the huge damages caused by Covid-19 to economy. Such damages were mainly reflected in the slowdown in private sector and job creation especially in formal sector; underperformance of non-oil commodity exports; and lower foreign direct investments (FDIs). World Bank forecast that growth rate would rise to 5.5% by 2022/23, driven by higher private consumption which is expected to be partially supported by remittance inflows, expanded social protection and lower inflation. In addition, unemployment declined to 7.2% in Q2 of 2020/21 from 9.6% in June 2020.

Inflation rate

- Subdued inflation averaged 5.7% during 2019/20, against 13.9% YoY, and continued to decline thereafter, averaging 4.5% during the first half of 2020/21. The World Bank forecasted that average inflation would reach to 5.9% by 2022/23. Such declined inflation urged the Central Bank of Egypt (CBE) to cut key policy rates by 400 basis points between March and November 2020, to provide liquidity and enable access to credit for individuals at more favorable terms.
Public finances

The state's overall budget deficit improved to record only 8% of GDP in 2019/20 versus 8.1% of GDP YoY. A primary surplus was attained to reach 1.8% of GDP compared to 1.9%. Overall budget deficit of GDP is expected to continue narrowing gradually to 6.6% in 2022/23 over the medium term.

International transactions

Current account deficit was subdued to 3% of GDP in 2019/2020 compared to 3.6% YoY. They are projected to record 2.1% of GDP by 2022/23.

Net FDI inflows accounted for 2.1% of GDP in 2019/20 compared to 2.6% YoY. They are projected to record 2.1% of GDP by 2022/23.

International reserves increased, after declining during Covid-19 crisis, to US$ 40.3 bn. in end-April 2021 (covering nearly 7.5 months of merchandise imports), compared to a record low of US$ 36 bn. in May 2020. EGP exchange rate against USD reached EGP 15.7 by May 2021.

The World Bank confirmed that international reserve accounts of Egyptian economy remained bolstered by expatriate remittances, and rebonding portfolio inflows, and the external financing that Egypt mobilized from IMF, Eurobond issuances, and an innovative sovereign Green-bonds.

It is worth noting that in May 2021, the World Bank announced that the 2020 world remittance volume was not heavily influenced by Covid-19 crisis outbreak. Egypt ranked fifth worldwide on the world ranking of countries receiving remittances, recording US$ 29.6 bn. India continued to top the world's largest recipient countries at US$ 83.1 bn., followed by China at US$ 59.5 bn., then Mexico at US$ 42.9 bn., and the Philippines at US$ 34.9 bn.

AFDB expects Egyptian economy to be back near its pre-pandemic growth rate

AFDB’s forecasts for Africa:

In 2020, Africa witnessed a GDP contraction by 2.1%. Nevertheless, AFDB’s projections indicate that GDP would grow at 3.4% in 2021, due to the gradual recovery of tourism and the mitigation of precautions.

In this regard, AFDB addressed various factors that may positively contribute to achieving better growth rates all over the continent, including:

- Fair distribution of vaccines
- Full application of African Continental Free Trade Area (AfCFTA)
- Continuing digitalization
- Debt accumulation
- Decline in basic commodity prices
- Tourism deterioration

Salient prospects for Egyptian economy are as follows:

Economic growth rate

Despite the negative effect of Coronavirus pandemic, Egypt was one of a few African countries that recorded a positive growth with 3% in the fiscal year 2020. Such positive growth was the fruit of the rapid growth of exports versus imports growth, in addition to lower inflation rate. This led to monetary easing, supporting the growth. Furthermore, Egypt gained more power and flexibility since applying economic reforms as of 2016.

AFDB expects the growth rate to shrink to 3% in 2021, with persistently falling tourism receipts due to the applied precautions as a result of the pandemic. AFDB pointed to the negative implications of the limited growth of foreign markets, especially European markets, on the Egyptian industry, which would subdue Egyptian exports growth in 2021, as 35.5% of Egyptian exports go to Europe.
AFDB expects Egyptian economy to be back near its pre-pandemic growth rate

Inflation rate

The Report shows a declining inflation rate recording 5.7% in 2020, against 13.6% in the previous year. This enabled the monetary policy to be further eased. In this regard, the Central Bank of Egypt "CBE" decided in its March 2020 meeting to cut interest rate by 300 basis points, followed by another 50 basis points cut in its September and November 2020 meetings. As a result, AFDB projects inflation rate to record 6.3% during 2021.

Current account

The current account deficit narrowed down to record 3.1% of GDP in 2020, compared to 3.6% in 2019. This deficit resulted from retreating imports by 21% in the first half of 2020; meanwhile, exports decreased by 6% during the same period. The Report attributed the narrowing current account deficit to the strength of remittances estimated at 8% of GDP in 2020. AFDB expects the current account deficit to reach 4% of GDP in 2021.

Budget

The positive growth achieved by the Egyptian economy in 2020 contributed to the stability of budget deficit to stand at 8% of GDP, slightly higher than the 7.9% of 2019. AFDB anticipates budget deficit to fall to 7.5% in 2021.

Fitch affirms Egypt's rating at B+ with stable outlook

In March 2021, Fitch Ratings affirmed Egypt’s rating at ‘B+’ with a stable outlook. The rating is supported by Egypt’s recent track record of fiscal and economic reforms, which the authorities are furthering, as well as its large and diversified economy, which has demonstrated stability and resilience through the coronavirus global health crisis. The government launched a package of economic measures and procedures to respond to the coronavirus outbreak which started to wash over the world in early 2020. As a result, this helped to cushion the effects of the shock as well as the quarantine and lockdown measures. In this regard, Fitch Ratings stressed that Egypt’s economy outperformed the vast majority of Fitch-rated governments and sovereigns over 2020.

Key indicators and forecasts for Egypt’s economy

Economic growth rate

Fitch Ratings upgraded its forecasts for Egypt’s economic growth in 2020/2021 to 3% up from 2.5% in previous projections. Growth is expected to return to its pre-pandemic levels in 2021/2022 on the back of the recovery of tourism and trade and shipping through the Suez Canal, supported by a global economic recovery. Fitch expects 6% growth in 2021/2022.

In the same vein, Egypt’s economy grew 2% in Q2 of FY 2020/2021, the Ministry of Planning and Economic Development data showed. This helped to push unemployment down to 7.2% during the same period. The information and communications technology (ICT) sector was one of the top sectors to achieve strong positive growth rates in Q2 of 2020/2021 due to the large investments in this sector which are expected to double in FY 2021/2022.

Inflation rate

Fitch Ratings stressed that inflation in Egypt continued to trend down, and was expected to average 5% and 7% in 2020/2021 and 2021/2022 respectively. According to Fitch, moderating inflation and exchange rate stability allowed the Central Bank of Egypt (CBE) to ease its monetary policy by reducing interest rates in support of economic and credit growth. At the beginning of the pandemic, the CBE cut its interest rates by 300 bps in an emergency meeting in March 2020, followed by 100 bps to 8.25% for the deposit rate and 9.25% for the lending rate. It was also keen on launching an EGP 100 bn. initiative for banks to lend targeted sectors, such as the industrial, agricultural and construction sectors, at preferential interest rates, alongside a raft of other measures to support the economy. Meanwhile, the Ministry of Planning and Economic Development affirmed the stability of the overall price level as inflation fell in Q2 of FY 2020/2021 to 4.9% on an annual basis.
The rating agency expects bank credit to the private sector to grow 20% year-on-year in FY 2020/2021, up from 12% in FY 2018/2019.

Foreign investments in government debt
Foreign holdings of government T-bills and T-bonds had recovered to US$ 28 bn. by February 2021, in excess of their level in the amount of US$ 27 bn. at the start of 2020, from a trough of US$ 10.4 bn. and US$ 10.6 bn. in May and June 2020 respectively.

Attractive real interest rates, Egypt’s strong economic performance and reforms to market structure helped to attract further inflows. However, Egypt’s economy still faces certain challenges as these flows could quickly reverse in response to any global economic fluctuations due to ongoing uncertainty and negative impacts of the coronavirus pandemic, putting pressure on Egypt’s foreign exchange liquidity.

Current account deficit
Egypt’s current account deficit narrowed to 3.1% of GDP (just over US$ 11 bn.) in FY 2019/2020 from 3.6% in FY 2018/2019 as an increase in remittance flows from Egyptians working abroad and a mild increase in non-oil exports offset a decline in tourism receipts. Fitch forecasts that remittances and tourism receipts would fall further as the full impact of the coronavirus shock crystallizes in FY 2020/2021, but the rating agency expects that this would be largely offset by the compression of import demand. Fitch projects only a marginal widening of the current account deficit in FY 2021/2022.

External debt and foreign reserves
Fitch expects that net external debt would remain contained as a share of GDP although net external debt will rise in nominal terms. Government borrowing and a return of non-resident portfolio investors allowed the CBE and commercial banks to partly rebuild their net foreign asset positions. Gross foreign reserves had recovered to US$ 40.2 bn. by February 2021 (covering 8.1 months of imports), after dipping to US$ 35 bn. in May 2020 as the CBE made withdrawals from foreign reserves during the crisis. Nevertheless, reserves remain well below their high of nearly US$ 45 bn. in early 2020.

The main factors that could lead to upgrade in the future
- Sustained progress on fiscal consolidation leading to further substantial reduction in the gross general government debt/GDP ratio
- Significant improvement across structural factors over the medium term, such as governance standards, the business environment and income per capita

The main factors that could lead to downgrade in the future
- Failure to resume a path of narrowing the fiscal deficit and reducing government debt/GDP towards the target of 80% following the negative impact of the coronavirus pandemic
- Renewed signs of external vulnerability and downward pressure on international reserves
- A prolonged hit to economic growth from the coronavirus shock or greater risks to macroeconomic stability
In 2021, Egypt ranked 15th among 60 countries worldwide in the Global Service Location Index (GSLI) of Kearney, a global management consulting firm. GSLI is issued biennially to measure the trends of international companies in outsourcing their operations to external vendors. Egypt scored 5.62% in the index, maintaining its regional precedence in the Middle East and Africa (MEA), followed by the United Arab Emirates (UAE) in the 25th place and Turkey in the 26th place. Kearney commended the efforts made by the Government of Egypt (GoE) to develop the information and communications technology (ICT) sector, as well as its efforts in Digital Egypt Builders Initiative (DEBI). These efforts helped achieve many gains and court several investments, including Ericsson Digital Services in Cairo, which provides global markets with advanced technology and software services.

Global ranking of top countries in GSLI:

GSLI analyzes 47 metrics across four main categories with different weights as follows:

- Financial attractiveness: 35
- People skills and availability: 25
- Business environment: 25
- Digital resonance: 15

Kearney indicated that the digital resonance criterion has become of greater importance to decision makers and assessors in selecting and prioritizing service locations, which will be reflected on the index in the future, compared to other criteria such as cost. As a result, the current assessment of countries may change, accompanied by lower ranking of countries that have been always on top such as India, Malaysia, Indonesia and Vietnam.

Egypt’s ranking in GSLI:

Egypt ranked high, thanks to the several competitive advantages it enjoys in outsourcing and cross-border services, in addition to the flexibility of outsourcing service providers and the rapid adaptation to COVID-19 challenges. The results of Egypt and top countries according to each set of criteria came as follows:

- **Financial attractiveness**
  - India: 2.03
  - Philippines: 2.82
  - Indonesia: 2.70
  - Egypt: 2.75

- **People skills**
  - India: 2.18
  - Turkey: 1.41
  - Philippines: 1.32
  - Indonesia: 1.26
  - Egypt: 1.05

- **Business environment**
  - Kenya: 1.29
  - India: 1.17
  - Philippines: 1.15
  - Egypt: 1.15

- **Digital resonance**
  - Brazil: 0.68
  - Vietnam: 0.68
  - Philippines: 0.67
  - Mexico: 0.67
  - Egypt: 0.67

Furthermore, Kearney commended Egypt as an attractive location for providing cross-border outsourcing services, especially in terms of competitive costs. In this vein, the GoE attaches great importance to developing digital skills, start-up businesses and information security. GoE also pays great attention to the continuous development of skills required for the outsourcing industry in particular and talents working in the information technology sector in general, as Egypt enjoys a broad range of professional competencies.
The 2021–2022 budget is regarded as a budget for structural reform. It focuses on implementing wide-ranging structural reforms in several areas, with a view to boosting the private sector to lead economic growth, ensuring sustainable positive impacts of the economic reform program and distributing its benefits in a comprehensive and sustainable manner to all brackets of society.

Objectives of 2021–2022 draft budget

The government’s targets expand in the draft budget 2021/2022, including continued efforts to maintain fiscal discipline and government debt stability, in light of COVID-19 repercussions and efforts to promote and stimulate economic activity without affecting sustainability of budget and debt indicators. It is targeted to achieve a growth rate of 5.4%, reduce overall deficit to 6.7% of GDP and realize primary surplus (i.e. the difference between public revenues and expenditures excluding public debt service expenses) of 1.5% of GDP. This would help restore the downward trajectory of the debt of public budget entities as a percentage of GDP.

Key economic assumptions to achieve public budget targets:

The targets of public budget for FY 2021/2022 were set, based on several economic assumptions, which help estimate the expected economic growth, and calculate a number of public expenditure items such as interest payments, food subsidies, oil products subsidies and funding sources. They include real GDP growth forecasts, average interest rate on government bills and bonds, in addition to the average barrel price of Brent crude oil and the average price of US wheat.
Public budget 2021-2022: A budget for structural reform

Items of public budget 2021/2022

Public expenditures
EGP 1,838 trillion ▲ 13.8%

Public revenues
EGP 1,365 trillion ▲ 22.2%

FY 2021/2022 budget aims to record an improvement in the state’s public finance indicators, by increasing the annual growth rate of revenues over the annual growth rate of expenditures. This would help minimize the gap between revenues and expenditures, record a primary budget surplus, and reduce overall deficit. Moreover, the measures and reforms supporting economic growth and activity contributed to improving public finance conditions.

Public revenues

Public revenues in 2021/2022 draft budget are estimated at EGP 1,365.2 bn. (i.e. 19.2% of GDP), with a 22.2% increase over the expected revenues in 2020/2021 budget. Such increase came in light of the improved economic activity and the tax and non-tax reform measures adopted by the government over the last years, as well as the targeted measures during the budget year. This reflected positively on expanding the revenue base. In the same vein, budget revenues are targeted to cover 74.3% of expenditures in 2021/2022, against 69.2% expected in 2020/2021.

Tax revenues

Tax revenues are a key source of financing the state’s public budget, which are estimated in 2021/2022 draft budget at EGP 983 bn. (i.e. 13.8% of GDP), compared to EGP 830.8 bn. expected in 2020/2021 budget (i.e. 13% of GDP). Tax revenues in 2021/2022 budget account for 72% of total public revenues. The growth in tax revenues reflects the efforts made, and are still made, by the government to expand the tax base and implement structural measures for institutional reform of the tax system.

Grants

In 2021/2022 draft budget, grants are estimated at EGP 1.54 bn., i.e. only 0.11% of total public revenues, compared to EGP 2.21 bn. in 2020/2021 budget.

Non-tax revenues

Non-tax revenues in 2021/2022 draft public budget are estimated at EGP 380.6 bn., i.e. 5.4% of GDP, versus EGP 284.1 bn. expected in 2020/2021 budget, representing 27.9% of public revenues. Non-tax revenues are mainly derived from surplus of oil sector, Suez Canal, and economic authorities, in addition to corporate profits.
The budget aims to collect non-tax revenues from various sources in 2021/2022, including:
- EGP 7.8 bn. surplus of the Egyptian General Petroleum Corporation (EGPC), in addition to oil royalties of EGP 14.6 bn.
- EGP 33.1 bn. surplus of Suez Canal Authority (SCA).
- EGP 21.5 bn. surplus of other economic authorities to public treasury.
- EGP 16.6 bn. corporate profits.
- EGP 51.2 bn. sourced from funds and special accounts.
- EGP 10.1 bn. fees of government services.
- EGP 51.2 bn. sourced from funds and special accounts.
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Public expenditures

The 2021/2022 budget aims to continue efforts aimed to reform and improve the government spending structure as a key pillar that ensures achieving financial targets. In this context, total expenditures are projected to reach EGP 1,837.7 bn. in the said budget (i.e. 25.9% of GDP), compared to EGP 1,614.3 bn. expected in 2020/2021. It is worth noting that restructuring spending items features the new budget, in favor of increasing spending on education and health, developing infrastructure nationwide and enhancing government investments.

Wages and compensation of employees

Wages and compensation of employees in the draft public budget 2021/2022 are estimated at EGP 361.1 bn. (i.e. 5.1% of GDP) to cover the wages, bonuses and incentives of employees of the state’s public budget entities (other than staff of economic bodies and units), compared to EGP 324 bn. expected in 2020/2021, which accounts for 19.6% of total expenditures during the same year.

Subsidies, grants and social benefits

The appropriations for subsidies, grants and social benefits in the state’s draft public budget 2021/2022 are estimated at EGP 321.3 bn. (i.e. 4.5% of GDP), compared to EGP 305.1 bn. expected in 2020/2021 budget. In this vein, the 2021/2022 budget reflects the government’s endeavors to continue its reform program aimed at restructuring subsidies by reducing some subsidy items, e.g. subsidy on oil products, and redirecting the resulting financial savings to the most-needy brackets by increasing spending on social protection programs, health, education and investments to create more jobs. In general, subsidies, grants and social benefits include commodity subsidy; subsidies and grants for social services, development areas and economic activities; and the total appropriations and reserves for different subsidies and aid.

Investments “Purchase of non-financial assets”

Investments “Purchase of non-financial assets” in the draft public budget 2021/2022 are estimated at EGP 358.1 bn. (i.e. 5% of GDP) against EGP 231.8 bn. in 2020/2021 budget (i.e. 3.6% of GDP). In this context, the social and human development plan for investments includes several programs for implementing projects in agriculture, land reclamation, transportation, housing, utilities, urban development, health, education, etc. during the budget year.
Purchase of goods and services

These appropriations comprise government work requirements, including the purchase of medical supplies, medicines and foodstuff for hospitals, as well as the costs of printing school books and providing healthy meals for students at schools. They also include maintenance expenses, cash allowances for staff at remote areas, and water supply and lighting costs. These appropriations are estimated to reach EGP 103.9 bn. in the public budget 2021/2022 (i.e. 1.5% of GDP), compared to EGP 84.3 bn. expected in 2020/2021 budget (i.e. 1.3% of GDP). Moreover, the appropriations for the purchase of goods and services account for 5.7% of total expenditures.

Overall deficit in 2021/2022 draft public budget:

The overall budget deficit is the cash deficit in the public budget plus (minus) the net acquisition of financial assets:

Cash deficit

Cash deficit indicates that public revenues fall short of public expenditure. Public budget data show that cash deficit is estimated to reach EGP 472.5 bn. in FY 2021/2022, i.e. 6.65% of GDP.

Net acquisition

Net acquisition of financial assets is in the form of the state's equity participation in authorities, companies, and other entities (excluding restructuring participation) and lending by state to third parties, less the proceeds from the acquisition of financial assets (excluding privatization proceeds). Public budget data indicate that the net acquisition of financial assets is expected to reach EGP 3 bn. in FY 2021/2022, i.e. 0.04% of GDP.

Therefore, the overall deficit in the state's 2021/2022 public budget amounts to EGP 475.5 bn., i.e. 6.7% of GDP during the same year.

Sources of financing overall deficit

The Ministry of Finance (MoF) adopts the policy of diversifying sources of finance among local and external markets and instruments, taking into account the expansion in replacing short-term borrowing with long-term financing instruments by increasing the issuances of long and medium-term bonds in lieu of bills, with a view to extending debt lifetime and reducing on-lending risks.

In conclusion, the 2021/2022 budget mainly targets further stability of financial and economic conditions. This includes restoring the downward trajectory of public debt to stand at 89.5% of GDP and overall deficit to reach 6.7%, while achieving a primary surplus of 1.5% by increasing revenues at higher rates than expenditure. This is in addition to continuing to reprioritize public spending to achieve more “financial savings” on the medium term. This will help increase public spending on economic and social development projects to enhance the provided services, and complete mega infrastructure development projects; most notably, transport and public transportation, drinking water and sewage, and slums development. Moreover, the draft budget targets increasing investment in human capital by raising spending on education, health and scientific research, thus achieving more inclusive growth and creating more real jobs.
Widening and deepening the southern section of the Suez Canal

The Suez Canal is the shortest link between the East and the West due to its unique geographic location. It is a major international navigation passage connecting the Mediterranean Sea at Port Said and the Red Sea at Suez. Such distinct geographical position gives the Suez Canal special importance to the world and to Egypt as well. This importance is on the increase with the evolution of maritime traffic and world trade. Maritime transport is inexpensive; more than 80% of world trade is transported via waterways. Suez Canal route saves time and distance, and consequently cuts ship operating costs. In the same respect, the government is keen to constantly develop Suez Canal to be more attractive to global navigation. Suez Canal Authority, therefore, started the development project of navigation way of Suez Canal in May 2021.

Salient features of the project

- Widen and deepen the southern section of Suez Canal with a length of 30 km “starting from km 132 to km 162”, a width of 40 m., and a depth of 72 feet.
- Implementing a double-lane project with a length of 10 km. in Little Bitter Lakes area “starting from km 122 to km 132”, which enhances navigation movement, shortens the transit time and increases the daily capacity for the crossing vessels.
- The project is estimated to be completed in two years.

Some Suez Canal indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>Suez Canal revenues USD bn.</th>
<th>Number of ships crossing the Canal Thousand</th>
<th>Total shiploads bn. tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5.2</td>
<td>16.83</td>
<td>1.04</td>
</tr>
<tr>
<td>2017</td>
<td>5.9</td>
<td>17.55</td>
<td>1.04</td>
</tr>
<tr>
<td>2018</td>
<td>5.8</td>
<td>18.17</td>
<td>1.14</td>
</tr>
<tr>
<td>2019</td>
<td>5.7</td>
<td>18.88</td>
<td>1.25</td>
</tr>
<tr>
<td>2020</td>
<td>5.7</td>
<td>18.82</td>
<td>1.17</td>
</tr>
</tbody>
</table>

Egypt establishes the largest integrated technology complex in MEA for secured and smart issuances

Digital economy refers to the widespread use of information and communications technology (ICT) in various economic and social aspects, which would stimulate economic growth and improve mechanisms of providing public services. Digital economy plays a significant role in building “smart communities” that would enhance the capabilities of all actors, including public authorities, government, businesses and citizens. In light of Egypt's growing interest in adopting digital economy, the largest and state-of-the-art integrated technology complex was established in the Middle East and Africa for secured and smart issued documents.

Key Information:

- US$ 1 bn. Complex’s official inauguration
- 398 patents and intellectual properties contained in the complex
- 4,200 direct jobs offered by the complex
- 24 hours Maximum time required to issue a document
- 570,000 m² Complex’s total area
- April 2021 Complex’s total implementation cost

Main objectives:

- Achieving the state’s objectives aimed at adopting digitalization and upgrading services provided to citizens, through relying upon sound and secured databases, offering technological solutions for smart issuances, and providing an integrated production cycle for all certified and smart issuances and documents, starting from raw materials till the final product and the relevant official regulations.
- Providing accurate and fully secured biometric databases, including data collection until the documents are issued for all citizens and residents of the country.
- Establishing unified standards for documents at the state’s level, reducing reliance on the human element to prevent any forgery or counterfeiting attempts, and eliminating any administrative corruption.
- Increasing the state’s tax proceeds, with the use of the automatic track and trace system for all taxable products.
Main objectives:

- MENA for secured and smart issuances
- Establishes the largest integrated technology complex in Egypt
- Headlines the most advanced and state-of-the-art complex

Salient products:

1. Identification documents (birth certificates, criminal records, powers of attorney, contracts, death certificates, family registration certificates, etc.)
2. Smart IDs for citizens, through which they can access electronic services using the applications embedded into their chips.
3. Payment cards of all types (Meeza, Visa, MasterCard, etc.)
4. Smart tax sticker (tax stamps of all types to cover all kinds of products), which is electronically controlled and tracked.
5. Various cards (student/teacher ID, smart cards, standard card for prepaid water, electricity and gas meters, etc.)
6. Holographic safety feature (highly secured labels designed and produced using laser technology, in addition to being automatically digitzed and tracked in lieu of traditional seals).

Optimistic outlook by a number of international organizations for a boom in Egyptian tourism

The coronavirus pandemic has negatively affected both the global and domestic economic conditions. Tourism has been one of the industries hardest hit by the pandemic due to the halt in air travel and cross-border movement of individuals for several months. Such implications spilled over to Egypt’s tourism industry which saw a steep decline in the number of inbound tourists and tourism receipts. However, thanks to the initial recovery of the global economy and easing of travel restrictions, as well as the resumption of tourist traffic with a number of key markets, particularly Russia, and due to numerous measures taken by the government to support the tourism industry, Egypt’s tourism recorded a gradual uptick, paving the way for a return to pre-pandemic levels.

Key tourism indicators

Tourism receipts recorded US$ 9.9 bn. in 2019/2020, falling 21.4% year-on-year due to the impacts of the coronavirus outbreak. Similarly, receipts plunged 75.3% in the first half of 2020/2021 compared to the same period in the previous year. Nonetheless, it is worth noting that after overcoming the shock of the outbreak of the pandemic and in response to the initial recovery in the world economy and the various measures adopted by the government to back the tourism sector, tourism receipts registered an upward trend, offsetting a considerable share of its losses. In the fourth quarter of 2020, tourism receipts recorded US$ 1 bn. compared to US$ 0.3 bn. in the second quarter of the same year.

In the same vein, tourism receipts accounted for 46.3% of total service receipts in 2019/2020 compared to 51.5% in the previous year, and recorded 25.8% in the fourth quarter of 2020.
Supporting the tourism industry to overcome the effects of the pandemic

The state exerted various efforts to back the tourism sector, including:

- Several initiatives launched by the Central Bank of Egypt (CBE)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiative for the replacement and renovation of hotels, floating hotels</td>
<td>Finance allocated for the initiative was increased from EGP 5 bn. to EGP 50 bn. at a diminishing interest rate of 8% for a maximum of 15 years. Under the initiative, finance is granted to cover 90% as a maximum of the total cost of the replacement and renovation of hotels, floating hotels and tourist transportation fleets. In addition, credit facilities made available may be repaid over two years as a maximum in addition to a grace period ending on 31 December 2021 during which interest is capitalized.</td>
</tr>
<tr>
<td>Initiative for defaulting corporate customers in the tourism industry</td>
<td>Tourism businesses with indebtedness worth EGP 10 MM. or more (excluding marginal returns) are eligible to benefit from the initiative whether or not judgments are issued against them. In case a customer pays 50% or more of its outstanding debt balance in cash or in kind until 30 June 2021, it will be removed from banned lists (once settlement agreement is reached) and all court cases against it will be waived. In addition, all the indebtedness-related collateral will be released. Defaulting businesses (credit worthiness categories 9 and 10), with indebtedness less than EGP 10 MM. (excluding marginal returns) are eligible for the initiative once the terms of repayment are agreed with the bank.</td>
</tr>
<tr>
<td>Initiative for the deferment of amounts due from tourism businesses</td>
<td>The initiative for supporting the tourism sector and the retail loans initiative for tourism workers were extended for a year till 31 December 2021.</td>
</tr>
<tr>
<td>Initiative for financing the salaries and wages of workers</td>
<td>Certain terms of the EGP 3 bn. initiative for financing the salaries of tourism workers and basic maintenance and operating expenses guaranteed by the Ministry of Finance (at 5% diminishing interest rate) were amended. The initiative was extended to the end of 2021 or until the EGP 3 bn. amount allocated to the initiative is used up, whichever is earlier. The grace period was also extended to the end of June 2022. The first repayment installment is due in July 2022 with full repayment over two years.</td>
</tr>
</tbody>
</table>

- Adoption of a wide range of precautionary measures: in alignment with the World Health Organization’s (WHO) guidelines in that respect, to be applied at hotels, tourist facilities, airports, Egyptian airlines, archeological sites and museums as well as different tourist activities. The World Travel and Tourism Council (WTTC) has approved such measures and granted Egypt its Safe Travels stamp. This was reflected in the keenness of hotels and tourism facilities to comply with the requirements necessary to receive the health and safety certificate approved by the Ministries of Tourism & Antiquities and Health & Population and the relevant tourism chamber as a prerequisite to allow them to reopen, receive guests and tourists, and carry out tourist activities. Accordingly, domestic tourism was safely resumed, followed by inbound tourism.

The total number of hotels which received the health and safety certificate amounted to 726 hotels across 24 governorates nationwide during the period from mid-May 2020 to 13 May 2021. Some 86 floating hotels received the certificate since they resumed their cruise trips as of 1 October 2020 to 13 May 2021.

- Launching several promotional campaigns for Egyptian tourism abroad.

Optimistic outlook by a number of international organizations for Egyptian tourism boom starting from 2021

International Monetary Fund

The International Monetary Fund’s (IMF) estimates show that Egypt’s tourism industry is expected to recover and tourism receipts are projected to record a gradual surge over the coming years, reaching nearly US$ 25 bn. in 2024/2025.

Fitch Solutions

In its “Egypt Tourism Report, Q2 2021”, Fitch Solutions forecasts that Egypt’s tourism sector would be on the course of recovery in 2021, with the number of tourists amounting to 14 million in 2025 compared to 3 million tourists in 2020.

Goldman Sachs

In April 2021, Goldman Sachs forecasted that the resumption of Russian flights would be a major boost to the prospects for the recovery of Egypt’s tourism sector with Russian tourism to Egypt returning to its pre-2015 levels. The American investment bank indicated that this would effectively contribute to gradually strengthening tourism receipts, adding more than US$ 3 bn. annually as Russia used to be Egypt’s top inbound market.
Colliers International forecasts for hotel occupancy rates in 2021

<table>
<thead>
<tr>
<th>City</th>
<th>Occupancy %</th>
<th>Growth rate YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cairo</td>
<td>45%</td>
<td>66%</td>
</tr>
<tr>
<td>Alexandria</td>
<td>61%</td>
<td>34%</td>
</tr>
<tr>
<td>Hurghada</td>
<td>38%</td>
<td>59%</td>
</tr>
<tr>
<td>Sharm El-Sheikh</td>
<td>37%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: Colliers International - MENA Hotel forecasts May 2021.

Using renewable energy sources is a key pillar in developing a sustainable energy framework. The last few years saw a growing global trend towards using hydrogen in general and green hydrogen in particular as a safe and clean source of energy in order to protect the environment and combat global warming. Hydrogen has zero carbon dioxide emissions. Egypt was not in isolation from the new global trend as it proceeded to sign a number of agreements to produce and use green hydrogen.

Using hydrogen as fuel does not produce any greenhouse gases. However, hydrogen production may result in carbon dioxide emissions based on the energy source used. Different colours are assigned to hydrogen depending on the production type. For example, "grey hydrogen" is produced using oil or natural gas; "black hydrogen" is extracted from coal; "yellow hydrogen" is made through water electrolysis using nuclear power; and "green hydrogen" is made through water electrolysis using renewable energy sources, such as wind or solar power. In general, the global usage of hydrogen as a source of power has notably picked up.

At the global level, estimates of the Organization of Arab Petroleum Exporting Countries (OAPEC) show that by the end of March 2021, the number of hydrogen production or usage projects/plans announced amounted to 228 across the world. Europe came first with 126 projects followed by Asia with 46 projects.

In this vein, the European Commission unveiled its plan for a significant upswing in hydrogen production over the coming decades. It targets reaching a hydrogen production capacity of 500 GW by 2050. Meanwhile, China revealed its plans to launch one million hydrogen fuel-cell vehicles by 2030. There are similar projects in the pipeline in South Korea, Norway and the United States. Strenuous efforts are exerted in the State of California to phase out fossil fuel cars by 2040. In addition, Chile plans to produce hydrogen in solar energy-rich areas.
At the Arab region level, there has been a growing interest in investment in hydrogen production projects over the last few years. The number of hydrogen production and usage projects planned in Arab countries reached 12 including eight green hydrogen production projects. In this regard, the following is noted:

Kingdom of Saudi Arabia
In 2020, Saudi Arabia unveiled a mega project to produce green hydrogen fueled by renewable sources of energy at Neom with a total investment cost of US$ 7 bn. for the production and distribution phases. The project encompasses building solar and wind energy plants with a capacity of 4 GW to generate the electricity needed to power electrolysis equipment for the production of green hydrogen.

Oman plans to build one of the largest green hydrogen production plants in the world through a consortium of Oman's state-owned oil firm OQ, Hong Kong-based green fuels developer InterContinental Energy and the clean energy investor and developer EnerTech which is owned by the Kuwait Investment Authority (KIA). The project will be built over several phases reaching its full capacity in 2038. Hydrogen production will be powered by 25 GW of solar and wind energy.

United Arab Emirates (UAE)
In March 2021, Mubadala Investment Company "Mubadala" and the global company Snam signed a Memorandum of Understanding (MoU) with the aim to collaborate on investment and development in the hydrogen sector. As part of the agreement, the two companies will carry out a number of technical and economic feasibility studies to explore potential projects to foster and promote hydrogen production in the UAE, and elsewhere globally. Furthermore, in March 2021, the UAE inaugurated a green hydrogen project at the Mohammed bin Rashid Al Maktoum Solar Park in collaboration with Dubai Electricity and Water Authority (DEWA), Expo 2020 Dubai and Siemens Energy.
The Egyptian government pays great attention to the energy sector, driven by its strong belief in the sector’s vital role as an engine of economic growth. Egypt targets achieving self-sufficiency in petroleum products (gasoline and diesel) by 2023, following its success in reaching natural gas self-sufficiency in 2018. To achieve this target, several factors have to be addressed such as exploration and production, developing and improving the efficiency of refining, and expanding projects that aim to rationalize fuel consumption and contribute to courting investments to the oil sector.

During the period from 2014 to 2020, some 29 petroleum projects were implemented at an investment cost of EGP 437 bn. In 2020, Egypt’s petroleum output exceeded 76 million tons of oil equivalent (including 29.6 million tons of crude oil and condensates, 45.3 million tons of natural gas and 1.2 million tons of butane). Egypt’s average daily production of crude oil, condensates and butane recorded around 638K tons in 2020. Such projects helped Egypt rank thirteenth globally, second in Africa and fifth in the Middle East by natural gas production. Egypt posted 25% positive growth in natural gas production. Current natural gas production is nearly 6.6 billion cubic feet per day (bcf/d) which is sufficient to cover local consumption and exporting. However, it is worth noting that the production capacity stands at approximately 7.2 bcf/d. As a result, Egypt’s oil and gas industry was commended by many international organizations such as:

Fitch: Egypt’s government is exerting efforts to attract more investments to both oil and gas sectors, and in the long term, investors will find huge opportunities in oil projects in the Egyptian market.

The World Bank: Oil and gas sectors remain major drivers of foreign direct investment, driven by the expansion of exploration and production agreements with international oil companies.

Key indicators of oil and natural gas sector

Investments
Foreign investments in the oil sector rose 5.4% to US$ 7.8 bn. in 2019/2020 compared to US$ 7.4 bn. in 2014/2015.
Domestic investments in the oil sector soared 90.9% to EGP 12.6 bn. in 2019/2020 against EGP 6.6 bn. in 2014/2015.

Foreign trade

Consumption
Domestic consumption of petroleum products fell 27.6% to 27.5 million tons in 2019/2020 compared to 38 million tons in 2014/2015.
Domestic consumption of natural gas edged higher 27.7% to 60 bcf in 2019/2020 against 47 bcf in 2014/2015.
Egypt’s petroleum product output surged 16.5% to 29.7 million tons in 2019/2020 compared to 25.5 million tons in 2014/2015.

Egypt’s diesel output climbed 20.8% to 9.3 million tons in 2019/2020 compared to 7.7 million tons in 2014/2015.

Key indicators of the oil refining sector

Growth rate
The oil refining sector grew nearly 17.3% in 2019/2020. Its contribution to economic growth accounted for 25.8% against -4% in 2014/2015. Public investments implemented in oil refinery skyrocketed 333.3%, amounting to EGP 2.6 bn. in 2019/2020 compared to EGP 0.6 bn. in 2014/2015.

Despite the adverse economic ramifications of the coronavirus pandemic, oil refinery remained strong and robust in Egypt.

Production capacity
The growth in the production capacity of petroleum products was driven by the expansion in refining projects. The production capacity of petroleum product refineries grew 23.4% to amount to 32.7 million tons in 2019/2020 compared to 26.5 million tons in 2014/2015.

As for the production capacity of refineries nationwide, the production capacity of Cairo’s refinery in Mostorod recorded 7.2 million tons, followed by Alexandria and MIDOR refineries with 5 million tons and El Naisr and Amreya refineries with 4 million tons. The production capacity of Assiut, Suez and Tanta refineries reached 3.5 million tons, 3 million tons and 1 million tons respectively.

The Egyptian authorities will embark on modernizing the Alexandria diesel refinery to improve its energy consumption efficiency after successfully cutting consumption and emissions of petroleum products.

Upgrades at local oil refineries to ramp up their capacity such as MIDOR, Assiut and Mostorod refineries will contribute to increasing the output of oil refineries locally and alleviate the gasoline import burden.

The refining sector has remarkably contributed to Egyptian economy’s growth. The operation of Mostorod refinery helped to boost the sector’s growth.

Egypt has the largest crude oil refining capacity in the African continent. New projects will provide additional capabilities that will help to enhance Egypt’s energy security.
Salient refining and manufacturing projects:

**Implemented projects:**

- Egyptian Refining Company’s diesel and gasoline production complex in Mostorod which was inaugurated in September 2020 at an investment cost of US$ 4.3 bn. with a production capacity of 4.7 million tons/year.
- Alexandria National Refining and Petrochemicals Company’s (ANRPC) high-octane production complex opened in August 2020 at an investment cost of EGP 3.5 bn. with a production capacity of 1.5 million tons/year following the execution of additional expansions.
- The high-octane gasoline production complex at Assiut National Oil Processing Company (ANOPC) at an investment cost of US$ 450 MM. with a design capacity of 660K tons annually.

**Projects in the pipeline:**

- The Middle East Oil Refinery’s (MIDOR) expansion project set to be completed in the first quarter (Q1) of 2022 at an investment cost of US$ 2.3 bn. with a production capacity of 600K tons of 95 octane gasoline annually following the execution of additional expansions.
- The diesel production complex at ANOPC scheduled for completion in September 2022 at an investment cost of US$ 2.9 bn. with a production capacity of 2.5 million tons of petroleum products annually.

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The government adopts an ambitious program to expand petrochemical industries, with a special focus on high added value projects. Egypt enjoys several necessary factors helping to own a distinguished petrochemical industry. This would cater for the domestic market needs of intermediate and final petrochemical products, being the main production inputs in many industries. In addition, it would reduce petrochemical imports and create more exporting opportunities. It is worth mentioning that the said industries represent an essential pillar in the national project of transforming Egypt into a regional energy hub. In this regard, the government broke ground on the largest petrochemicals complex to be built in Ain Sokhna in the Suez Canal Economic Zone.
Phase II of electrical linkage contract between Egypt and Sudan

Egypt seeks to be a regional hub for energy exchange with Europe, Africa and Gulf countries, taking advantage of the daily energy reserve generated by national power grid with a capacity of 24,000 megawatt-day (MWd) in winter and 15,000 MWd in summer. As at the end of March 2021, the Ministry of Electricity announced that the contract of phase II of Egypt–Sudan electrical interconnection project was signed between the Egyptian Electricity Transmission Company (EETC) and Siemens Energy Company. The project aims to raise the capacity of electricity linkage between the two countries to 300 MW from 80 MW as part of the linkage project system adopted by Egypt with a number of countries (Jordan, Libya, Saudi Arabia, Cyprus, and Greece). This also came as an effective step on the way to promoting the regional and continental electrical interconnection projects.

Egypt targets localizing maritime industries

Egypt targets localizing maritime industries through developing the shipyards and infrastructure of equipment necessary for this vital industry, which will help it keep pace with the latest global technologies. Moreover, Egypt tends to qualify and train national young cadres working in this field, in cooperation with the German Lürssen Yachts, one of the largest shipbuilding companies worldwide, for the general benefit of the Egyptian maritime industry.

By the end of phase II of electrical linkage between Egypt and Sudan, the target capacity will reach 300 MW.

The total value of project – phase II is US$ 29 MM., financed under the strategic projects of the General Office of the Ministry of Electricity and Renewable Energy.

Phase II contract is to be implemented over 18 months from the signing date of the contract.

The contract encompasses supplying and installing two reactive power compensators with all cells necessary for building two transformer plants in Dongola and Merowe, Sudan.

This linkage project is expected to improve power supply, support economic growth in Sudan and provide more job opportunities.

EETC succeeded in launching phase I of the project with a capacity of 80 MW in April 2020.

Electrical linkage between Egypt and Sudan includes 300 towers on the Egyptian side.

Electrical interconnection with Sudan would enable Egypt to establish other electrical linkages with other African countries and contribute to fulfilling their needs of electricity.

In this vein, the key indicators of maritime transport in Egypt are as follows:

Egypt has about 53 seaports, including 15 trading ports and 38 specialized ports. Moreover, three trading ports are under construction; mainly, Gargoub Port and Port of Abu Qir on the Mediterranean Sea, and Ras Banas on the Red Sea.

Egyptian merchant maritime fleet as per ship age and cargo in 2020

Total cargo amounted to 986,000 tons, using 126 ships

Egyptian merchant maritime fleet as per ship type in 2020
In 2020, ship voyages to different port authorities and Suez Canal Economic Zone (SCZone) totaled 11,400. Alexandria Port Authority and SCZone are the two most important destinations for ships, as 34% and 31% of ships headed to these ports, respectively.
Egyptian Economy in Brief

Economic Bulletin

Issue No.2 of 2021

Real GDP growth rate (Current Prices) %

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>5.6</td>
<td>3.6</td>
<td>5.6</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Inflation rate %

<table>
<thead>
<tr>
<th>Month</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Feb</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Mar</td>
<td>2.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Apr</td>
<td>4.8</td>
<td>4.7</td>
</tr>
<tr>
<td>May</td>
<td>6.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Jun</td>
<td>6.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Jul</td>
<td>6.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Aug</td>
<td>5.1</td>
<td>5.0</td>
</tr>
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</table>

Trade balance (US$ bn.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Trade Balance</td>
<td>-37.3</td>
<td>-38.0</td>
<td>-18.7</td>
</tr>
<tr>
<td>Exports</td>
<td>25.8</td>
<td>28.5</td>
<td>14.3</td>
</tr>
<tr>
<td>Imports</td>
<td>63.1</td>
<td>66.5</td>
<td>33.0</td>
</tr>
<tr>
<td>Remittances</td>
<td>32.1</td>
<td></td>
<td>12.9</td>
</tr>
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</table>

Unemployment rate %

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td>9.9</td>
<td>7.9</td>
<td>6.9</td>
<td>7.4</td>
</tr>
<tr>
<td>June</td>
<td></td>
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</tr>
<tr>
<td>June</td>
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<tr>
<td>June</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Net international reserves (US$ bn.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>30.6</td>
<td>29.2</td>
</tr>
<tr>
<td>June</td>
<td>38.2</td>
<td>38.3</td>
</tr>
<tr>
<td>June</td>
<td>36.4</td>
<td>39.2</td>
</tr>
<tr>
<td>Jun</td>
<td>30.2</td>
<td>20.3</td>
</tr>
<tr>
<td>Jul</td>
<td>30.1</td>
<td>10.1</td>
</tr>
<tr>
<td>Aug</td>
<td>10.2</td>
<td>65.5</td>
</tr>
<tr>
<td>Sep</td>
<td>43.3</td>
<td>45.6</td>
</tr>
</tbody>
</table>

Current account (US$ bn.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>-10.9</td>
<td>-11.2</td>
<td>-4.6</td>
</tr>
<tr>
<td>Balance</td>
<td></td>
<td></td>
<td>-7.6</td>
</tr>
</tbody>
</table>

Remittances of Egyptians working abroad (US$ bn.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances</td>
<td>25.2</td>
<td>27.8</td>
<td>15.5</td>
</tr>
<tr>
<td>Export</td>
<td>8.2</td>
<td>7.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Trade</td>
<td>63.1</td>
<td>25.8</td>
<td>13.7</td>
</tr>
</tbody>
</table>

Net foreign direct investment (US$ bn.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>8.2</td>
<td>7.5</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Trade Deficit | Exports | Imports

Net foreign direct investment (US$ bn.)

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