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Annual Review of
Egypt Insurance Market
2003

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Special Report about Egypt Insurance Market & Economy 2003

Annual Review of Egypt Insurance Market 2003 Based on the Annual Report of Egyptian Insurance Supervisory Authority

Economic Perspectives

Egyptian economy witnessed a moderate recovery in 2003 and early 2004, buoyed by

- Increased exports due to the devaluation of the Egyptian pound (LE),
- Increased returns of Suez canal
- Record tourist arrivals,
- And the lower-than-expected impact of the of the war on Iraq .

Although many observers of the Egyptian economy are still cautious about the pace of recovery most agree that a correction is taking place which should reverse the financial downturn experienced in the last few years.

Key policy and structural issues-including the stabilization of the exchange rate a rapidly growing budget deficit, a large public debt, the need for legislative change and increased dynamism in applying new economic regulations still need to be addressed and there seems to be increasing political will to do so.

In the short-term however, Egyptian economic policy making continues to be dominated by caution and a desire to maintain political stability sheltering citizens from the impact of economic liberalization and, more specifically, the recent rapid devaluation of the Egyptian pound.

Balance of Payments: Egypt's balance of payments is continuing to show progress after showing a small surplus for the first time in over a decade during the 2002-2003 financial year, when the overall balance was \$550m, or 0.7% of GDP.

Over 2003, the trade and current accounts showed their best performance in over five years.

Interest Rates: Considering that inflation indices remain high (as seen above), real interest rates are therefore very low or negative.

Fiscal policy: Egypt's growing budget deficit could hamper the country's future economic recovery. There is also a lack of clarity in budgetary information, notably because of the introduction of new measures of the deficit.

Insurance Perspective

During the period under review, we have witnessed a significant growth in insurance revenues. In 2003, a growth rate of 26.7% over 2002 figures. Growth in Life and Non-Life business clearly outperformed the long-term average of Egypt.

Non-Life insurance premiums increased by 25.2% while Life insurance grew by 30.4%

The major contributing factors to this development in Non Life are

- Increased premium of policies issued in US Dollars as a result of The Egyptian pound devaluation.
- Hardening reinsurance market in business where reinsurance are required extensively "CAR, Energy, Aviation & Large manufacturing facilities"

Number of companies increased to 20 after 2 new life companies start operation in 2003, NSGB & ACE

Shareholders equity amounted to L.E. 2719 million, compared to L.E.2492 million, with a growth rate of 9.1%.

Policyholders' rights reached L.E.10403 million, compared to L.E.9295 million in the previous year, with a growth rate of 11.9%

Insurance penetration & per capita continue to be one of the lowest worldwide, In accordance with Sigma issue 3/2004 (Swiss Re), Egypt rank 84 in insurance penetration of 0.68% of GDP & rank 84 in insurance per capita of \$ 8.4.

Market continue to be dominated 72.5% by the 3 public sector companies Misr (39%), Al Chark (24%) & National (9.5%), while 17 companies are competing for the 27.5% of the Market.

Reasons for such domination are

1. Strong Financial position
2. 70% of Market agents & brokers are working for them.
3. Most of governmental & public sector insurances are placed with public sector companies, this business present a large portion of the market.
4. Large reinsurance facilities.

State of competition is very tense in most classes of business due to remote natural hazards exposure, good underwriting results, increased underwriting capacity, simplicity of coverage & Reinsurance Capacity.

In certain lines (Engineering, Energy, and Aviation) where reinsurance capacity is needed rates are impacted by international market terms.

Recent Development

The High Council of Insurance in its first meeting in 4 years discussed & agreed to several changes which will improve the efficiency of the market but it will still need to be approved by the parliament, the process of approval is a lengthy, complicated & political.

These changes include:

1. Reduce the insurance premium taxes from its peak of 21.4% by 5% each year and fix it at the end at a level of 5%.
2. Adequacy of companies capital shall be decided in light of risk based capital methodology, where the adequacy of capital is decided in light of company investment, portfolio & claims exposures.
3. Changes the applicable tariff for Motor Act, which causes the industry enormous losses due to its shortage.
4. More incentives to encourage merging between companies
 - a. Surplus as a result of Assets Evaluation for merging will be exempted from taxes.
 - b. Exemption from income taxes for several years after merging.
 - c. Exemption from all expenses, taxes and stamps required in merging
5. Allow International reinsurers to open affiliated branches in Egypt
6. Allow Corporate brokerage in direct insurance & reinsurance
7. New criteria in respect of approved reinsurers copying with world wide practices
8. New law that makes medical insurance providers governed by "Egyptian Insurance Supervisory Authority" EISA
9. Reconstruction of Public companies whether in management or ownership
10. Introducing new compulsory liability insurances

Annual Increase in GNP & Insurance Premium:-

	1998	1999	2000	2001	2002	2003
Gross National Product	4.1	5.4	5.9	3.4	3.2	3.1
Insurance Premium	2.4%	6%	3.4%	4.1%	9%	26.3
Economic Per capita	4,670	4,794	5,210	5,325	5,492	5,930
Insurance Per capita	30.2	30.8	30.9	30.8	33.08	41.2

Total Premium: -

	(000, 000)							
	98	99	2000	2001	2002	2003	% of increase	% Of total premium in 2003
Life insurance	460.5	558.8	619.5	664.8	720.5	939.4	30.38	32.57
Non-life insurance	1353.7	1382.5	1394.9	1431.3	1,563.2	1,945	24.42	64.43
Total	1814.2	1941.3	2014.4	2096.1	2,283.7	2,884.4	26.3	100

Key figures of life business in 2003

	Written Premium		Acquisition Costs %	Management Expenses %
	2002	2003		
Misr Ins.	225,409	270,014	64.6%	8.92%
Al Chark	266,386	301,968	52.17%	9.31%
National	59,326	71,952	13.1%	9.88%
Suez Canal	13,322	14,240	109.2%	15.65%
Mohandes	40,020	45,688	227.3%	10.99%
Delta	24,020	19,428	123.46%	18.23%
Alico	68,253	89,619	118.1%	14.95%
CIL	23,752	91,811	10.85%	13.45%
Allianz Life	0	34,658	29.32%	81.66%
Total	661,162	939,378	47.49%	13.22%

Note: Acquisition Costs Ratio = Acquisition Costs ÷ New Business premium.

Key Figures of Insurance Companies for Non Life Business in 2003

	(000)			
	Written Premium	Market Share	Retained Premium	Underwriting Profits
Misr Ins.	856,294	44.03%	323,360	186,941
AlChark Ins.	388,986	20.00%	208,847	58,566
National Ins.	199,823	10.27%	153,029	31,607
Suez Canal.	139,723	7.18%	73,227	11,566
Mohandes Ins.	64,211	3.30%	28,262	12,588
Delta Ins.	69,372	3.57%	30,784	12,162
AIG	71,710	3.69%	32,928	-17,106
AMIG	50,077	2.57%	25,499	3,622
Cooperative Ins. Society	15,159	0.78%	5,175	0
Egyptian Export Credit Insurance Company	1,262	0.06%	280	1,742
Allianz Life	58,230	2.99%	17,895	-17,318
Ace ACIIC	12,383	0.64%	601	-1,073
Royal & Sun Alliance	16,862	0.87%	8,021	-3503
Egyptian Saudi ins. Co	921	0.05%	122	-3,093
	1,945,013	100%	908,030	276,701

Combined Key Figures of Insurance Companies for Life and Non Life in 2003

	(000)				
	Written Premium	Market Share	Underwriting results	Shareholders Funds	No of Employees
Misr Ins.	1,126,308	39.0%	195,710	1,009,689	4153
AlChark Ins.	690,954	24.0%	58,637	600,509	5235
National Ins.	271,775	9.4%	31,194	395,713	2039
Suez Canal.	153,963	5.3%	9,866	75,028	770
Mohandes Ins.	109,899	3.8%	13,355	100,767	721
Delta Ins.	88,800	3.1%	14,765	117,794	532
AIG	71,710	2.5%	(17,106)	40,560	214
AMIG	50,077	1.7%	3,622	39,485	248
Alico	89,619	3.1%	4,300	54,757	143
Cooperative Ins. Society	15,159	0.5%	-	12,601	93
CIL	91,811	3.2%	(16,465)	30,630	105
Egyptian Export Credit Insurance Company	1,262	0.0%	1,742	16,194	20
Allianz	34,658	1.2%	(17,318)	30,908	172
Allianz Life	58,230	2.0%	(26,261)	15,198	237
Ace ACIIC	12,383	0.4%	(1,073)	40,069	31
Royal & Sun Alliance	16,862	0.6%	(3,503)	20,780	19
Egyptian Saudi ins. Co	921	0.03%	(3,093)	20,904	30
	2,884,391	100.0%	248,372	2,621,590	14,762

Development of written premium of non life from 1996 till 2003

	(000)								
	96	97	98	99	2000	2001	2002	2003	% of total premium
Fire	282,437	276,308	302,397	295,060	276,044	277,382	262,683	319,902	16.45%
Cargo	180,472	153,191	127,019	110,464	86,532	87,162	102,251	123,521	6.35%
Inland	13,737	14,166	12,537	12,789	12,022	12,441	13,254	18,542	0.95%
Marine Hull	69,607	64,195	61,505	54,344	51,371	48,987	55,866	59,125	3.04%

Aviation	54,032	54,827	53,939	56,240	77,496	132,409	11,849	257,639	13.25%
Accident	145,240	133,238	141,918	161,540	184,793	184,396	229,284	247,178	12.71%
Engineering	84,448	94,585	96,719	105,386	111,542	106,851	117,125	161,778	8.32%
Motor Act	95,546	101,637	104,535	110,159	124,604	128,132	129,552	136,763	7.03%
Motor Compreh.	284,811	322,204	355,592	391,143	373,612	350,632	335,070	353,837	18.19%
Oil	92,178	76,836	70,399	57,820	63,594	65,619	97,855	224,659	11.55%
Medical	15,009	19,630	27,168	27,581	33,304	37,299	38,437	42,069	2.16%
	1,317,517	1,310,817	1,353,728	1,382,526	1,394,914	1,431,310	1,393,226	1,945,013	100%

Development of Losses of non life from 1996 till 2003

	(000)							
	96	97	98	99	2000	2001	2002	2003
Fire	40,862	83,165	99,218	95,147	83,046	63,472	75,437	74,036
Cargo	55,891	55,663	35,818	27,098	33,877	34,630	38,974	39,204
Inland	5,215	4,434	4,448	3,829	4,043	4,541	5,325	4,126
Marine Hull	29,976	72,490	51,723	32,202	76,410	34,015	33,279	44,100
Aviation	16,603	24,158	22,243	14,812	290,784	149,384	634,087	450,949
Accident	8,654	18,700	21,550	18,733	18,793	21,645	31,367	35,508
Engineering	18,712	50,454	40,348	68,641	52,069	41,347	42,611	48,721
Motor Act	82,462	98,685	113,519	137,467	149,969	185,291	213,408	298,116
Motor Compreh.	167,689	179,076	193,503	207,980	225,025	234,020	212,666	210,976
Oil	96,975	79,340	18,618	39,102	17,885	15,566	29,714	28,960
Medical	12,921	17,352	21,915	27,181	32,979	32,103	35,881	37,163
	535,960	683,517	622,903	672,192	984,880	816,017	1,352,749	1,271,859

Development of loss ratio of non life from 1996 till 2003

	96	97	98	99	2000	2001	2002	2003
Fire	27.9%	29.4%	64.8%	17.4%	38.3%	32.3%	24.4%	27.3%
Cargo	33.3%	24.9%	25.8%	57.1%	35.6%	45.3%	42.8%	101.2%
Inland	92.1%	31.5%	32.9%	33.6%	44.3%	78.8%	6.8%	2.8%
Marine Hull	53.6%	123.2%	68.6%	92.5%	104.6%	84.9%	100.7%	146.5%
Aviation	25.0%	50.5%	0.0%	0.0%	1840%	3.7%	338.5%	62.2%
Accident	23.6%	92.5%	12.3%	42.4%	25%	24%	29.5%	27.3%
Engineering	4.6%	206.4%	103.8%	0.0%	14.6%	61%	26.8%	128.1%
Motor Act	183.1%	61.1%	80.7%	118.4%	102%	93.7%	193.9%	253.6%
Motor Compreh.	77.2%	64.0%	52.2%	57.6%	62.5%	59.2%	61.9%	59.9%
Oil	87.8%	235.5%	0.0%	0.0%	70.2%	62.8%	34.7%	46.4%
Medical	80.1%	112.8%	90.4%	97%	111.7%	91%	98.3%	91.8%
	55.2%	87.5%	42.2%	36.9%	141%	49.4%	86.5%	74.5%

More Analytical Tables of the non life Business Figures

**Acquisition costs as a % of each class of business premium
For Each Insurance Company in 2003**

	Fire	Cargo	Inland	Marine Hull	Avia- tion	Accident	Enginee- ring	Motor Act	Motor Compreh	Oil	Medical	Av.
Misr Ins.	21.9	17.1	22.4	13.2	7	20.1	11.6	3.3	32.1	9.1	17.2	15.1
Al Chark Ins.	37.3	23.4	30	17.7	11.1	41.2	19.7	3.2	37.7	10.8	2.7	23
National Ins.	25.2	20.3	40	15		39.9	12.7	6.5	38.6		1.1	22.3
Suez Canal Ins.	27.1	22.3	34.1	12.2		45	17	4.8	32.3		7.3	30.3
Mohandess Ins.	39.4	26.1	20	22		33.7	17.3	100	35.1		26.2	33.5
Delta Ins.	35.6	23.8	26.9	23		26.6	22.5	2.2	31.6		7.1	28.7
AIG	35.2	23.2	33.3	25.8	7.7	21.5	28.3	5.4	37		0	28.9
AMIG	38.3	30	25.8	22.3	3.5	32.7	34		27.1		12.4	27.2
Cooperative Ins. Society	5.9	12.5	33.3			6			13.2		8.5	7.6
Egyptian Export Credit Insurance Company						213.9						23.9
Allianz	21.3	21.5	14.3	17.8		18.5	18.4		45			21.5
Ace AIIC Ins.	13	25.5	26.1			13	25.1					14.7
Royal & sun Alliance	11.2	8.3	5.5			6.4	11.5		11.3			10
Egyptian Saudi Insurance Co	31.6	31.8	50	16.1		41.2	18.2		28			24.9
Average	28.1	20.8	22.8	15.6	7.1	29.9	15.9	4.7	33.9	10	8.8	20.5

Management expenses as a % of each class of business premium

For Each Insurance Company in 2003

	Fire	Cargo	Inland	Marine Hull	Avia- tion	Accident	Enginee- ring	Motor Act	Motor Compreh	Oil	Medical	Av.
Misr Ins.	5.8	8.1	8.1	7.7	2.9	7.1	3.9	11.2	8	2.6	10.8	5.3
Al Chark Ins.	10.2	23.6	26.7	12.3	13.5	14	15.2	12.9	11.8	6.4	23.8	11.5
National Ins.	16.6	34.4	45.8	19.6		11.1	10.7	15.2	15.7		11	15.8
Suez Canal Ins.	13.5	13	11.9	12.6		7.4	7.2	16.3	12.7		20.4	10.2
Mohandess Ins.	15	23.7	26.1	23.3		16	11.9		19.9		18.8	17.5
Delta Ins.	15.6	19.8	19.8	18.5		13.7	13.1	30.4	15.8		13.2	15.6
AIG	17.2	18.6	20.9	15.7	15.9	16.3	9.1	24.3	18.6			16.2
AMIG	19.2	20.7	21.9	19.6	11.5	22.3	8.6		17.8		88.5	18.6
Cooperative Ins. Society	19.6	5.9				31			20		15.2	22.9
Egyptian Export Credit Insurance Company						16.2						16.2
Allianz	21.9	23.9	24.5	23.8		24.4	23.1		24.5			23.1
Ace AIIC Ins.	24.5	24.4	26.1			24.5	24.5		25			24.5
Royal & sun Alliance	37.4	37.4	37.5			37.5	37.5		37.4			37.4
Egyptian Saudi Insurance Co	47.9	400	800	71		226.5	42.5		107.7			78.6
Average	11.8	17.4	20.6	13	3.5	12.3	8.7	13.6	13.1	4.6	16.7	10.5

Breakdown of Premium (by Class of Business)

For Each Insurance Company in 2003

	(000)										
	Fire	Cargo	Inland	Marine Hull	Avia- tion	Accide nt	Enginee ring	Motor Act	Motor Compr eh.	Oil	Medical
Misr Ins.	127,049	45,271	55,686	22,958	243,036	74,800	67,731	35,362	114,067	108,321	12,013
Al Chark Ins.	57,818	23,683	2,465	8,062	7,596	31,117	14,694	40,544	78,274	116,338	8,395
National Ins.	31,668	11,583	875	7,166		36,956	12,784	58,851	32,473		7,467
Suez Canal Ins.	11,924	13,884	832	8,917		35,633	34,292	765	31,319		2,157
Mohandess Ins.	20,953	6,410	821	1,615		9,518	4,466	1	19,519		908
Delta Ins.	14,795	4,757	766	2,007		8,418	6,149	181	28,310		3,989
AIG	12,088	5,023	642	2,772	1,487	20,407	7,378	1,059	20,854		
AMIG	7,339	5,621	956	1,877	5,520	7,219	3,079		17,558		908
Cooperative Ins. Society	952	8	3			6,717			1,247		6,232
Egyptian Export Credit Insurance Company						1,262					
Allianz	22,264	5,165	4,945	3,720		8,637	8,766		4,633		
Ace AIC Ins.	6,704	157	23			3,895	1,580		24		
Royal & sun Alliance	6,033	1,937	526			2,531	419		5,416		
Egyptian Saudi Insurance Co.	215	22	2	31		68	440		143		
Total	319,902	123,521	18,542	59,125	257,639	247,178	161,778	136,763	353,837	224,659	42,069

Breakdown of Retained Premium (by Class of Business) For Each Insurance Company in 2003

	(000)										
	Fire	Cargo	Inland	Marin e Hull	Avia- tion	Accident	Enginee- ring	Motor Act	Motor Compre h.	Oil	Medical
Misr Ins.	23,465	35,122	5,528	4,161	36,960	43,028	2,887	34,520	111,745	14,100	11,844
Al Chark Ins.	31,107	8,827	1,334	2,816	941	26,783	990	33,996	69,468	26,746	5,839
National Ins.	15,376	5,771	1,119	3,051		31,567	2,895	55,655	31,614		5,981
Suez Canal Ins.	3,072	3,257	577	1,358		29,921	4,104	730	29,416		792
Mohandess Ins.	8,308	1,502	322	122		3,747	609	1	13,203		448
Delta Ins.	5,304	1,278	299	175		3,808	212	127	19,398		183
AIG	1,440	1,517	221	110	5	12,674	562	24	16,375		
AMIG	1,683	2,441	504	49	1	3,623	1,270		15,728		200
Cooperative Ins. Society	64	2				2,770			158		2,181
Egyptian Export Credit Insurance Company						280					
Allianz	4,414	2,323	4,248	242		2,706	1,062		2,900		
Ace AIC Ins.	180	-87	2			447	73		-14		
Royal & sun Alliance	209	504	265			2,033	126		4,884		
Egyptian Saudi Insurance Co.	72	3	0	3		21	9		14		
Total	94,694	62,460	14,419	12,087	37,907	163,408	14,799	125,053	314,889	40,846	27,468

Retained Premium as % of the Written Premium

For each insurance company and across all classes of business

	Fire	Cargo	Inland	Marine Hull	Aviation	Accident	Engineering	Motor Act	Motor Comprehensive	Oil	Medical
Misr Ins.	18.47%	77.58%	9.93%	18.12%	15.21%	57.52%	4.26%	97.62%	97.96%	13.02%	98.59%
Al Chark Ins.	53.80%	37.27%	54.12%	34.93%	12.39%	86.07%	6.74%	83.85%	88.75%	22.99%	69.55%
National Ins.	48.55%	49.82%	127.89%	42.58%		85.42%	22.65%	94.57%	97.35%		80.10%
Suez Canal Ins.	25.76%	23.46%	69.35%	15.23%		83.97%	11.97%	95.42%	93.92%		36.72%
Mohandess Ins.	39.65%	23.43%	39.22%	7.55%		39.37%	13.64%	100.00%	67.64%		49.34%
Delta Ins.	35.85%	26.87%	39.03%	8.72%		45.24%	3.45%	70.17%	68.52%		4.59%
AIG	11.91%	30.20%	34.42%	3.97%	0.34%	62.11%	7.62%	2.27%	78.52%		
AMIG	22.93%	43.43%	52.72%	2.61%	0.02%	50.19%	41.25%		89.58%		22.03%
Cooperative Ins. Society	6.72%	25.00%	0.00%			41.24%			12.67%		35.00%
Egyptian Export Credit Insurance Company						22.19%					
Allianz	19.83%	44.98%	85.90%	6.51%		31.33%	12.11%		62.59%		
Ace AIIC Ins.	2.68%	-55.41%	8.70%			11.48%	4.62%		-58.33%		
Royal & sun Alliance	3.46%	26.02%	50.38%			80.32%	30.07%		90.18%		
Egyptian Saudi Insurance Co.	33.49%	13.64%	0.00%	9.68%		30.88%	2.05%		9.79%		
Total	29.60%	50.57%	77.76%	20.44%	14.71%	66.11%	9.15%	91.44%	88.99%	18.18%	65.29%

Loss Ratio of each Class of Business

For Each Insurance Company in 2003

	Fire	Cargo	Inland	Marine Hull	Aviation	Accident	Engineering	Motor Act	Motor Comprehensive	Oil	Medical
Misr Ins.	23.7	104.6	26.0	269.2	65.4	17.4	202.5	277.1	66.5	51.1	83.8
Al Chark Ins.	39.6	63.0	0.0	25.6	0.0	66.9	0.0	240.9	59.1	41.9	94.5
National Ins.	55.3	49.2	52.6	91.4	0.0	37.6	227.2	200.0	34.8	0.0	91.4
Suez Canal Ins.	36.8	270.2	18.3	59.0	0.0	6.3	127.3	696.2	66.8	0.0	160.6
Mohandess Ins.	41.1	186.7	20.5	27.9	0.0	48.1	42.7	0.0	44.9	0.0	107.8
Delta Ins.	17.4	0.0	63.5	40.2	0.0	19.5	96.6	0.0	60.5	0.0	85.4
AIG	14.2	76.0	63.0	142.3	0.0	13.2	0.0	827.0	64.9	0.0	0.0
AMIG	9.2	41.8	62.1	190.9	0.0	0.0	61.7	0.0	64.7	0.0	96.2
Cooperative Ins. Society	5.1	0.0	0.0	0.0	0.0	15.4	0.0	0.0	60.3	0.0	86.4
Egyptian Export Credit Insurance Company		0.0	0.0	0.0	0.0	17.3	0.0	0.0	0.0	0.0	0.0
Allianz		23.3	8.6	254.6	0.0	29.5	60.5	0.0	55.4	0.0	0.0
Ace AIIC Ins.		0.0	0.0	0.0	0.0	4.8	0.0	0.0	0.0	0.0	0.0
Royal & sun Alliance	8.7	29.7	27.3	0.0	0.0	87.5	6.0	0.0	72.1	0.0	0.0
Egyptian Saudi Insurance Co.	247.9	141.2	300.0	173.7	0.0	228.1	181.1	0.0	190.7	0.0	0.0
Total	27.3	101.2	2.8	146.5	62.2	27.3	128.1	253.6	59.9	46.4	91.8

Economic Annex based on the official figures
Released by Egypt Ministry of Foreign Trade

Economic & Financial Indicators
Gross Domestic Product by source and uses
Gross Domestic Product at Factor Cost
Structure of government domestic debts
Balance of Payments - Current Account
Balance Of Payments - Capital Account
International Trade by Major Commodity Groups
Stock Market Annual Indicators
Selected Emerging Market Indicators

Economic and Financial Indicators - Annual Series

Real Economy	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 Actual	2002/2003 preliminary
Nominal GDP at Market Price (LE Billions)	229	266	287	308	340	359	379	415
Real GDP at Market Price (LE Billions) *	164	266	277	294	309	320	379	391
Real GDP Growth Rate	5.0	5.3	4.1	5.4	5.9	3.4	3.2	3.1
Real GDP Growth Rate (Per Capita)	2.9	3.4	2.9	3.7	3.8	1.4	1.1	1.2
Share of Private Sector in GDP	65.5	67.7	68.5	70.7	70.4	70.7	72.1	71.6
Unemployment Rate	9.6	8.4	8.2	8.1	9.0	9.2	9.0	9.9
Average Annual Inflation	7.3	6.2	3.8	3.8	2.8	2.4	2.4	3.2
End of Period yr./yr. Inflation Rate	8.3	4.8	4.1	2.9	2.5	2.2	2.7	4.0

Savings - Investments	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 Actual	2002/2003 preliminary	
Gross Domestic Savings (LE Billions)		29	31	31	37	40	44	52	60
Gross Domestic Investments (LE Billions)		38	47	62	67	67	66	68	68
Gross Domestic Savings Ratio		12.7	11.5	10.9	11.9	11.6	12.2	13.8	14.5
Gross Domestic Investments Ratio		16.6	17.6	21.5	21.6	19.6	18.3	17.8	16.4

Fiscal Sector	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 Actual	2002/2003 preliminary
Total Revenue (LE million)	64,498	67,963	71,072	75,399	76,139	78,968	86,079	64,498
Total Expenditure (LE million)	66,826	70,783	79,995	88,600	96,121	101,153	111,704	66,826

Overall balance (LE million)	-2,328	-2,820	-8,923	-13,201	-19,982	-22,185	-25,625	-2,328
Total Revenue	24.3	23.6	23.1	22.2	21.2	20.9	20.7	24.3
Tax Revenue	15.2	15.3	15.1	14.6	14.3	13.7	13.8	15.2
Total Expenditure, of which:	25.1	24.6	26.0	26.1	26.8	26.7	26.9	25.1
Current Expenditure	19.9	19.2	19.9	20.5	22.5	22.6	22.8	19.9
Investment Expenditure	5.0	5.3	5.7	4.9	4.2	4.0	4.0	5.0
Primary Balance 1a/	4.9	4.2	2.4	1.6	0.3	0.2	0.3	4.9
Overall Budget Balance	-0.9	-1.0	-2.9	-3.9	-5.6	-5.9	-6.2	-0.9
Government Domestic Debt (LE billion)	125	137	147	164	195	221	252	125
Domestic Debt / GDP 1b*/	47.2	47.6	47.8	48.3	54.3	58.4	60.8	47.2
Monetary and Financial Sectors								
Broad Money (M2) (LE million)	193,902	210,487	234,569	255,272	284,873	328,728	384,262	193,902
Narrow Money (M1) (LE million)	39,052	43,590	48,844	49,738	53,448	59,805	67,212	39,052
Reserve Money (LE million)	53,159	55,961	61,831	65,693	70,010	73,772	89,236	53,159
Broad Money (M2) 2a/	15.1	8.6	11.4	8.8	11.6	15.4	16.9	15.1
Net Foreign Assets	4.7	-5.7	-7.4	-2.6	-1.7	-0.6	2.5	4.7
Net Domestic Assets	10.4	14.2	18.9	11.4	13.3	16.0	14.4	10.4
Narrow Money (M1)	2.4	2.5	2.5	0.4	1.5	2.2	2.3	2.4
Reserve Money	3.9	1.4	2.8	1.6	1.7	1.3	4.7	3.9
Dollarization Rate (M2) 2b/	19.4	17.9	17.3	18.8	21.3	23.2	27.3	19.4
Money Multiplier c/	3.6	3.8	3.8	3.89	4.07	4.46	4.31	3.6
M2-Velocity d/	1.47	1.42	1.39	1.39	1.33	1.23	1.16	1.47
Reserve Money Velocity e/	5.34	5.27	5.22	5.33	5.29	5.26	5.09	5.34
Nominal Interest Rate f/	9.8	8.8	8.82	9.09	9.09	7.80	8.31	9.8

External Sector	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/2003
							Actual	preliminary

Trade Balance (US\$ Million)	-10,219	-11,771	-12,563	-11,472	-9,363	-7,516	-6,616	-10,219
Total Exports (US\$ Million)	5,345	5,128	4,445	6,388	7,078	7,121	8,205	5,345
Total Imports (US\$ Million)	2,768	3,400	3,445	4,115	4,446	4,740	5,044	2,768
Balance of Current Account (US\$ Million)	15,565	16,899	17,008	17,860	16,441	14,637	14,821	15,565
Current Account Balance	19.8	20.0	18.8	18.1	17.6	16.8	18.3	19.8
Overall BOP Balance	119	-2,479	-1,724	-1,163	-33	614	1,883	119

External Debt Indicators

Total External Debt (US\$ Million)	28,774	28,076	28,224	27,783	26,560	28,661	28,748	28,774
Total External Debt (of which):	36.7	33.2	31.2	28.2	28.5	32.8	35.6	36.7
Short Term Debt	2.0	2.0	2.0	1.6	2.4	2.5	2.3	2.0
Foreign Debt Service	2.2	2.0	1.6	1.8	1.8	2.3	2.7	2.2
Debt Service Ratio 1/	8.2	8.5	7.2	8.0	7.3	9.5	9.8	8.2
Net International Reserves as Number of Months of Imports	15.7	14.3	12.7	10.2	10.4	11.6	12.0	15.7
NIR To Short Term External Debt (folds)	13.2	11.7	9.9	9.3	6.5	6.6	7.9	13.2

Capital Market Indicators

Annual Return 2/	18.9	6.2	49.0	0.3	-2.1	3.6	11.4	18.9
Volume of Trading (Millions of Securities)	372.5	570.8	1,074.0	1,108.0	1,260.0	883.7	487.2	372.5
Value of Trading (LE million)	24,220	23,364	42,056	54,012	31,796	34,176	11,122	24,220
Turnover Ratio	34.2	22.3	31.9	38.2	22.1	21.5	7.4	34.2
Number of Listed Companies	650	861	1,033	1,076	1,110	1,151	1,123	650
Number of Companies Traded	416	551	663	545	643	671	443	416
As % of Total Listed Companies	64.0	64.0	64.2	61.2	57.9	58.3	39	64.0
Stock Market Capitalization as percent of GDP	27.7	39.9	34.4	35.6	30.2	31.1	37.0	27.7
New Issues (LE million)	19,435	35,303	55,573	20,452	11,185	11,652	3,076	19,435
Price / Earnings Ratio 3/	11.5	8.7	7.7	6.8	7.7	7.1	7.2	11.5
Annual Volatility (standard deviation) 4/	3.1	3.6	4.4	0.8	0.4	0.3	0.5	3.1

Gross Domestic Product by Sources and Uses (In current prices)

(LE Billion)	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 Actual	2002/2003 preliminary
Total Sources	289.0	332.1	361.3	379.3	417.7	438.8	464.9	516.0
GDP at Market Prices	229.4	265.9	287.4	307.6	340.1	358.7	378.5	415.0
GDP at Factor Cost	214.2	247.0	266.7	282.6	315.7	332.5	354.5	388.1
Net Indirect Taxes	15.2	18.9	20.7	25.0	24.4	26.2	24.0	26.9
Imports (Goods & Services)	59.6	66.2	73.9	71.7	77.6	80.1	86.4	101.0
Total Uses	289.0	332.1	361.3	379.3	417.7	438.8	464.9	516.0
Final Consumption	200.3	235.3	252.9	266.5	296.1	310.6	326.2	355.0
Household Consumption	176.5	205.2	220.4	230.8	258.0	270.0	279.0	303.0
Public Consumption	23.8	30.1	32.5	35.7	38.1	40.6	47.2	52.0
Capitalization	38.1	46.7	61.8	66.5	66.5	65.5	69.2	71.0
Fixed Capital	36.8	47.7	61.3	64.0	64.4	63.6	67.5	68.1
Change in Inventory	1.3	-1.0	0.5	2.5	2.1	1.9	1.7	2.9
Exports of Goods and Services	46.3	50.1	46.6	46.3	55.1	62.7	69.5	90.0
Discrepancy	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Gross Domestic Product at Factor Cost (In current prices)

(LE Million)	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/2003
							Actual preliminary	
Total GDP	247,028	266,758	282,578	315,667	332,544	354,564	388,060	247,028
Total Commodity Sector	118,992	127,978	136,296	157,432	165,899	181,828	197,017	118,992
Agriculture	41,882	45,652	48,935	52,845	55,065	58,369	62,577	41,882
Industry & Mining	43,383	48,798	55,225	61,211	63,483	67,882	73,516	43,383
Petroleum & Products	17,461	15,534	12,995	23,300	26,300	31,562	36,118	17,461
Electricity	4,172	4,264	4,586	4,936	5,291	7,455	8,096	4,172
Construction	12,094	13,730	14,555	15,140	15,760	16,560	16,710	12,094
Total Production Services	82,889	89,072	93,573	101,794	106,858	111,636	123,937	82,889
Transportation 2/	22,695	24,049	25,916	27,909	30,112	31,952	36,936	22,695
Trade, Finance, and Insurance	56,364	61,690	63,975	68,960	71,389	73,227	79,273	56,364
Hotels and Restaurants	3,830	3,332	3,682	4,925	5,357	6,457	7,728	3,830
Total Social Services	45,147	49,708	52,709	56,441	59,787	61,100	67,106	45,147
Housing and Real Estate	4,375	4,860	5,412	6,003	6,879	13,923	14,651	4,375
Utilities	915	1,038	1,179	1,305	1,445	35,269	39,925	915
Social Insurance	165	185	214	236	261	--	--	165
Government Services	39,692	43,625	45,904	48,897	51,202	11,908	12,530	39,692
Social and Personal Services	247,028	266,758	282,578	315,667	332,544	354,564	388,060	247,028

Annual and Monthly Inflation Rates of Consumer Prices 1999 – 2003

	1999		2000		2001		2002		2003	
	Change over Previous Year	Change over Previous month	Change over Previous Year	Change over Previous month	Change over Previous Year	Change over Previous month	Change over Previous Year	Change over Previous month	Change over Previous Year	Change over Previous month
January	3.8	0.2	2.9	0.2	2.6	0.5	2.4	0.5	2.9	0.5
February	3.7	0.2	3.0	0.3	2.4	0.1	2.5	0.2	3.1	0.3
March	3.4	0.2	3.0	0.2	2.4	0.2	2.5	0.2	3.6	0.7
April	3.4	0.7	2.9	0.2	2.3	0.1	2.7	0.2	3.7	0.4
May	3.6	0.7	2.8	0.2	2.2	0.1	2.8	0.2	3.9	0.4
June	3.6	0.1	2.5	0.1	2.2	0.2	2.7	0.2	4.0	0.2
July	4.3	0.1	2.8	0.3	2.2	0.3	2.6	0.2	4.4	0.5
August	4.3	0.3	2.6	0.2	2.1	0.1	2.7	0.2	4.5	0.3
September	4.7	0.7	2.6	0.2	2.1	0.2	3.0	0.5	4.7	0.6
October	4.4	0.2	2.5	0.1	2.3	0.2	2.8	0.1	5.2	0.6
November	3.8	-0.3	2.3	0.2	2.2	0.1	3.1	0.4		
December	3.6	0.1	2.3	0.2	2.5	0.4	3.0	0.2		

Balance of Payments - Current Account

US\$ Million	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Trade Balance	-10,219	-11,771	-12,563	-11,472	-9,363	-7,516	-6,616
Export Proceeds**	5,345	5,128	4,445	6,388	7,078	7,121	8,205
Petroleum	2,578	1,729	1,000	2,273	2,632	2,381	3,161
Other Exports	2,768	3,400	3,445	4,115	4,446	4,741	5,045
Import Payments**	-15,565	-16,899	-17,008	-17,860	-16,441	-14,637	-14,821
Services (net)	6,193	4,692	5,970	5,630	5,588	3,878	4,890
Receipts	11,241	10,455	11,026	11,426	11,696	9,618	10,441
Transportation , Of Which	2,535	2,457	2,637	2,635	2,704	2,715	2,965
Suez Canal Dues	1,849	1,776	1,771	1,781	1,843	1,820	2,236
Travel	3,646	2,941	3,235	4,314	4,317	3,423	3,796
Investment Income	2,052	2,081	1,933	1,833	1,850	938	641
Government Services	216	303	308	110	190	188	253
Other Receipts	2,791	2,673	2,913	2,535	2,636	2,354	2,786
Payments	5,048	5,764	5,056	5,796	6,109	5,740	5,551
Transportation	242	362	377	457	429	420	393
Travel	1,333	1,307	1,104	1,028	1,054	1,208	1,372
Investment Income, of which	1,085	868	928	901	778	842	805
Interest Paid	995	716	789	770	728	689	626
Government Expenditures	511	856	511	467	588	660	455
Others Payments	1,877	2,371	2,136	2,943	3,260	2,610	2,526
Balance of Goods & Services	-4,026	-7,079	-6,593	-5,843	-3,776	-3,638	-1,726
Transfers	4,145	4,600	4,869	4,680	3,742	4,252	3,610
Official (net)	890	883	1,097	932	769	1,143	664
Private (net)	3,256	3,718	3,772	3,747	2,973	3,109	2,946
Balance of Current Account	119	-2,479	-1,724	-1,163	-33	614	1,884

Balance of Payments - Capital Account

US\$ Million	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Capital & Financial Account 1/	2,041	3,387	919	-1,199	-542	-963	-2,734
Direct Investment Abroad	-47	-137	-56	-43	-27	-15	-30
Direct Investment in Egypt	770	1,104	711	1,656	509	428	701
Portfolio Investments Abroad (net)	--	-56	-43	-12	-5	-3	-16
Portfolio Investments In Egypt (net)	1,463	-248	-174	473	260	45	-187
Other Investments (net)	-145	2,724	481	-3,273	-1,280	-1,418	-3,202
Net borrowing	225	858	191	492	268	-71	-142
Medium and long-term loans	-113	-54	-339	-532	-559	-585	-587
Drawings	416	525	273	194	268	340	644
Repayments	-528	-579	-611	-726	-827	-925	-1,232
M.T. Suppliers Credits	-251	322	-110	-95	-112	-207	-341
Drawings	77	547	88	236	77	261	42
Repayments	-328	-225	-197	-331	-189	-468	-383
S.T. Suppliers Credits (net)	588	591	639	1,119	939	721	1,070
Other assets	--	--	--	--	--	954	-218
CBE	-1,590	97	143	-3,112	-2,281	-1,862	-3,067
Banks	--	--	-17	-22	-17	21	-32

Other	--	--	2,126	-198	1,034	227	-493
Other liabilities	--	--	-1,966	-2,891	-3,298	-2,110	-2,542
CBE	1,221	1,769	147	-654	734	-439	-59
Banks	--	--	-200	-3	495	7	4
Net errors & omissions	--	--	347	-651	238	-446	-63
Overall balance	-247	-1,043	-1,312	-662	-296	-107	1,396

International Trade by Commodity (Annual Profile)

US\$ Million	1997	1998	1999	2000	2001	2002	Jan- August 2003
Trade Balance	-9,302	-13,249	-12,437	-9,291	-8,516	-7,827	-2,888
Total Exports	3,931	3,253	3,582	4,724	4,123	4,697	4,094
	(8.7)	-(17.3)	(10.1)	(31.9)	-(12.7)	(13.9)	(27.2)
Fuel Exports	1,721	927	1,286	1,947	1,598	1,530	1,558
Crude Oil	670	162	294	348	296	316	239
Other Products	1,051	765	992	1,599	1,302	1,214	1,319
Non-oil Exports	2,136	2,273	2,262	2,763	2,524	3,167	2,535
	(14.7)	(6.4)	-(0.5)	(22.2)	-(8.7)	(25.5)	(15.6)
Raw Cotton	111	158	241	194	187	330	326
Raw Materials	191	237	206	225	223	282	227
Semi-manufactured Goods	606	524	440	516	575	585	729
Finished goods	1,228	1,264	1,210	1,697	1,245	1,537	983
Free Zones	--	89	165	131	294	433	269
Re-exported Commodities	74	53	33	13	2	0	1
Total Imports	13,233	16,502	16,019	14,015	12,639	12,524	6,982
	(1.5)	(24.7)	-(2.9)	-(12.5)	-(9.8)	-(0.9)	-(14.8)
Fuel Imports	214	314	510	1,022	578	440	348
Non-oil Imports	13,019	16,188	15,508	12,993	12,062	12,084	6,635
	(1.1)	(24.3)	-(4.2)	-(16.2)	-(7.2)	(0.2)	-(16.7)
Raw Materials	1,707	2,168	2,179	1,704	1,657	1,850	990
	-(23.9)	(27.0)	(0.5)	-(21.8)	-(2.8)	(11.7)	-(15.9)
Intermediate Goods	5,636	7,400	7,142	5,607	5,146	4,861	2,807
	(3.2)	(31.3)	-(3.5)	-(21.5)	-(8.2)	-(5.5)	-(14.8)
Investment Goods	3,339	2,858	2,812	2,535	2,006	1,638	860
	(11.9)	-(14.4)	-(1.6)	-(9.9)	-(20.9)	-(18.3)	-(24.4)
Consumption Goods	2,337	2,680	2,645	2,528	2,394	2,500	1,193
	(6.6)	(14.7)	-(1.3)	-(4.4)	-(5.3)	(4.4)	-(27.3)
Durable Goods	518	513	392	358	327	339	198

Non-durable Goods	1,820	2,167	2,250	2,169	2,067	2,161	995
Free Zones	--	1,082	730	619	859	1,235	784
Exchange Rate	3.392	3.395	3.396	3.471	4.010	4.510	5.851

External Debt by Type and Maturity

US\$ Million	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	2001/02	2002/03	Sep - 2003
Total External Debt	31,043	28,774	28,076	28,224	27,783	26,560	28,667	28,748	29,174
Medium and Long Term Public And Publicly Guaranteed Debt	29,738	27,226	26,226	26,010	25,774	23,880	25,975	26,661	26,984
Bilateral loans	24,333	22,263	21,102	21,027	20,518	18,674	19,394	20,074	20,309
Loans from International Organizations	3,826	3,832	4,302	4,326	4,275	4,310	4,697	4,863	4,968
Credit to Suppliers and Buyers	1,579	1,131	822	657	981	896	924	988	1,025
Sovereign Bonds	--	--	--	--	--	--	960	735	682
Short Term Debt	1,295	1,541	1,719	1,830	1,628	2,207	2,150	1,865	1,927
Private Sector Debt	10	7	131	384	381	473	542	222	263
Memorandum Item									
Total External Debt as % of GDP	45.9	36.7	33.2	31.2	28.2	28.5	32.6	35.6	--

Capital Market Indicators

	1995	1996	1997	1998	1999	2000	2001	2002
Number of Companies Listed 1/	746	646	650	861	1033	1076	1110	1153
New issues (LE Million) 2/	11,251	20,478	19,435	35,303	55,573	20,452	11,185	--
Annual total return %	-11.1	33.0	18.9	6.2	49.0	0.3	-2.1	0.63
Market Capitalization (In LE Million)	27,420	48,086	70,873	83,140	112,331	119,778	111,338	119,500
In percent of GDP	13.4	21.0	27.7	29.9	34.4	35.6	30.2	30.8
Value of trading (LE Million)	3,849	10,968	24,220	23,363	42,056	54,012	31,796	--
Listed shares and bonds	2,294	8,769	20,282	18,500	35,821	45,789	24,660	20,422
Unlisted shares & bonds (OTC)	1555.2	2198.3	3937.4	4863.0	6,235	8,223	7,136	--
Volume of trading (Million)	72.2	207.7	372.5	570.8	1,074	1,108	1,260	--
Listed shares and bonds	43.7	170.4	286.7	440.3	841.1	1,029	1,184	1,069

Unlisted shares & bonds (OTC)	28.5	37.3	85.8	130.5	233.0	78.7	76.0	--
Number of companies traded	352	354	416	551	663	659	643	--
As % of total listed companies	47.2	54.8	64.0	64.0	64.2	61.2	57.9	--
Turnover Ratio /3	14.0	22.8	34.2	22.3	31.9	38.2	22.1	17.1

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