

HORUS Insurance Newsletter

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Insure Egypt

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Special Report on Egypt Insurance Market & Economy 2006

Egypt Insurance Market 2006

Based on the Annual Report of Egyptian Insurance Supervisory Authority

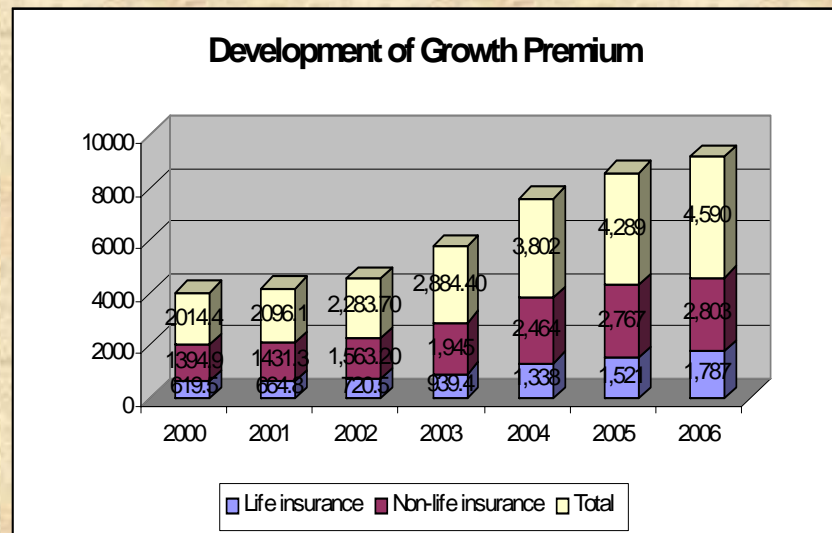
The Egyptian Insurance Market grows from EGP 4,290 Million to EGP 4,590 Million or 7% being the lowest growth since 2001. Life business continues its double digits growth ratio of 17.5%, while non life premium grows by just 1% which is due to the fall in aviation premium (from EGP 537m to EGP 261m) which is mainly due to the soft market conditions of the international aviation insurance market.

If we exclude the Impact of reduced aviation premium, the Non Life market premium would be increasing by 14%.

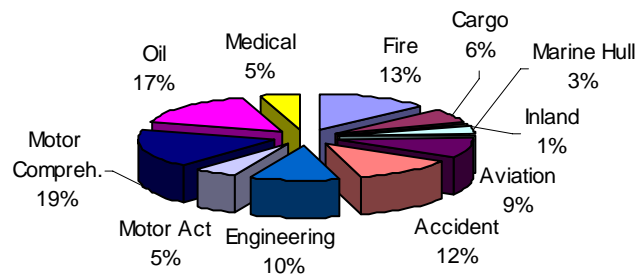
The Egyptian non-life market is small. Egypt was in 58th place in the total world rankings and was in fourth position in Africa after South Africa, Morocco and Algeria.

And in fifth place in the Arab world after UAE, Morocco, Saudi Arabia and Algeria.

Insurance Penetration & Per Capita continue to be very low being 0.74% & US\$ 10.

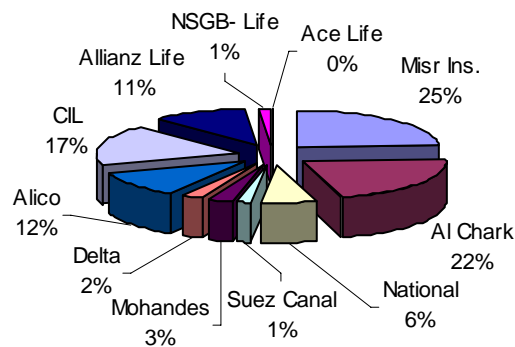


Breakdown of Non Life Written Premium by LOB 2006



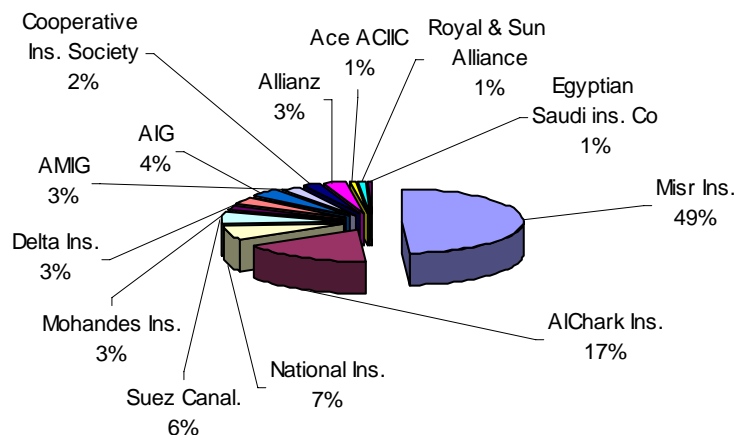
In terms of Market share in Life business, Misr , Al Chark, Commercial International Life, Alico & Allianz are dominating the market with a market share of 25%,22%,17%, 12% & 11% respectively or almost 87% of the market premium, and the remaining 6 companies are writing 13%.

Market share in Life



In terms of Market share in Non Life business, Public Sector companies continues dominates the market 73% where Misr Alone are writing 49% of the market premium.

Market share in Non Life



The overall combined ratio of the Market is 160% which is attributable to

1. Deteriorated results of Motor Act business, which presents large portion of Public sector overall losses.
2. The large capacity available in the market compared to the small market premium
3. Continuous fall in rates in a stagnant premium in Non Life business

Most of these negative results were due the Underwriting results of the Public Insurance companies, hereunder the details of each company.

As at 30.6.2006

	Loss Ratio	Acquisition Cost Ratio	Management Expenses ratio	Expenses Ratio	Combined Ratio
Misr Insurance	147%	5%	13%	19%	166%
Al Chark Insurance	130%	22%	29%	51%	181%
National Insurance	183%	22%	25%	48%	231%
Suez Canal	50%	24%	20%	45%	95%
Mohandes	41%	14%	25%	39%	80%
Delta	40%	29%	24%	54%	94%
AIG Egypt	46%	27%	26%	53%	99%
AMIG	50%	20%	27%	47%	97%
ECIS	68%	-56%	47%	-9%	59%
ACE Egypt	-2%	-143%	236%	93%	92%
Royal&Sun Alliance	69%	-5%	48%	43%	112%
Allianz	20%	17%	64%	81%	101%
Egyptian Saudi Ins	67%	4%	46%	50%	117%
Market Average	121%	14%	22%	36%	157%

Insurance premiums taxes in Egypt which used to be one of the highest in the world were reduced In July 2006 by 50% across all classes of Business.

	New tax rates	Old tax rates
Property, Accident, Engineering, Marine Hull,	10%	20%
Marine Cargo	10%	15%
Life, medical	1%	3%

Presidential Decree No 246/2006 of 6 September 2006 set up the Insurance Holding Company (IHC) as the new owner of the four state companies,

1. Misr Insurance
2. Al-Chark Insurance
3. National Insurance
4. Egyptian Reinsurance Company.

The change was made for the express purpose of restructuring the companies and preparing them for possible privatization. As the IHC is committed to improving the underwriting results of the companies.

Annual Increase in GNP & Insurance Premium:-

	1999	2000	2001	2002	2003	2004	2005	2006
Gross National Product %	5.4	5.9	3.4	3.2	3.1	4.3	5.1	6.9
Insurance Premium %	6	3.4	4.1	9	26.3	32	12.8	7
Economic Per capita	4,794	5,210	5,325	5,492	5,930	6,580	7,342	8,227
Insurance Per capita	30.8	30.9	30.8	33.08	41.2	53	60	61.2

Total Premium: -

	2000	2001	2002	2003	2004	2005	2006	(000,) % of increase	% of total premium in 2006
Life insurance	619.5	664.8	720.5	939.4	1,338	1,521	1,787	17.5%	38.93%
Non-life insurance	1394.9	1431.3	1,563	1,945	2,464	2,767	2,803	1.3%	61.07%
Total	2014.4	2096.1	2,283	2,884.4	3,802	4,289	4,590	7.0%	100.00%

Key figures of life business in 2006

	(000)		Acquisition Costs %	Management Expenses %
	Written Premium			
	2005	2006		
Misr Ins.	401,752	423,510	45.12%	6.59%
Al Chark	356,116	391,482	59.45%	11.32%
National	117,529	114,315	39.22%	9.61%
Suez Canal	22,692	25,205	221.01%	12.83%
Mohandes	49,378	48,253	285.88%	11.09%
Delta	32,775	42,681	74.74%	8.99%
Alico	158,551	211,787	119.47%	9.54%
CIL	244,153	310,935	5.70%	5.50%
Allianz Life	122,027	192,685	39.75%	15.68%
Life -NSGB	11,501	24,950	18.46%	23.49%
Ace Life	753	2001	69.13%	437.53%
Total	1,521,731	1,787,804	37.55%	9.92%

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

Key Figures of Insurance Companies for Non Life Business in 2006

	Written Premium	(000)				
		Market Share	Retained Premium	Underwriting Results	Investments Returns	Net Results
Misr Ins.	1,373,138	48.98%	527,240	-578,314	789,756	211,442
AlChark Ins.	486,170	17.34%	227,968	-199,431	301,405	101,974
National Ins.	204,267	7.29%	158,099	-193,873	82,815	-111,058
Suez Canal.	158,939	5.67%	79,002	4,075	14,825	18,900
Mohandes Ins.	71,368	2.55%	35,475	2,257	15,370	17,627
Delta Ins.	95,276	3.40%	49,788	1,143	8,313	9,456
AIG	116,670	4.16%	64,675	-169	4,626	4,457
AMIG	75,506	2.69%	45,790	-240	4,357	4,117
Cooperative Ins. Society	61,117	2.18%	19,462	-2,101	2,101	0
Egyptian Export Credit Insurance Company	2,231	0.08%	446	695	242	937

Allianz	91,643	3.27%	28,129	-2,455	3,052	597
Ace ACIIC	22,376	0.80%	4,310	466	645	1111
Royal & Sun Alliance	26,567	0.95%	11,978	-2,464	1362	-1102
Egyptian Saudi ins. Co	18,132	0.65%	10,027	-1,375	316	-1,059
Pupa	99		50			3
total	2,803,499	100%	1,262,439	-971,786	1,229,185	257,402

Combined Key Figures of Insurance Companies for Life and Non Life in 2006

(000)

	Written Premium	Market Share	Shareholders Funds	No of Employees
Misr Ins.	1,796,648	39.13%	1,432,142	4,172
AlChark Ins.	877,652	19.12%	682,239	4,918
National Ins.	318,582	6.94%	393,418	1,860
Suez Canal.	184,144	4.01%	93,818	821
Mohandes Ins.	119,621	2.61%	130,722	517
Delta Ins.	137,957	3.00%	144,429	479
AIG	116,670	2.54%	45,432	165
AMIG	75,506	1.64%	53,904	245
Alico	211,787	4.61%	65,863	310
Cooperative Ins. Society	61,117	1.33%	15,180	173
CIL	310,935	6.77%	34,023	165
Egyptian Export Credit Insurance Company	2,231	0.05%	37,410	26
Allianz	91,643	2.00%	35,079	160
Allianz Life	192,685	4.20%	44,792	401
Ace	22,376	0.49%	48,370	18
Royal & Sun Alliance	26,567	0.58%	38,202	37
Egyptian Saudi ins. Co	18,132	0.39%	28,718	87
NSGB life	24,950	0.54%	18,361	34
Ace Life	2,001	0.04%	22,528	31
Pupa - Egypt	99	0.002%	18,010	
	4,591,303	100.00%	3,382,640	14,619

Development of written premium of non life from 2000 till 2006

(000)

	2000	2001	2002	2003	2004	2005	2006	% of total premium
Fire	276,044	277,382	262,683	319,902	304,057	342,873	377,213	13.46%
Cargo	86,532	87,162	102,251	123,521	159,088	160,414	178,572	6.37%
Inland	12,022	12,441	13,254	18,542	25,736	32,724	33,192	1.18%
Marine Hull	51,371	48,987	55,866	59,125	72,849	91,023	92,819	3.31%
Aviation	77,496	132,409	11,849	257,639	424,978	536,842	261,248	9.32%
Accident	184,793	184,396	229,284	247,178	271,031	312,224	344,080	12.27%
Engineering	111,542	106,851	117,125	161,778	355,724	275,223	293,977	10.49%
Motor Act	124,604	128,132	129,552	136,763	145,993	138,236	144,208	5.14%
Motor Compreh.	373,612	350,632	335,070	353,837	381,165	438,228	504,224	17.99%
Oil	63,594	65,619	97,855	224,659	276,868	371,736	439,238	15.67%
Medical	33,304	37,299	38,437	42,069	46,722	67,539	134,728	4.81%
	1,394,914	1,431,310	1,393,226	1,945,013	2,464,211	2,767,062	2,803,499	100.00%

Development of Losses of non life from 1999 till 2006

(000)

	99	2000	2001	2002	2003	2004	2005	2006
Fire	95,147	83,046	63,472	75,437	74,036	99,739	87,966	251,247
Cargo	27,098	33,877	34,630	38,974	39,204	59,568	62,569	37,877
Inland	3,829	4,043	4,541	5,325	4,126	3,174	24,100	3,828
Marine Hull	32,202	76,410	34,015	33,279	44,100	56,087	32,849	65,788
Aviation	14,812	290,784	149,384	634,087	450,949	64,509	48,847	49,309
Accident	18,733	18,793	21,645	31,367	35,508	34,113	61,326	48,894
Engineering	68,641	52,069	41,347	42,611	48,721	42,156	40,242	43,237
Motor Act	137,467	149,969	185,291	213,408	298,116	347,925	404,078	418,846
Motor Compreh.	207,980	225,025	234,020	212,666	210,976	236,215	269,990	299,988
Oil	39,102	17,885	15,566	29,714	28,960	51,243	538,933	956,159
Medical	27,181	32,979	32,103	35,881	37,163	45,640	54,903	103,425
	672,192	984,880	816,017	1,352,749	1,271,859	1,040,369	1,625,803	2,278,598

Development of loss ratio of non life from 1998 till 2005

	98	99	2000	2001	2002	2003	2004	2005	2006
Fire	64.8%	17.4%	38.3%	32.3%	24.4%	27.3%	40.3%	26.7%	6%
Cargo	25.8%	57.1%	35.6%	45.3%	42.8%	101.2%	22.7%	(31.2%)	6.9%
Inland	32.9%	33.6%	44.3%	78.8%	6.8%	2.8%	15.2%	36.7%	183.7%
Marine Hull	68.6%	92.5%	104.6%	84.9%	100.7%	146.5%	(70.7)%	3.7%	8.9%
Aviation	0.0%	0.0%	1840%	3.7%	338.5%	62.2%	(31.8)%	11.3%	(8%)
Accident	12.3%	42.4%	25%	24%	29.5%	27.3%	17.3%	31.4%	67.8%
Engineering	103.8%	0.0%	14.6%	61%	26.8%	128.1%	86.1%	23.9%	703.6%
Motor Act	80.7%	118.4%	102%	93.7%	193.9%	253.6%	273.6%	381.2%	40.1%
Motor Compreh.	52.2%	57.6%	62.5%	59.2%	61.9%	59.9%	69.6%	63.8%	16.5%
Oil	0.0%	0.0%	70.2%	62.8%	34.7%	46.4%	10.6%	344.5%	28.1%
Medical	90.4%	97%	111.7%	91%	98.3%	91.8%	112.5%	107.9%	99.6%
Total	42.2%	36.9%	141%	49.4%	86.5%	74.5%	78.0%	93.4%	121%

More Analytical Tables of the non life Business Figures

**Acquisition costs as a % of each class of business premium
For Each Insurance Company in 2006**

	Fire	Cargo	Inland	Marine Hull	Aviation	Accident	Engineering	Motor Act	Motor Compreh	Oil	Medical	Average
Misr Ins.	21.6	17.4	23.5	14.9	9.6	19.5	11.7	3.2	33.5	9.5	10.1	15.1
AlChark Ins.	37	21.1	26.1	16	11.8	35.9	21.7	2.5	36.3	11.5	5.6	21.4
National Ins.	23.5	16	29.2	12.4		34.7	10.7	4.8	40		0.8	23.7
Suez Canal Ins.	43.1	31.5	36.8	21.9		38.2	15.4	1.9	32.5		11.7	27.8
Mohandess Ins.	35.8	28.1	25.3	20.7		25.9	25.4	3	34.8		10.1	30.8
Delta Ins.	44.6	30	32	26.9	7.8	36.2	26.5	2.4	34.8		14.5	32
AIG	26	25.2	27.9	18.6	12.1	26.9	26.1	40.4	36.9			29
AMIG	24.2	22.9	20.4	17.5	6.4	21.3	20.1	4.2	23.9			23.2
Cooperative Ins. Society	11.6	18.8	10.3			4.8			22		5.4	8.3
Allianz	25.2	15.2	18.4	21.2		24.3	23.2		33.6			23.9

Ace AIIC Ins.	16.8	23.6	16.7			11.4	32.3					20.4
Royal & sun Alliance	17.7	18.4	14.9	8.3		4.5	22.9		15.9			16.1
Egyptian Saudi Insurance Co.	31.3	20.5	25.7	16.4		12.9	16.9		25.3		21	21.8
Average	26.5	19.6	24.2	16.4	9.6	25.1	16.1	3.3	33.9	10.3	8.6	19.5

Management expenses as a % of each class of business premium
For Each Insurance Company in 2006

	Fire	Cargo	Inland	Marine Hull	Aviation	Accident	Engineering	Motor Act	Motor Compreh	Oil	Medical	Av.
Misr Ins.	5.8	5.8	6.1	5	2.5	6.1	3	10.7	7.6	2.2	4.5	4.5
Al Chark Ins.	16.7	22.4	24.9	14.2	18.3	18.7	17.5	21.8	11.1	6.4	25.2	13
National Ins.	20.8	43.5	61.5	17.7		16.1	13.3	31.3	15.9		16.5	20.6
Suez Canal Ins.	13.8	27	11.4	9.6		8.2	7.4	18.8	12.8		20.8	10.7
Mohandess Ins.	12.2	20	22.5	19.7		12.2	11.2		15.4		8.8	13.9
Delta Ins.	12.7	14	14.2	9.3	10.2	11.8	11.4	9	12.9		12.3	12.3
AIG Egypt	11.8	10.4	10.2	42.7	11.6	17.2	8.6	12548	17.4			15.2
AMIG	12.4	16.9	17.9	14.6	8.2	13.5	12.7	8.2	13.2			13.6
Cooperative Ins. Society	25.2	6.7	17			21.5			5.3		5.3	12.2
Egyptian Export Credit Insurance Company						11.9						
ALLIANZ	15.9	17.9	17.9	17.4		17.8	17.3		17.4			17.1
Ace AIIC	14.4	44.5	64			9.9	5.5					11.9
Royal & sun Alliance	23.1	23.1	23.1	23.1		23.1	23.1					23.1
Egyptian Saudi Insurance Co.	22.7	27.5	27.8	24.1		17.3	16.1		22.9		51.6	22.8
Average	11.4	14	15.5	9.8	2.9	12.4	7.4	19.9	11.9	3.8	8.1	9.6

Breakdown of Premium (by Class of Business)
For Each Insurance Company in 2006

(000)

	Fire	Cargo	Inland	Marine Hull	Aviation	Accident	Engineering	Motor Act	Motor Compreh.	Oil	Medical
Misr Ins.	154,045	72,412	10,703	39,830	525,955	110,205	136,873	45,816	138,819	217,291	26,033
Al Chark Ins.	41,295	29,571	3,928	12,069	6,399	20,620	22,548	50,176	100,590	154,444	9,222
National Ins.	24,801	9,863	1,728	10,181	-	35,786	15,199	41,102	51,707	-	8,659
Suez Canal Ins.	12,260	6,266	1,294	13,261	-	30,385	53,007	565	34,660	-	1,298
Mohandess Ins.	18,825	7,273	700	1,614	-	11,386	8,009	13	21,080	-	1,342
Delta Ins.	13,221	5,695	1,149	3,152	4,760	10,793	4,409	552	25,765	-	5,182
AIG Egypt	19,289	6,827	5,515	3,440	2,285	37,021	13,429	13	26,726	-	-
AMIG	7,253	5,983	1,507	2,614	-2,557	7,341	3,689	-	19,316	-	-
Cooperative Ins. Society	1,235	662	23	-	-	12,380	-	-	2,305	-	12,241
Egyptian Export Credit Insurance Company	-	-	-	-	-	1,660	-	-	-	-	-
ALLIANZ	21,002	9,845	5,593	4,057	-	14,180	15,134	-	5,783	-	-
Ace AIIC Ins.	24,527	450	119	-	-	6,636	360	-	-	-	-
Royal & sun Alliance	5,332	4,652	348	314	-	3,143	1,059	-	6,269	-	-
Egyptian Saudi Insurance Co.	-213	913	116	490	-	2,789	1,506	-	5,209	-	3,563
Total	342,873	160,414	2,724	91,023	4,488	312,224	275,223	138,236	438,228	371,736	67,539

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 Compreh.	Oil	Medical
Misr Ins.	17.9	58.5	99.8	24.9	18.3	39.3	6	100	100	14.2	74.2
Al Chark Ins.	52.6	45.8	54.2	0.6	5.1	82.2	9.3	90.5	80	7.3	82.4
National Ins.	56.7	65.8	97.2	14.3		87.9	12.1	92.9	99.4		87.3
Suez Canal Ins.	29	49.5	73.6	11.9		80.3	9.5	100	96.7		40.9
Mohandess Ins.	22.2	40	37.9	7.1		48.2	6.9	100	86.2		48.8
Delta Ins.	23.2	43.7	68.1	17.3	0.1	64.4	30.6	85.2	84.7		29.1
AIG	8.4	39.5	17.4	19.2		69.5	7.5	(4135)	99		
AMIG	14.2	54.9	58.1	14.7	2.2	60.7	42.8	90.9	91.5		
Cooperative Ins. Society	23.5	14.2	8.7			38.8			22.3		30
EECIC											
Allianz	13.6	34.4	85.3	5.9		35.3	15.5		53.3		
Ace AIIC Ins.	0.3	7.5	10.4			23.3	27.7				
Royal & sun Alliance	3.9	18.7	18.7	1.7		88.6	4.9		96.2		
Egyptian Saudi Insurance Co.	29.4	12.2	14.3	5.6		56	4.5		92.9		31.8
Total	24.4	50.6	70.3	17.7	17.8	58	9.9	90.5	94.5	11.5	64.2

Loss Ratio of each Class of Business

For Each Insurance Company in 2006

	Fire	Cargo	Inland	Marine Hull	Aviation	Accident	Engineering	Motor Act	Motor Compreh.	Oil	Medical
Misr Ins.	-20.5	-5.9	913.5	4.8	-8.7	-8.9	58.6	1052.2	72.9	13.3	90.1
Al Chark Ins.	20.4	4.7	2.2	-72.9	41	60.6	52.7	412.1	69.9	27	163.5
National Ins.	9.6	44.6	40.2	149		39.8	323.1	586.6	70.4	127.8	
Suez Canal Ins.	12	19.7	17.6	59.9		39.6	14.9	457.3	64.9		-15.4
Mohandess Ins.	31.2	27.8	20.9	37.9		32.9	-0.8	-37.8	48.1		92.7
Delta Ins.	23.7	27.5	50.2	22.6		29.5	62.6	15.3	45.3		58.5
AIG Egypt	19.1	22.7	21.3	402.7		22	14.9	-953	63.5		
AMIG	12.2	13.4	19.5	26.5		28.4	44.5	3.4	64.4		
Cooperative Ins. Society	25.1	67.1	47.7			25.7			60.2		107.6
EECIC						-49.1					
ALLIANZ	35.4	22.6	8.4	-287.4		42.6	-163.9		63.2		
Ace AIIC Ins.	0.1	51.1	360.4			-10.8	0.6				
Royal & sun Alliance	-20.5	63.3	-6.9			31.9	92.1		86.7		
Egyptian Saudi Insurance Co.	-0.3	25.6	74.8	-11.7		84.9	-20.1		71.8		43.7
Total	6	6.9	183.7	8.9	-8	28.1	40.1	703.6	67.8	16.5	99.6

Egypt Economy 2006 (Key Economic Indicators)

Economic and Financial Indicators - Annual Series

Real Economy	1997/98	1998/99	1999/00	2000/01	2001/02	2002/2003	2003/2004	2004/2005	2005/2006
GDP at Market Price (LE Billions) 1/	287	308	340	359	379	418	485	536	617.7
Real GDP at Market Price (LE Billions) 1,2/	277	294	309	320	379	391	407	427	454.3
Real GDP Growth Rate 3/	4.1	5.4	5.9	3.4	3.2	3.0	4.0	5.1	6.9
Real GDP Growth Rate (Per Capita) 3,5/	2.9	3.7	3.8	1.4	1.1	1.2	2.1	2.9	3.8
Share of Private Sector in GDP 3/	68.5	70.7	70.4	70.7	65.4	64.9	62.2	62.3	62.9
Unemployment Rate 3/	8.2	8.1	9.0	9.2	9.0	9.9	10.0	9.5	9.6
Average Annual Inflation Rate 4/	3.8	3.8	2.8	2.4	2.4	7.1	9.5	--	4.18
End of Period Annual Inflation Rate 4/	4.1	2.9	2.5	2.2	2.7	4.0	13.5	--	7.2

Savings and Investments

(In Percent of GDP - Unless otherwise Stated)	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Gross Domestic Savings (LE Billions) 1/	35	41	44	48	51.0	59.9	78.8	86.1	100.6
Gross National Savings (LE Billions) 1/	51	57	60	64	65.2	73.1	96.2	104.3	--
Gross Domestic Investments (LE Billions) 1/	62	67	67	66	69	71	81	95	116
Domestic Savings Ratio	12.0	13.4	12.9	13.4	13.5	14.3	16.2	16.1	16.3
National Savings Ratio	17.8	18.6	17.7	17.8	17.2	17.5	19.8	19.4	--
Domestic Investments Ratio	21.5	21.6	19.6	18.3	18.2	17.0	16.6	17.7	18.7

Budget Sector

(In Percent of GDP - Unless otherwise Stated)	2001/02	2002/03	2003/04	2004/05	2005/06
Total Revenue (LE million) 1a/	96,088	109,236	124,127	133,129	170,947
Total Expenditure (LE million) 1b/	123,052	134,385	153,368	170,889	209,094
Overall balance (LE million)	34,928	37,674	39,988	48,593	42,623
Total Revenue	25.4	26.2	25.6	24.7	27.7
Tax Revenue	13.4	13.3	13.8	14.1	16.4
Total Expenditure, of which:	32.5	32.2	31.6	31.7	33.9
Current Expenditure	8.1	8.2	7.8	7.8	7.5
Investment Expenditure	7.0	7.0	7.2	7.7	9.5
Primary Balance 1c/	4.4	4.2	3.2	3.5	2.2
Overall Budget Balance	9.2	9.0	8.2	9.0	6.9
Government Domestic Debt (LE billion) 1d/	221	252	293	349	--
Government Debt / GDP 1d/	58.4	60.4	60.4	65.1	--

Monetary and Financial Sectors

(In Percent of Beginning Money Stock- Unless otherwise Stated)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Broad Money (M2) (LE million)	284,873	328,728	384,262	434,911	493,884	560,356
Narrow Money (M1) (LE million)	53,448	59,805	67,212	77,606	89,685	109,274
Reserve Money (LE million)	70,010	73,772	82,955	94,288	101,080	116,050
<i>Broad Money (M2) 2/</i>	79.4	86.7	92.0	89.6	91.7	90.7
<i>Net Foreign Assets</i>	3.6	2.6	3.0	2.0	6.9	9.9
<i>Net Domestic Assets</i>	15.9	16.9	16.9	17.4	11.8	8.9
<i>Narrow Money (M1)</i>	14.9	15.8	16.1	16.0	16.7	17.7
<i>Reserve Money</i>	19.5	19.5	19.9	19.4	18.8	18.8
<i>Dollarization Rate (M2) 3/</i>	21.3	23.2	27.3	28.5	24.6	24.5
<i>Money Multiplier 4/</i>	4.07	4.46	4.63	4.61	4.89	4.8
<i>M2-Velocity 5/</i>	1.26	1.15	1.09	1.12	1.09	1.1
<i>Reserve Money Velocity 6/</i>	5.13	5.14	5.03	5.15	5.33	5.3
<i>Nominal Interest Rate 7/</i>	9.08	7.79	8.31	8.41	10.25	8.8
<i>Exchange Rate(End of Period Rate) 8/</i>	3.86	4.51	6.03	6.22	5.79	5.7
<i>Exchange Rate (Year Average)</i>	3.85	4.34	5.13	6.18	6.02	5.7

External Sector

(In Percent of GDP - Unless otherwise Stated)	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Trade Balance (US\$ Million)	-11,472	-9,363	-7,516	-6,615	-7,834	-10,377
	-11.6	-10.0	-8.6	-8.1	-10.0	-11.7
Total Exports (US\$ Million)	6,388	7,078	7,121	8,205	10,453	13,816
	6.5	7.6	8.2	10.1	13.3	15.5
Non Oil Exports (US\$ Million)	4,115	4,446	4,740	5,045	6,542	8,540
	4.2	4.8	5.4	6.2	8.3	9.6
Total Imports (US\$ Million)	17,860	16,441	14,637	14,820	18,286	24,193
	18.1	17.6	16.8	18.2	23.3	27.2
Current Account Balance (US\$ Million)	-1,163	-33	614	1,943	3,418	2,894
Current Account Balance	-1.2	-0.0	0.7	2.4	4.4	3.2
Overall BOP Balance	-3.1	-0.9	-0.5	0.7	-0.2	5.0

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

	1997/ 1998	1998/ 1999	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006
Total Sources	361.3	379.3	417.7	438.8	464.8	518.6	628.9	714.1	826.0
GDP at Market Prices	287.4	307.6	340.1	358.7	378.9	417.5	485.3	538.5	617.7
GDP at Factor Cost	266.7	282.6	315.7	332.5	354.5	390.6	456.3	506.5	581.1
Net Indirect Taxes	20.7	25.0	24.4	26.2	24.4	26.9	29.0	32.0	36.6
Imports (Goods & Services)	73.9	71.7	77.6	80.1	85.9	101.1	143.6	175.6	208.3
Total Uses	361.3	379.3	417.7	438.8	464.8	518.6	628.9	714.1	826.0
Final Consumption	252.9	266.5	296.1	310.6	326.2	357.6	409.7	453.9	517.1
Household Consumption	220.4	230.8	258.0	270.0	279.0	304.3	347.8	385.3	441.2
Public Consumption	32.5	35.7	38.1	40.6	47.2	53.3	61.9	68.6	75.9
Capitalization	61.8	66.5	66.5	65.5	69.2	71.0	82.2	96.8	115.7
Fixed Capital	61.3	64.0	64.4	63.6	67.5	68.1	79.6	96.5	115.7
Change in Inventory	0.5	2.5	2.1	1.9	1.7	2.9	2.6	0.3	0.0
Exports of Goods and Services /1	46.6	46.3	55.1	62.7	69.4	90.0	137.0	163.4	193.2

Gross Domestic Product at Factor Cost (In current prices)

	2003/2004			2004/2005			2005/2006		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
Total GDP	166,953	289,389	456,342	188,025	318,486	506,511	223,742	357,402	581,145
Total Commodity Sector	70,084	167,431	237,515	78,336	180,846	259,182	101,924	203,171	305,094
Agriculture, Irrigation & Fishing	52	69,200	69,252	54	75,238	75,291	58	81,708	81,766
Extractions	48,734	8,713	57,447	54,786	9,240	64,026	76,442	13,392	89,834
A) Petroleum & Products	48,292	8,334	56,626	54,423	8,755	63,178	76,041	12,856	88,897
B) Other Mining	442	379	821	363	485	848	401	536	937
Manufacturing industries	11,302	72,349	83,651	12,298	77,683	89,981	12,703	85,991	98,693
A) Oil products	2,580	1,675	4,255	3,079	1,886	4,965	3,385	2,216	5,601
B) Other Manufacturing	8,722	70,674	79,396	9,219	75,797	85,016	9,318	83,775	93,092
Electricity	5,795	1,080	6,875	6,648	1,189	7,838	7,533	1,347	8,880
Water	1,789		1,789	1,941	-	1,941	2,158	-	2,158
Construction & Building	2,412	16,090	18,502	2,610	17,496	20,106	3,030	20,733	23,763
Total Production Services	49,039	93,715	142,754	56,229	106,647	162,877	63,036	120,532	183,567
Transportation & Communication	4,681	23,735	28,416	5,261	26,500	31,761	5,966	30,526	36,493
Suez canal	15,889	0	15,889	20,154	-	20,154	23,399	-	23,399
Internal Trade	1,978	48,715	50,692	2,191	54,175	56,366	2,474	61,109	63,583
Financial Services	15,867	8,538	24,405	17,215	9,213	26,428	18,748	10,051	28,798
Insurance & Social Security	10,464	227	10,691	11,207	248	11,455	12,227	270	12,497
Hotels and Restaurants	162	12,500	12,662	201	16,512	16,713	222	18,576	18,798
Total Social Services	47,830	28,243	76,073	53,459	30,993	84,452	58,783	33,700	92,483
Real estate activities	665	15,371	16,036	746	16,834	17,580	808	18,247	19,055
A) Rent	275	8,319	8,594	307	8,879	9,186	332	9,616	9,948
B) Other Real estate & Business services	390	7,052	7,442	439	7,955	8,394	477	8,631	9,107
Government Services (Utilities)	46,293	0	46,293	51,755	-	51,755	56,930	-	56,930
Government Social Services ^{2/}	872	12,872	13,744	959	14,159	15,118	1,045	15,453	16,498

Investments Distributed By Economic Agent

(In Millions of LE)	Government	Economic Authorities	Public Business Sector	Private Sector	Total	% to total
Total Investments	22,506	4,040	18,544	70,653	115,743	100
Total Commodity Sector	5,527	1,088	12,864	40,333	59,813	51.7
Agriculture, Irrigation & Fishing	2,618	119	0	5,243	7,982	6.9
Crude Oil, Natural Gas & Mining	0	16	3,139	19,900	23,055	19.9
Manufacturing Industries & Oil Products	188	13	4,730	11,475	16,406	14.2
Electricity & Water.	2,676	931	4,653	0	8,260	7.1
Construction & Building	45	8	342	3,715	4,110	3.6
Total Production Services	3,081	2,427	5,611	17,281	28,399	24.5
Transportation & Communication	2,886	1,973	4,883	13,015	22,757	19.7
Suez canal	0	328	0	0	328	0.3
Domestic Trade	0.0	38	173	1,266	1,477	1.3
Financial Services	0.0	67	354	0	421	0.4
Hotels and Restaurants	195	21	200	3,000	3,415	3.0
Total Social Services	13,898	526	69	13,039	27,532	23.8
Housing and Real Estate Activities	105	0	0	10,454	10,560	9.1
Education Services	1,917	37	0	1,000	2,954	2.6
Health Services	1,464	156	0	795	2,415	2.1
Other Services	10,412	332	69	790	11,603	10.0

Structure of government domestic debts

At End Of period	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Total Public Debt 1/	245,523	290,777	329,800	370,619	434,846	510,805	550,376
1. Government	164,392	194,810	221,224	252,185	292,721	349,169	374,034
Securities	77,689	133,545	165,907	208,592	272,074	340,898	339,977
Government Bonds	25,125	76,125	94,875	112,875	132,875	147,875	147,272
T-Bonds	13,000	13,000	13,000	13,000	13,000	27,000	53,000
T-Bills	25,393	29,334	40,007	55,318	63,774	79,907	94,544
T.Bills in favour of CBE 2/	--	--	--	--	20,000	45,000	4,572
Social Security	3,029	3,029	2,000	2,000	2,000	2,000	2,000
GASC Bonds	2,705	2,705	2,705	2,705	2,705	2,705	2,235
Eurobond Holdings 3/	--	--	2,511	4,612	5,647	5,122	5,141
Housing Bonds	142	139	136	132	128	124	122
Bank Capital Increases	--	--	--	4,000	4,000	4,000	4,000
Banks Recapitalization Bonds	7,203	8,047	9,406	12,610	12,938	12,070	11,991
Revaluation Bonds	--	--	--	--	13,582	13,582	13,582
Other	1,092	1,166	1,267	1,340	1,425	1,513	1,518
Government Borrowing from NIB	88,947	101,126	113,786	123,939	134,325	143,751	138,407
(-)Credit Balances with Banking Sector	2,244	39,861	58,469	80,346	113,678	135,480	104,350
2. Public Economic Authorities	37,535	41,654	41,141	39,195	40,064	47,176	44,231
Net Balances with Banking Sector	-3.940	-3.313	-5.983	-10.899	-13.707	-11.089	-6.813

Net Balances with NIB	41,475	44,967	47,124	50,094	53,771	58,265	51,044
3. Other from National Investment Bank 4/	43,596	54,313	67,435	79,239	102,061	114,460	132,111
Memorandum Items							
Public Debt / GDP (%)	72%	81%	87%	89%	90%	95%	93%
Government Claims / GDP (%)	48%	54%	58%	60%	60%	65%	63%

Balance of Payments - Current Account

(US\$ Million)	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Trade Balance	-11,472	-9,363	-7,517	-6,615	-7,834	-10,359	-11,986
Exports Proceeds	6,388	7,078	7,121	8,205	10,453	13,833	18,455
Petroleum	2,273	2,632	2,381	3,161	3,910	5,299	10,222
Non Oil Exports	4,115	4,446	4,740	5,045	6,542	8,534	8,233
Imports Payments	-17,860	-16,441	-14,637	-14,820	-18,286	-24,193	-30,441
Services (net)	5,630	5,588	3,878	4,949	7,318	7,842	8,191
Receipts	11,426	11,696	9,618	10,441	12,981	15,030	17,438
Transportation , Of Which	2,635	2,704	2,715	2,965	3,755	4,260	4,947
Suez Canal Dues	1,781	1,843	1,820	2,236	2,848	3,307	3,559
Travel	4,314	4,317	3,423	3,796	5,475	6,430	7,235
Investment Income	1,833	1,850	938	641	485	911	2,002
Government Services	110	190	188	253	179	157	358
Other Receipts	2,535	2,636	2,354	2,786	3,086	3,272	2,896
Payments	5,796	6,109	5,740	5,493	5,663	7,187	9,247
Transportation	457	429	420	393	668	902	1,215
Travel	1,028	1,054	1,208	1,372	1,315	1,438	1,620
Investment Income, of which	901	778	842	749	692	1,164	1,471
Interest Paid	770	728	689	626	586	584	587
Government Expenditures	467	588	660	455	489	657	1,320
Others Payments	2,943	3,260	2,609	2,524	2,499	3,026	3,622
Balance of Goods & Services	-5,843	-3,776	-3,638	-1,666	-516	-2,517	-3,795
Transfers	4,680	3,742	4,252	3,609	3,934	5,428	5,547
Official (net)	932	769	1,144	664	888	1,056	572
Private (net) of which	3,747	2,973	3,109	2,946	3,046	4,372	4,975
Egyptian working Abroad	3,067	2,843	2,953	2,963	3,000	4,330	--
Balance of Current Account	-1,163	-33	614	1,943	3,418	2,911	1,752

Balance Of Payments - Capital Account

(US\$ Million)	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Capital & Financial Account	-1,199	-542	-964	-2,734	-5,016	3,378	3,511
Direct Investment Abroad	-43	-27	-15	-30	-156	-39	-145
Direct Investment in Egypt (net)	1,656	509	428	701	407	3,902	6,111
Portfolio Investments Abroad	-12	-5	-3	-16	113	541	729
Portfolio Investments In Egypt (net)	473	261	999	-405	-226	831	2,764
Bonds 2/	0	0	954	-218	-148	26	2,690
Other Investments (net)	-3,273	-1,280	-2,373	-2,983	-5,155	-1,857	-4,452
Net borrowing	492	268	-71	144	1,509	1,001	1,426
Medium and long-term loans	-532	-559	-585	-587	-642	-784	-928
Drawings	194	268	340	645	791	728	796
Repayments	-726	-827	-925	-1,231	-1,433	-1,512	-1,723
M.&L .Term Suppliers' Credits 3/	-95	-112	-207	-340	68	-526	-101
Drawings	236	77	261	43	550	86	625
Repayments	-331	-189	-468	-383	-482	-612	-727
S.T. Suppliers' Credits (net)	1,119	939	721	1,070	2,083	2,310	2,455
Other assets	-3,112	-2,281	-1,862	-3,068	-5,705	-3,180	-5,103
CBE	-22	-17	21	-32	-21	23	3
Banks	-198	1,034	227	-493	-2,593	-2,172	-41,977
Other	-2,891	-3,298	-2,110	-2,542	-3,090	-1,031	-908
Other liabilities	-654	734	-439	-59	-959	323	-775
CBE	-3	495	7	4	-17	0	2
Banks	-651	238	-446	-63	-943	323	-777
Net errors & omissions	-664	-296	-107	1,337	1,440	-1,811	-2,010
Overall balance	-3,027	-871	-456	546	-158	4,478	3,253

Summary of International Trade Data (Annual Profile)

(US\$ Million)	2000	2001	2002	2003	2004	2005	Jan-Aug 2006
Trade Balance	-32,372	-34,316	-35,336	-28,260	-31,995	-53,069	-20,087
Total Exports	16,274	16,343	21,146	36,823	47,722	61,618	46,519
	(33.8)	(0.4)	(29.4)	(74.1)	(29.6)	(29.1)	(50.5)
Fuel Exports	6,759	6,387	6,901	14,600	19,074	30,210	25,389
Crude Oil	1,208	1,178	1,425	2,036	2,502	2,978	2,900
Other Products	5,551	5,208	5,476	12,564	16,572	27,232	22,489
Non-oil Exports	9,469	9,949	14,244	22,212	28,604	31,408	21,130
	-(27.7)	(79.2)	(43.2)	(55.9)	(28.8)	(9.8)	(20.3)
Raw Cotton	673	741	1,490	2,186	2,992	1,038	509
Raw Materials	659	757	1,236	1,858	3,064	3,043	2,114
Semi-manufactured Goods	1,791	2,300	2,638	6,408	6,740	7,265	4,723
Finished goods	5,890	4,990	6,930	9,460	12,989	13,192	9,063
Free Zones	456	1,161	1,951	2,300	2,818	6,871	4,721
Re-exported Commodities	45	7	1	11	44	0	0
Total Imports	48,645	50,659	56,482	65,083	79,717	114,688	66,606
	-(10.6)	(4.1)	(11.5)	(15.2)	(22.5)	(43.9)	(1.1)
Fuel Imports	3,547	2,288	1,986	3,097	6,372	10,337	7,608
Non-oil Imports	45,098	48,371	54,496	61,985	73,344	104,351	49,926
	-(14.4)	(7.3)	(12.7)	(13.7)	(18.3)	(42.3)	-(4.4)
Raw Materials	5,914	6,677	8,341	8,916	10,197	17,887	10,308
Intermediate Goods	19,463	20,596	21,896	25,166	31,376	42,857	23,699
Investment Goods	8,797	8,018	7,304	7,628	9,262	12,042	6,608
Consumption Goods	8,773	9,620	11,386	11,134	13,421	17,005	9,310
Durable Goods	1,243	1,309	1,783	1,875	2,100	3,856	2,447
Non-durable Goods	7,530	8,311	9,603	9,259	11,321	13,149	6,864
Free Zones	2,150	3,460	5,568	9,140	9,088	14,561	9,073

Capital Market Indicators (Annual Profile)

	1999	2000	2001	2002	2003	2004	2005
Number of Companies Listed ^{1/}	1033	1076	1110	1151	978	795	744
New equity issues (LE Million) ^{2/}	55,573	20,453	11,185	11,652	--	13,000	31,473
Annual total return %	49.0	0.3	-2.1	3.6	23.5	52.0	83.3
Market Capitalization (In LE Million)	112,331	119,778	111,338	120,200	171,922	233,896	456,278
In percent of GDP	34.4	35.6	30.2	31.1	42.4	52.6	86.7
Value of trading (LE Million)	42,056	54,012	31,796	34,167	27,764	42,375	160,635
Listed shares and bonds	35,821	45,789	24,660	25,790	23,000	36,142	150,924
Unlisted shares & bonds (OTC)	6,235	8,223	7,136	8,377	4,764	6,233	9,711
Volume of trading (Million)	1074	1108	1260	834	1422	2435	5311
Listed shares and bonds	841	1029	1184	740	1202	1786	4199
Unlisted shares & bonds (OTC)	233	79	76	94	221	648	1112
Number of Companies traded	663	659	643	671	540	503	441
As % of total listed companies	64.2	61.2	57.9	58.3	55.2	63.3	59.3
Turnover Ratio ^{3/}	31.9	38.2	22.1	21.5	13.8	15.5	31.1

External Debt by Type and Maturity

(US\$ Million)	1997/98	1998/99	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006 Q3
Total External Debt	28,076	28,224	27,783	26,560	28,661	29,396	29,872	28,949	28,939
Medium and Long Term Public Debt 1/	26,226	26,010	25,774	23,880	25,969	27,315	27,819	26,979	27,367
Bilateral loans	21,102	21,027	20,518	18,674	19,394	20,542	20,818	20,025	19,144
Loans from International Organizations	4,302	4,326	4,275	4,310	4,697	4,904	5,081	5,058	5,156
Credit to Suppliers and Buyers	822	657	981	896	924	1,133	1,333	782	914
Deposits 2/	--	--	--	--	--	--	--	500	300
Sovereign Bonds	--	--	--	--	954	735	588	614	1,854

Short Term Debt	1,719	1,830	1,628	2,207	2,150	1,865	1,968	1,855	1,483
Private Sector Debt	131	384	381	473	542	217	85	115	88
Total External Debt as % of GDP									

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