

**United Nations Conference on
Trade and Development**



**Expert Meeting on Capacity Building in
the Area of FDI: Data Compilation and
Policy Formulation in Developing
Countries**

12-14 December 2005

**Towards a Strategy for FDI Statistics
in Egypt**

by

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Arab Republic of Egypt

Towards a Strategy
for
FDI statistics
in
Egypt

UNCTAD EM in the area of FDI
Dec. 12 – 14 2005



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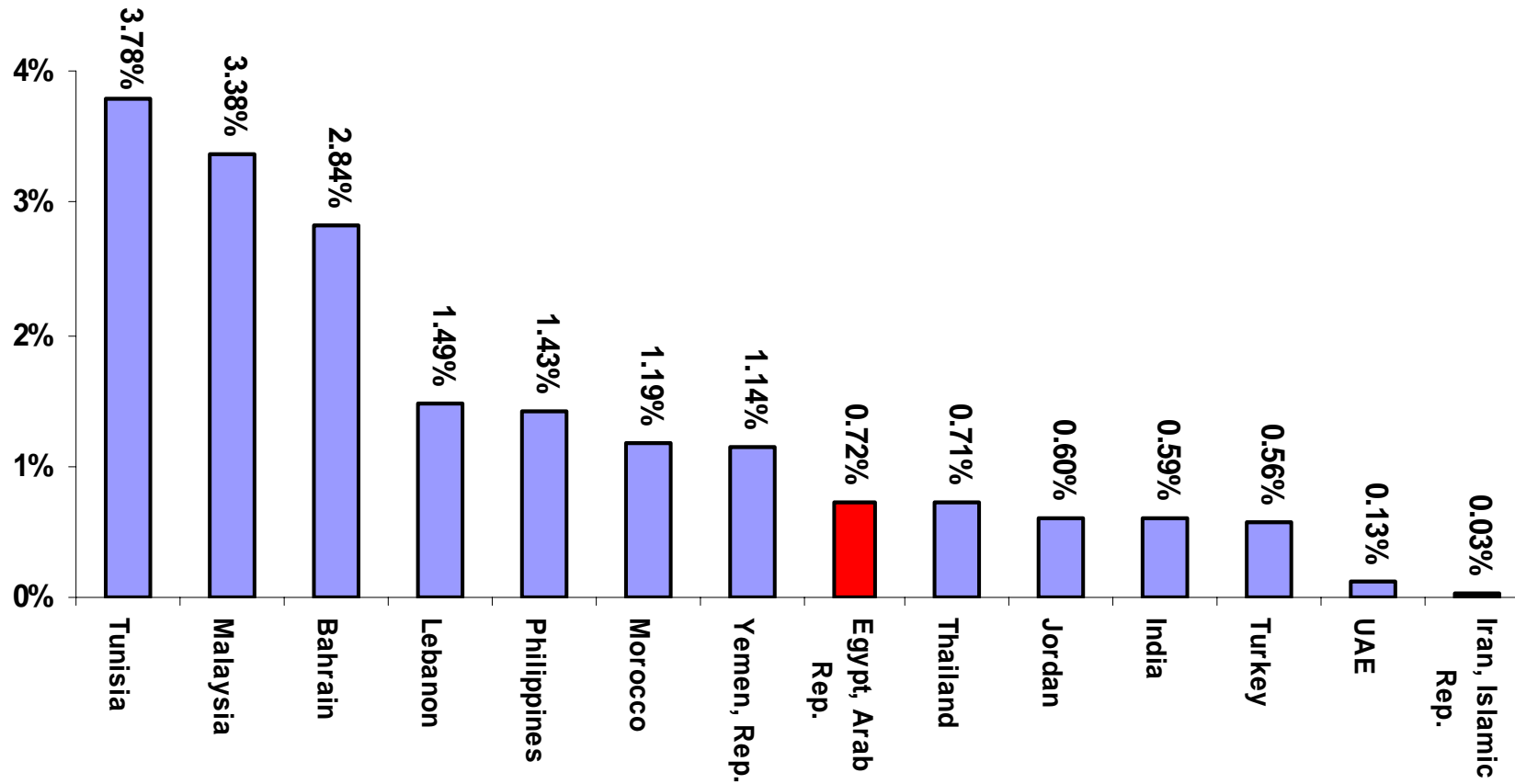
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FDI to GDP in Selected Developing Countries (2002)



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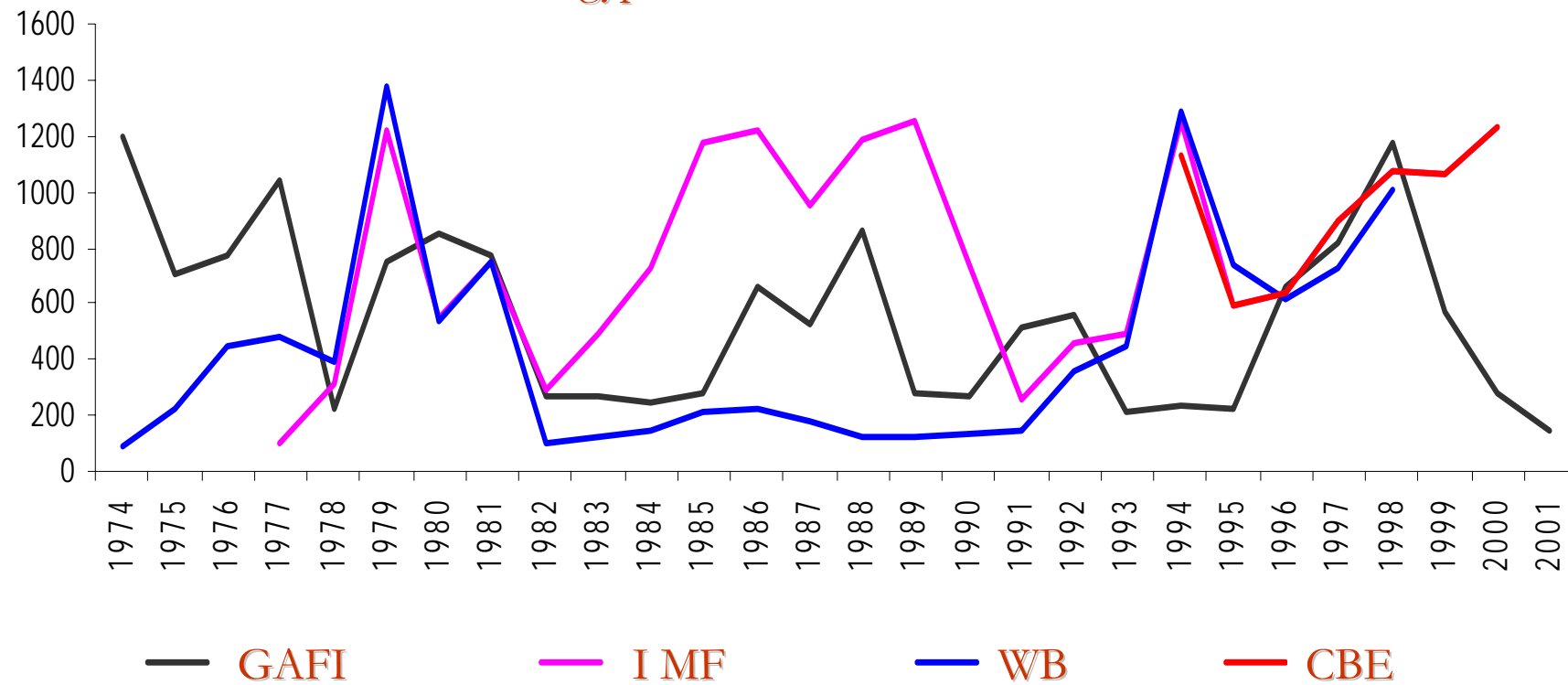


Source: UNCTAD 2003



USD Million

FDI in Egypt – VARIOUS SOURCES

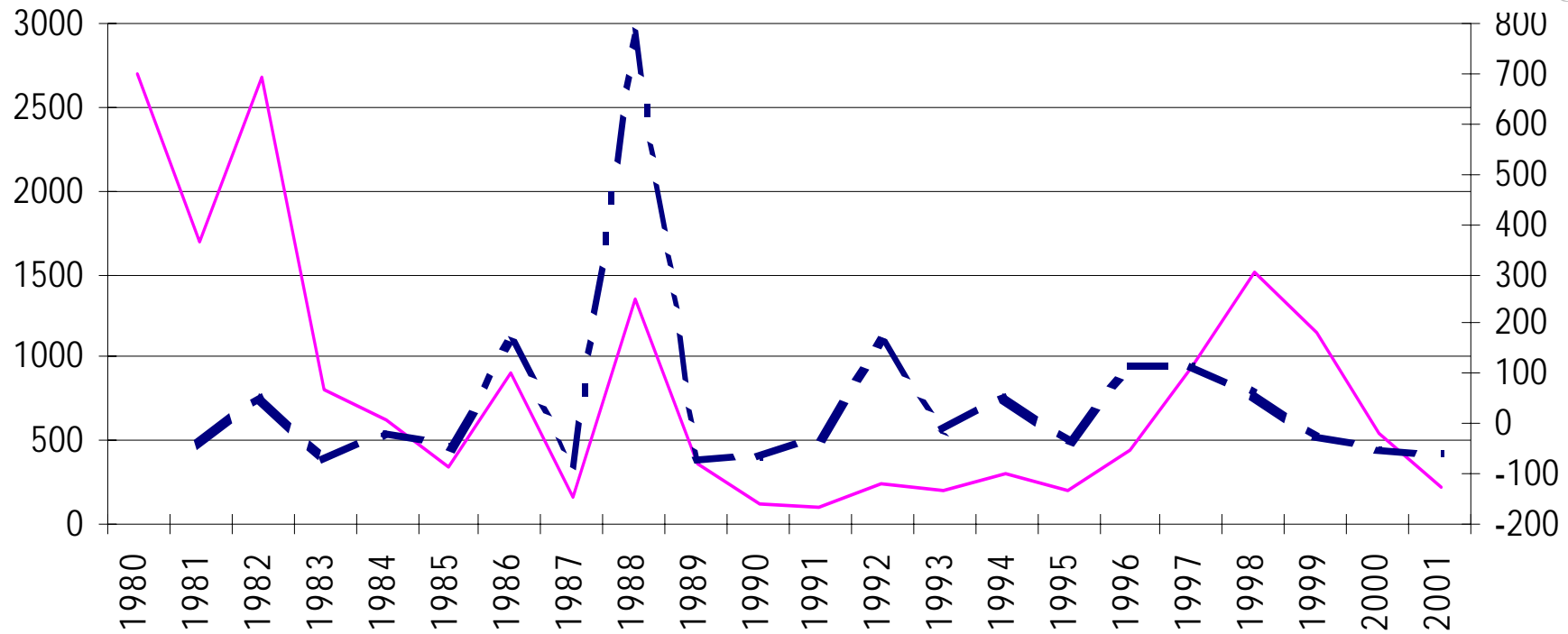




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USD Million

%Change

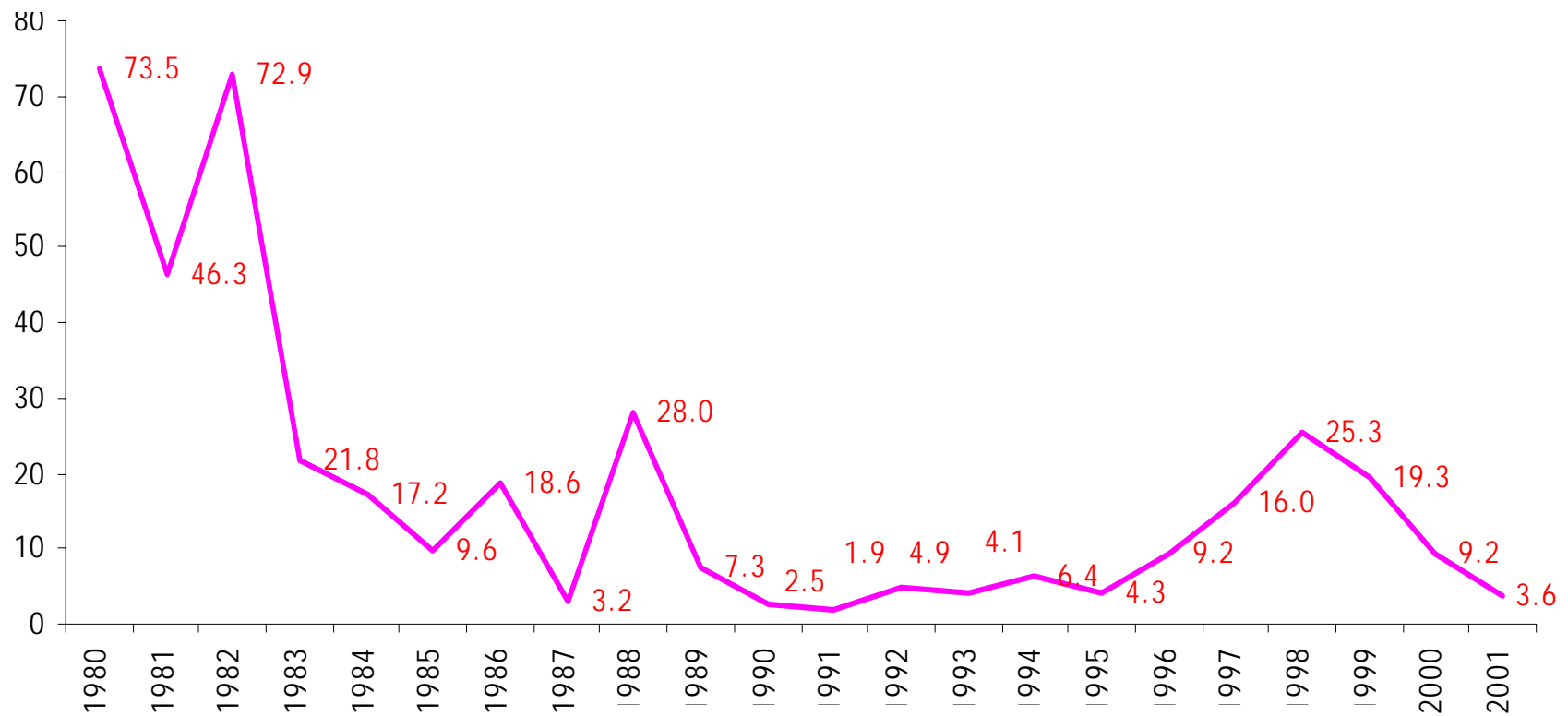


— FDI in Egypt

- - - Annual Rates of Change of FDI in Egypt



USD Million



Per Capita FDI in Egypt

Egypt FDI reporting System

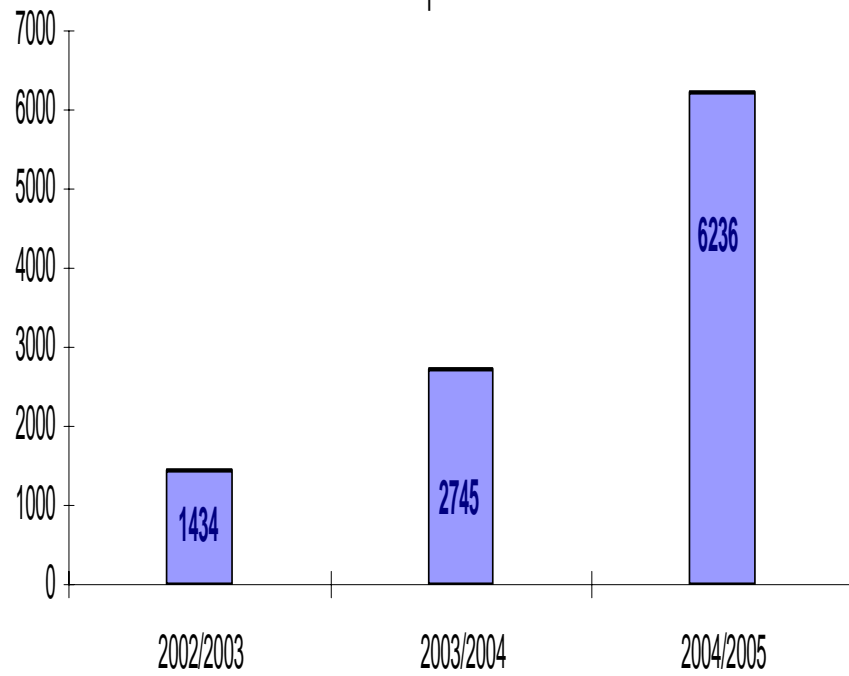


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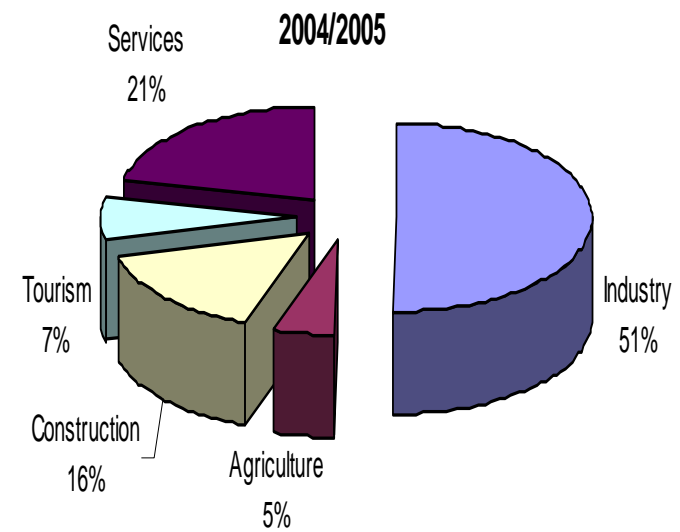
- **The main reporting system for the FDI is the ITRS (International Transactions Reporting System)**
- **Surveying** (*NEW methodology*)



Number of companies established

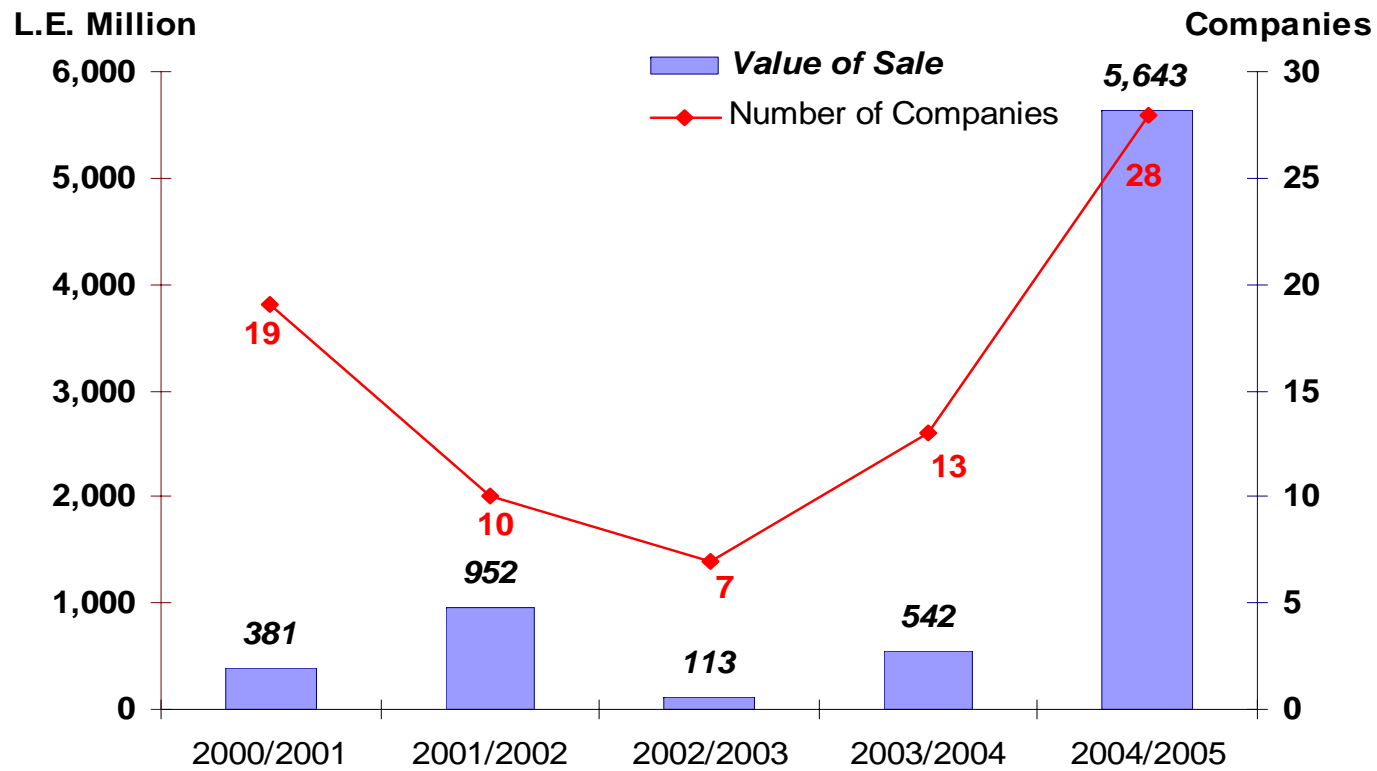


Newly Established Companies by sector
(Total)





Privatization of the public sector

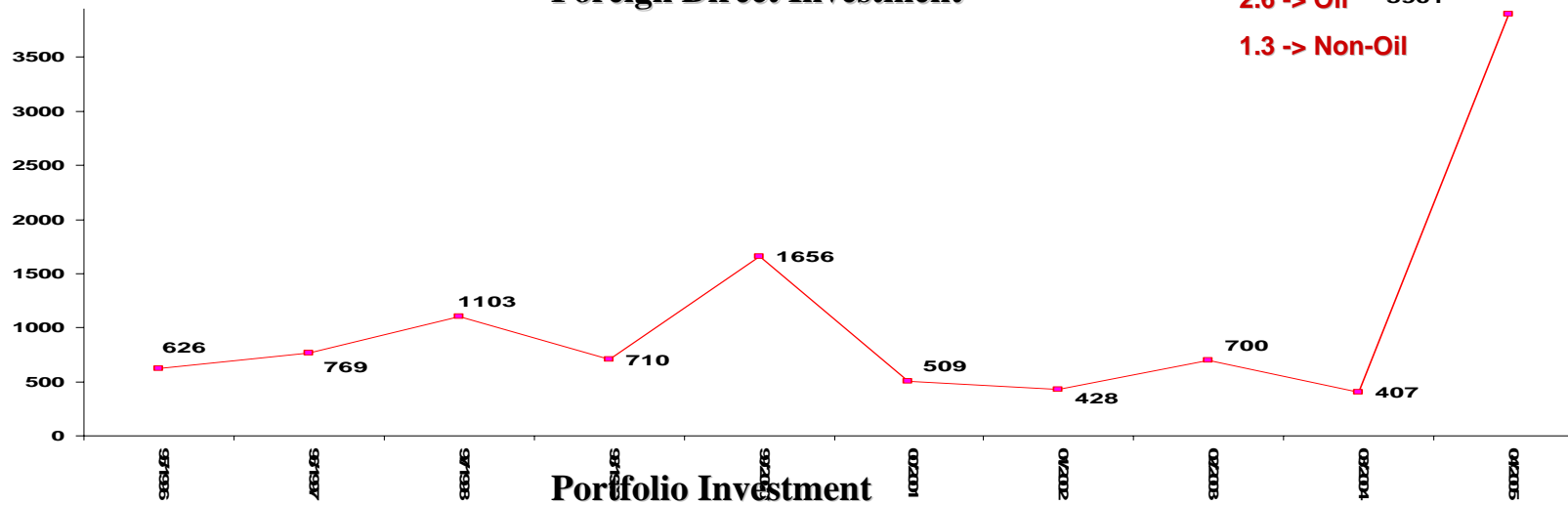




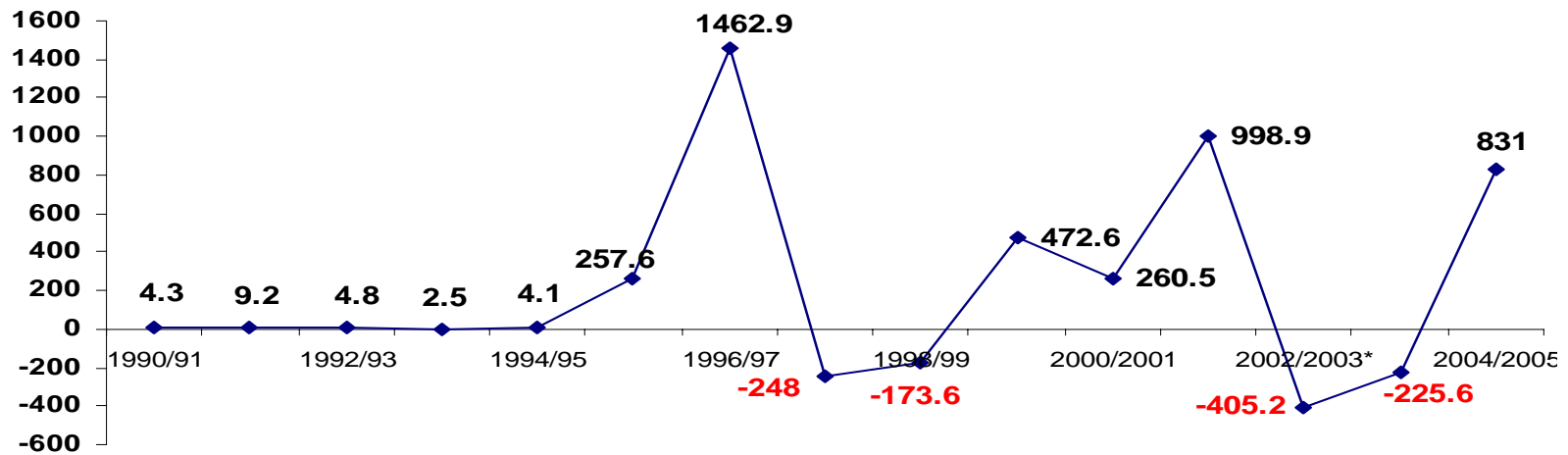
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USD Million

Foreign Direct Investment



Portfolio Investment





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Foreign investments to Egypt 2004/2005

According to the Balance of Payment figures, net foreign direct investment (including Oil and Non-Oil sectors) during 2004/2005 amounted to US\$ 3.9 billion.

Oil Sector:

Oil sector's share in achieved investments during 2004/2005 recorded US\$ 2.6 billion, increasing by approximately US\$ 900 million above the recorded figure during the previous financial year 2003/2004.

Non-Oil

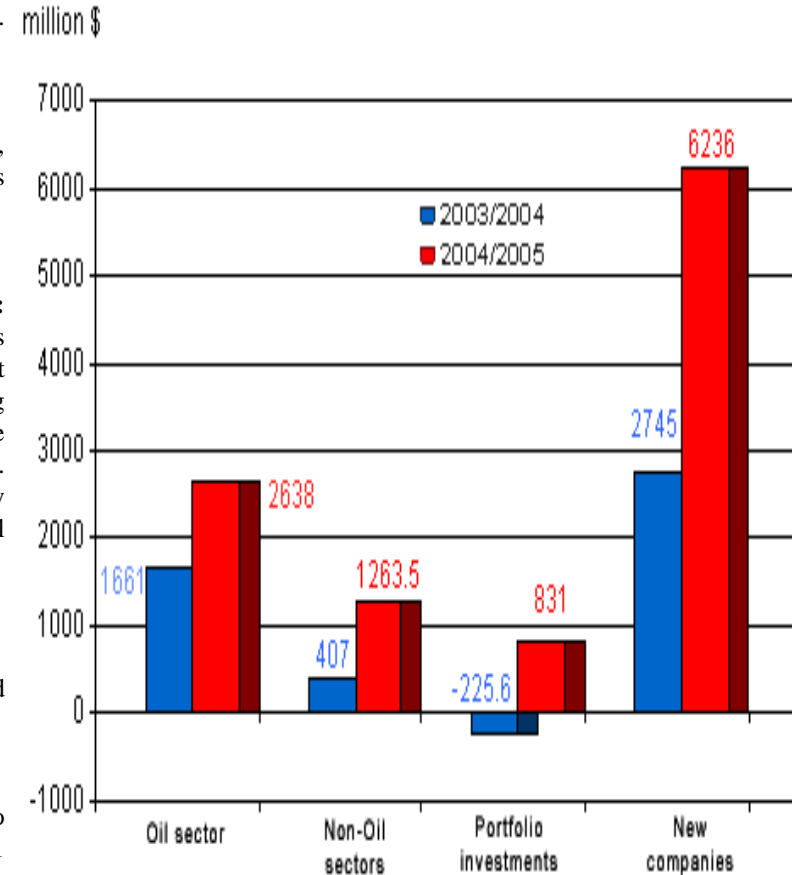
Foreign direct investment in the non-oil sector reached \$1,264 billion. This amount includes US\$ 419.5 million being proceeds of selling stakes in public owned companies and joint ventures in addition to unused public owned assets; this is in addition to US\$ 844 million being green field investments and expansions of existing investments. The aforementioned increase amounting to US\$ 865.5 being 211% over the elapsed fiscal year. It is worth mentioning that Ministry of Investment in its published reports had previously forecasted foreign direct investments in the non-oil sectors to reach \$1 billion, however actual revenues realized exceeded forecasts.

Newly Established Companies:

The General Authority for Investment and Free Zones (GAFI) indicated a tangible increase in private sector investments, as witnessed from the number of new companies established reaching 6,236 companies in 2004/2005 as compared to 2,745 companies in 2003/2004.

Portfolio Investments:

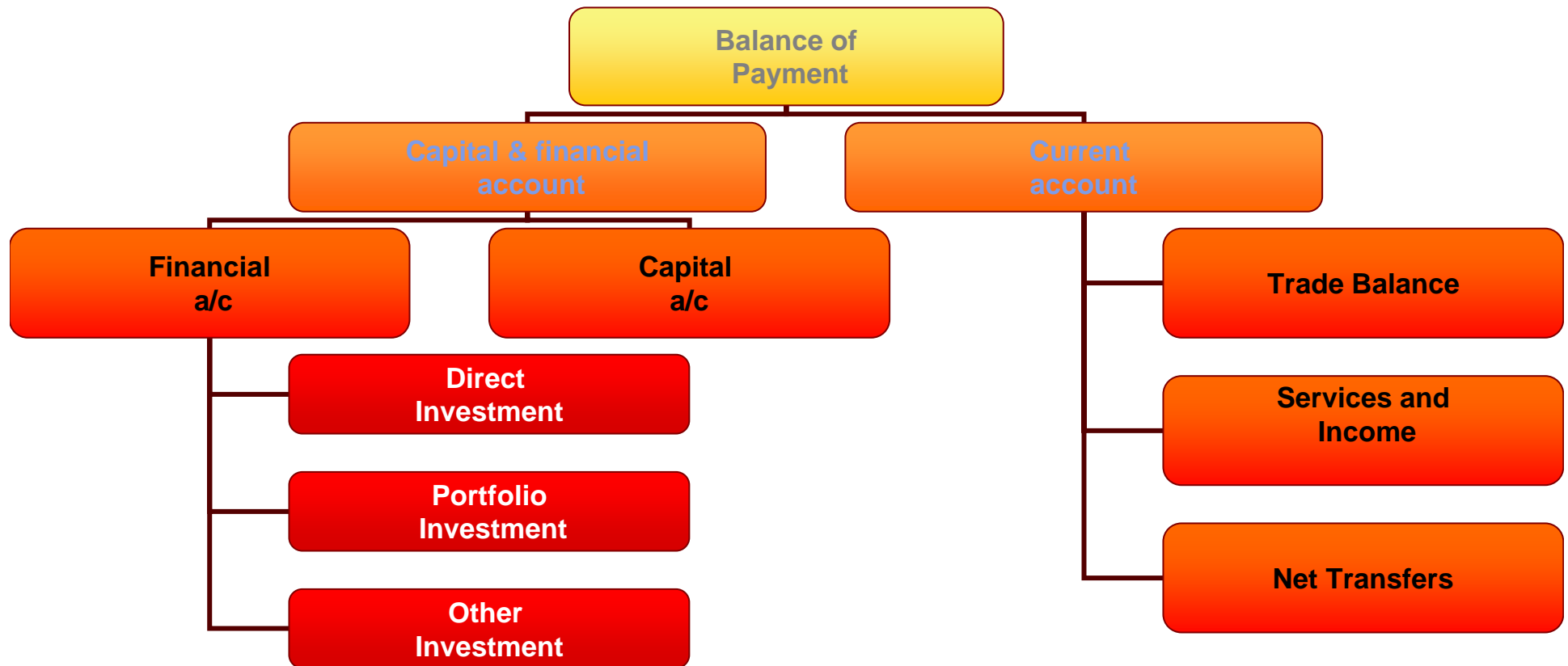
Fiscal year 2004/2005 has shown a visible and positive improvement in terms of portfolio investment, as it shifted from negative -US\$ 226.6 million in 2003/2004 to positive US\$ 831 million in 2004/2005, showing a total increase of approximately US\$ 1 billion.



Conceptual framework



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- ❑ **The main Challenges nowadays, implementing and maintaining the quality of the statistical Reporting System.**
- ❑ **So, Central Bank of Egypt is working to harmonize the registers, methodologies and compilation practices as much as possible in order to improve the quality of FDI statistics.**



according to

- **IMF BPM5**
- **BPM**
- **The exchange of international experience is of vital importance in this area.**
- **A practical implementation have shown that it is possible to implement an efficient Reporting System.**
- **The SDDS standards of the IMF show us the way towards the quality macroeconomic statistics encompassing a reliable, timely, adequate and accurate performance.**



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Projections & Estimates

The projections are base on the actual figures of the FDI & BOP items during the time series.

Problems and solutions



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- **Quality of the statistics**

The greatest impact of a lack of information would be reflected in the items such as Services, Income, Current transfers and Capital account.



**Building a direct reporting system by
Enterprise survey to improve foreign direct
investments statistics
Flows and Stocks**

Transparency



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- adopting the SDDS standard. An advance release calendar is published on the Central Bank of Egypt web side (<http://www.cbe.org.eg>)
- and in its Monthly Bulletin,etc.

Transparency



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- **The B.O.P. (FDI Data), the data is being available**
- **The I.I.P. is compiled yearly**

Conclusions



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a growing technological and communications environment plays a crucial role in implementing a faster exchange of information, so we need to improve our reporting statistical system to help the policy maker.