



Egypt External Debt Monitor

External Debt Accumulation Slowed Down in 4Q FY2016/17

26 October, 2017

The external debt rose to USD79 billion, or 42.7% of GDP in 4Q FY2016/17

Egypt's total external debt rose by 7.0% QoQ, which is the slowest pace since the EGP flotation, from USD73.9 billion (41.2% of GDP) in 3Q FY2016/17 to USD79.0 billion (42.7% of GDP) in 4Q FY2016/17. This was mainly driven by a 8.9% QoQ increase in the medium/long term external debt to reach USD66.7 billion in 4Q FY2016/17. Moreover, the government contribution to the increase in the total external debt recorded 3.6% on May's USD3 billion international bond issuance, followed by 'other sectors' contribution, which includes the private sector, recording 2.7%.

External debt ratios continued to reflect limited risks

- The short-term share of the total external debt continued to decline from 17.1% in 3Q FY2016/17 to 15.5% in 4Q FY2016/17.
- Net international reserves coverage of short-term external debt continued to improve from 2.3 in 3Q FY2016/17 to 2.6 in 4Q FY2016/17.
- Egypt's external position improvement in 4Q FY2016/17 led the interest payments share of the current account receipts to remain unchanged at 1.9% in 4Q FY2016/17. On the other hand, a jump in the repaid principal from USD0.9 billion in 3Q FY2016/17 to USD2.0 billion in 4Q FY2016/17 led the debt service share of the total current account receipts to rise from 10.5% in 3Q FY2016/17 to 12.8% in 4Q FY2016/17.

Chart 1| External debt rose slightly to 43% of GDP in 4Q FY2016/17, on medium/long term borrowings

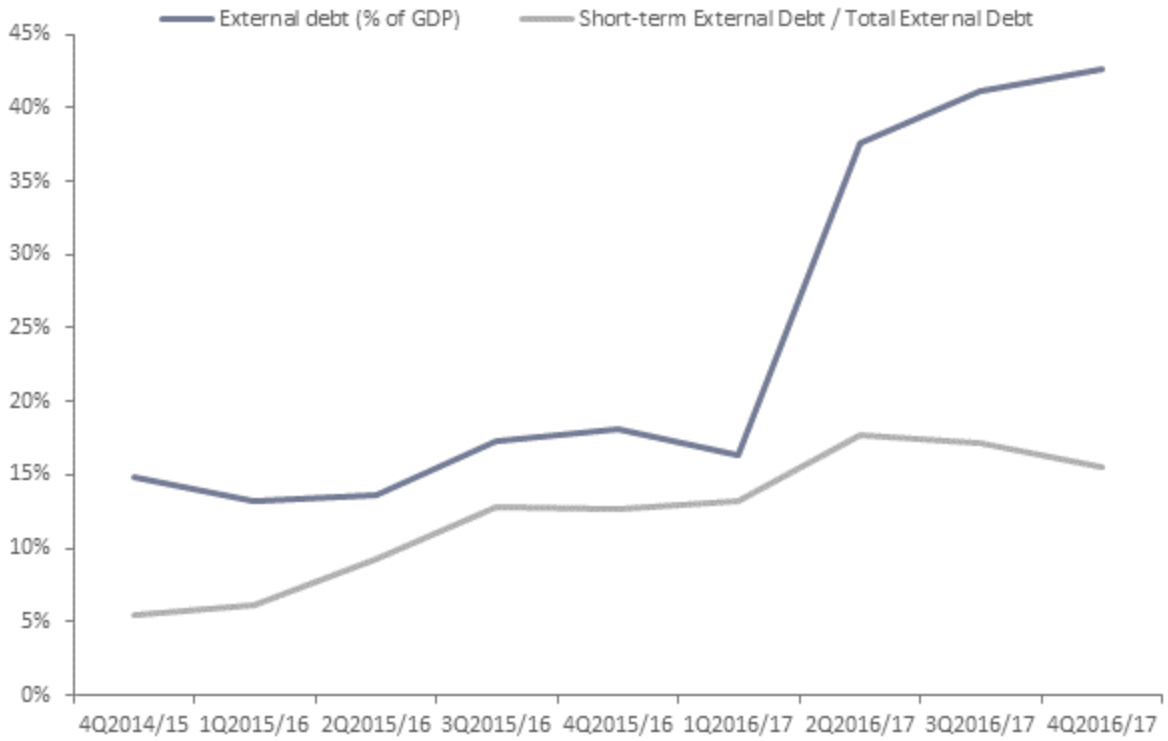
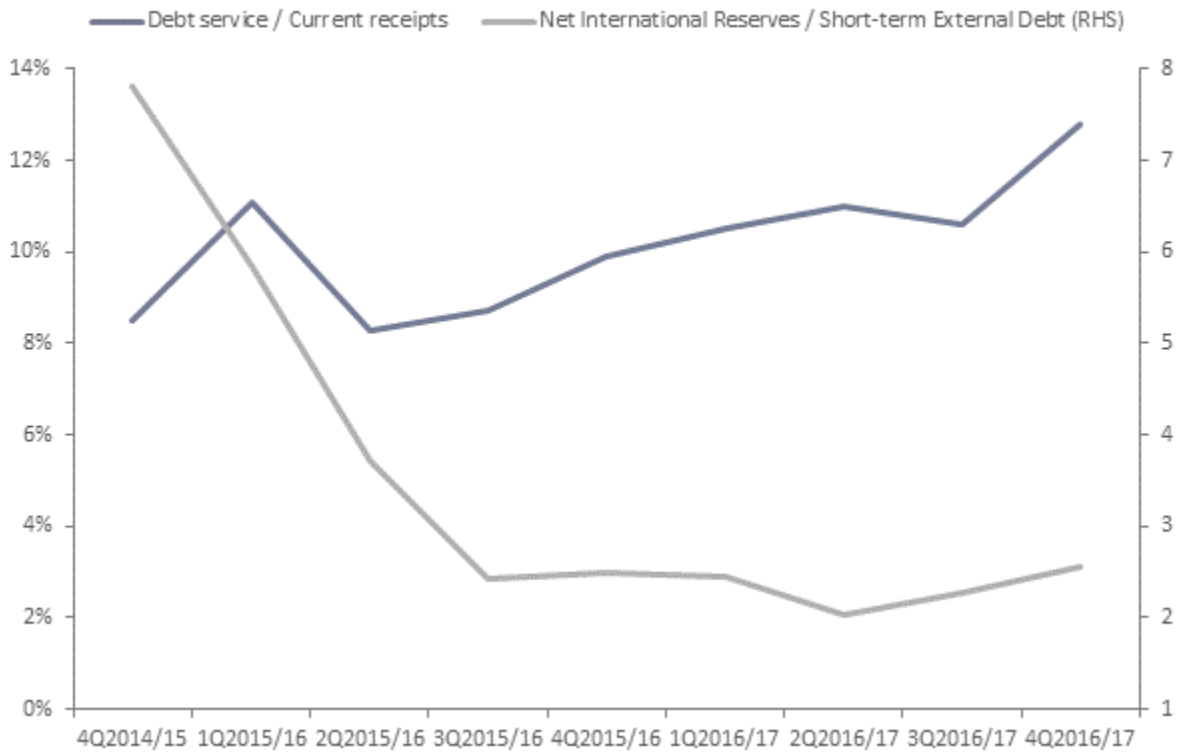


Chart 2| External debt ratios continued to reflect limited risk, in 4QFY2016/17



Source: CBE, Pharos research

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