

ECONOMIC BULLETIN

4th issue / December 2025
Volume 75

البنك الأهلي المصري
NATIONAL BANK OF EGYPT

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Positive outlook for Egypt's economy by major international credit rating agencies

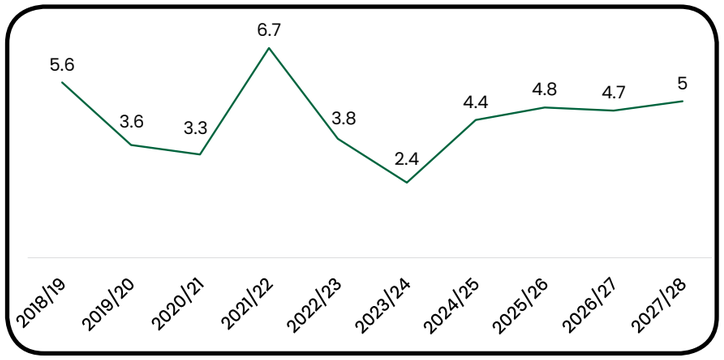
A number of major international credit rating agencies expressed a positive outlook for Egypt's economy, by upgrading or affirming Egypt's sovereign credit rating, which reflects the growing international confidence in the path of the Egyptian economy.

Standard and Poor's "S&P"

In October 2025, S&P Global Ratings upgraded Egypt's long-term sovereign credit rating to "B" from "B-", the first upgrade in seven years, with a "stable" outlook, and affirmed its "B" short-term sovereign rating with a stable outlook. S&P commended the economic reforms adopted by the government which spurred GDP growth and boosted tourism revenues, expatriate remittance inflows and the country's external economic position. The Agency indicated its forecasts regarding Egypt's economic indicators as follows:

GDP growth rate picked up: S&P indicates that Egypt's GDP growth is projected to accelerate, reaching an estimated 4.8% in FY 2025/26 against 4.4% YoY, and potentially hitting 5% by 2027/28.

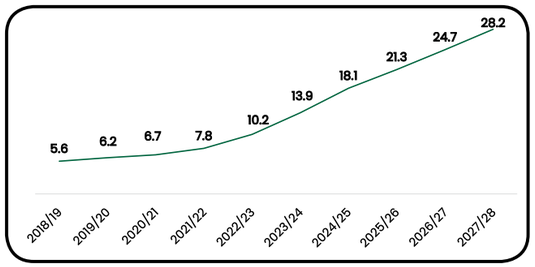
GDP growth rate (%)



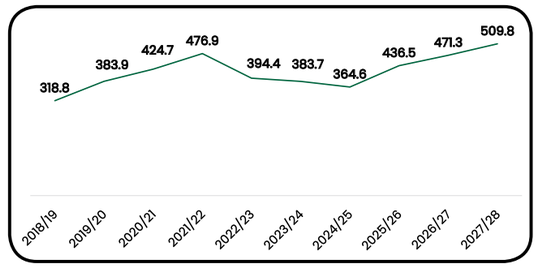
Source: Standard and Poor's

GDP at current prices

EGP-denominated (EGP trn.)



USD-denominated (USD bn.)

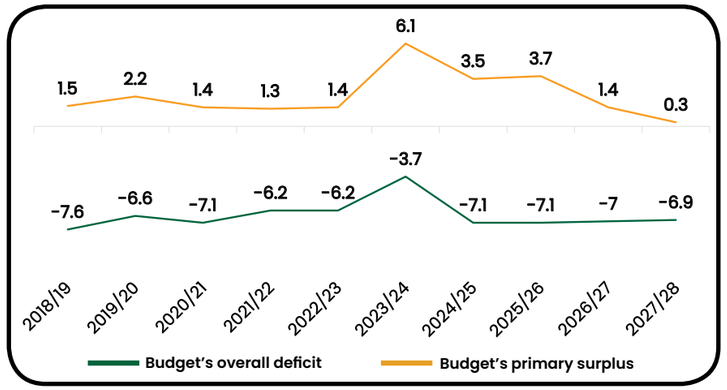


Source: Standard and Poor's

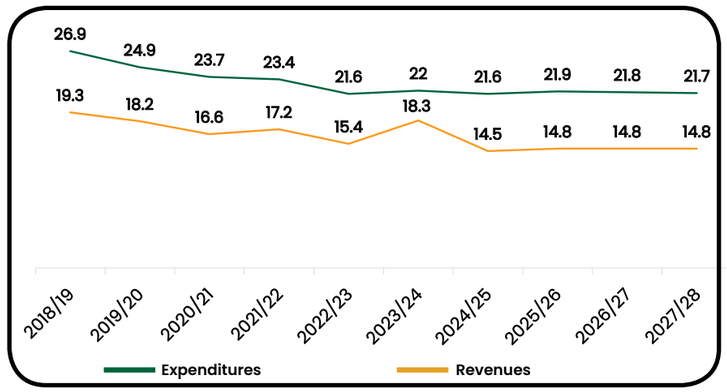
The government targets narrowing the budget deficit and maintaining primary surpluses. In that vein, S&P highlights the following:

- Egypt's 2023/24 public budget recorded exceptional indicators, largely due to inflows from Ras Al-Hekma deal, with an overall deficit of 3.7% of GDP, while scoring a primary surplus of 6.1% of GDP.
- Egypt is projected to maintain budget primary surpluses throughout the period under review until 2027/28, supported by the anticipated GDP growth, higher public revenues from an expanding tax base, and disciplined control of spending. However, the main challenge to public finance remains to be reducing the high interest bill and extending average debt maturities.

Public budget as a percentage of GDP (%)



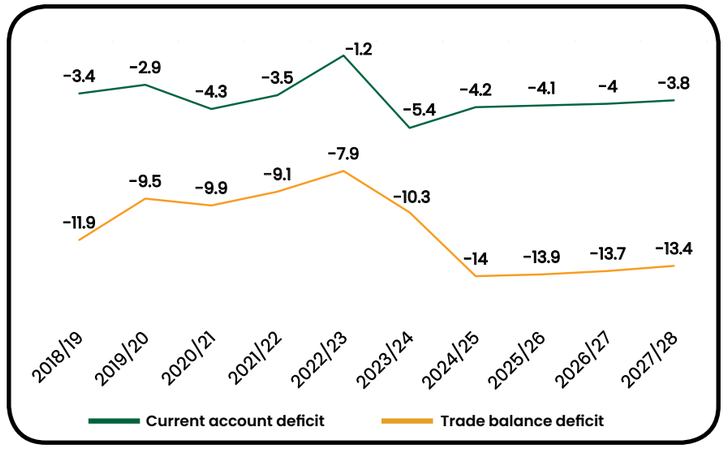
Revenues and expenditures as a percentage of GDP (%)



The current account deficit improved reaching 4.2% of GDP in 2024/25, driven by the higher tourism revenues, the rise in remittances from Egyptians working abroad and the strong jump in non-oil commodity exports. On the same note, S&P anticipates further improvement in the country's external transactions during the upcoming years, projecting that deficits in both trade balance and current account would continue to decrease to 13.4% and 3.8% respectively for FY 2027/28.

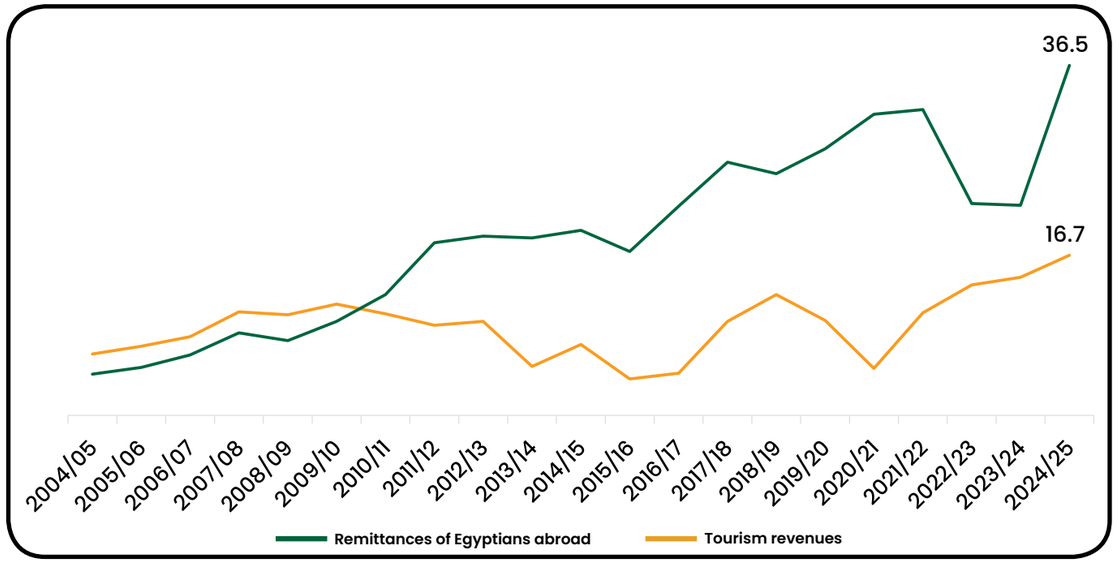
The Central Bank of Egypt (CBE) reported an unprecedent surge in both tourism revenues and remittances from Egyptians abroad for 2024/25.

Current account and trade balance deficits as percentage of GDP (%)



Source: Standard and Poor's

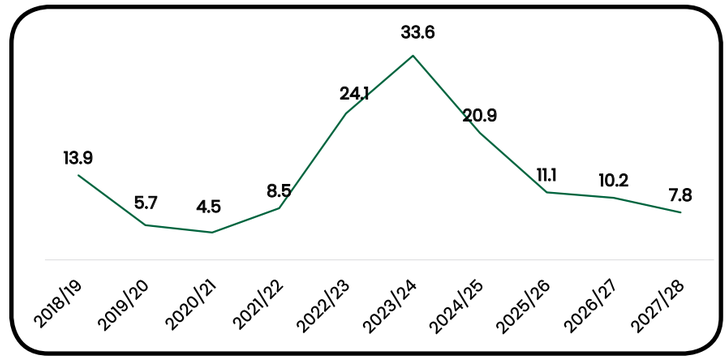
Tourism revenues and remittances from Egyptians abroad (USD bn.)



Source: CBE

Inflation (%)

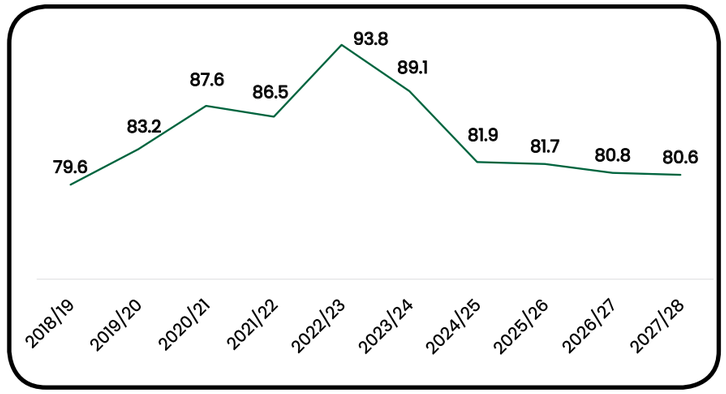
Inflation eased significantly to average 21% in FY 2024/25, against 34% in FY 2023/24, a result attributed to the successful monetary policies and financial and economic reforms. Looking ahead, S&P forecasts that the average inflation rate will further decrease to approximately 10% for the period between 2025/26 and 2027/28.



Source: Standard and Poor's

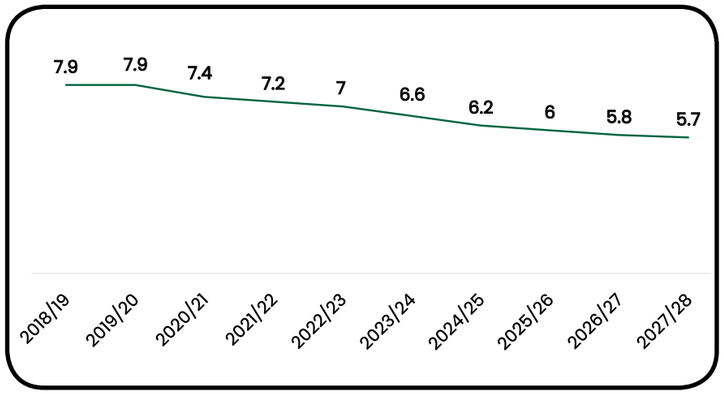
General government debt as a percentage of GDP to continue its downward trajectory: According to S&P forecasts, the general government debt would fall from 93.8% in FY 2022/23 to around 80.6% in FY 2027/28. Nevertheless, the debt-servicing burden remains very high, consuming a significant share of government revenues.

General government debt as a pecrcentage of GDP (%)



Unemployment rates to remain relatively low: S&P indicates that Egypt's unemployment rate has recorded a steady decline in recent years, a trend that is envisaged to continue to reach 5.7% in FY 2027/28.

Unemployment rate (%)



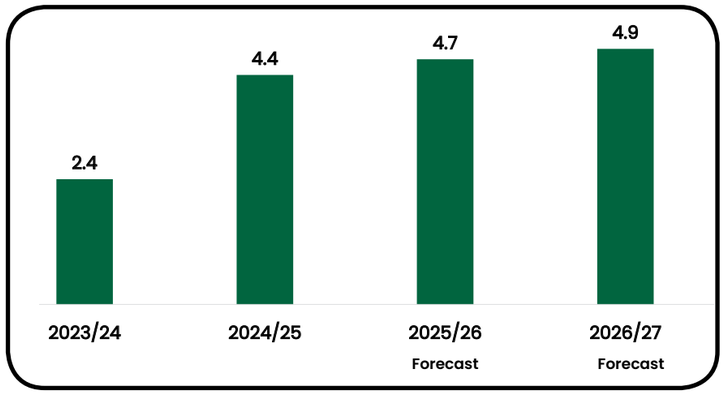
Source: Standard and Poor's

Fitch Ratings

In October 2025, Fitch Ratings affirmed Egypt's long-term foreign-currency sovereign credit rating at "B" with a stable outlook, based on the following key rating drivers:

Growth picks up: Real GDP growth accelerated to 4.4% in FY 2024/25 up from 2.4% in FY 2023/24, due to recovering private sector investments and consumer spending. In the same context, Fitch forecasts growth picks up to 4.7% and 4.9% in FY 2025/26 and FY 2026/27, respectively.

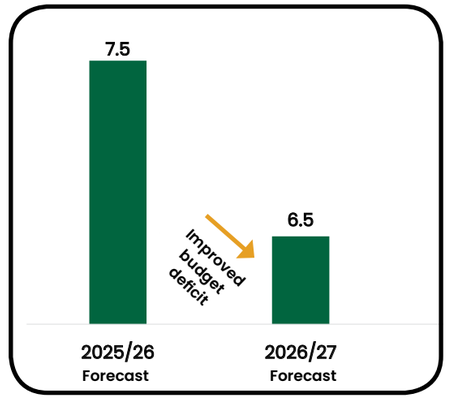
GDP growth (%)



Following earlier positive revisions, Fitch Ratings bumped its forecast for Egypt's economic growth in November 2025 to 5.2% for FY 2025/26, marking the second upgrade in two months, with a strong Q1 FY 2025/26 growth that exceeded expectations, fueled by investment recovery and increased exports.

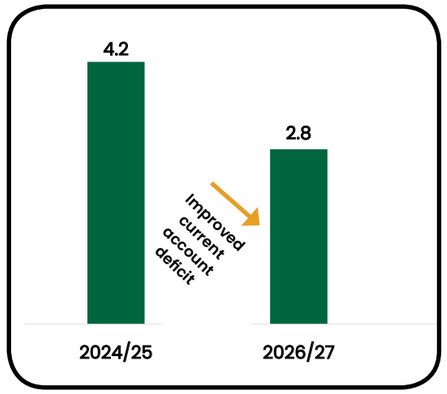
Flat deficit: Fitch forecasts that the general government deficit would be broadly flat in FY 2025/26, at 7.5% of GDP, as strong revenue and contained capex offset a further rise in debt interest. Fitch assumes the tax/GDP ratio will rise by 0.8pp in FY 2025/26, below the government plan of 1pp. Fitch also cited that tax revenue rose by 35% in FY 2024/25, helped by greater digitalization, reduced bureaucracy and a tax amnesty boosting formalization. Fitch also projects the general government deficit will continue to narrow to 6.5% of GDP in FY 2026/27, due to moderating debt interest costs and further tax measures and reforms to boost tax revenue.

Budget deficit as a percentatge of GDP (%)



Narrowing current account deficit: The current account deficit narrowed to 4.2% of GDP in FY 2024/25, with an improvement of 1.2pp. This is driven by the robust expansion of remittances (which surged 66%) and tourism revenues, offsetting a widening trade deficit. FDI is forecast to pick up to average USD 15.5 bn. in FY 2025/26 and FY 2026/27, from USD 13.2 bn. in FY 2024/25, with a steady narrowing of the current account deficit to 2.8% of GDP in FY 2026/27.

Current account deficit as a percentage of GDP (%)

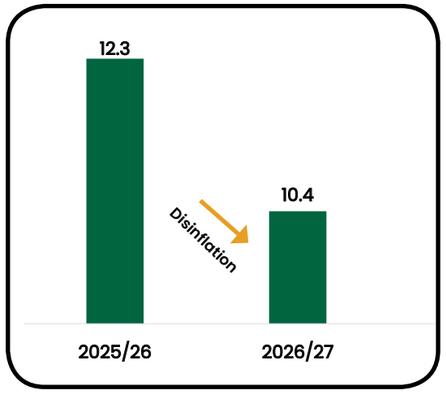


More flexible exchange rate maintained: Fitch indicates that there has been no significant divergence between the official and parallel exchange rates since their unification in March 2024, and there are no reported FX backlogs.

The absence of divergence between the official and parallel exchange rates

Disinflation: Inflation fell to 11.7% in September 2025, from 26.5% a year earlier, due to stable exchange rate, the CBE's monetary policy and decelerating food prices. Fitch forecasts that inflation will average 12.3% in FY 2025/26, falling to 10.4% in FY 2026/27.

Average inflation during the year (%)



Government debt interest to fall: Fitch forecasts general government debt would fall by about 4pp in FY 2024/25-FY 2026/27, to 77% of GDP in FY 2026/27. Fitch forecast for large policy interest rate cuts quickly feeds through to a fall in debt interest/revenue, to 40% in FY 2028/29 from 64% in FY 2025/26.

4pp decline in government debt as a percentage of GDP

Banking sector: Fitch indicates that Egypt's banking sector is highly liquid, with a loan-to-deposit ratio of 63% in June 2025. Fitch also projects strong deposit growth, a large part of which would continue to be invested in government securities, providing financing flexibility for the sovereign debt.

63% loan-to-deposit ratio of the banking sector in June 2025

Increase in reserves: In November 2025, Fitch Ratings announced that Egypt's foreign exchange reserves reached a new high, climbing to USD 50.1 bn. by the end of October 2025, with projections expecting continued growth to reach USD 52.6 bn. at end-FY 2025/26.

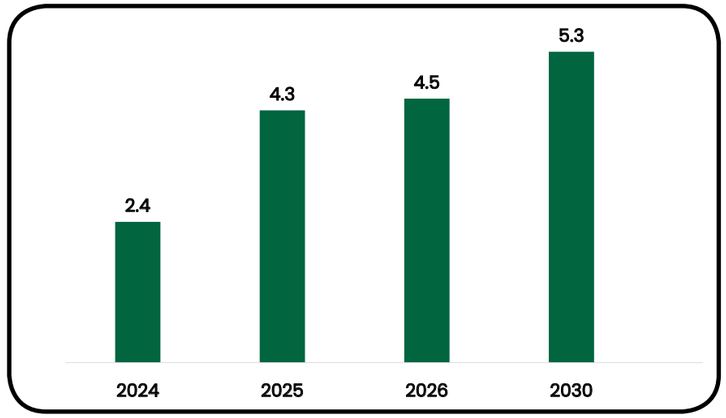
USD 52.6 bn. international reserves by the end of FY 2025/26

IMF raises its forecast for Egypt's GDP growth rate in 2026

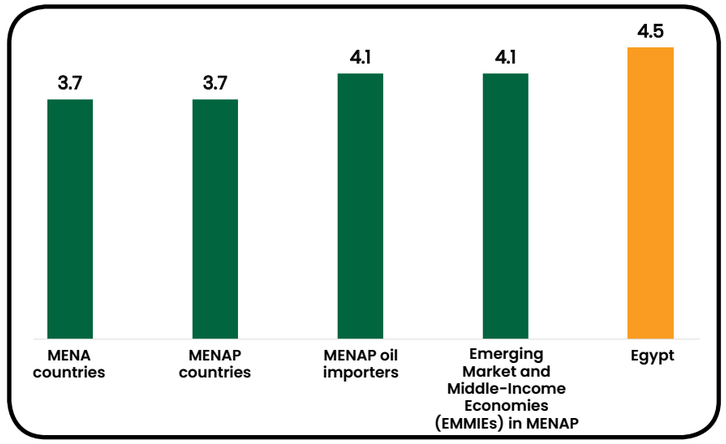
In its forecasts issued in October 2025, the International Monetary Fund (IMF) revealed a positive outlook for a number of Egypt's economic indicators in 2026, in light of Egypt's economic reform program.

Growth rate: IMF raised its forecast for Egypt's GDP growth rate to 4.3% in 2026, with an increase of 0.2 percentage point compared to its previous forecast issued in May 2025, exceeding the average growth rate forecasts for a number of relevant country groups .

Egypt's GDP growth rate (%)

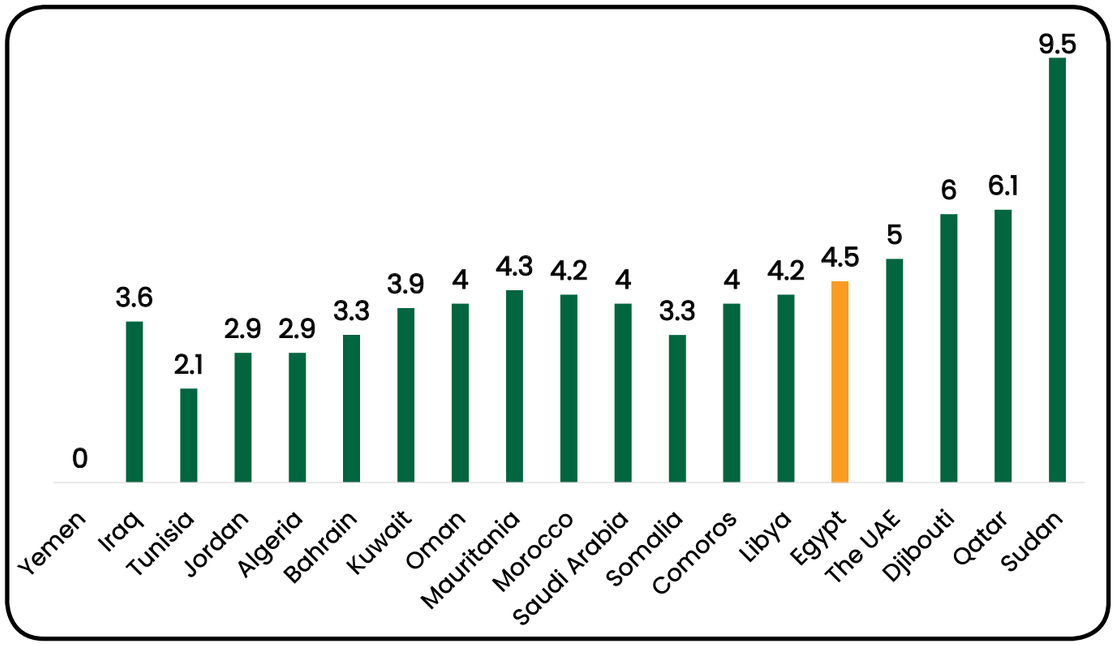


Egypt's growth rate compared to several country groups in 2026 (%)



MENA: Middle East and North Africa
MENAP: Middle East, North Africa and Pakistan.
Source: IMF, Regional Economic Outlook: Middle East and Central Asia, October 2025.

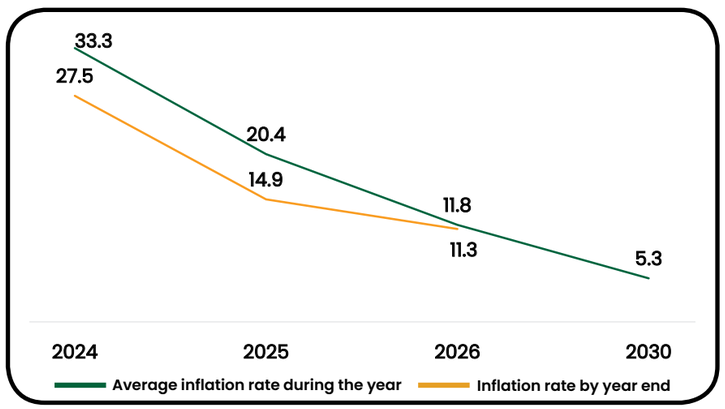
Expected growth rate in Arab countries in 2026* (%)



* No data is available for Lebanon, Syria and Palestine during the year under review.
Source: IMF, World Economic Outlook, October 2025.

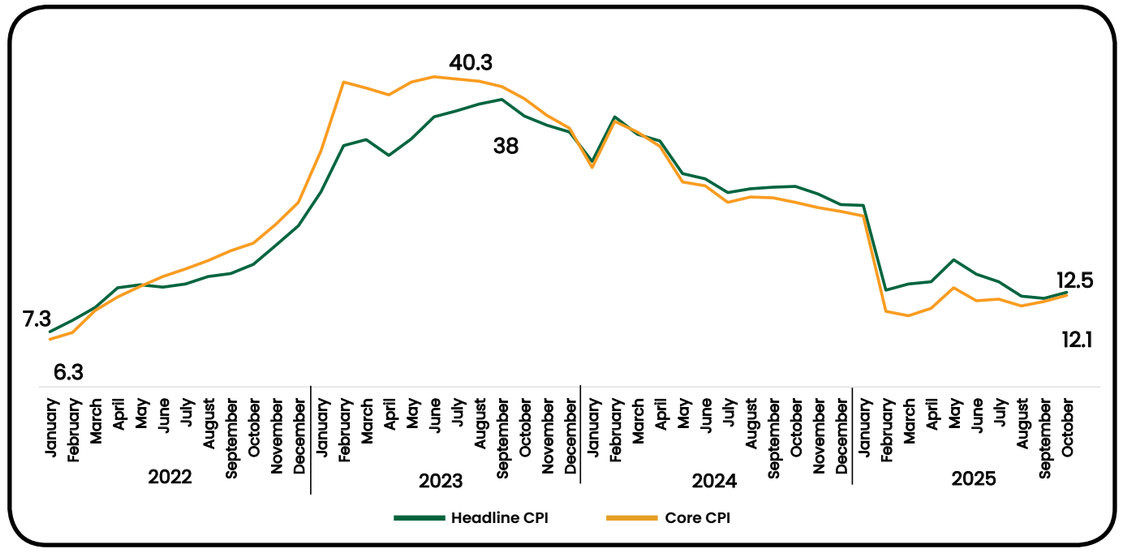
Inflation: The inflation rate has significantly improved compared to the high levels recorded in previous periods. In this vein, IMF projects that the average inflation rate would stand at 11.8% in 2026, and 11.3% by year end. However, inflation would remain higher than its target levels due to the continued impact of several factors such as the exchange rate and energy prices.

Inflation rate (%)



Source: IMF, World Economic Outlook, October 2025.

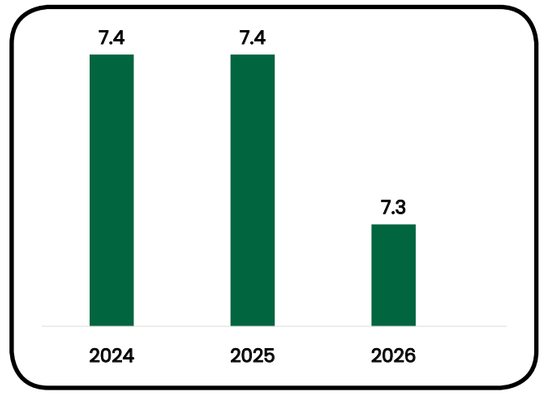
Egypt's inflation rate (%)



Source: Central Bank of Egypt (CBE).

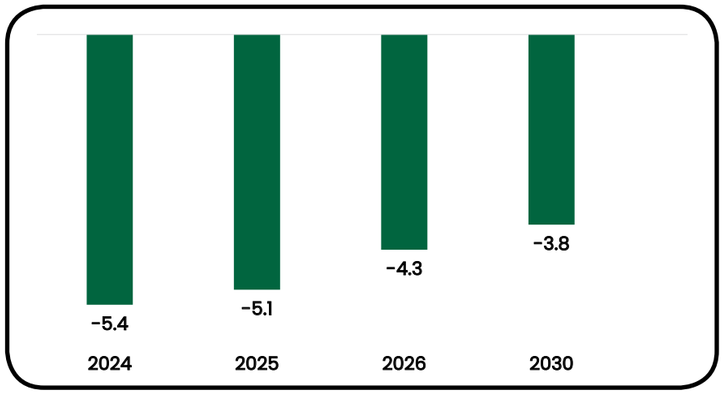
Unemployment rate: IMF expects the unemployment rate to pursue its downward trajectory, reaching 7.3% in 2026.

Egypt's unemployment rate (%)



Foreign transactions: IMF forecasts the current account deficit to improve to around 5.1% (as a percentage of GDP) in 2025, compared to 5.4% in 2024. This trend is expected to continue in the coming years.

Current account balance as a percentage of GDP (%)

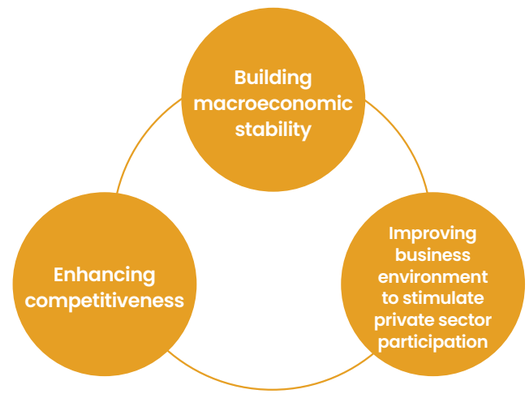


Source: IMF, World Economic Outlook, October 2025.

GDP indicators show rapid growth in FY 2024/25

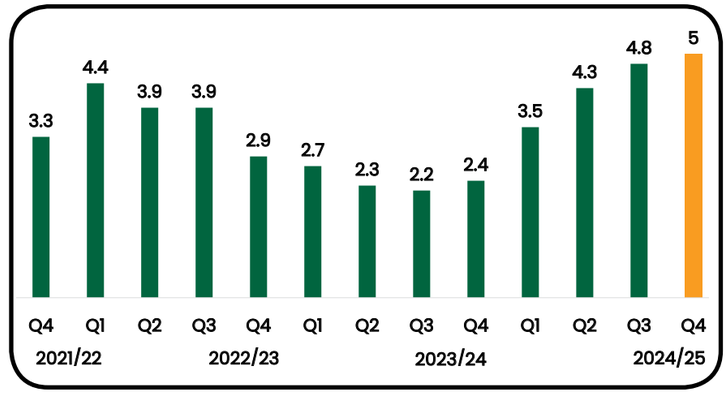
Egypt's GDP grew by 5% during Q4 of FY 2024/25, marking the highest quarterly growth rate in three years. This performance contributed to raising the annual growth rate for FY 2024/25 to about 4.4%, thereby surpassing the initial forecast of 4.2%. The achieved recovery reflects greater resilience of the Egyptian economy in the face of global uncertainty, supported by an efficient reform agenda under the National Structural Reform Program (NSRP).

NSRP pillars

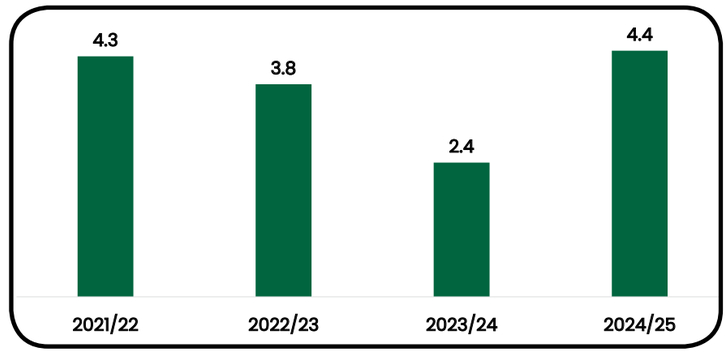


GDP growth rate

Quarterly (%)



Annually (%)

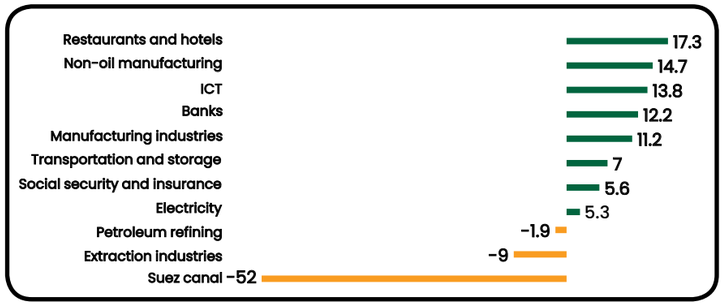


Source: Ministry of Planning and Economic Development (MPED)

The growth was driven by the robust performance in a number of key sectors, most notably tourism, non-oil manufacturing and ICT, demonstrating varied sources of economic growth aligned with Egypt's vision for economic structure diversification. On the other hand, the performance indicators for certain activities, particularly the Suez Canal, continued to decline. Such drop is attributed to the geopolitical tensions in the region, which significantly impacted maritime trade, leading to a substantial reduction in traffic through the Suez Canal.

Furthermore, it is worth mentioning that the GDP positive performance reflects an economic model centered on higher-productivity sectors with high export potential.

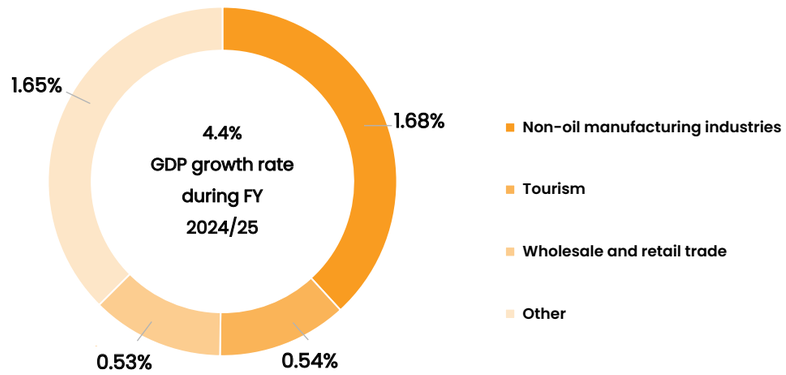
Real growth rate of a number of economic activities during FY 2024/25 (%)



Source: MPED

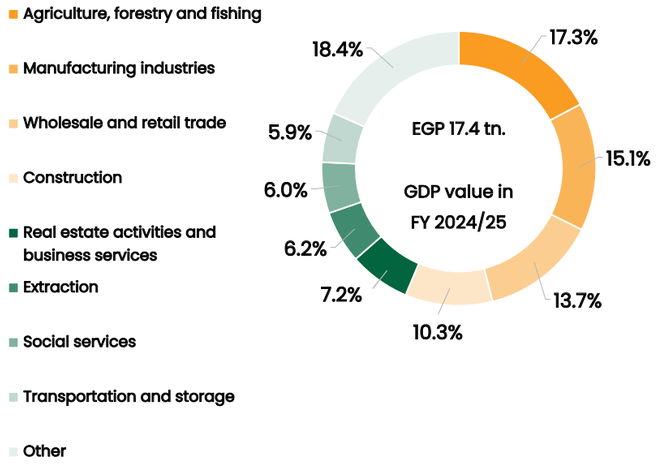
In terms of the contribution to GDP growth, the non-oil manufacturing sector was the top contributor to GDP growth during FY 2024/25, with 1.68 percentage points, followed by the tourism sector and the wholesale and retail trade sector, respectively.

Contribution to GDP growth rate during FY 2024/25 by sector



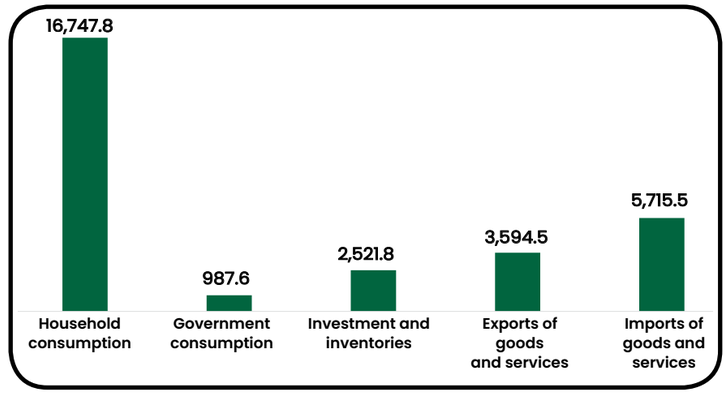
With respect to value, GDP at factor cost (i.e. current prices) amounted to EGP 17.4 tn. during FY 2024/25. The contribution of the agriculture, forestry and fishing sector recorded approximately EGP 3 tn., with the manufacturing industries sector, the wholesale and retail trade sector and the construction sector accounting for EGP 2.63 tn., EGP 2.38 tn. and EGP 1.78 tn. respectively.

Contribution to GDP during FY 2024/25 by sector



At the same pace, GDP by expenditure components (at current prices) recorded EGP 18.1 tn., with household consumption seizing the lion's share with EGP 16.7 tn.

GDP by expenditure components (at current prices)(EGP bn.)



GDP = household consumption + government consumption + investment and inventories + (exports of goods and services – imports of goods and services)

Source: MPED

Egypt occupies a privileged continental position in the field of new and renewable energy

Egypt is home to a wide set of renewable energy sources with enormous potentials. It thus strives to optimize these vast resources, in light of an ambitious strategy aimed at diversifying energy sources and increasing the relative weight of new and renewable energy in the energy mix. These efforts came as a part of Egypt's Vision 2030 for sustainable development, with a view to bringing the contribution of new and renewable energy in the energy mix to 42% and 65% by 2030 and 2040 respectively.

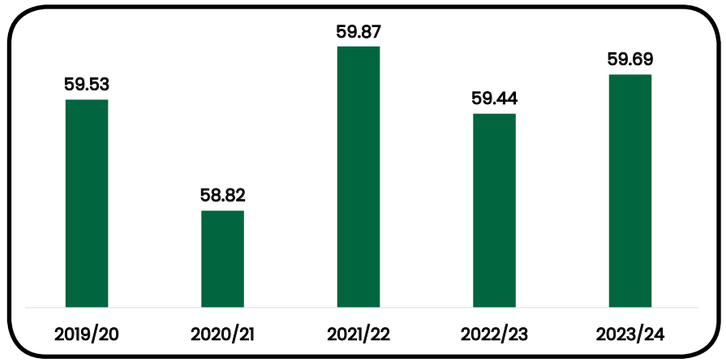


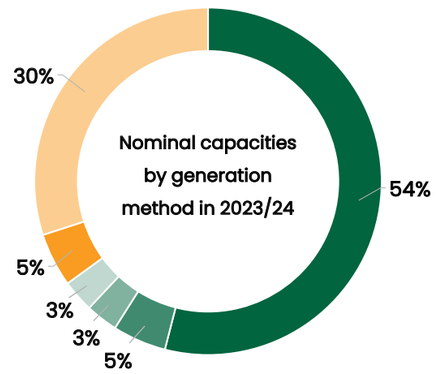
A number of electricity and new and renewable energy indicators in Egypt and its continental and regional neighbors

Installed capacities and electricity generation

Egypt's total nominal electricity generation capacities reached 60 GW in FY 2023/24, with a slight increase of 0.4% YoY.

Egypt's total nominal electricity generation capacities (GW)

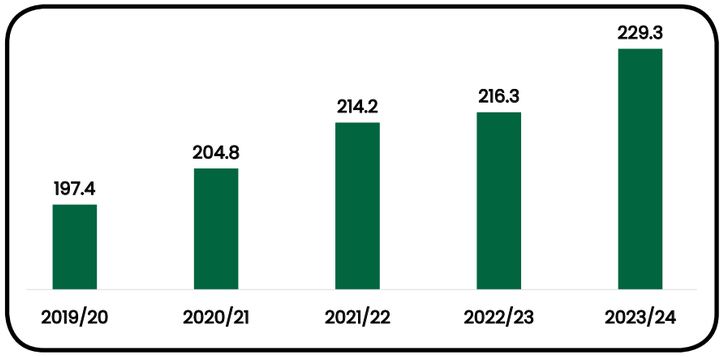




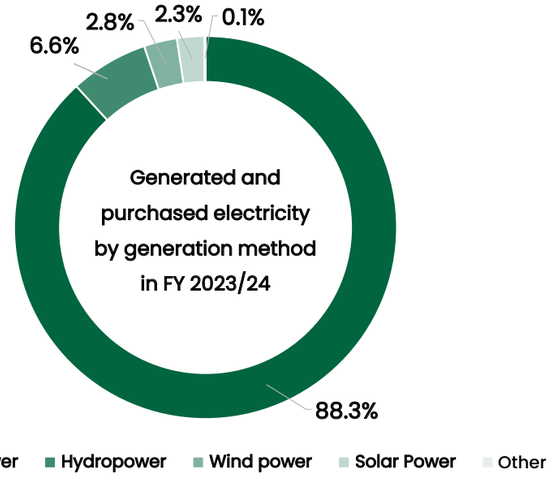
Source: Ministry of Electricity and Renewable Energy's (MOERE) website.

In this vein, Egypt's total generated and purchased electricity amounted to 229.3 TWh in FY 2023/24, with a 6% increase YoY. Thermal power acquired the largest share of total generated and purchased power at 88.3%, followed by hydropower at 6.6%, while wind and solar power accounted for 2.8% and 2.3%, respectively.

Total generated and purchased electricity * (TWh)



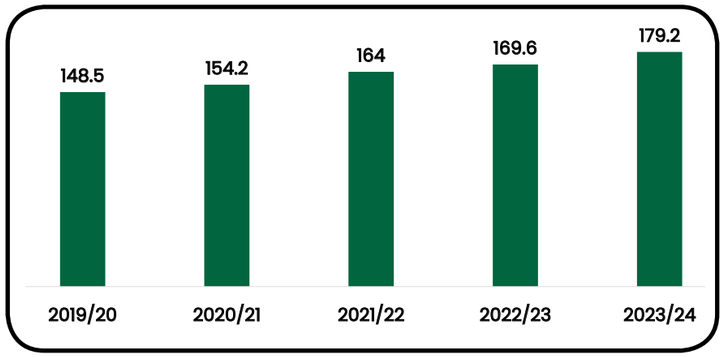
6%
Growth rate of total generated electricity in 2023/24



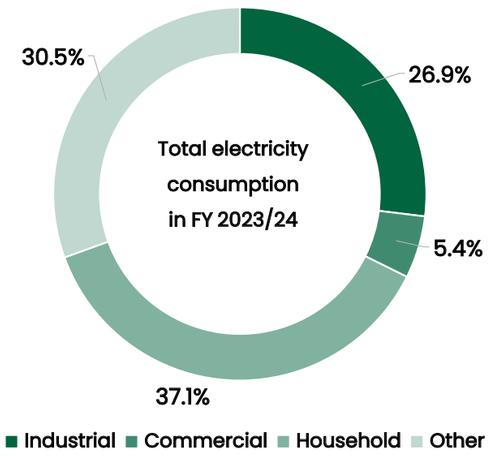
*Including commissioning tests, private-sector production, backup plants, off-grid capacities, and electricity purchased from industrial companies .
Source: MOERE's website.

Meanwhile, Egypt's total electricity consumption reached 179.2 TWh in FY 2023/24, with an increase of 5.7% YoY. The household sector recorded the largest share of electricity consumption at 37.1%.

Total electricity consumption (TWh)



5.7%
Growth rate of total electricity consumption in 2023/24

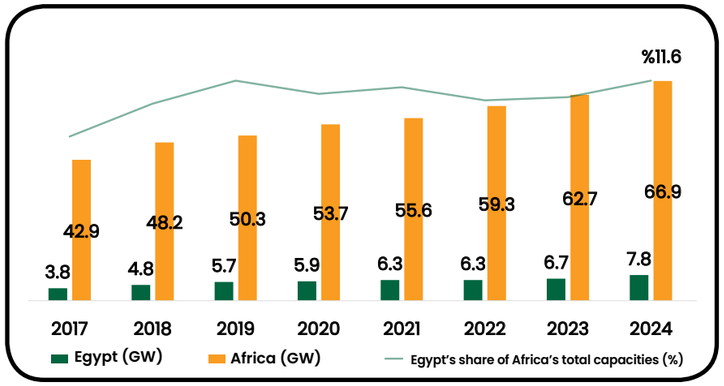


Source: MOERE's website.

New and renewable energy

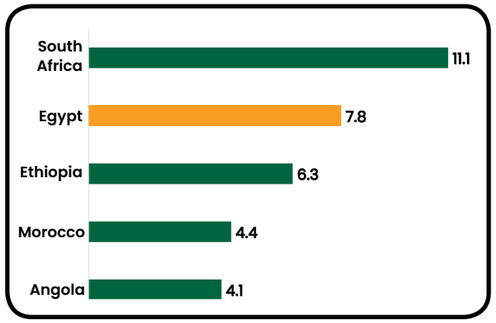
According to data from the International Renewable Energy Agency (IRENA), Egypt's power generation capacities from new and renewable energy sources scaled up to 7.8 GW in 2024 compared to 6.7 GW in 2023, corresponding to 11.6% of Africa's total power generation capacities in 2024 against 10.7% in 2023. In this context, Egypt ranks second among African countries, following South Africa, in terms of power generation capacity in 2024. It also tops North African countries, acquiring more than half of the region's total power generation capacities.

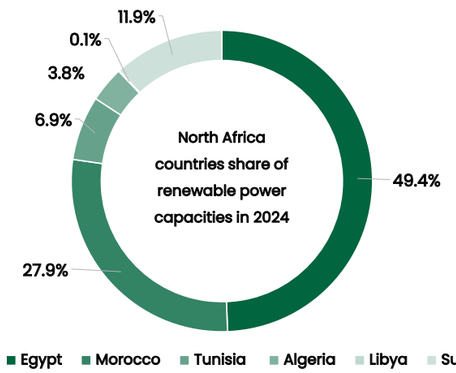
Renewable power capacities and Egypt's share in Africa



Source: IRENA, Renewable Capacity Statistics 2025

Top five African countries in terms of renewable power capacities in 2024 (GW)

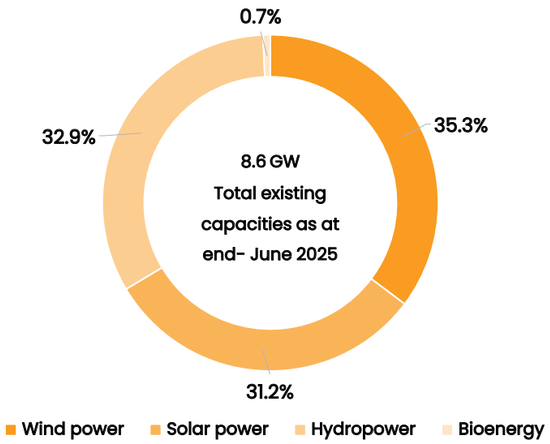




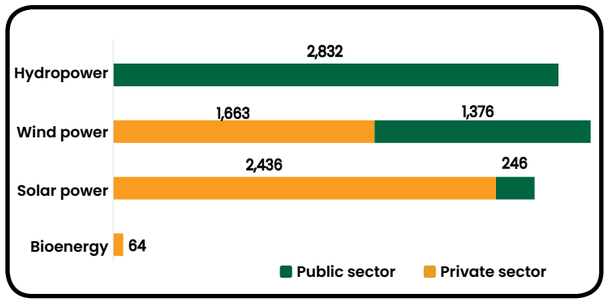
Source: IRENA, Renewable Capacity Statistics 2025

In the same vein, IRENA's report issued in July 2025 indicated that the total new and renewable power capacities grew to 8.6 GW by the end of June 2025. Wind power capacity came first, accounting for 35.3% of total capacities, followed by the existing capacities of hydropower, solar power and bioenergy at about 32.9%, 31.2%, and 0.6% respectively of total renewable power capacities.

Breakdown of capacities of new and renewable energy projects in Egypt



Egypt's renewable power capacities, distributed according to ownership structure (MW)



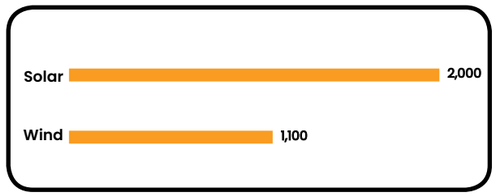
Regarding the ownership structure, it is noted that the private sector owns the largest share of existing wind and solar power generation capacities, in addition to the entire bioenergy generation capacities.

On a related note, it is worth noting that future new and renewable energy projects will be mostly financed by private-sector investments. In this respect, new and renewable power capacities under construction amount to 3.1 GW, while capacities under development account for 13.8 GW.

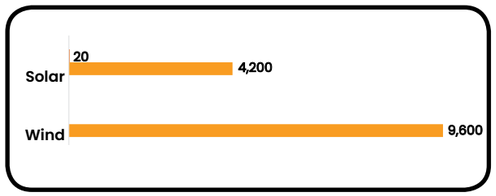
3.1 GW
Total capacity of projects under construction

13.8 GW
Total capacity of projects under development

Capacities under construction (MW)



Capacities under development (MW)



.Source: New and Renewable Energy Authority (NREA), Quarterly Bulletin, July 2025, Issue No. 26

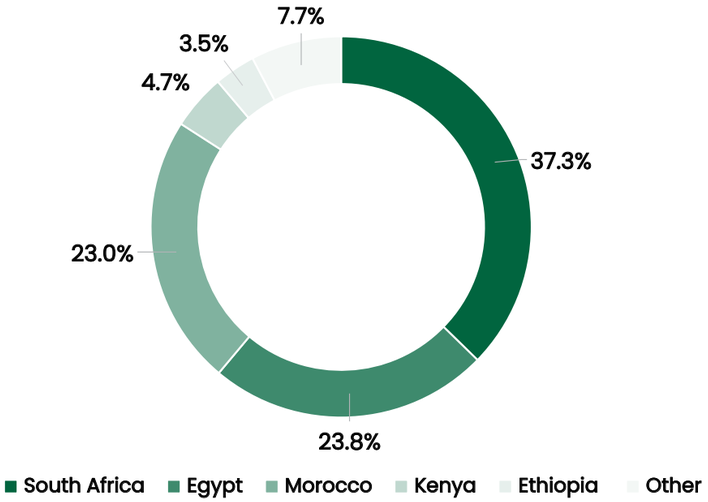
A number of wind power indicators in Egypt and its continental and regional neighbors

Wind power stands out among new and renewable energy sources in Egypt, in terms of existing and under-development capacities. In this regard, it is worth mentioning that Egypt has immense wind power potentials, as it features several areas with high wind speeds, particularly in the Red Sea and Gulf of Suez, which makes it optimal for harnessing such energy source. IRENA's data indicates that Egypt ranks second in Africa in terms of existing wind power capacities which amounted to 2.2 GW in 2024, constituting about 23.8% of Africa's total capacities. North African countries also take the lead in this respect, backed by significant expansion in major projects and collaboration with the private sector.

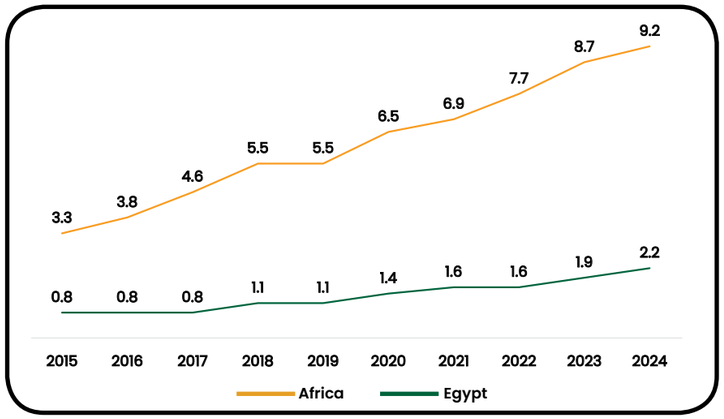
 # 1
Egypt's ranking among North African countries

48%
Egypt's share of North Africa's total wind power capacities in 2024

Breakdown of Africa's wind power capacities in 2024



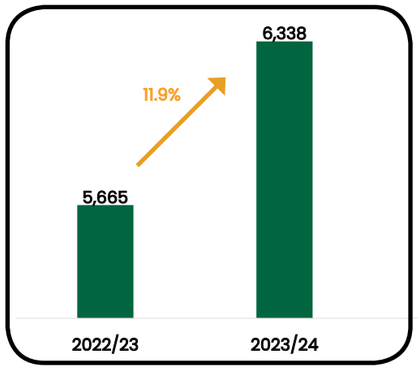
Total wind power capacities (GW)



Source: IRENA, Renewable Capacity Statistics 2025

Egypt's total wind-generated electricity accounted for 6.4 TWh in 2023/24, with a growth rate of 11.9% YoY.

Total wind power capacities (GW)



Source: Egyptian Electricity Holding Company (EEHC), Annual Report 2023/24

Biogas: A promising source of renewable energy

Biogas is a clean and renewable biofuel that is produced through the fermentation of various organic materials like animal or plant manure, food scraps, or human waste when mixed with water in an oxygen-free (anaerobic) environment inside biogas units (digesters). In this process, special types of bacteria break down the organic matter, generating a gas mixture composed of methane "biogas" (50-70%) and other gases. Biogas can be used for different purposes including lighting, cooking and heating, as well as for fueling engines and machines such as land irrigation machines and generators. In some cases, biogas is treated and then compressed to allow for storage and transportation to places of usage. Moreover, digesters can produce ecofriendly and high-quality organic fertilizers that improve soil fertility and increase crop yields, serving as a complete and cost-effective substitute for synthetic fertilizers.

Biogas production (number of units – volume of biogas produced)

The number of biogas units reached about 2,000 in August 2025 against a total of 1,921 units in February 2025. Bioenergy Association for Sustainable Development (BASD) was responsible for creating 1,932 of these units which are spread across 20 governorates. The units vary in size and type, including fixed/ movable small, medium or large models:

Small fixed household-specific units

with a capacity of 2-50 m^3/day

suitable for small families

Fixed medium units

with a capacity of 50+ to 500 m^3/day

suitable for big families and small-to-medium farms

Fixed large units

with a capacity of 500+ to 5,000 m^3/day

suitable for large farms and industrial uses

Central units

with a capacity exceeding 5,000 m^3/day

suitable for large projects like sewage treatment plants

In the same context, the volume of biogas produced in 2025 increased to 2.15 mn. m^3, equivalent to 86,000 gas cylinders, by treating 53.8 thousand tons of cattle manure. This increase came against 1.99 mn. m^3, equivalent to 73,000 gas cylinders, by treating 49.2 thousand tons of cattle manure during 2023.

2.152 mn. m^3

Annual production of biogas during 2025

Main Components of biogas units

Feeding tank

where the organic materials are mixed and purified from impurities.

Digester/ Fermenter

the main tank where anaerobic fermentation takes place in the absence of oxygen.

Overflow tank

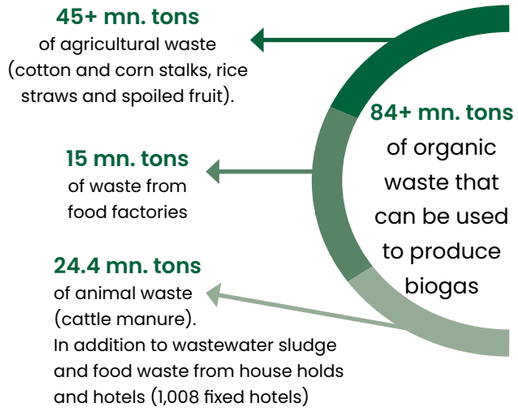
balances the pressure inside the fermenter and receives the fertilizer after the fermentation process ends.

Fertilizer tank

stores the liquid fertilizer resulting from the fermenter for a proper period (usually 10 days before usage).

Organic waste used for biogas production and growth opportunities

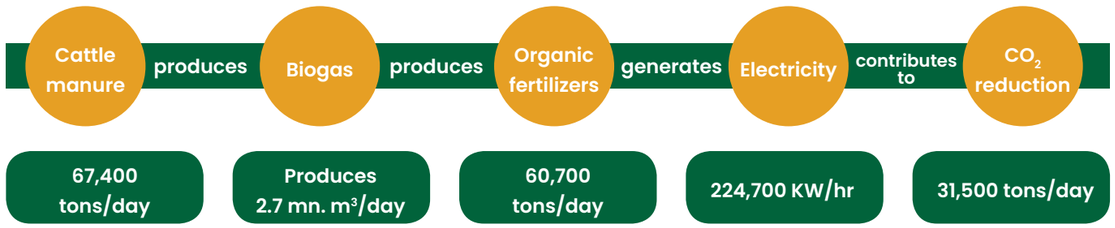
Economy-wise, there are opportunities to expand the use of biogas technology and establish more units all over Egypt in the light of the enormous amount of organic waste produced from various activities such as food factories, cattle farms, slaughterhouses, and poultry farms. This expansion offers a sustainable, cost-effective and safe energy source for industrial and environmental applications.



41,000 cattle farms
with an actual capacity that exceeds 567,300 cattle for fattening and dairy production annually

491 slaughterhouses
with a 31,500 cattle/day total capacity

29,000 poultry farms
with an actual capacity that exceeds 1.5 mn. birds



Top governorates in terms of cattle manure volume ready for treatment to produce biogas and organic fertilizers

	Manure 000s tons/day	Biogas production 000s m3/day	Fertilizer production tons/day	Electricity production KW/hr	Reduced emissions 000s tons/day
Beheira	9.6	387	8.7	32.2	4.5
Sharqia	9.2	366.7	8.3	30.6	4.3
Menofia	5.7	229.5	5.2	19.1	2.7
Sohag	5	199.1	4.5	16.6	2.3
Daqahlia	4.7	186.4	4.2	15.5	2.2
Menia	4.6	184.8	4.2	15.4	2.1

Salient environmental, economic and social benefits of biogas units:

The safe disposal of waste and its transformation into economically viable products through "circular economy" is achieved by the production of biogas as a clean and renewable energy that can substitute traditional energy, and organic fertilizers that are rich in organic matter, vitamins, beneficial and active bacteria that improve soil fertility and promote crop quality.

- Rationalizing fuel oil consumption which helps lower the import bill, as one cubic meter of pure biogas equals 0.7 cubic meters of equivalent natural gas.
- Providing modified diesel and gasoline engines that consume biogas as a renewable source of energy, in addition to the ability of using "pure" treated biogas to fuel large power generators.
- Enhancing energy security in rural and remote areas.





- Creating direct and indirect jobs through the construction and maintenance of biogas units and providing necessary training for youth and women to work in the bioenergy field. This leads to improving living standards and enhancing sustainable development for rural communities.

- Increasing crop productivity by 15% to 20% through using high-quality compost-rich organic fertilizers produced from biogas units.
- Minimizing the use of insecticides and limiting the dependence on synthetic fertilizers by 20%.
- Reducing water runoff by improving the soil's ability to absorb and hold water, which decreases the need for frequent irrigation.





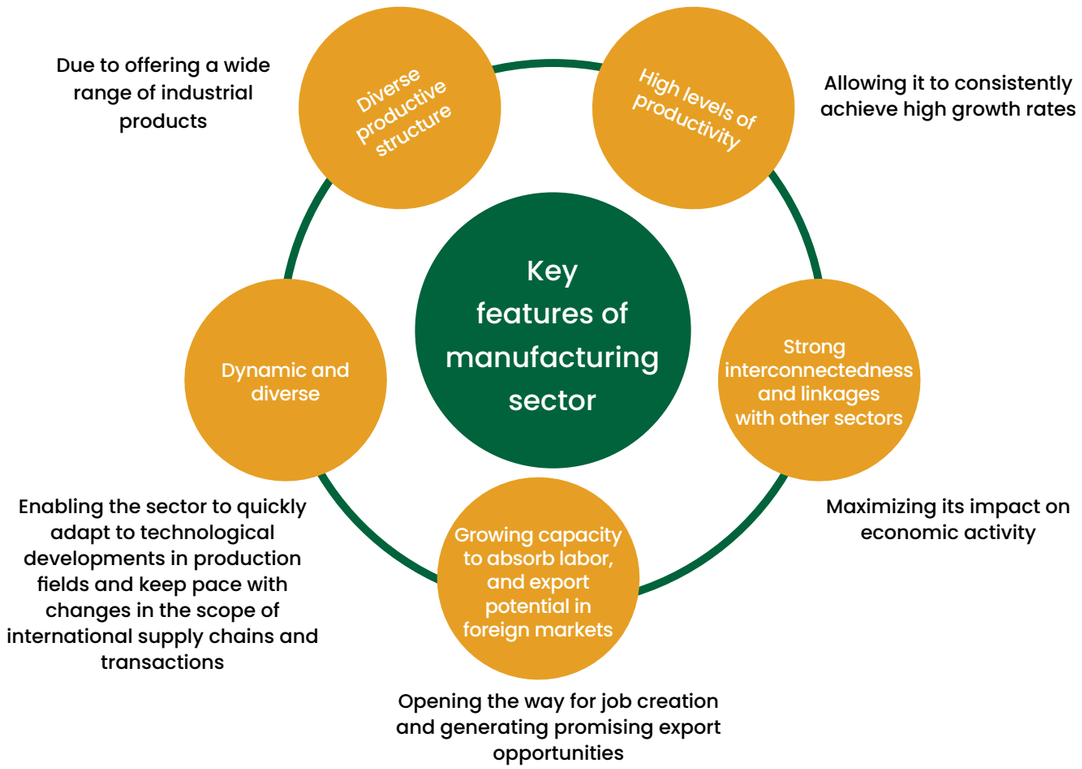
- Lowering green house emissions and improving air quality, as using biogas reduces such emissions compared to traditional crude oil such as gasoline and kerosene.
- Mitigating climate change effects.
- Reducing methane emissions caused by the traditional decomposition of organic waste, by capturing and converting the gas into a source of energy.

Future plans to use biogas

- Studying Biogas compression and purification technologies to meet the biomethane European standards, which allows injecting the biomethane into the natural gas grid as seen in countries like Denmark, where biomethane represents 40% of its total gas consumption.
- Exploring the potential use of common reed, which rapidly grows, especially in saltwater and wastewater environments, to produce biogas. Research indicates that common reed can produce a biogas yield which is four times higher than that produced from agricultural waste alone.

Orientations of the Industrial Development Strategy in FY 2025/26 Plan

The manufacturing sector serves as the engine of economic development in Egypt, and a key driver for the growth of many economic sectors owing to its forward and backward linkages. In this context, the government gives utmost importance to the manufacturing sector to increase its contribution to gross domestic product (GDP), expand the export base, and boost foreign currency receipts.



A number of indicators for the manufacturing sector during 2024/25

2.63	15.1%	11.2%	1.68%	13.1%
EGP trillion Value of sector output at current prices	Sector's contribution to GDP at current prices	Real growth rate of sector output	Contribution of non-petroleum manufacturing to real GDP growth rate of 4.4%	Sector's contribution to total employment during Q2 2025

A number of targets for the manufacturing sector in FY 2025/26 Plan

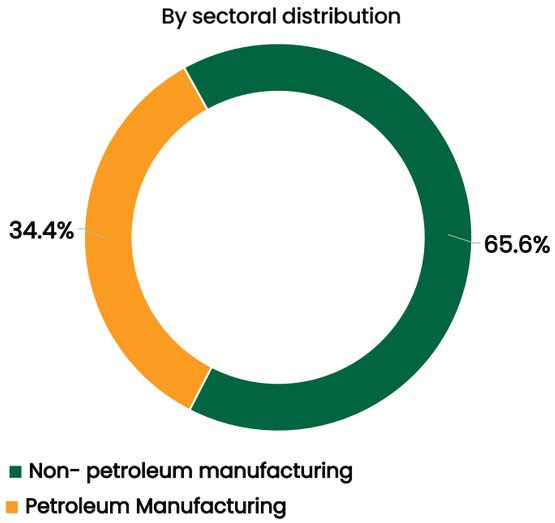
Targets for FY 2025/26 Plan

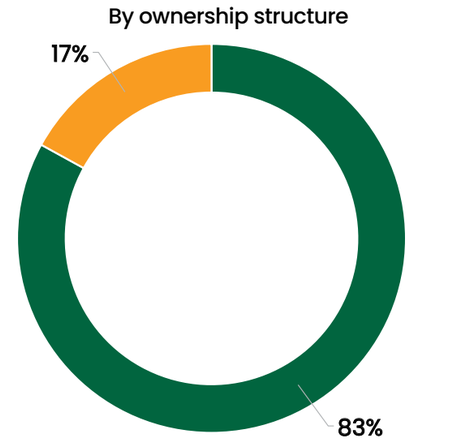
EGP 2.9 tn. Value of targeted industrial output

EGP 252.8 bn. Targeted investments for the sector

Egypt to become a leader in the Middle East and North Africa region, and a main hub for exporting medium-technology industrial products by 2030.

Structure of targeted investment distribution:





A number of targets for the manufacturing sector within the National Narrative for Economic Development

	2030	2050
Contribution of (petroleum and non-petroleum) manufacturing to GDP (%)	20%	30%
Contribution of (non-petroleum) manufacturing to GDP (%)	18%	25%

Orientations of the Industrial Development Strategy in FY 2025/26 Plan

Deepening the local manufacturing of numerous imported components for which the requisite production capabilities are available domestically. This represents an investment opportunity for national companies and saves foreign currency. Promising fields include iron and steel products, paper products, pharmaceutical manufacturing, sera and vaccines, the manufacturing of pipes, boilers, automotive components and spare parts.

Completing the provision of utilities for industrial zones and continuing to upgrade the infrastructure in many specialized industrial complexes which take the form of industrial clusters; finishing the establishment of 17 industrial complexes in 15 governorates, including more than 5,000 ready-to-use industrial units under the usufruct system; finalizing two industrial complexes to serve high-tech industries; and offering new land for private investment.

Developing industries with export potential to promising markets, allowing for an increase in industrial exports by no less than 15% annually, particularly exports of chemical products, fertilizers, construction materials, food industries, and engineering and electronic products; continuing to develop export support for companies; expanding the umbrella of export rebate programs; and stepping up the promotion of Egyptian exports to the African continent.

Providing skilled human resources by enhancing the professional competency of trainees and improving the performance and outputs of the university-level technical education system to supply skilled labor; and developing vocational schools and apprenticeship centers.

Enhancing the quality of industrial products through pushing ahead with the modernization of information centers within the Ministry of Industry; finalizing the standardization system for quality specifications; finishing the rehabilitation of the laboratories and buildings of the Quality Control Center; and expanding the provision of technical support services to heritage crafts and industrial establishments.

Prioritizing the development of environmentally friendly green industries to ensure the sustainability of development, such as the green hydrogen industry, the manufacturing of components for solar power stations - such as panels, solar cells, and electronic chips - the manufacturing of wastewater treatment and seawater desalination plants, the electric vehicle industry, and the manufacturing of water- and electricity-saving appliances. This will enhance the efficiency of resources utilization and reduce carbon dioxide emissions and waste.

Egypt aims to become a global hub for handicrafts

Egypt has a deeply rooted history of handicrafts that have been passed down through generations and are warmly welcomed by international markets. These handicrafts "such as carpets and copper handicrafts" have long contributed, and continue to contribute, to creating more jobs, supporting export activity, and boosting overall economic activity. In the recent years, the state has shown growing interest in developing these handicrafts and reinforcing their position within the national economy through improving technical and artistic skills to enhance product quality, organizing marketing events, and ultimately boosting the competitiveness of these handicraft products both locally and internationally. In this context, the National Strategy for Handicrafts (2025–2030) was launched in July 2025, during the seventh edition of "Turathna 2025" Exhibition for Heritage and Handicrafts.



Targets of the National Strategy for Handicrafts

1. Transforming Egypt into a global hub for handicrafts by building value chains distinguished by competitiveness, sustainability, and creative capabilities inspired by the diversity of cultures within the Egyptian heritage.
2. Raising handicraft exports to USD 600 mn. by 2030.
3. Creating 120,000 new jobs, while ensuring the sustainability of existing ones.
4. Causing handicrafts to command 70% of the local market.
5. Increasing the percentage of official businesses in the sector by 10% annually.
6. Developing 15 organic handicraft clusters to preserve their identity.

The mechanisms of implementing the strategy include:

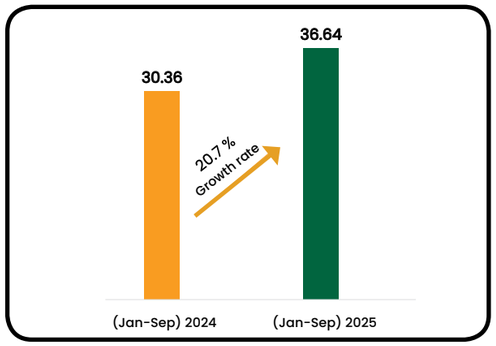
- Establishing "the National Council for Handicrafts", comprising traditional artisans to lead the sector and guide efforts.
- Establishing "the Handicrafts Design and Export Center" to provide the necessary technical and logistical support.
- Developing value chains, from inputs and production to marketing and sales, while addressing challenges.
- Engaging international experts in developing handicrafts and carrying out follow-up plans.
- Developing the standard specifications for globally demanded heritage crafts, such as pottery and carpets.
- Coordinating with the tourism sector to support handicrafts and integrate them into rural tourism programs.

Non-oil commodity exports recorded a significant growth during the first nine months of 2025

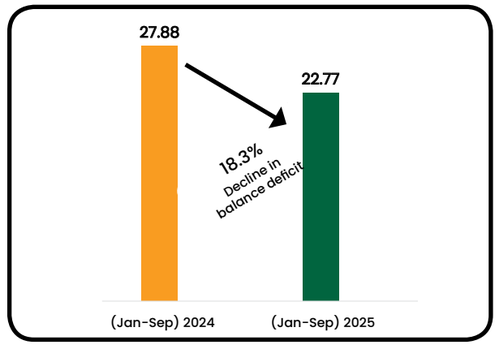
The growth in Egyptian exports in general and non-oil exports in particular is a key component for supporting the country's balance of payments. In this context, Egypt is focusing on increasing non-oil exports to all foreign markets, with the state actively working to enhance competitiveness and the added value of its exports through policies like opening new markets and making the best use of free trade agreements concluded between Egypt and various countries and regional and global economic blocs. This strategy led to a remarkable surge in Egypt's non-oil exports during the first nine months of 2025.

The increase in non-oil commodity exports contributes to narrowing the balance of trade deficit

Non-oil commodity exports (USD bn.)

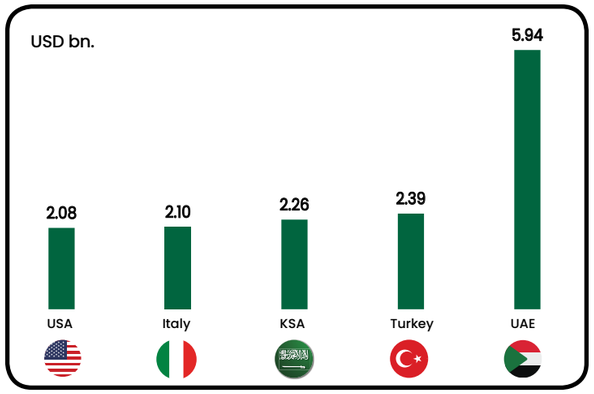


Balance of trade (USD bn.)

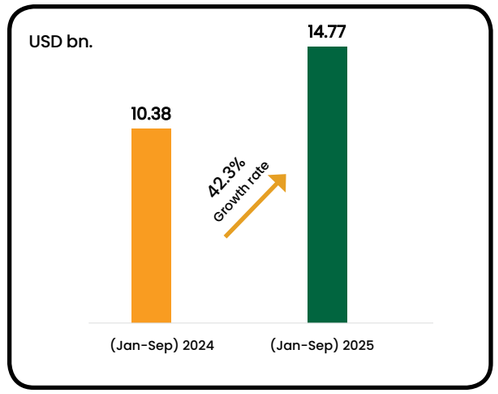


The largest destinations for Egyptian non-oil commodity exports during the period (January - September 2025)

Egypt's top five exports destinations



Non-oil commodity exports in Egypt



Top non-oil export sectors during the period (January - September 2025)

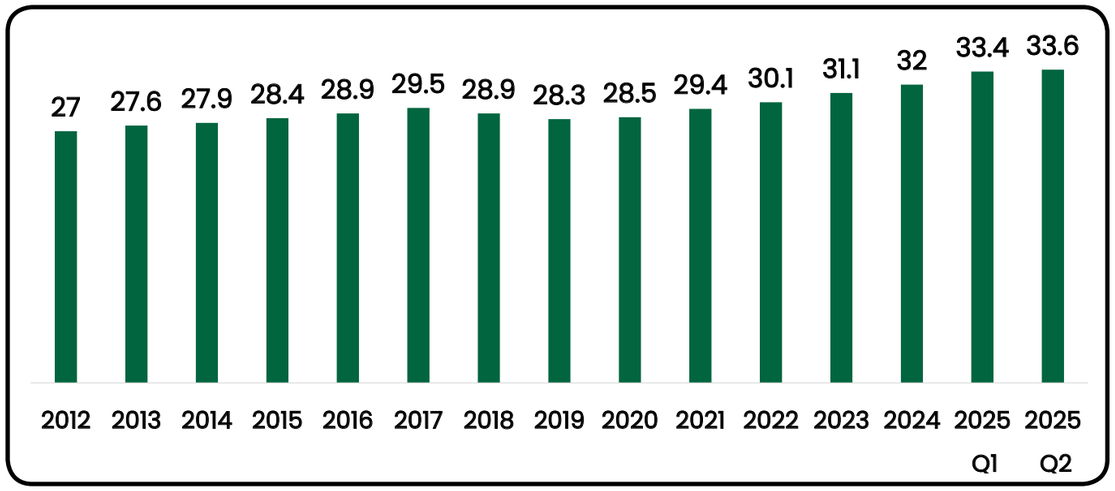


Unemployment records its lowest rate during Q2 2025

Unemployment is a multifaceted global challenge for contemporary societies, squandering human potential and forming a significant obstacle to both economic and social development. Therefore, all countries, adopting various economic philosophies and approaches, actively work to create more jobs than labor market entrants to achieve lower unemployment rates. In this context, Egypt's unemployment rate declined noticeably during recent years to a record low of 6.1% during Q2 of FY 2024/25.

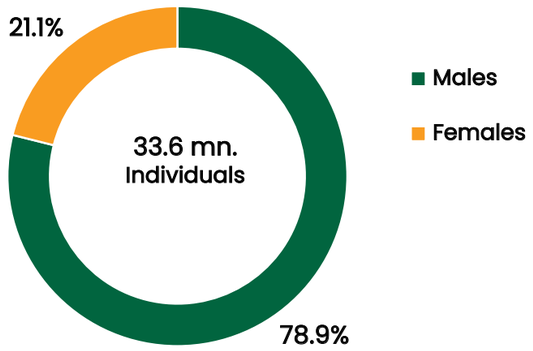
Labor force generally comprises the aggregate of all individuals (15 years and above) who are either contributing their physical or mental efforts in any economic activity to the production of goods and services, or are capable and willing to perform such activities, and actively seeking a job but cannot find one. In this context, Egypt's labor force grew to 33.6 mn. individuals during Q2 2025, against 33.4 mn. during Q1 of the same year. However, a decline is shown in the female labor force in terms of both absolute numbers and its relative proportion of the total labor force during the same period.

Labor force (mn. individuals)



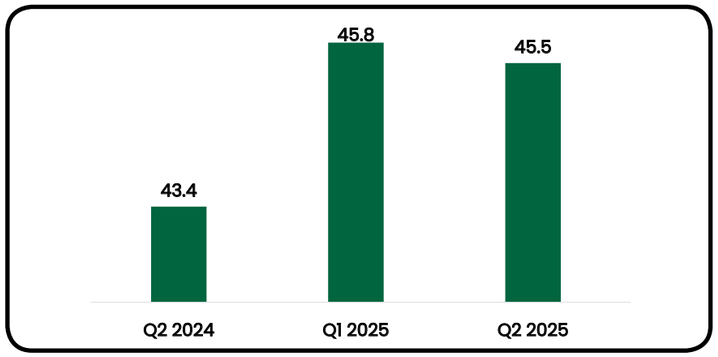
Source: CAPMAS

Distribution of labor force by gender during Q2 2025



In this context, labor force participation rate showed a minor decline in Q2 2025 compared to Q1, but remained higher than the rate recorded in Q2 2024. The average hides a significant disparity between male and female participation rates in labor force. The (20-25) age bracket accounts for the largest share of this participation.

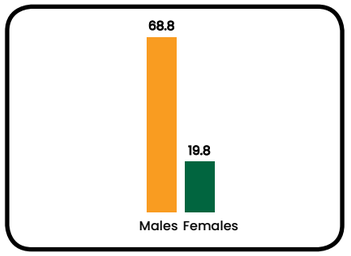
Labor force participation rate (%)



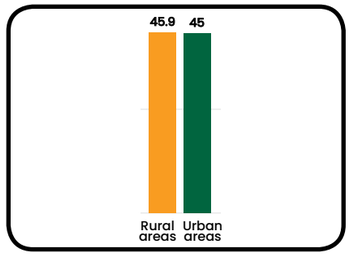
Participation rate in economic activity =
(Labour force "15 years and above"/population "15 years and above") x 100

Labor force participation rate in terms of:

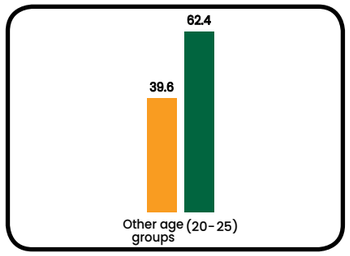
Gender (%)



Rural and urban population (%)



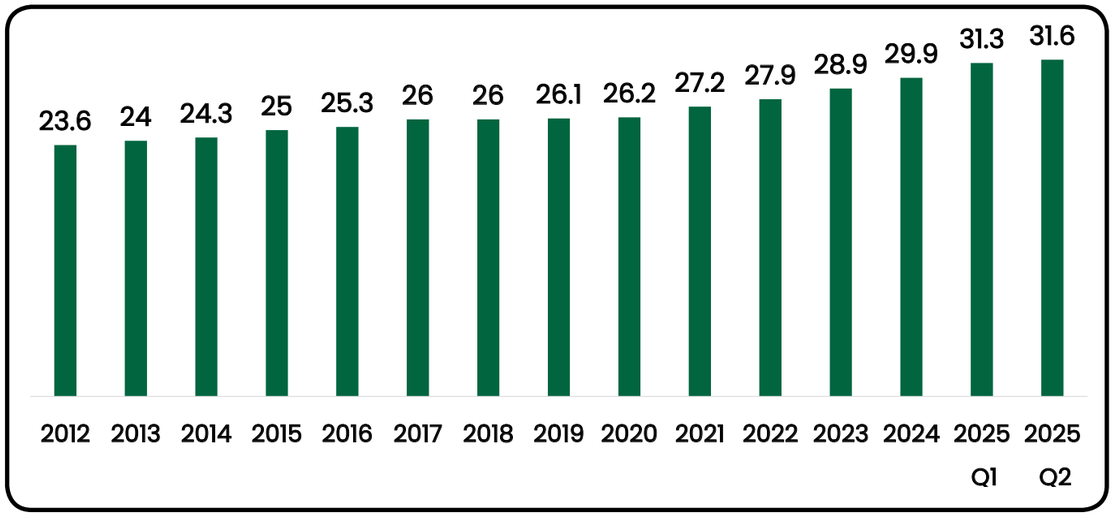
Age (%)



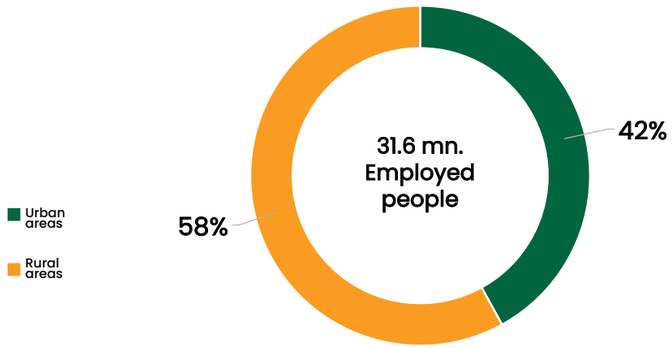
Source: CAPMAS

Employed people: In Q2 2025, Egypt's employed population reached 31.6 million, broken into 13.4 million and 18.2 million in urban and rural areas respectively, with the agricultural sector employing the largest share at 21.3% of the total. The next largest sectors were wholesale and retail trade and manufacturing.

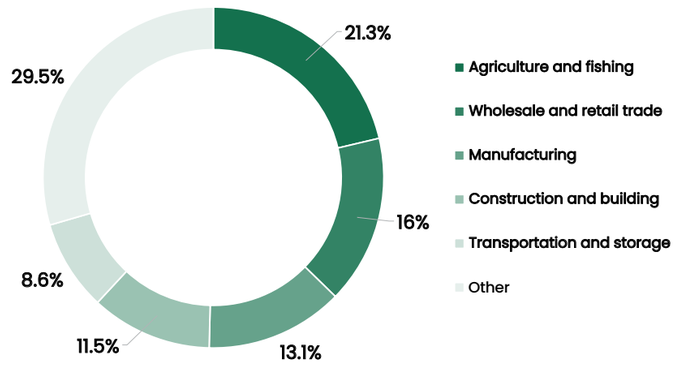
Number of employed people (mn. employed people)



Employed people in rural vs urban areas during Q2 2025



Distribution of employed people by economic activities during Q2 2025

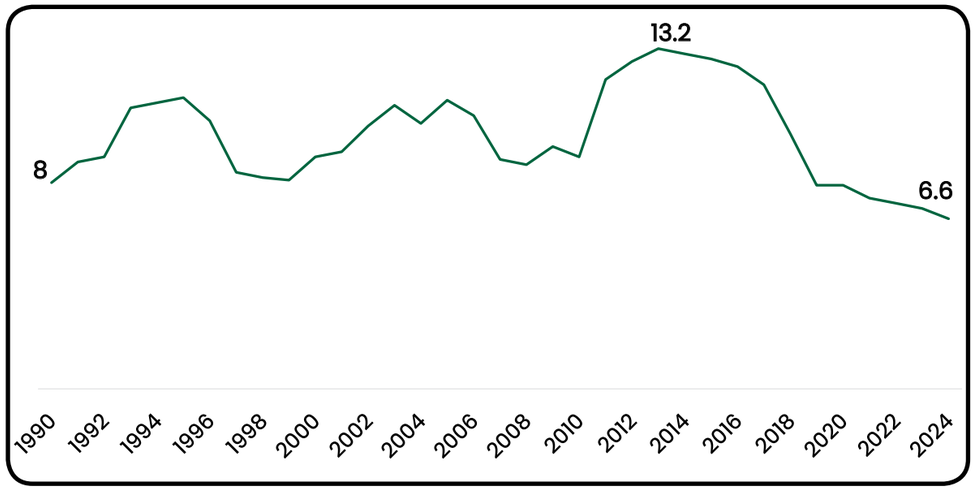


Source: CAPMAS

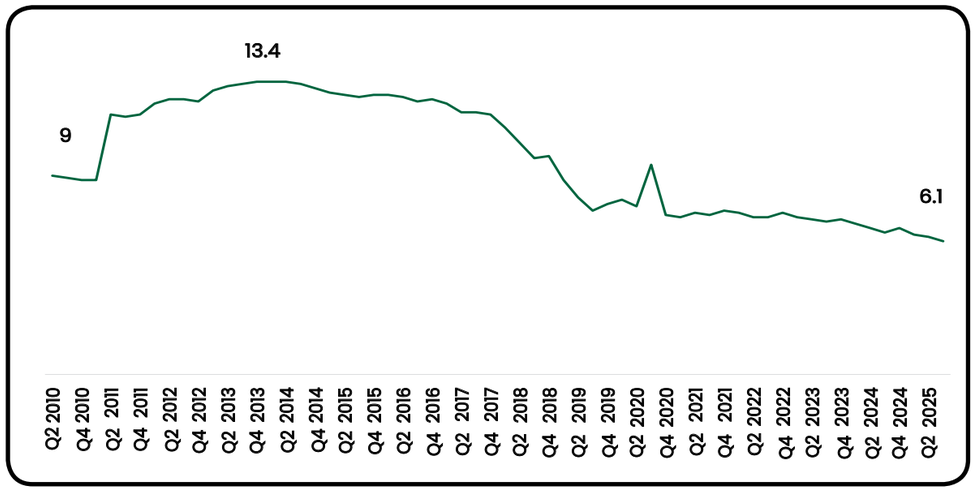
Unemployment: Egypt's unemployment rate declined to 6.1% during Q2 2025, which marks its lowest point in decades. This occurred despite a growing population and repercussions of the consecutive conflicts and tensions globally and regionally.

6.1%
Unemployment rate during Q2 2025.

Unemployment rate (annually) (%)



Unemployment rate (quarterly) (%)

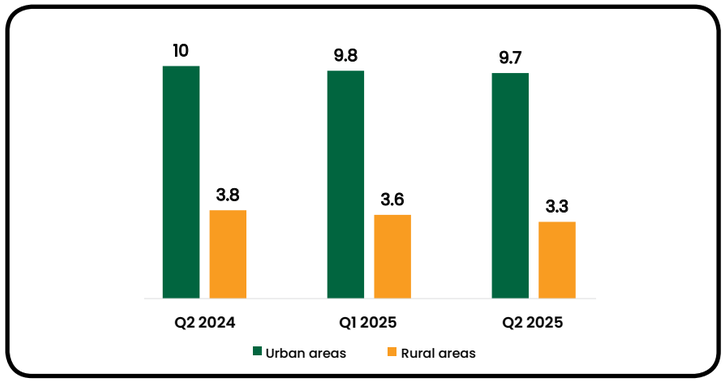


Source: CAPMAS
Cabinet of Egypt

More closely, the following was noted:

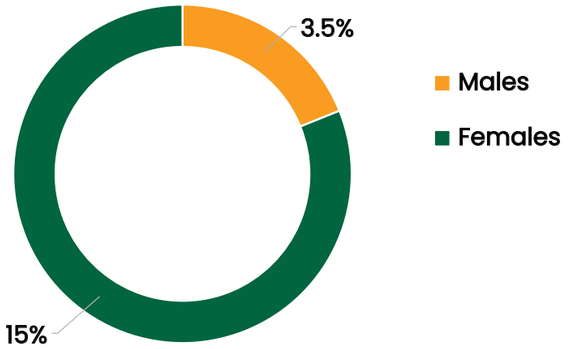
In terms of urban and rural populations: In Q2 2025, both urban and rural unemployment rates declined compared to the previous quarter and Q2 2024, but urban rates remained higher than rural rates. The gap between the urban and rural unemployment rates expanded to 6.4 percentage points during Q2 2025 against 6.2 percentage points during Q2 2024.

Unemployment rate in rural vs urban areas (%)



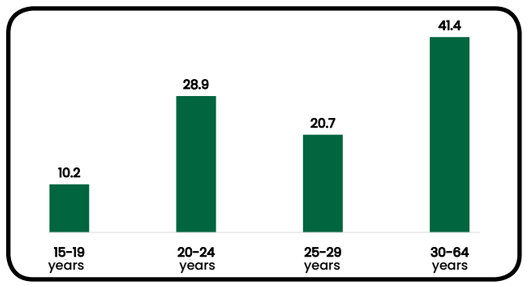
In terms of gender: The unemployment rate among females declined by 0.6 percentage point during Q2 2025 against Q1 of the same year, and by 1.5 percentage points against Q2 2024. Despite the decline, a significant gender gap persisted between the unemployment rates of males and females. However, the gap between male and female rates narrowed during Q2 2025 compared to the previous quarter and Q2 2024.

Unemployment rate by gender during Q2 2025



In terms of age: The 20 to 30 age group accounts for half of the unemployed population.

Unemployment rate by age (%)



Source: CAPMAS

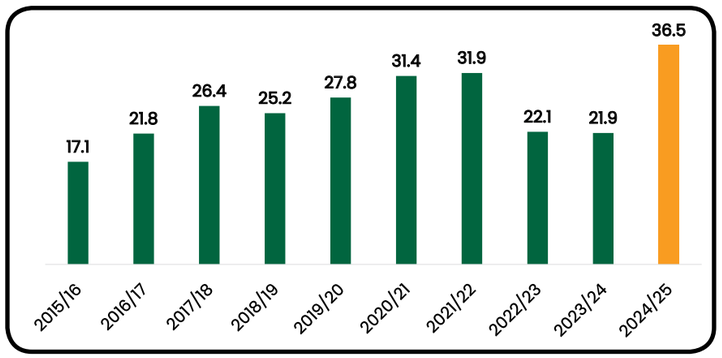
Remittances from Egyptian expatriates reach a record high in FY 2024/25

Expatriate remittances are a key source of foreign exchange for numerous developing economies. They are a vital source for strengthening foreign reserve balances with the central banks of these economies, which play a crucial role in supporting a country's currency, managing inflation, and ensuring financial stability, leading up to maintaining economic stability.

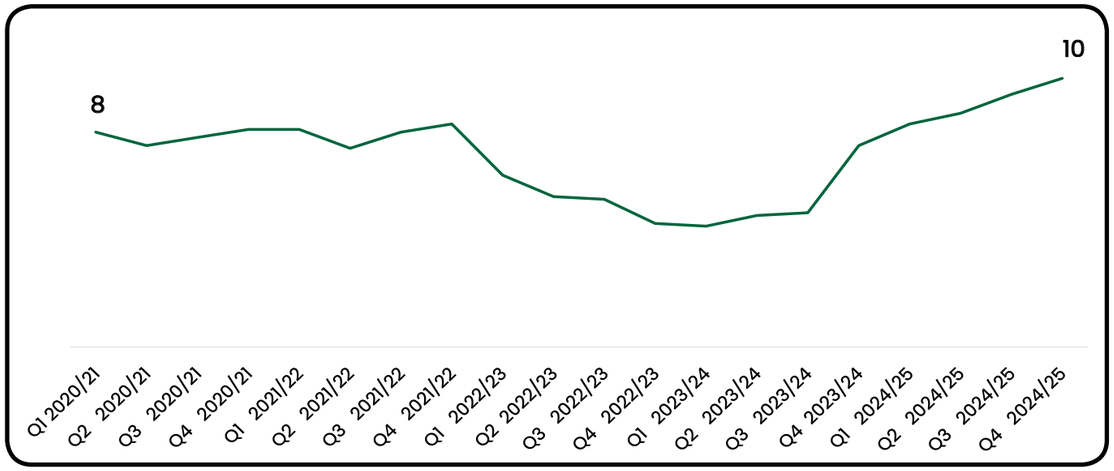
In this vein, remittances from Egyptians working abroad saw remarkable growth to reach a record high in FY 2024/25, thanks to a package of economic reforms adopted by the Egyptian government. These economic reforms primarily included the Egyptian pound exchange rate liberalization in March 2024. In addition, remittances have grown steadily on a quarterly basis in FY 2024/25.

Remittances from Egyptian expatriates

Annually
(USD bn.)



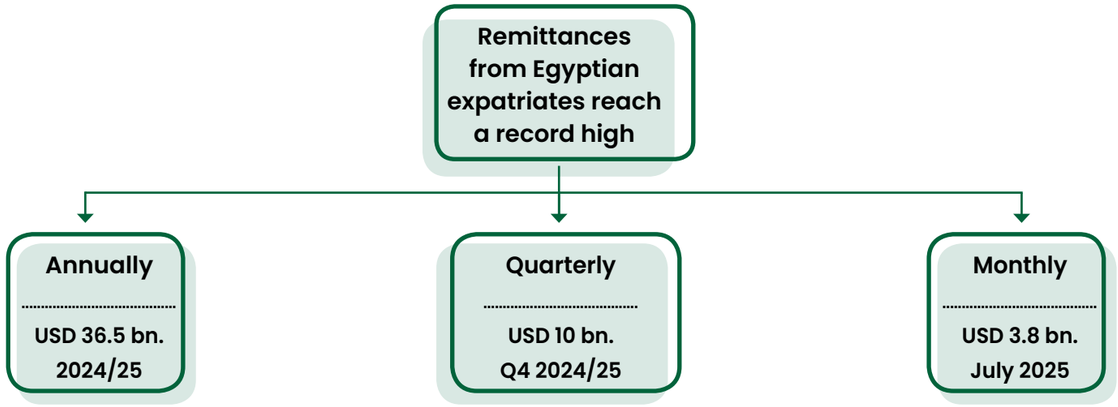
Quarterly
(USD bn.)



66.2%
YoY remittance growth in FY 2024/25

34.2%
YoY remittance growth in Q4 2024/25

Source: Central Bank of Egypt (CBE)



According to World Bank 2024 data, Egypt ranked seventh globally in remittance inflows by volume, following India, Mexico, China, the Philippines, Pakistan, and Bangladesh.

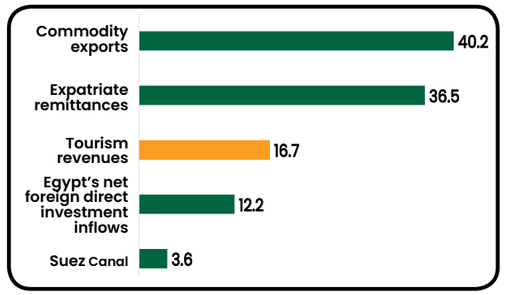
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Egypt ranked seventh globally in remittances in 2024

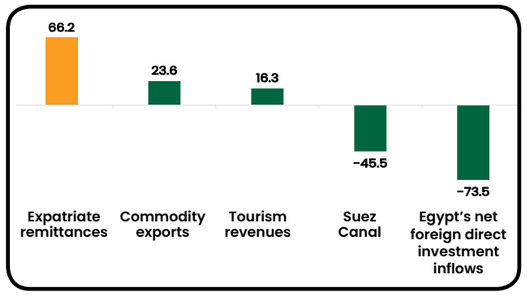
This significant growth in remittances received resulted in increasing their relative weight among Egypt's key sources of foreign exchange in FY 2024/25. Furthermore, remittances recorded the highest growth rate among these sources during the same year.

Egypt's main foreign exchange sources in FY 2024/25

Amount (USD bn.)



Change (Year-over-Year) (%)



Source: CBE

State's key initiatives to increase remittances from Egyptians working abroad

1

The CBE launched a project for the digitalization of expatriate remittances to streamline and accelerate remittances, and reduce their costs, as well as offer secure and transparent banking products to beneficiaries. The project focused on women and on tailoring incentives for them for saving.

2

The CBE has concluded several agreements with Gulf banks and exchange companies.

3

A company dedicated to enhance contributions of Egyptian expats (New Egyptian Countryside Development Company) was created in implementation of the recommendations issued by the 2022 Conference of Egyptian Entities Abroad.

4

A cooperation protocol between the Ministry of Emigration and Egyptian Expatriate's Affairs and the Ministry of Communications and Information Technology was signed in December 2022 to develop the first online application that brings together all investment incentives and digital services for Egyptian expats.

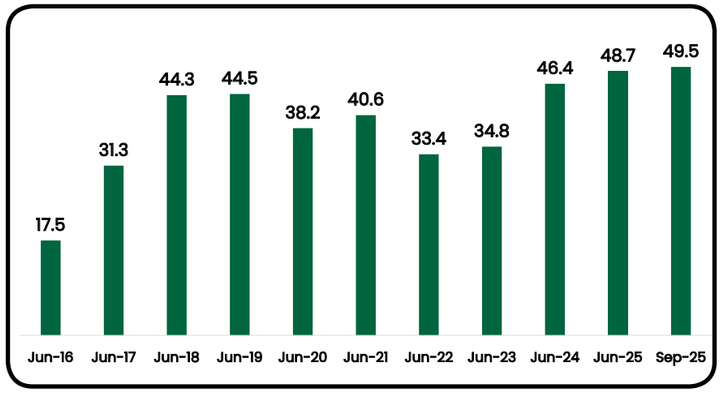
5

Housing units and land plots are continuously offered to Egyptian expats through the websites of the Ministry of Housing and the New Urban Communities Authority.

Source: Central Agency for Public Mobilization and Statistics.

The substantial surge in remittances from Egyptian expatriates was reflected in net international reserves, which reached unprecedented levels, hitting USD 48.7 bn. in June 2025, a 5% increase compared with June 2024. Net international reserves continued to grow, amounting to USD 49.5 bn. as at the end of September 2025.

Net international reserves (USD bn.)

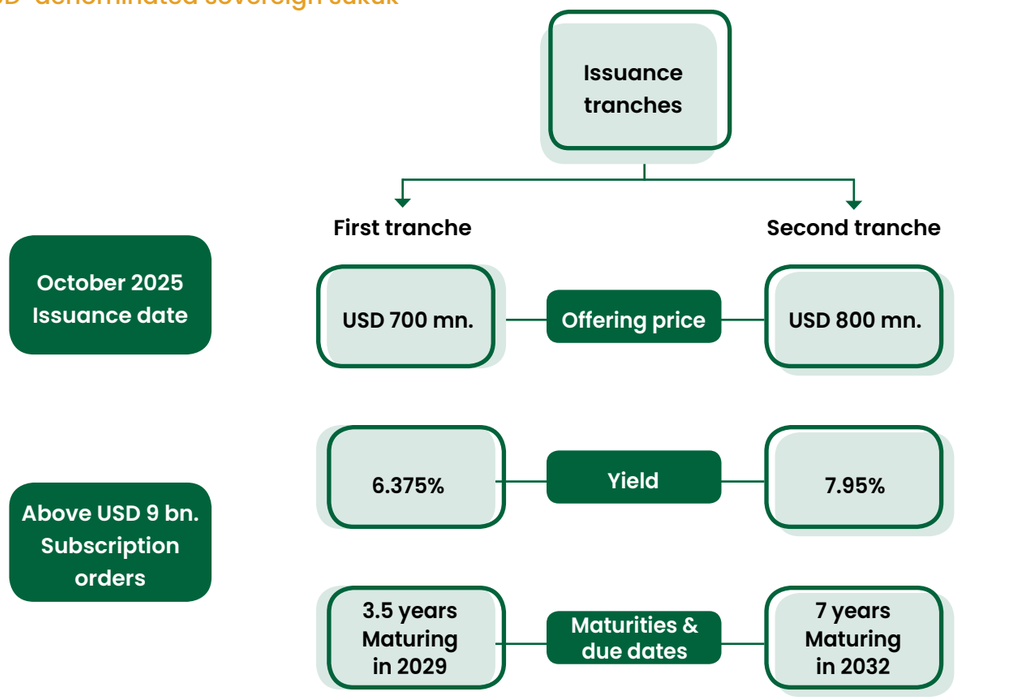


Source: CBE

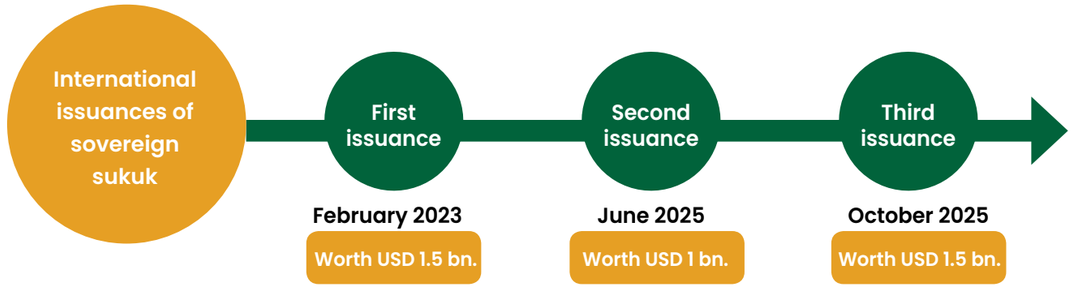
Egypt is heading to diversify funding tools and sources, and broaden the investment base

As part of Egypt's strategy to improve public debt indicators, which involves diversifying funding tools and sources and broadening the investor base to lower funding costs and lengthen maturities, while focusing on sustainably lowering external debt on an annual basis, a USD 1.5 bn. "dual-tranche" sukuk issuance in October 2025 was announced. This was followed, in November of the same year, by the country's first domestic sovereign sukuk issuance worth EGP 3 bn. through a primary dealer system. This EGP 3 bn. issuance aimed to court a new segment of investors, particularly those seeking Shariah-compliant financial instruments.

First: USD-denominated sovereign sukuk



The 3.5-year tranche was priced 20 basis points tighter than Egyptian bonds with same maturities in the secondary market, while the 7-year tranche was priced 35 basis points lower than the yield on equivalent 7-year bonds.



Second: EGP-denominated sovereign sukuk

November 2025 Issuance date	Offering price	EGP 3 bn.
	Average yield	21.56%
The offering was five times oversubscribed	Maturity	3 years

The initial public offering (IPO) was executed via public auctions, with subscriptions from 16 primary dealer banks, in addition to the four Islamic banks operating in Egypt.

The lower-cost yield on traditional bonds was accepted, with an average yield on sovereign sukuk reaching 21.56%, marking a decline of 26.2 basis points below the indicative yield for traditional bonds previously issued at 21.82%. The average yield on sukuk was also 14.3 basis points lower than Treasury bonds issued on the same day with similar maturity, for which bids were accepted at an average yield of 21.703%.

Regarding the strategy of diversifying funding tools and sources, and broadening the investor base, it is worth noting that:

> An international multi-year sovereign sukuk issuance program worth USD 5 bn. was established and registered on the London Stock Exchange on February 14, 2023, in accordance with international bond issuance procedures, marking Egypt's first sovereign Islamic sukuk issuance.

> A public sovereign sukuk program structured under the Shariah-compliant Ijara (lease) model, was established for domestic issuances, with a total program size of EGP 200 bn. Multiple sovereign sukuk issuances will be executed under this framework, with the same taxation and accounting rules applied to government Treasury bonds.

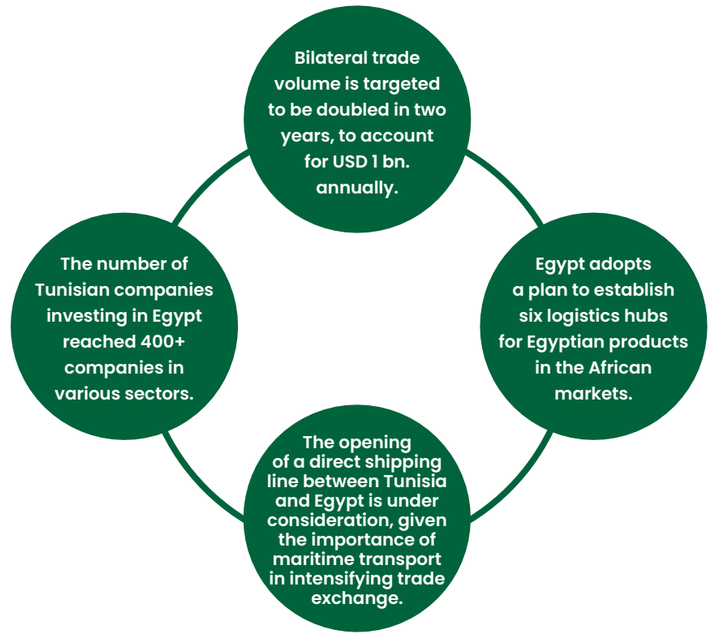
The Egyptian-Tunisian Joint Higher Committee introduces a new chapter in bilateral relations

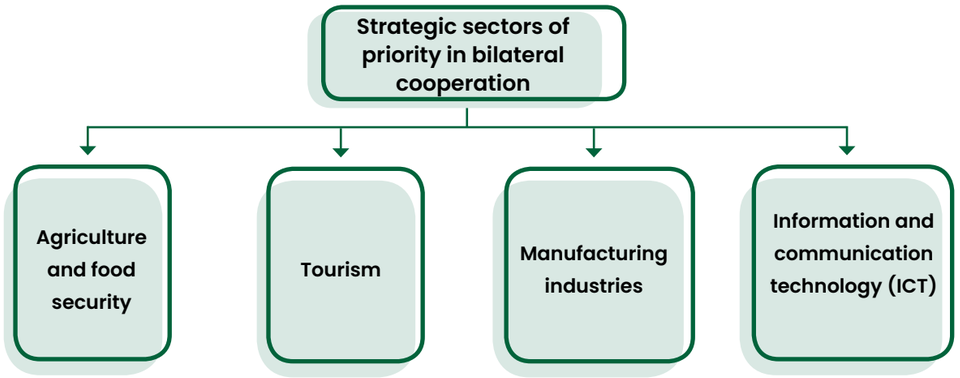
In September 2025, Egypt hosted the 18th session of the Egyptian-Tunisian Joint Higher Committee, chaired by the Prime Ministers of the two countries. The session witnessed the signing of eight joint cooperation agreements in various areas, including economy, health, sports, social affairs and diplomatic skills development. This would help strengthen bilateral cooperation and open new horizons for mutual partnership.

Areas of economic memoranda of understanding (MoUs) signed by the Egyptian-Tunisian Joint Higher Committee

- Cooperation in export development
- Initiation and development of micro, small and medium enterprises (MSMEs)
- Consumer protection and market control

The Egyptian-Tunisian Joint Higher Committee serves as an umbrella for cooperation between the two countries. It stands as one of the oldest Arab joint committees, from which a number of technical committees emerged in areas such as infrastructure, logistics, land and rail transport, youth, trade and industry. The Committee tackled a number of important topics, including mechanisms to increase bilateral trade volume, and ways to reinvigorate relations in various industrial fields. It considered proposals for cooperation in petroleum, electricity, civil aviation, agriculture, culture and tourism, and enhanced cooperation in rail transport. It also discussed establishing mutual partnerships by channelling shared investments in both Egypt and Tunisia, and introducing a joint mechanism to target the African market, given the strong presence of Tunisia in West Africa, and Egypt in East and Central Africa, which allows for the integration of mutual interests. In this context, it is worth noting that Egypt adopts a plan to establish six logistics hubs for Egyptian products in the African markets.





In general, there are several alliances and blocs that provide an institutional framework for bilateral cooperation between Egypt and Tunisia, including:

Greater Arab Free Trade Area (GAFTA)

African Continental Free Trade Area (AfCFTA) Agreement

Agadir Agreement

Common Market for Eastern and Southern Africa (COMESA)

Organization of Islamic Cooperation (OIC)

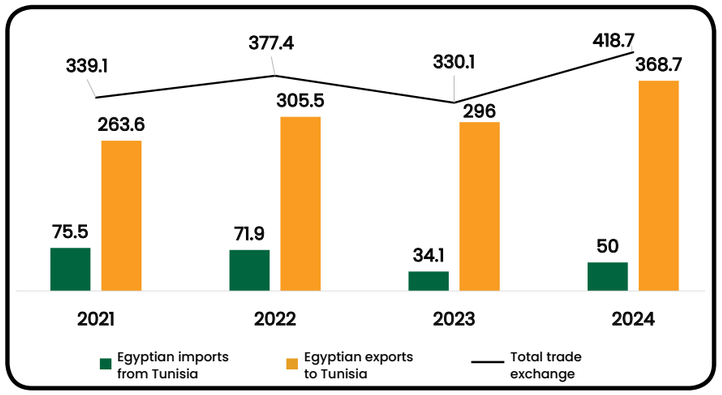
Trade exchange

The total volume of trade exchange between Egypt and Tunisia amounted to USD 418.7 mn. in 2024, compared to USD 330.1 mn. YoY, where Egypt achieved a trade surplus of USD 318.7 mn. in 2024. In this vein, chemical products topped the list of Egyptian exports to Tunisia, while electrical machinery and equipment spearheaded Egypt's imports from Tunisia in 2024.

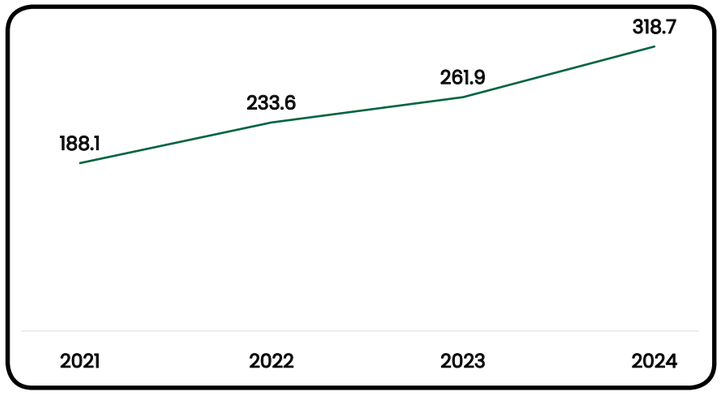
26.8%
Growth rate of bilateral trade between Egypt and Tunisia in 2024

21.7%
Growth rate of Egypt's trade surplus with Tunisia in 2024

Trade exchange between Egypt and Tunisia (USD mn.)

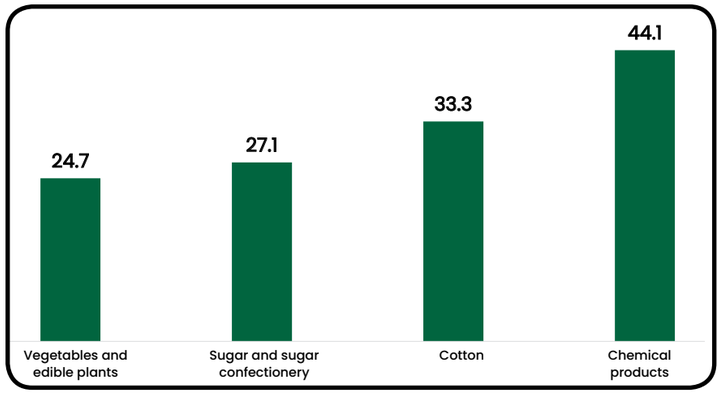


Egypt - Tunisia trade surplus (USD mn.)

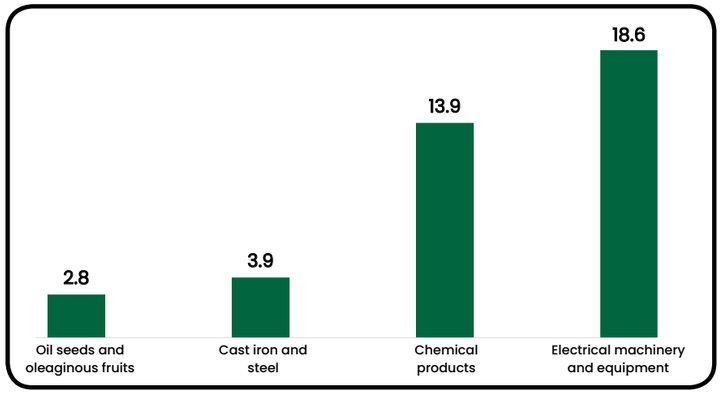


Source: Central Agency for Public Mobilization and Statistics (CAPMAS), Annual Bulletin of Foreign Trade, various issues.

Key Egyptian exports to Tunisia in 2024 (USD mn.)



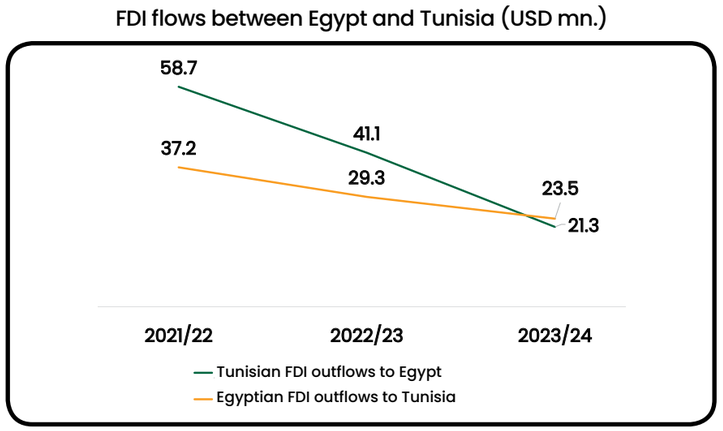
Main Egyptian imports from Tunisia in 2024 (USD mn.)



Source: Trade Map

Foreign direct investment (FDI) flows:

It is necessary to promote efforts aimed at boosting bilateral FDIs, which stood at USD 44.8 mn. in 2023/24, including USD 21.3 mn. inflows to Egypt and USD 23.5 mn. outflows to Tunisia.



Source: Central Bank of Egypt (CBE), Monthly Statistical Bulletin, various issues.

Egyptian-Qatari investment partnership to develop Alam Al Roum in Matrouh

Egypt attaches great importance to attracting more foreign direct investment (FDI) inflows as a key pillar of promoting development. In this regard, an Egyptian-Qatari investment deal was signed in November 2025 to set up a world-class integrated urban development project to become a regional hub for various services, tourism, residential and commercial activities, transforming "Alam Al Roum" into a coastal tourist and investment destination.



USD 29.7 bn.
Project total investments

250,000 jobs
To be created by the project, whether directly or indirectly

4,901 feddans
Project area (equivalent to approximately 20.6 mn. square meters)

4,500 rooms
Total hotel capacity of the project

4-6 years
Execution period of the project's first phase, while the entire project is expected to be completed within 15 years

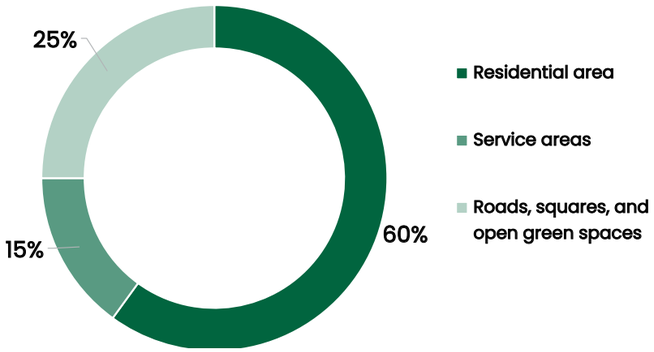
Project components

- Upscale residential complexes and neighbourhoods
- Tourism and recreational projects
- Open artificial lakes
- Golf courses
- International tourist marina
- Two local inland marinas
- Electricity distribution stations
- Water desalination and treatment plants
- Hospitals, schools, and universities
- A number of government offices

Financial agreement

The deal is two-tiered. It includes a "cash payment" of USD 3.5 bn., and an "in-kind investment" to build an area of about 397,000 square meters in the project's residential component (the sale of which, after delivery, is expected to generate USD 1.8 bn. in revenues). In addition, a share in profits will be allocated to the New Urban Communities Authority (NUCA), as the deal stipulates that NUCA is entitled, in addition to the cash payment, to the equivalent of 15% of the project's net profits, after recovering the full investment costs according to the terms of the agreement.

Breakdown of project lands



Impact of deal resources on debt

It is projected that the majority of amounts received in cash from the deal will be applied towards paying down debt and strengthening reserves.

Moody's vision

In its report dated November 10th, 2025, Moody's praised the investment agreement with Qatar, noting that FDI inflows would stabilize the exchange rate, boost investor confidence, and keep inflation at bay. This paves the way for cutting government borrowing costs and improving Egypt's debt sustainability.

The project as a component of the North Coast development plan

This investment comes within the framework of Egypt's plan to develop the northwestern coast, to be a top-tier international tourism destination. This is translated into reality through a wide range of projects implemented by the government, or with local or international private sector partners. This, in turn, will help achieve Egypt's tourism objectives, by not limiting the North Coast to being a temporary summer destination, but rather a year-round hub for living, residing and working.

Egypt aims to become a regional hub for the automotive industry and exports

Egypt witnesses a strategic shift towards creating a favorable environment for localizing the automotive industry and courting major international companies operating in this field. This will help build a robust and competitive manufacturing base for the automotive industry and its feeding industries, thus enhancing local manufacturing and benefiting from economies of scale, including cost reduction and increased competitiveness. This comes in light of an ambitious vision aimed to position Egypt as a regional hub for the automotive industry in general and the electric vehicles (EVs) industry in particular . In this vein, the Egyptian Cabinet issued a report in September 2025 entitled: "Developments in the Automotive Industry: Towards Smart and Sustainable Mobility", encompassing an analysis of Egypt's key endeavors and indicators of the auto manufacturing market in Egypt.

In recent years, Egypt's endeavors to localize the automotive industry have accelerated, including:



The National Strategy for Localizing the Automotive Industry in Egypt

The Strategy was launched in June 2022, with the following objectives:

- Meeting the growing domestic demand for automotives, and reducing the import bill.
- Boosting automotive exports to Africa.
- Courting new investments, and transforming Egypt into a major gateway for Africa's emerging automotive market.

In line with the Strategy, the "Supreme Committee for the Automotive Industry" was formed, comprising representatives from leading companies and local and international experts, to follow up the implementation of the national strategy and coordinate efforts between the public and private sectors.

The Supreme Council for Automotive Industry

The Council was established in October 2022. It primarily oversees the implementation of the national strategy, and approves the necessary legislative and administrative reforms. In addition, it coordinates the efforts between the public and private sectors, and exchanges expertise with the leading countries.

The Environment Friendly Automotive Industry Fund

The Fund was established in October 2022, and is affiliated to the Ministry of Finance. It aims to provide the necessary resources to support the environment friendly automotive industry; reduce hazardous emissions; and promote the shift towards electric and natural gas-powered vehicles.

The Automotive Industry Unit

As a unit affiliated to the Ministry of Industry, the Automotive Industry Unit was launched in February 2023. Its functions include promoting the automotive industry in Egypt and deciding the relevant incentives; developing the detailed qualification and accreditation guidelines for auto manufacturers; and overseeing the National Program for the Development of the Automotive Industry. It also sets the relevant executive controls, formulates guidelines, and conducts tests for the technical personnel and Program participants. Moreover, it determines the percentage of added value for vehicle models produced in participating factories, and the incentives for which auto manufacturers are eligible in terms of "production volume, investments and emissions". Furthermore, it conducts on-site inspection of participating factories to ensure fulfillment of the various prerequisites for benefiting from the incentives.

The National Program for the Development of Automotive Industry

The Program was launched in November 2023, with a view to localizing and promoting the automotive industry and its feeding industries in Egypt. It relies on the concept that the private sector is the key driver of development, while the state provides an enabling environment and connects the local industry to global production and trade chains. The Program offers a set of incentives for manufacturers and consumers.

In the same vein, in 2025, the Cabinet announced a new auto manufacturing incentives program within the framework of the National Strategy for Localizing the Automotive Industry.

Objectives

Raising local added value to 60%

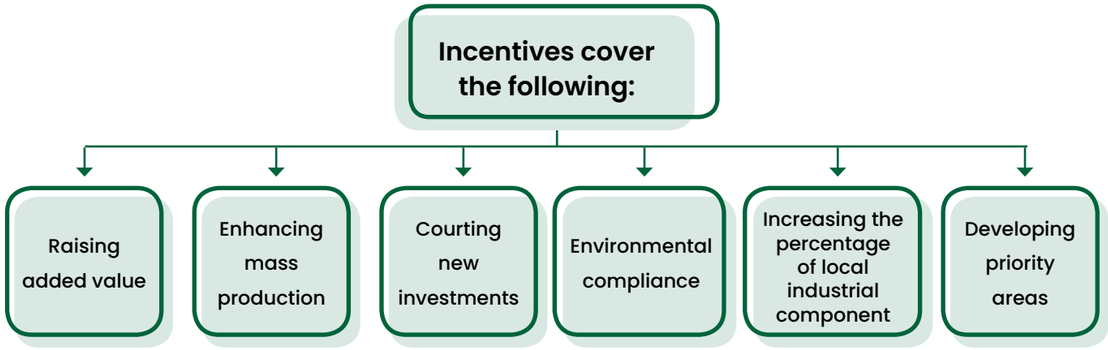
Increasing the targeted local industrial component in the automotive industry above 35%

Expanding annual mass production to 100,000 vehicles

Encouraging the shift towards electric and eco-friendly vehicles

Establishing and developing factories in priority areas

Courting investments in the automotive industry



Prerequisites for benefiting from the Program's incentives

General conditions

- Vehicle's price must not exceed EGP 1.25 mn.
- Engine capacity must not exceed 1600 cc.
- Total incentives are capped at 30% of the vehicle's factory-gate price (up to a maximum of EGP 150,000).

Fossil fuel vehicles

- Annual production of at least 10,000 vehicles under the program (with a minimum production of 5,000 vehicles per model).
- A minimum of 20% local component at the start of the program, reaching 35% by the end of the program.

Electric vehicles (EVs)

- Annual production of at least 1,000 vehicles, reaching 7,000 vehicles by the end of the program.
- A minimum of 10% local component at the start of the program, subject to annual review; eligible for half the incentives for "added value" and "production volume" and full incentives for "investment volume" and "environmental compliance".

Gas-powered vehicles

To be eligible for the environmental compliance incentive, a certificate accredited by a company affiliated to the Ministry of Petroleum and Mineral Resources is required.

Incentive for developing priority areas

- Land value is reimbursed to factories producing more than 100 fossil fuel vehicles or 10,000 electric vehicles.
- 50% of land value is reimbursed to factories currently operating in these areas.

Exporting companies

- Enabling exporting companies to receive incentives for exported vehicles, with a view to boosting the competitiveness of these vehicles in international markets. The Program assesses the incentive on overall production directed to the local market or for exportation.

Progression of production and local component

- The annual mass production and the targeted percentage of local industrial component must be achieved in phases over the Program's period (7 years). Incentives are partially reduced in case the mass production or the targeted percentage of local industrial component remains constant.

Additional incentive

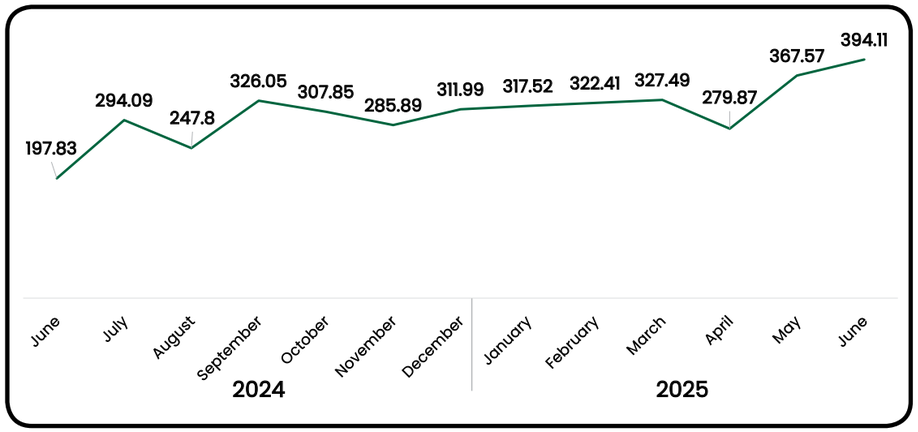
- An additional incentive of EGP 5,000 is granted to the factory for every 1% increase in the actual percentage of local component above 35% (beyond the maximum incentive limit).

Indicators of Egypt's auto manufacturing market

Production index

The monthly industrial production index "IPI" (an economic indicator that measures the evolution in production volume based on data from a state-run industrial survey of industrial establishments operating in auto manufacturing) of motor vehicles rose 99.2% YoY in June 2025, reflecting the robust and sustainable growth in the automative industry.

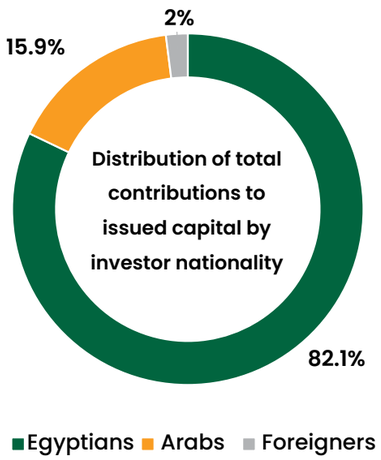
Monthly industrial production index of motor vehicles * (bps)



* The base year is 2012/2013.

Investments

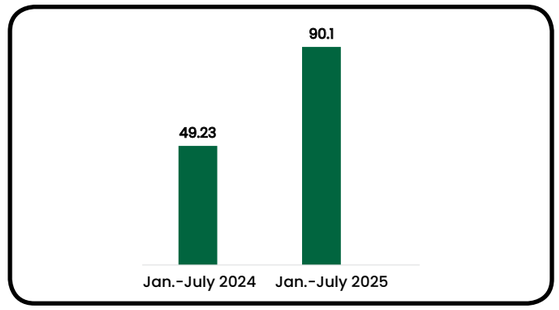
Egypt's automotive and transportation industry and the related feeding industries witnessed increasing investors' interest during 2019-2024, where the number of companies established in this field reached 192 with an issued capital of EGP 7.2 bn. In this context, it is worth noting that Egyptian investments constituted the majority of investments in this sector at 82.1% during the aforementioned period, which reflects the sector's essential reliance on domestic investments.



Sales

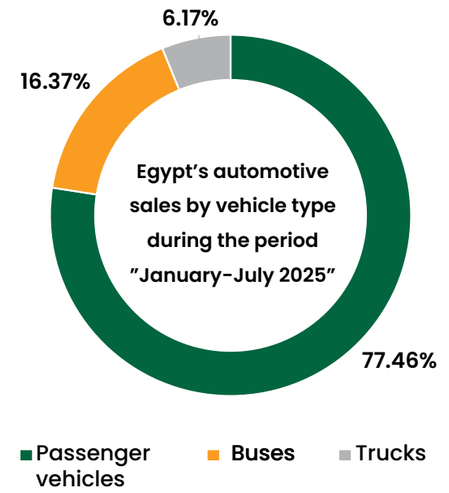
Egypt's automotive sales achieved a remarkable growth in 2025, reaching 90,100 vehicles during the period "January-July 2025", at 83% YoY. In this vein, the following is worth noting:

Automotive sales in Egypt (000' vehicles)



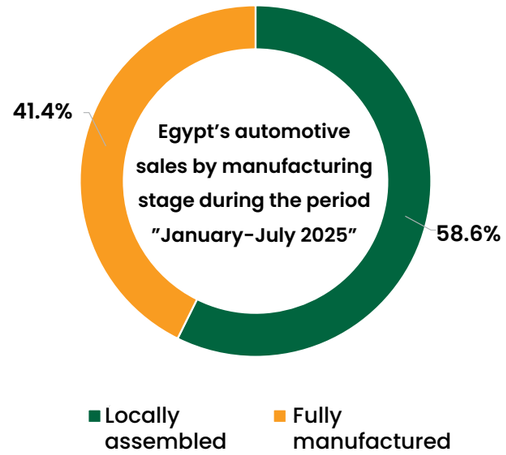
Sales by vehicle type

Passenger vehicles accounted for the largest share of automotive sales at 77.46%, followed by trucks at 16.37%, and buses at 6.17%. Passenger vehicle sales amounted to 69,800 vehicles during the period "January-July 2025", with a growth rate of 79% YoY. Meanwhile, truck sales grew 121.8% YoY reaching 14,750 trucks, and bus sales climbed 9% reaching 5,560 buses .



Sales by manufacturing stage

Locally assembled vehicles accounted for 58.6% (i.e. 52,800 vehicles) of total automotive sales during the period "January-July 2025", while fully manufactured vehicles amounted to 41.4% (i.e. 28,520 vehicles). This reflects Egypt's orientation towards promoting local manufacturing and reducing import costs, which would help lower vehicle prices in the Egyptian market.

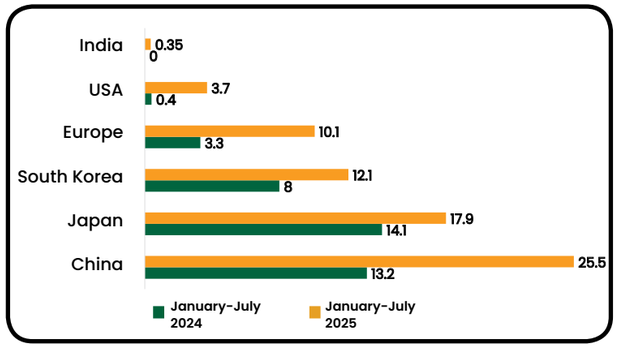


Sales by country of origin

Chinese brands topped passenger vehicles sales during the period "January-July 2025", at a total of 25,500 vehicles, with a 93.8% growth rate YoY. Vehicles of Japanese origin came second, at a total of 17,900 vehicles, with a 52.5% growth rate, followed by South Korean vehicles with sales amounting to 12,000 vehicles.

It is worth mentioning that vehicles of Indian origin started to tap into the Egyptian market, with about 349 vehicles during the period "January-July 2025".

Egypt's total passenger vehicles sales by country of origin (000' vehicles)



The automotive market is expected to show a remarkable improvement. Fitch Ratings forecasts that Egypt's automotive sales would reach 260,000 vehicles by 2034. The forecast is backed by a stable exchange rate, enhanced dollar liquidity, and eased import restrictions, in addition to the ongoing endeavors to develop the sector, especially the electric vehicles industry in Egypt. This is in addition to the improved domestic demand, continued low inflation and reduced interest rates.

Foreign trade

Egypt's imports of automotives and their parts accounted for USD 6.5 bn. in 2024, with a 41.3% growth rate YoY. Meanwhile, Egypt's exports of automotives and their parts reached USD 1 bn. in 2024, with a 25% growth rate YoY.

USD 6.5 bn.

Egypt's imports of automotives and their parts by end-2024

USD 1.005 bn.

Egypt's exports of automotives and their parts by end-2024

Source: Central Agency for Public Mobilization and Statistics (CAPMAS).

Examples of recent investments for localizing the automotive industry and its components in Egypt

Under an Egyptian-Swedish cooperation, an electric bus production line was inaugurated in Sharqia in September 2025, targeting the exportation of the line's entire production to European markets.

Total cost

EGP 3 bn.

Production capacity

1,200 buses annually

Job opportunities

2,000 jobs



With Chinese investments, the cornerstone was laid for the construction of a huge car tire factory in Ain Sokhna in September 2025, with a view to meeting the growing demand in the local and regional markets.

Location

Ain Sokhna Integrated Industrial Zone

Area

350 km²

Total investments

USD 1 bn.

Production capacity

Three million car tires and 600k truck tires in phase I which is expected to be operated in 2026, reaching a capacity of 10 mn. tires annually upon the completion of the project's phases.

Job opportunities

1,500 jobs offered in phase I

Project completion period

3 years

Under cooperation among Egypt, Taiwan, Singapore and the UAE, an agreement was signed to establish a company for manufacturing the first electric minibus in Egypt by 2026.

Two companies: a Taiwanese-Singaporean company and an Emirati company.

Parties signing the deal with Egypt

300 units

Targeted production capacity by 2026 "to be doubled by 2027"

24 passengers

Targeted minibus capacity

50%

Initial percentage of local component

Mid-2026

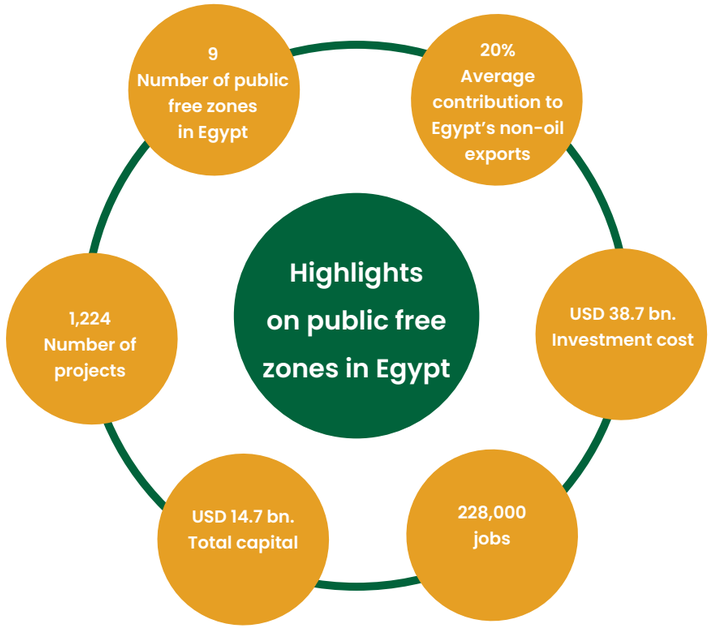
Time scheduled for the start of actual production

Free zones: A mechanism for attracting investments to Egypt

Free zones are a key pillar of the state's strategy to attract local and foreign investments. They also represent an effective mechanism to increase exports, maximize gross domestic product (GDP), and create more jobs, especially given their numerous advantages and their tax, customs and import privileges.



Free zones are either public or private. **Public free zones** are well equipped with the utilities and infrastructure necessary for the operation and execution of projects. Investment areas in these zones are allocated under the system of annual usufruct right per square meter according to the type of the project activity. **Private free zones** are where a single entity represents one independent project (or more than one project engaged in the same activities) when their nature so requires. These zones must be located outside the vicinity of public free zones, as per the economic aspects of the project and the nature of its activity, which mandate its presence at specific locations to benefit from the advantages they offer. Such advantages include proximity to raw material sources, production requirements, export markets, or the required labor, integration with nearby projects, or proximity to a particular port or a land route.



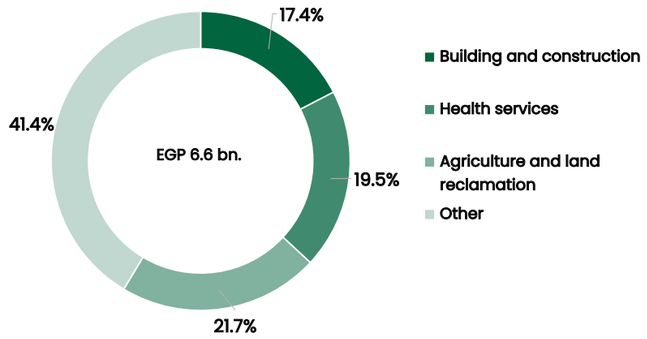
EGP 10 bn. government investments in the FY 2025/26 plan for the implementation of development projects in Sinai

Egypt places a high premium on strengthening the pillars of comprehensive development in Sinai. In FY 2025/26 plan, Egypt allocated nearly EGP 10.2 bn. government investments to implement different development projects in Sinai, with EGP 6.6 bn. for North Sinai and EGP 3.6 bn. for South Sinai.



The agriculture and land reclamation sector is cited as a top government investment priority in North Sinai, followed by the health services sector and the building and construction sector during FY 2025/26.

Breakdown of government investments in North Sinai in Egypt's FY 2025/26 plan



Agriculture and land reclamation

The plan includes completing many projects, including developing a covered drainage network on an area of 6,300 feddans; lining canals; rehabilitating irrigation facilities; developing a flood risk management system; and digging deep and shallow wells to meet water needs in North Sinai.

Potable water

The plan targets replacing and upgrading the potable water stations in the following administrative districts: El Hasana, El Arish, Nakhl, Sheikh Zuweid, Bir Al-Abd and Rafah, as well as extending transmission lines from the 100,000 m3/day desalination plant to serve the following cities: El Arish, Sheikh Zuweid and New Rafah (2 water pumps and transmission lines); and installing water lines, networks and pumps in Bir Al-Abd villages.

Wastewater treatment

The plan targets replacing and upgrading the main lift station in El Arish City; replacing and upgrading Geradah wastewater treatment plant at East El Arish and Zari wastewater treatment plant at West El Arish; and establishing an integrated sewage system with around 14 lift stations, 3 wastewater treatment plants with a total capacity of 24k m3/day, gravity sewer networks and force mains, in Bir Al-Abd, Sheikh Zuweid, El Hasana and Nakhl.

Education

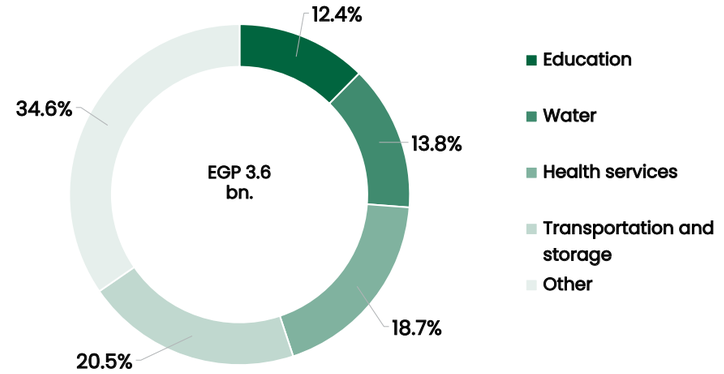
The plan targets various projects, including establishing the building of the Faculty of Computer and Information Sciences; setting up and equipping an educational and administrative building at the Faculty of Information Technology, East Port Said Technological University; rehabilitating and renovating elementary schools; upgrading public and technical schools and equipping classrooms of special education in elementary and secondary schools.

Health services

The plan includes completing the development of El Arish General Hospital; providing supplementary services for therapeutic hospitals, including gas network facilities, electric generators, elevators, consultancy, civil protection and electrical works; establishing New Rafah Hospital and Nakhl Hospital and upgrading Sheikh Zuweid, Baghdad and Romana Hospitals.

As for South Sinai, the transportation and storage sector is a top recipient of government investments, followed by the health services and water sectors.

Breakdown of government investments in South Sinai in Egypt's FY 2025/26 Plan



Agriculture and irrigation

The plan involves building two desalination plants in Dahab and Nuweiba with a capacity of 15,000 m^3/day each, and finalizing flood risk works.

Education

The plan includes establishing King Salman International University (KSIU), building and equipping the elementary and STEM classrooms, and developing and raising the efficiency of educational administrations.

Health services

The plan targets completing the establishment of Abu Rudeis Central Hospital, Dahab Central Hospital, Saint Catherine Hospital and Taba Hospital.

Potable water

The plan encompasses replacing and upgrading the potable water stations and networks in Abu Zenima, El Tor, Dahab, Ras Sedr, Sharm El Sheikh, Taba and Saint Catherine, and establishing desalination plants and transmission lines in Sharm El Sheikh and Taba.

Wastewater treatment

The plan targets the implementation of different projects, including renewing and upgrading wastewater stations and networks in Taba, El Tor, Sharm El Sheikh, Dahab, Saint Catherine, Nuweiba, Abu Rudeis, Abu Zenima and Ras Sedr; rehabilitating Dahab desalination plant; developing wastewater treatment projects in Dahab and Taba; and executing the expansion works for El Tor wastewater treatment plant.

NBE: Robust performance indicators and more awards

Increasing NBE's authorized, issued and paid-up capital

EGP 300 bn.
Authorized capital

EGP 265 bn.
Issued and paid-up capital



NBE is the Grand Egyptian Museum's strategic partner

The National Bank of Egypt "NBE" takes pride in its strategic partnership with the Grand Egyptian Museum (GEM), a monumental national project that stands as a symbol of Egyptian heritage globally. This partnership demonstrates the Bank's long-standing commitment to preserving Egypt's cultural heritage. NBE has been a mainstay of economic and social development for over 127 years, based on its belief that its mission extends beyond supporting the national economy to the promotion of Egyptian culture, arts and heritage.



NBE came at the top of Bloomberg's Egyptian and African syndicated loans league table in Q3 2025

NBE clinched the top spot in Bloomberg's Egyptian and African syndicated loans league table as a facility agent, lead arranger, book runner and documentation bank in Q3 2025. NBE also came first as a documentation bank, fourth as a facility agent and lead arranger, and fifth as a book runner in the Middle East and North Africa (MENA). Up to Q3 2025, NBE managed 25 finance deals, acting as the facility agent in 20 of them, with a total value of EGP 402 bn., i.e. the largest number of deals in Africa.

Bloomberg

"Safest Bank in Egypt 2025" award

NBE maintained its position as the safest bank in Egypt, according to Global Finance's Safest Bank in Africa annual rankings for 2025, solidifying its position as a leading financial institution in Africa.

GLOBAL FINANCE

NBE ranked sixth globally in the 2025 Top 50 Banking Brands list

NBE was ranked sixth globally and first in Egypt in the 2025 Kantar/ The Banker Top 50 Banking Brands list. Kantar BrandZ's metric identifies the banks with the greatest momentum – those most likely to grow value share in the next 12 months, based on customer perceptions. The 2025 Kantar BrandZ ranking uses customer research from January 2024 to May 2025 across 26 markets. It uses a brand strength assessment based on three core criteria: the brand's ability to meet customer needs (Meaningful), its uniqueness in the market (Different), and its prominence in consumers' minds (Salient) when making a decision.

KANTAR

The Banker

Standard and Poor's (S&P) upgraded NBE's credit rating, with a stable outlook

S&P Global Ratings raised its long-term credit rating on the National Bank of Egypt to "B" from "B-". At the same time, S&P affirmed the "B" short-term credit rating on the Bank, with a stable outlook, after it raised its sovereign credit rating on Egypt to "B" from "B-", reflecting Egypt's commitment to the economic reform program. Following the March 2024 currency liberalization, the FX market has been driven by supply and demand forces, supporting competitiveness and driving a rebound in economic growth. In addition, there were large FDI inflows which have led to an increase in FX reserves and an improvement in external metrics.

Long- and short-term credit ratings	B
Outlook	Stable

NBE's performance indicators for the financial period ending in June 2025



Egypt's experience recognized as an international best practice in promoting financial inclusion in compliance with the AML/ CFT standards

The Financial Action Task Force (FATF) included Egypt's experience in its "Guidance on Financial Inclusion and Anti-Money Laundering and Terrorist Financing Measures", which was developed in consultation with an array of international stakeholders. Moreover, the Guidance recognized Egypt's experience as an international best practice in striking balance between promoting financial inclusion and adhering to anti-money laundering and counter-terrorist financing (AML/CFT) standards. This is the result of the broader state efforts, and more specifically, the work of the Central Bank of Egypt (CBE).

In this framework, the Guidance commended Egypt's efforts, led by the CBE, in collaboration with the Egyptian AML/ CFT Unit, which played a pivotal role in designing and implementing measures for balancing compliance with international standards and advancing financial inclusion, through its comprehensive regulatory and supervisory mandates. This has also contributed to building an integrated robust regulatory framework that ensures equitable and secure access to financial services while also economically empowering all segments of society. These achievements hinge upon regulations, regulatory measures and initiatives that promote financial inclusion while maintaining financial stability and protecting customer rights through the following:

- Implementing simplified KYC procedures for individuals and micro-enterprises
- Facilitating onboarding procedures for youth (from 15 years old), craftsmen and freelancers, using their national ID only
- Allowing banking agents to verify customer identities to extend financial services reach
- Tailoring financial products for different segments of society, such as women, youth and persons with determination

The FATF's Guidance recognized the CBE's efforts in advancing digital financial inclusion by:

- Enhancing financial infrastructure and supporting the use of e-wallets and prepaid cards
- Issuing licensing and registering regulatory frameworks for digital banks, enabling institutions to deliver banking services via digital platforms and channels and extending access to financial services in remote areas

Furthermore, the CBE has elevated the role of the Egyptian Credit Bureau (I-Score), and strengthened the role of the Credit Risk Guarantee Company (CGC) to streamline access of Small and Medium-sized Enterprises (SMEs) to finance.

Rising use of FinTech applications in banking operations

The successive technological developments have contributed to an extensive array of financial products and services that rely heavily on cutting-edge technology to meet the growing customer needs, optimize resources and attract more segments of society to be financially included and to make the most of the banking sector.



In this frame work, diverse technologies and financial services are projected to be widely applied by financial institution (FI) customers, including:



Artificial Intelligence: Artificial Intelligence (AI) has become a fundamental pillar for the financial services sector, enabling it to execute various procedures, make decisions and streamline intricate tasks. Moreover, regulators are increasingly focusing on the appropriate frameworks that are harmonious with the growing reliance on AI, such as the European Union Artificial Intelligence Act (EU AI Act). They also attended closely to AI security and safety threats to financial services.

Blockchain: Blockchain technology has many potential applications and benefits for the financial services, including:

- Providing secure high-capacity data storage and record-keeping, making transactions transparent and data highly resistant to tampering and almost unhackable.
- Enhancing accuracy by eliminating human interference in validating transactions, to speed up and process deals based on electronic authentication; and reducing the costs of asset sale, purchase and trading, doing away with third parties and intermediaries.
- Verifying customer identities faster, and more securely and effectively.
- The use of blockchain by banks and trade finance institutions contributes to automatically storing, securing and exchanging details of contracts and financial terms and coordinating trade logistics and payments, while providing a real-time and integrated network of transactions which will help support trade finance transactions.

Super Apps: Customers are looking for "Super Apps" that consolidate different financial services into a single platform, including: sending and receiving money; recharging phone and internet balance; paying utility bills; managing and controlling expenses; carrying out e-commerce transactions such as online shopping and purchase of products, and obtaining many other services.

Software Point-of-Sale (SoftPOS) is a digital system used by institutions to manage transactions, process payments and generate sales reports. In this context, SoftPOS runs on various devices, including smartphones and tablets.



SoftPOS is gaining momentum over the traditional POS-based electronic fund transfer (EFT) services in which funds are electronically transferred from a customer's bank account to a merchant's bank account, typically at the time of sale. This is attributable to the rising interest of small and medium-sized enterprises (SMEs) in payment digitalization, especially through cost-effective tools such as mobile apps.

Alternative payment methods: Digital solutions, such as open banking, foster cooperation between service providers (SPs) and banks. This includes mobile wallet apps that facilitate access to the customer's bank account data to help customers use services easily through the app.

Central Bank Digital Currencies (CBDCs) are currencies issued and regulated by the central banks of different countries. Unlike cryptocurrencies, CBDCs are government-backed currencies standing for digital versions of a country's paper currency. In this context, CBDCs are a direct liability of the central bank that function as a medium of exchange and a store of value. The purposes of CBDCs vary significantly depending on their usage, ranging from restricted-use wholesale CBDCs for interbank transactions to widespread retail CBDCs available to the public for general purpose use. CBDCs offer several advantages, including lower transaction cost, enhanced financial inclusion, and improved tools to combat financial crime such as money laundering and terrorist financing.



Digital IDs: Digital IDs are evolving from physical cards that carry personal and biometric data, to digital formats stored on mobile apps or websites under the state supervision. In this respect, digital ID applications offer benefits like smoother access to a package of public services, such as requesting official documents like a passport or renewing a driving license. Digital IDs offer several advantages to the financial sector, including:



Streamlining customer onboarding and KYC procedures. In this regard, many countries, which have issued digital IDs to individuals, linked these IDs to a centralized e-KYC (electronic Know Your Customer) database. This centralized database facilitated the use of digital IDs to open bank accounts for customers. It also enables accurate rapid sharing of customer data with financial institutions (FIs), beyond the standard practice of checking the customer's paper documents.

Providing more secure financial services and state social payments and benefits, by ensuring that funds reach the right people, thereby reducing manipulation and fraud.

Buy Now, Pay Later (BNPL): The Buy Now, Pay Later "BNPL" is a popular payment model that allows customers to complete purchases instantly and easily via their bank cards by splitting and deferring the cost of their purchases into often interest-free installments. This model encourages many customers to use their financial accounts and stimulates e-commerce growth.

Buy More, Pay Less with Loyalty Points: This way allows customers to earn loyalty points instantly on purchases made through their bank accounts. It is also beneficial for merchants by effectively increasing the average value of shopping carts across customers who use e-payment options.

Cashback Incentives - Spend Money, Earn Money: Cashback incentives are a popular trend in the payments industry, where customers receive a portion of their purchase back as cash after spending via a bank account. As they can be transferred electronically, cashback incentives allow for virtual cash recovery. Banks may offer cashback incentives via cards, websites, and applications to customers as an opportunity to earn or save money on purchases. Moreover, cashback incentives can attract customers and build their loyalty in a highly competitive landscape.

Agentic AI and its role in enhancing work efficiency in financial institutions

The financial sector is undergoing a radical transformation with the emergence of the agentic AI era. Agentic AI not only responds to prompts, but also intelligently and autonomously interacts to achieve specific goals thanks to its ability to analyze massive datasets, understand customers' needs, and make context-aware autonomous decisions in a world where customers have ever-growing expectations of fast, accurate, and intelligent services.

About agentic AI

It refers to artificial intelligence (AI) systems that can act autonomously towards goals without the need for continuous human guidance. The systems understand users' goals and the context of the problem they are trying to solve, indicating that these systems are self-contained systems that use sophisticated reasoning and creative capabilities of AI models to solve complex, multi-step problems.

Key features of agentic AI

Autonomous decision-making

Agentic AI can operate without constant human oversight, allowing for faster and more efficient decision-making processes.

Goal-oriented approach

Rather than just responding to a direct prompt, agentic AI pursues specific goals. Unlike traditional AI systems that focus on executing certain tasks, agentic AI is programmed to pursue specific goals. This means it can prioritize different tasks, and make decisions based on achieving those goals.

Adaptability and proactive learning

Agentic AI is characterized by its ability to learn and improve on its own. This enables it to adapt to changing environments, and improve its performance and decision-making capabilities over time.

Self-awareness

Agentic AI is designed to have a level of self-awareness, meaning it can recognize its limitations and errors. This enables it to continuously improve, and avoid repeating errors.

Source: https://www.splunk.com/en_us/blog/learn/agentic-ai.html

A number of agentic AI uses in finance

Providing financial planning and personalized financial advisory services

Agentic AI in banking can assess customers' financial goals by analyzing behavioral signals and transaction history to predict their needs, and offer tailored financial recommendations. For example, it can adjust a savings plan, or suggest a suitable loan product. This results in faster service, proactive engagement, and increased customer retention without requiring staff expansion.

Finance operations automation

Finance teams often spend significant time verifying that payments and invoices match correctly. Agentic AI, however, automates these financial tasks, reconciles payments against purchase orders, tracks missing information, and flags only unusual cases for human review. This contributes to lower error rates and reduced operating costs.

Credit scoring and loan processing automation

Agentic AI evaluates creditworthiness using a variety of data points, including financial behavior and market signals. It can automate approvals and financing decisions, thereby reducing turnaround time.

Marketing

Marketing and sales teams in financial institutions face two recurring challenges: qualifying leads accurately, and efficiently tailoring outreach at scale. Agentic AI addresses both by orchestrating and analyzing prospect data from customer relationship management (CRM) systems, external datasets, and prior interactions. Agentic AI can also build prospect profiles, highlight cross-sell opportunities, and continuously optimize marketing campaigns.

Customer onboarding and identity verification

Onboarding new customers requires the registration of official documents, Know Your Customer (KYC) checks, and identity validations. Agentic AI parses these documents as well as personal identification documents (IDs), performs facial recognition and biometric authentication against liveness checks, screens against sanctions, and flags high-risk customers. Straightforward cases are processed instantly, while ambiguous ones are escalated to the relevant staff with side-by-side evidence and AI-generated recommendations.

Round-the-clock functionality

Agentic AI operates continuously, enabling round-the-clock functionality. It can process massive amounts of structured and unstructured data, identifying patterns and delivering analytical insights that aid in faster and more accurate decision-making.

Fraud detection and prevention

Agentic AI uses advanced pattern recognition to flag suspicious behaviors and intervene immediately. This means it can stop fraud and take corrective actions before it impacts the customer or bank.

Risk mitigation and regulatory compliance monitoring

The use of agentic AI enables tracking regulatory system updates, checks transactions in real time against anti-money laundering (AML) and KYC requirements, observes transaction anomalies in real time, detects unusual patterns to trigger necessary alerts, and generates automated reports for regulators to address suspicious transactions.

Response to cyber threats

Financial institutions face constant pressure from increasingly sophisticated cyberattacks. Agentic AI can strengthen defenses by monitoring network activity, access patterns, and transaction flows in real time. When anomalies are detected, agentic AI automatically triggers containment measures, such as session terminations, account locks, or step-up authentication, before escalating the most complex cases to the relevant personnel.

Sources: Agentic AI in banking: Top use cases and best practices - N-iX
https://www.n-ix.com/agentic-ai-finance/
https://www.salesforce.com/financial-services/artificial-intelligence/agentic-ai-in-banking/
https://www.skan.ai/blogs/agentic-ai-for-banking-7-high-impact-use-cases-for-financial-services

Key challenges of using agentic AI

Availability of AI expertise

Implementing and maintaining agentic AI requires specialized expertise such as AI engineers, and significant upfront investment.

Bias concerns

Without proper safeguards, agentic AI systems may inherit biases present in their system data.

Job displacement

Widespread automation raises concerns about reduced employment and negative implications on the workforce.

Ongoing security risks

Autonomous systems are vulnerable to cyberattacks, raising concerns about data security and integrity, thus highlighting the importance of continuously strengthening cybersecurity systems.

Source: https://www.splunk.com/en_us/blog/learn/agentic-ai.html

Differences between traditional AI and agentic AI

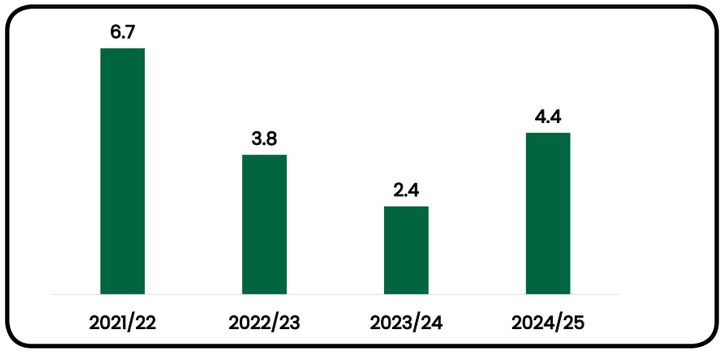
Traditional AI is mostly reactive, receiving an input in order to produce an output within fixed limits. Agentic AI systems demonstrate an exceptional efficiency in processing vast volumes of data, rapidly and accurately identifying trends, and generating recommendations and decisions that enhance the customers' experience and their engagement within financial institutions. Agentic AI is characterized by a degree of autonomy – accordingly the term "agentic" is derived from "agency"- as it observes, plans, acts, and learns to achieve goals, rather than merely responding to simple commands or performing fixed tasks like traditional AI.

	Traditional AI	Agentic AI
General concept	Typically used to solve analytical tasks faster and more efficiently than humans, such as classification, evaluation, prediction, and optimization using data	Has the ability to plan and self-execute actions against clearly defined objectives
Nature of work	Focuses on data-driven analysis and executing predefined tasks	Focuses on making and executing decisions with a degree of autonomy within a dynamic context
Ability to use tools	Limited or explicitly directed by a human	Capable of using multiple tools, such as search engines, systems, and models
Level of contextual intelligence	Limited in understanding context	Possesses contextual awareness and memory that enable continuous intelligent interaction
Communication and interaction	Relies on direct and specific commands	Possesses advanced language, communication, and coordination abilities
Learning and adaption	Limited ability to adapt, and depends on programmed updates	Capable of self-learning, correcting errors, and continuously adapting to changes
Problem solving	Executes solutions based on predefined algorithms	Logical thinking and flexible problem-solving
Creativity and innovation	Limited creativity	Supports creativity, innovation, and continuous development
Practical examples	Sales forecasting - customer segmentation	Coordinating complex operations, making strategic decisions, and managing multiple tasks independently

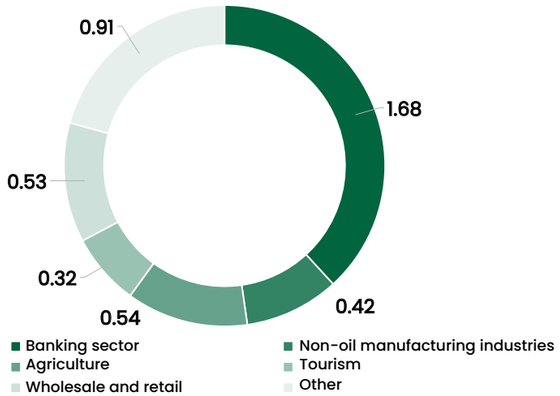
Source: How agentic AI in banking drives KYC/AML transformation | McKinsey

Egyptian Economy in Brief

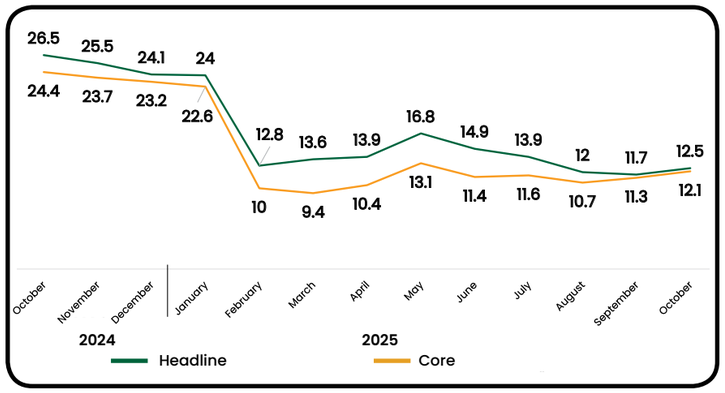
Real GDP growth rate (%)



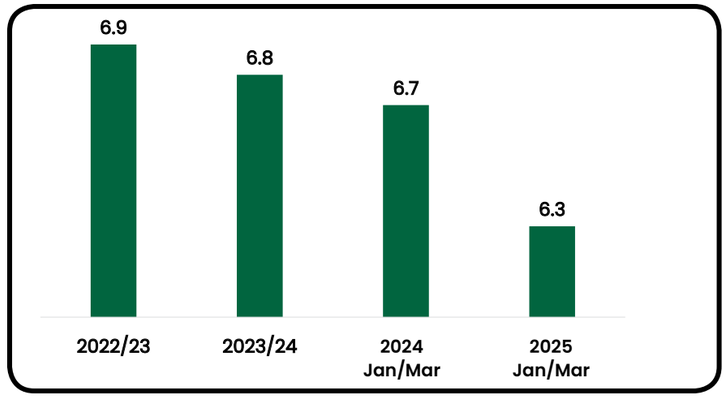
Contribution of economic activities to GDP in FY 2024/25



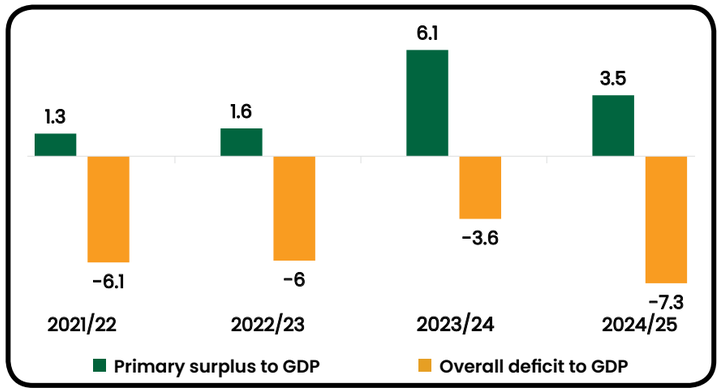
Inflation rate (%)



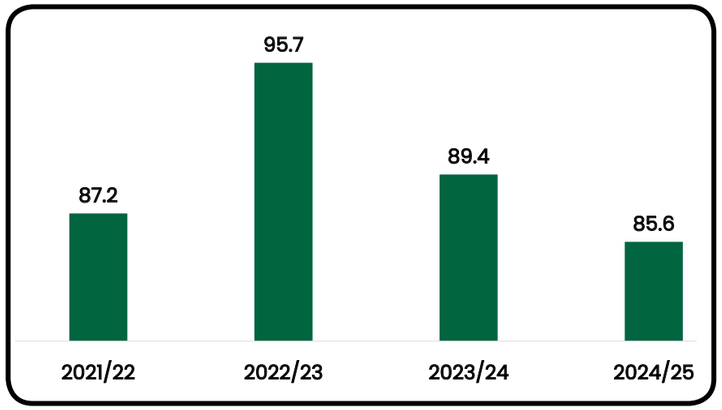
Unemployment rate (%)



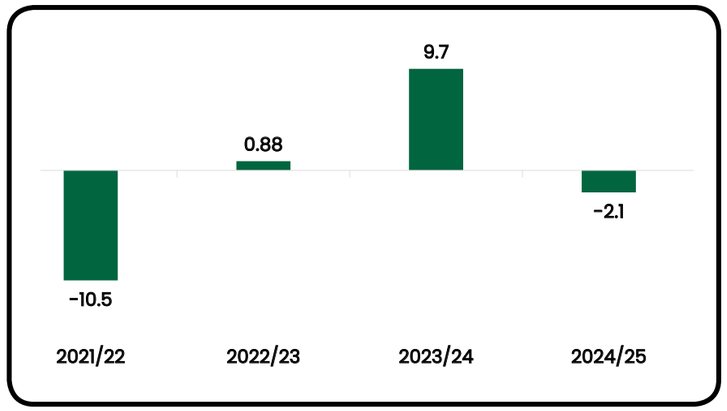
Budget's overall deficit and primary surplus (%)



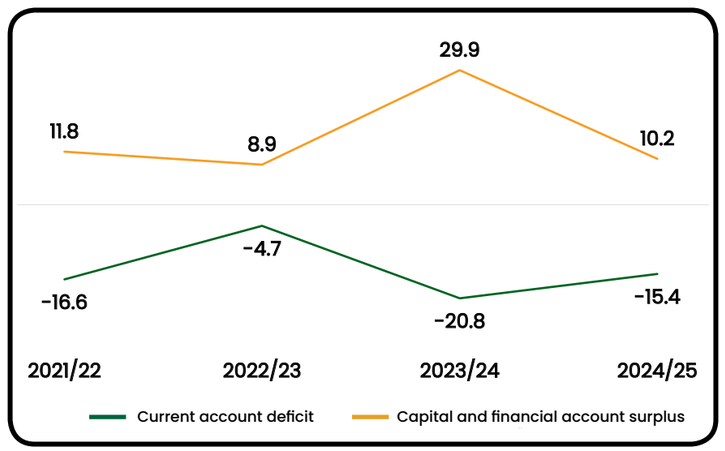
Budgetary authorities' debt to GDP (%)



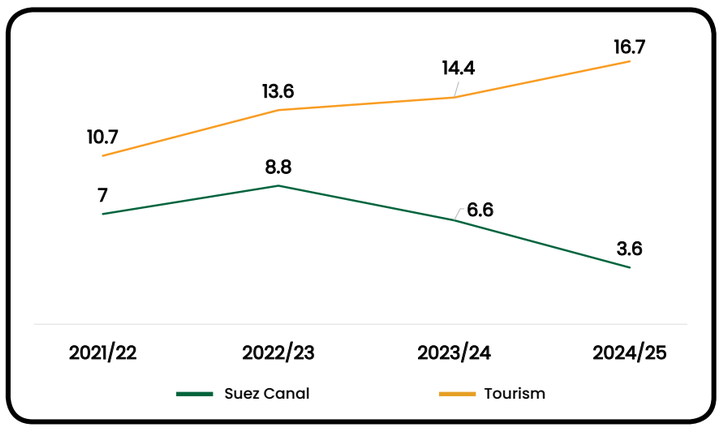
Overall balance outcome (USD bn.)



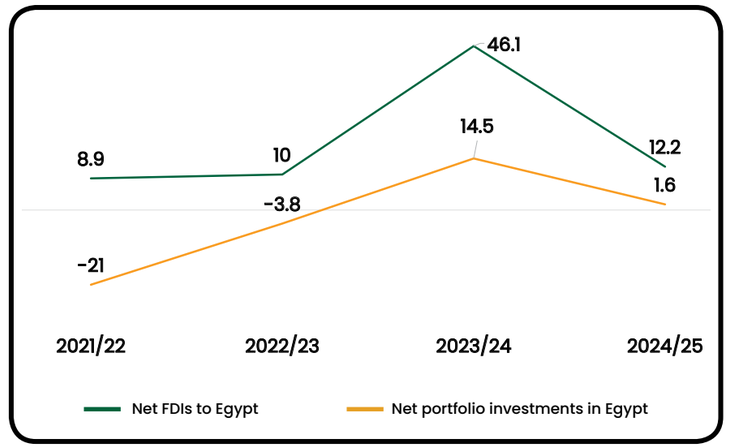
Outcome of current account and capital and financial account (USD bn.)



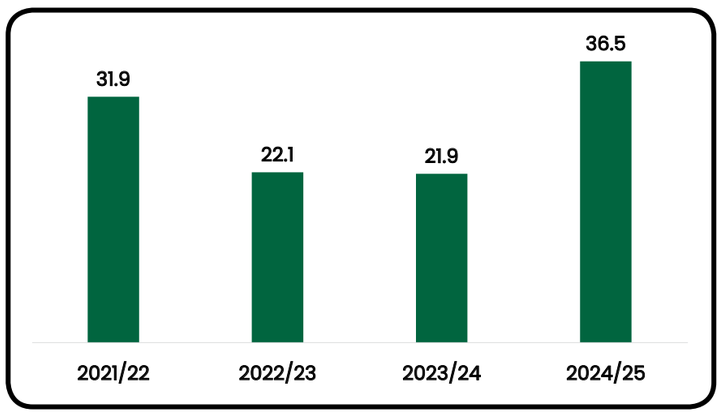
Tourism and Suez Canal revenues (USD bn.)



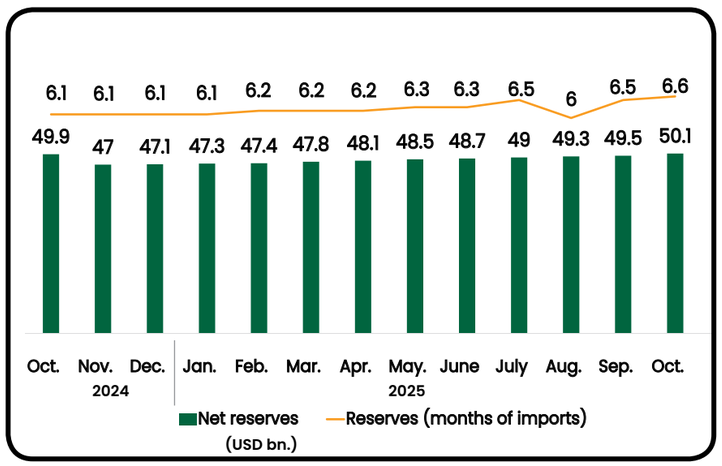
Net inflows of direct and indirect foreign investment to Egypt (USD bn.)



Remittances of Egyptian expatriates (USD bn.)



Net international reserves (USD bn.)



Best Regards

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